From: Stephen McHarg CASGRAIN
To: Mike Manning
Cc: Roger Casgrain; David Derlachter
Subject: (BN) Ontario Fair Hydro Bonds Offer Fat Yield And Political Baggage
Date: Tuesday, June 05, 2018 8:40:18 AM

Mike,
FYI, the following article is circulating on Bloomberg this morning.

Stephen

Ontario Fair Hydro Bonds Offer Fat Yield And Political Baggage
2018-06-05 12:27:21.720 GMT

By Maciej Onoszko
(Bloomberg) -- Sometimes even a juicy yield offered by a government-backed issuer at a time of near-record low interest rates isn't enough to entice some bond fund managers.
That's the case of Fair Hydro Trust, a complicated piece of bond-market engineering designed to finance cuts to Ontario's soaring hydro bills by adding as much as C$20 billion ($15 billion) in long-term debt. The program, unprecedented in Canada, has been lambasted by the province's accounting watchdog and spurned by asset managers like Jeff Herold of J. Zechner Associates, who's passed on buying the securities.
"The reduction in electricity charges is just a craven attempt to disguise the government's bumbling mismanagement of the energy sector," said Herold, who oversees C$2 billion as chief executive officer of the Toronto-based fund manager. "Fair Hydro Trust is bad policy and buying it would encourage governments to do similar deals in the future."
The Fair Hydro Plan has become an unlikely flashpoint in a June 7 election in Canada's most populous province with critics labeling it a blatant attempt by Premier Kathleen Wynne's government to curry votes that will leave electricity users footing the bill. The government argues it's a fair way of sharing the cost of funding green power with future generations who will benefit from cleaner air.

Adjustment Charge

Cutting hydro bills was the easy part. Coming up with a framework that would cover the revenue shortfall for power-distribution companies without breaking the Liberal government's promise to climb out of deficit was a bit more complex. Enter Fair Hydro.
Under the plan, a new Clean Energy Adjustment charge will be added to electricity bills in May 2021. Fair Hydro Trust, an entity managed by provincially owned Ontario Power Generation, will buy rights to these charges from Ontario's Independent Electricity System Operator, financed by debt that uses the charges as collateral.
The trust has made two forays into the bond market so far, raising C$900 million in February and April offerings lead by CIBC World Markets, Goldman Sachs and RBC Capital Markets. In its inaugural transaction it sold C$500 million of 15-year bonds at 92 basis points above federal bonds, or around 21 basis points over Ontario's bonds. The deal attracted 36 buyers, according to people familiar with the matter, fewer than a typical investment-grade corporate bond that gets distributed among institutional investors in the same way.

Balanced Budget

Both of Fair Hydro's bonds are doing well in the secondary market, trading above par and outperforming Ontario bonds. Ontario's bonds have dropped 0.1 percent since the first Fair Hydro bond was sold in February, while the trust's bonds generated a 2.1 percent return, according to data compiled by Bloomberg. The program is expected to peak at almost C$20 billion outstanding by 2029 and mature in 2047.
The plan allowed Finance Minister Charles Sousa to announce that the government had balanced its books as promised in fiscal 2017-18 while still cutting hydro bills by 25 percent. That was a significant reprieve for Ontario rate-payers who had seen residential bills rise about 70 percent between 2008 and 2016 compared with an average 34 percent across Canada, according to a Fraser Institute report.

Auditor's Censure

But the plan has drawn a rebuke from the Auditor General of Ontario who said in a report the government was "making up its own accounting rules" by creating "a needlessly complex" structure that would cost Ontarians as much as C$4 billion more in interest expense. The government, the auditor said, didn't keep the office sufficiently informed about the plan as it was "acutely aware" the auditor would take issue with it.
"There was a willingness to incur an additional cost in

order to get the accounting solution that they wanted," Auditor General Bonnie Lysyk said in an interview in Bloomberg's office in Toronto. "They intentionally kept us out of the discussion."
Other bond market investors are also skeptical.
"It's typical government mismanagement and focusing on popularity today and not the long-term fundamental health of the province," said Mark Carpani, who helps manage C$1.2 billion as head of fixed income at Toronto-based Ridgewood Capital Asset Management and is also staying clear of the debt.

Fairer Way

"The creativity entails a lot of fixed costs," added Randall Malcolm, managing director for total return fixed-income at Sun Life Investment Management in Toronto, which has C$37 billion in money market and fixed income assets and doesn't hold Fair Hydro Trust bonds.
For its part, the government said the plan meets Canadian public sector accounting standards and has been approved by top accounting firms including EY and Deloitte, the Office of the Provincial Controller, and numerous third-party advisers. "It is a fairer way to pay for our electricity investments, and it keeps the cost of borrowing within the rate-base, not the tax-base, because that's the logical thing to do, and that is how it has been done for decades," Drew Davidson, a spokesman for the Ontario Liberal Party, said in an email.
Both the premier's office and the Ministry of Energy declined to comment saying they're in caretaker mode during the election period.

Liberals Lag

If the government had hoped to garner votes with its electricity-price cut, the plan has badly misfired. A poll tracker from the Canadian Broadcasting Corporation has about an 85 percent probability of the Progressive Conservatives, led by Doug Ford -- brother of late Toronto Mayor Rob Ford -- will win the election. The party is running neck-and-neck in the popular vote with Andrea Horwath's New Democratic Party. Wynne's Liberals are staring at an historic defeat.
While the structure is new to Canada, it's relatively well-known in the U.S. where utilities have been issuing securities backed by cost-recovery charges since the 1990s. In 2013, New York State set up an agency that issued bonds backed by customer charges to help retire debt of the Long Island Power Authority after Hurricane Sandy left 90 percent of the utility's customers, or 200,000 homes, without power.
Those bonds got AAA ratings, while Fair Hydro Trust received a rating of AAA at DBRS and lesser Aa2 rating at Moody's Investors Service. Both DBRS and Moody's listed a change in the program -- perhaps by a new government -- as the top challenge to the trust's ratings. While Ontario has agreed to guarantee the trust's debt-service payments upon legal changes, the pledge is not as robust as in U.S. programs, the rating company said.
Both Ford and Horwath have both said they want to cut hydro rates further and whoever wins will have to deal with a bond-market legacy designed to offer short-term relief for long-term cost.
"They basically kicked the can down the road," according to Andrew Scilipoti, chief executive officer of Veritas Investment Research which said in its report that Ontario used a flawed and misleading approach to Fair Hydro Plan's accounting. "The reality is our children have to cover this debt."

--With assistance from Dave Merrill.

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From: Talwar, Shruti (ENERGY)
To: Mike Manning
Subject: Automatic reply: Draft Fair Hydro Investor Presentation.
Date: Wednesday, January 03, 2018 10:15:40 AM

Thank you for your email. I am away from the office from December 27 to January 12, 2018, returning on January 15.

During my absence, please contact my colleagues as per the schedule below.

Dec 27 - 29: Hartley Springman (hartley.springman@ontario.ca)

Jan 1 - 5: Manu Sud (Manu.Sud@ontario.ca)

Jan 8 - 12: Tom Du (Tom.Du@ontario.ca)

Shruti Talwar

Director, Strategic Policy and Analytics Branch

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From: Hanslep, Malle (MOF)
To: Mike Manning
Subject: Automatic reply: Fair Hydro Trust - Disclosure Documents
Date: Wednesday, January 17, 2018 11:19:51 AM

I will be out of the office until Monday January 22nd. If you need immediate assistance please contact Mark Osbaldeston, Deputy Director, Patrick Rundans or Nicole Symeonides or my assistant Feriel Ali at 325-1453 or call our general number at 325-1455. Thank you.

From: Carlos Yep
To: Mike Manning; Ken Kandeepan
Subject: Bloomberg: article on fair hydro trust bonds
Date: Tuesday, June 05, 2018 8:26:29 AM

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https://www.bloomberg.com/news/articles/2018-06-05/even-investors-are-holding-their-nose-over-ontario-s-hydro-bonds

From:	LEE John -TREASURY
To:	Steen Hume (CAB)
Cc:	HARTWICK Ken -FINANCE; ROWE Jennifer -CORPAFFAIRS; LAURETA LAPIRA May -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; GO Matthew -TREASURY; Mike Manning; Tim Christie (ENERGY); WONG Leslie -LAWDIV; Kim Marshall
Subject:	CAD NEW ISSUE ANNOUNCEMENT - Fair Hydro Trust 2018-1
Date:	Monday, January 22, 2018 1:07:16 PM
Attachments:	Fair Hydro Trust Investor Presentation.pdf Fair Hydro Trust - Confidential Shelf Offering Memorandum.pdf Fair Hydro Trust - 2018-1 Senior Notes Term Sheet.pdf

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Steen:

The following email will be sent out to the syndicate at 1:30 pm for distribution to Investors. At that point we will be officially launched.

John

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Subject: CAD NEW ISSUE ANNOUNCEMENT - Fair Hydro Trust 2018-1

CIBC World Markets, Goldman Sachs, and RBC Capital Markets are pleased to announce a roadshow for the inaugural Fair Hydro Trust debt offering, Canada's first issuance of utility cost recovery bonds. The proposed senior notes will be offered by way of private placement in Canada.

Joint Bookrunners: CIBC, RBC

Joint Lead: GS

Agents: BMO, SCI, NBF, TD, MS, HSBC, LB, DJ, CAS

****CANADIAN FIXED INCOME ROADSHOW****

Montreal: Monday, January 29

AM/PM: 1x1s Available

12:00PM Investor Luncheon – Ferreira Cafe, 1446 Peel St, Montreal

2:30PM National Investor Call

National Call Details:

Participant Dial-in: 416-620-9188 / 800-931-1309

Replay: 416-626-4100 / 800-558-5253 *(Expires Feb. 5, 2018 @ 11:59PM)*

Reservation #: 21879911# *(For Postview Purposes Only)*

Toronto: Tuesday, January 30

12:00PM Investor Luncheon – Adelaide Hotel, 325 Bay St, Toronto

PM: 1x1s Available

Toronto: Wednesday, January 31

AM/PM: 1x1s Available

Winnipeg: Thursday, February 1

8:00AM Investor Breakfast – ●

AM: 1x1s Available

Vancouver: Friday, February 2

AM/PM: 1x1s Available

Attending on behalf of Ontario Power Generation:

Ken Hartwick, Chief Financial Officer

John Lee, Vice President & Treasurer

Ken Ryfa, Assistant Treasurer

Lubna Ladak, VP Treasury – Fair Hydro Plan *(attending in Toronto)*

****INDICATIVE DEAL TERMS****

Offering Type: CAD Private

Offered Certificates: Senior Notes

Rating Agencies: DBRS/Moody's (presale reports will be available via Rating Agency websites)

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Class Note	Balance	Term*	Subordination	DBRS/Moody's**	Benchmark
Senior Notes	C$●	15.25	49.00%	AAA(sf)/Aa2(sf)	GOC+
Subordinated Notes	C$●	15.25	10.00%	AA(sf)/Aa2(sf)	Placed with OPG
Junior Subordinated Notes	C$●	15.25	0.00%	A(sf)/Aa2(sf)	Placed with OPG

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* Years

** Expected Credit Ratings

Expected Pricing: Week of February 5, 2018

Expected Settlement: Week of February 12, 2018

Minimum Denominations: $150,000 and in multiples of $1,000

Delivery: CDS

Available Information (attached):

- Offering Memorandum
- Investor Presentation
- Term Sheet

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Fair Hydro Trust
Investor Presentation

January 22, 2018

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Presenters

ONTARIO POWER GENERATION

Ken Hartwick
Chief Financial Officer &
Senior Vice President – Finance

John Lee
Vice President, Treasurer

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I. Introduction and Transaction Overview

Introduction

Ontario's Fair Hydro Plan	• The Province of Ontario announced its Fair Hydro Plan ("FHP") on March 2, 2017, which proposed to lower the average electricity bill for eligible customers[1] by 25% (the "Fair Adjustment") • The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax granted by the Ontario government in January 2017
Legislation	• On June 1, 2017, the Ontario Legislature passed the *Ontario Fair Hydro Plan Act, 2017* (the "FHPA" or the "Act") to give effect to the FHP • The FHPA was enacted to ensure that clean energy costs and clean energy benefits associated with Ontario's clean energy initiatives are fairly allocated among present and future Specified Consumers and to provide fairness for Specified Consumers over time • The FHPA is supplemented by regulations related to the implementation of the FHPA (the "Regulations" and together with the FHPA, the "Legislation") • The FHPA imposes an irrevocable and non-bypassable charge recoverable from Specified Consumers which is referred to as the Clean Energy Adjustment ("CEA"); the CEA will be determined by Ontario Power Generation ("OPG") in accordance with the Legislation in its role as Financial Services Manager ("FSM") under the Act • The CEA will be determined for each six month reference period and converted by the Ontario Energy Board ("OEB") into a $/kWh rate and added to electricity invoices sent to Specified Consumers commencing on May 1, 2021 • From July 1, 2017 to April 30, 2021 (the "Moratorium Period"), no payments in respect of CEA are expected to be collected; during the Moratorium Period and extending to July 31, 2021, the Independent Electricity System Operator ("IESO") is obligated to pay all funding and other expenses of the Trust (excluding principal) (referred to as "Carrying Costs") under the Legislation
Fair Hydro Trust	• The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") through the issuance of senior, subordinated and junior subordinated notes • Structured to be bankruptcy remote and even though consolidated by OPG on an accounting basis, the Trust is ring fenced from OPG's other creditors • The FHT term notes will be repaid through the CEA payments received from Specified Consumers

[1] Defined as Specified Consumers under the FHPA.

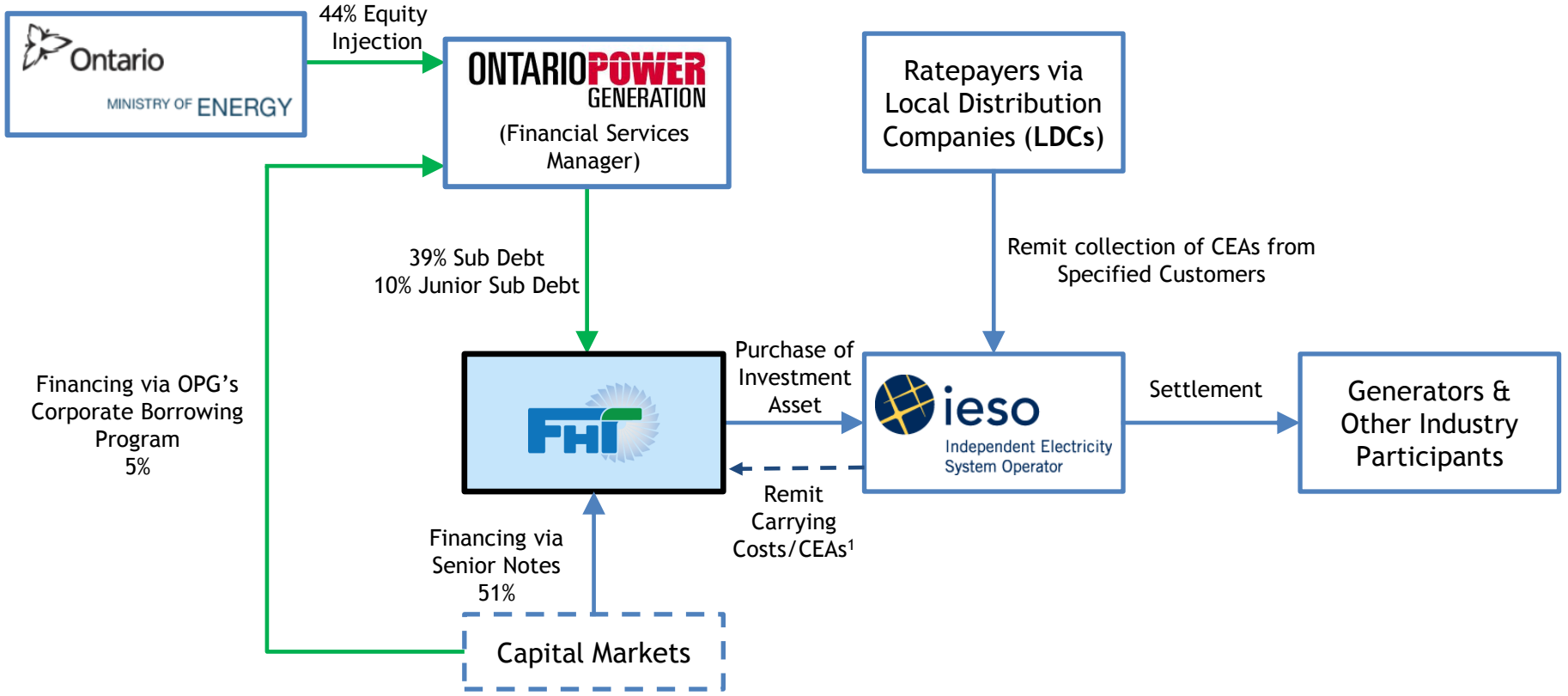
Summary of Indicative Terms

Overview of Notes

Class	Senior	Subordinated	Junior Subordinated
Issue Amount	$[●]MM	$[●]MM (placed with OPG)	$[●]MM (placed with OPG)
Initial % of Aggregate Notes	51%	39%	10%
Expected Ratings (DBRS / Moody's)	AAA(sf)/Aa2(sf)	AA(sf)/Aa2(sf)	A(sf)/Aa2(sf)
Term to Maturity	15.25 years	15.25 years	15.25 years
Expected Maturity Date	May 15, 2033	May 15, 2033	May 15, 2033
Principal Payment Default Date	May 15, 2035	May 15, 2035	May 15, 2035
Par Call Date	November 15, 2032	November 15, 2032	November 15, 2032
Principal Accumulation	Principal will be accumulated monthly commencing January 2030 to facilitate repayment of notes on the Expected Maturity Date		
Interest Type	Fixed rate		
Day Count	180/360, first payment actual/365		
Payment Dates	May 15 and November 15 or next business day		
Senior Note Credit Enhancements	Credit enhancements for the FHT 2018-1 Senior Notes will consist of: • Subordinated and Junior Subordinated notes initially equal to 49% of the aggregate issuance amount and will be retained by OPG • A segregated trust account with an eligible institution, referred to as a Program Cash Reserve Account, which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations • True-up mechanism to address any shortfalls in collections		
Operating Agents	OPG serving as the Financial Services Manager and the Independent Electricity System Operator as the Servicer		

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt and junior subordinated debt of the Trust in an aggregate amount not to exceed 49% of all outstanding debt
  - The subordination amount may vary but must at least be equal to or greater than 35% of all outstanding debt

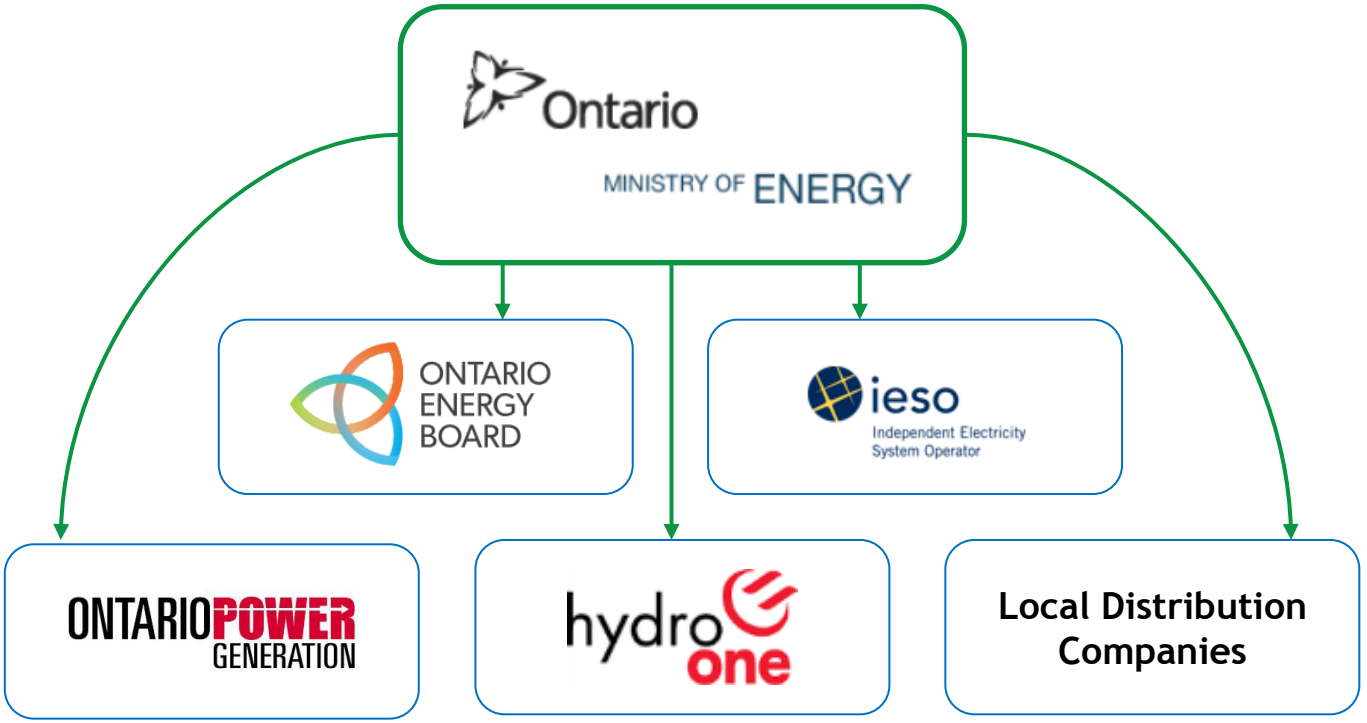


[1] The IESO is required to pay and remit Carrying Costs to the FHT up to July 31, 2021. Commencing May 1, 2021, CEAs will be included on invoices sent to Specified Consumers and collections will be used to pay all funding and other expenses of the Trust. The additional three months of IESO remittances from May 1, 2021 to July 31, 2021 is intended to cover billing and collection lags from the introduction of CEAs.
Note: The diagram above is based on subordinated debt of 49% of all outstanding debt.
Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to exclude the assets and liabilities of OPG, and vice versa.

II. Ontario Electricity Market

Overview of Ontario's Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in average annual cash flows[1]
- Transmission rates, distribution rates, and OPG's regulated rates are set by the OEB
- Rates for the majority of the remaining generation supply are set by the wholesale electricity market and by direct contracts with the IESO (e.g. Bruce Power (nuclear), wind, solar, hydroelectric)



[1] Source: "Ontario Planning Outlook – A technical report on the electricity system prepared by the IESO" dated September 1, 2016. The amount represents the mathematical average of the system costs on page 44 in the appendix "Data Tables for the OPO Technical Report".

Key Industry Participants

Participants	Credit Ratings *(DBRS / S&P / Moody's)*	Description
Ontario Ministry of Energy	**AA (l) / A+ / Aa2** [1]	• The Province of Ontario through the Ministry of Energy sets policy for the electricity system
Ontario Energy Board	--	• Independent public regulatory agency established under the *Ontario Energy Board Act, 1998* and has the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • Sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan ("RPP"); RPP rates are set twice a year (May and November)
ieso Independent Electricity System Operator	**A(h) / -- / Aa2**	• Corporation without share capital established under the *Electricity Act, 1998 (Ontario)* • Manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
Ontario Power Generation	**A(l) / BBB+ / --**	• Corporation formed under the *Business Corporation Act (Ontario)*, whose sole shareholder is the Province of Ontario • Principal business is the generation and sale of electricity in Ontario and is Ontario's largest clean energy electricity generator, providing a significant portion of the province's electricity
hydro one	**A(h) / A / A3**	• Ontario's largest electricity transmission and distribution company, delivering electricity to over 1.3 million customers across the province, and to large industrial customers and municipal utilities

[1] The credit ratings noted are for the Province of Ontario.

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry under the *Energy Competition Act, 1998*, the municipal electricity utilities became municipally-owned business corporations. The majority of LDCs continue to be municipally-owned, while others have been acquired by Hydro One or private-sector owners
- An LDC, referenced as an Electricity Vendor in the FHPA, is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors

Select Aggregate Market Stats[1]

Number of LDCs in Ontario	65
Total Revenue	$18.89 billion
Total Metered Usage (kWh)	116.11 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

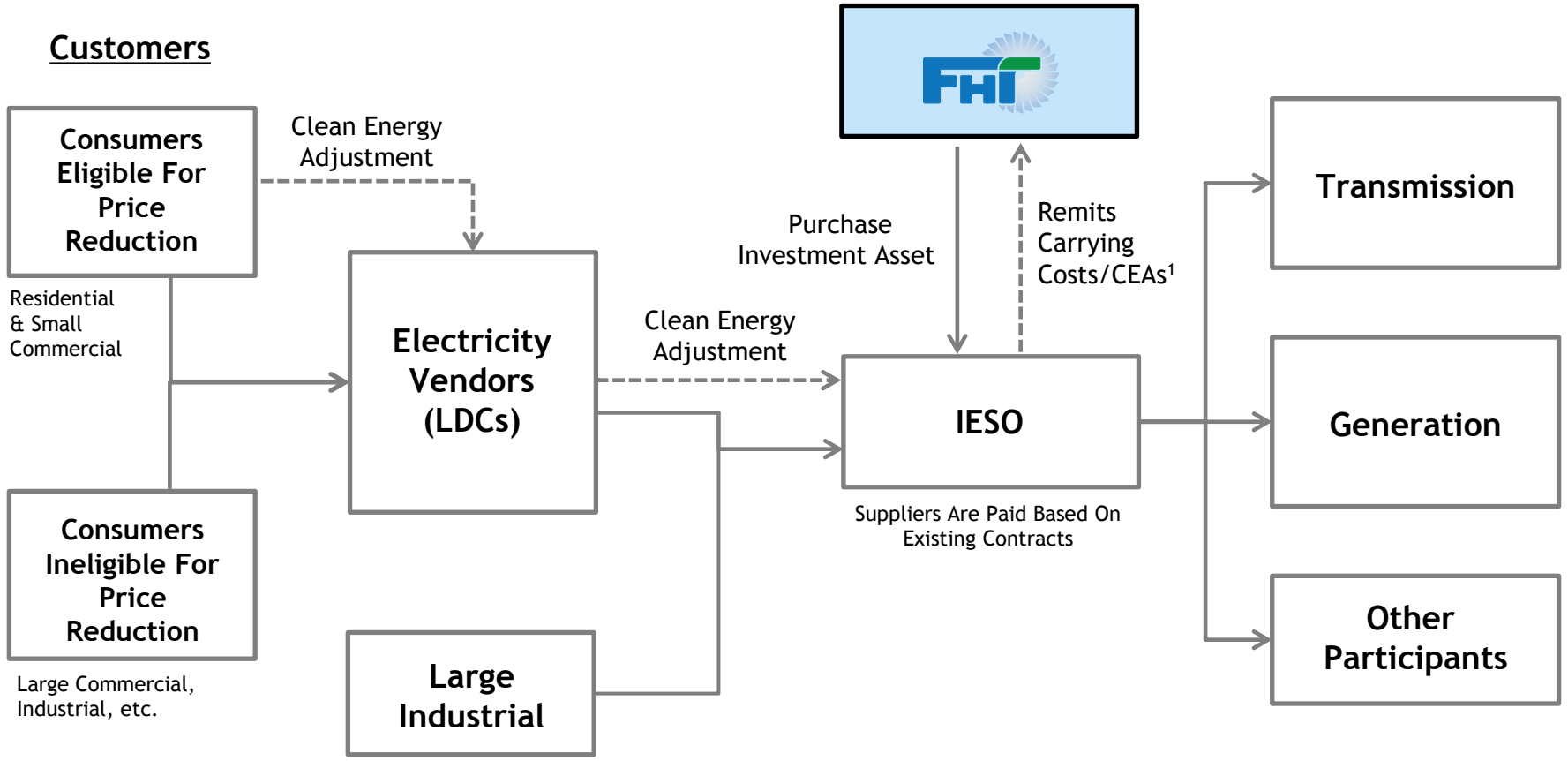
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	Customers[4] *(MM)*	Total Revenue *(C$MM)*
hydro one	A / A(h) / A3	1.30	$4,533
alectra utilities	A / A / --	0.96	$3,642
TORONTO HYDRO	A / A / --	0.75	$3,886
HydroOttawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	**$13,680**
Percentage of Residential & Small Commercial[2]		**69%**	

[1] Source: OEB 2016 Yearbook of Electricity Distributors
[2] Small Commercial includes General Service <50kW Customers
[3] Most recent rating reports from S&P, DBRS and Moody's
[4] Residential and Small Commercial customers

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the IESO deferral (the shortfall that results from the Fair Adjustment together with Carrying Costs paid, financing costs and other related costs)
- FHT will finance the shortfall and is entitled to recover its costs and the principal and interest on its debt through CEAs from Specified Consumers, commencing May 1, 2021



[1] The IESO is required to pay and remit Carrying Costs to the FHT up to July 31, 2021. Commencing May 1, 2021, CEAs will be included on invoices sent to Specified Consumers and collections will be used to pay all funding and other expenses of the Trust. The additional three months of IESO remittances from May 1, 2021 to July 31, 2021 is intended to cover billing and collection lags from the introduction of CEAs.

III. Legislative and Regulatory Framework

Legislation Overview

Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to Specified Consumers as a result of Ontario's clean energy initiatives; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• **July 1, 2017 - April 30, 2018** – Specified Consumers charged an invoice amount that is 25%[1] less than the regulated rate that would otherwise have been determined by the OEB; the 25% reduction includes an 8% rebate equivalent to the provincial portion of the HST previously granted by the Ontario government • **May 1, 2018 - April 30, 2019** - regulated rate established in the first year of the Rate Reduction Period anticipated to increase by the rate of inflation in Ontario • **May 1, 2019 - April 30, 2021** - rate reductions will be established by future regulation but anticipated to increase by the rate of inflation in Ontario

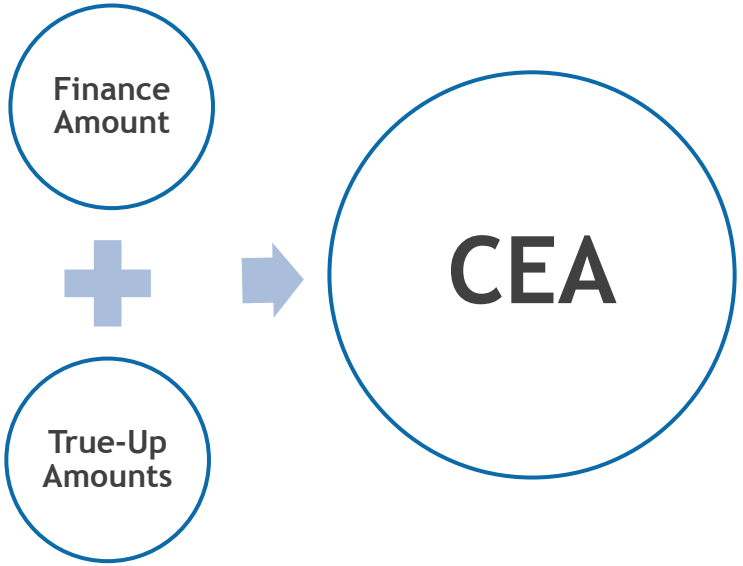
[1] Based on a typical Toronto Hydro customer; the amount of the reduction for any given Specified Consumer may vary from this account.

Legislation Overview, cont'd

Regulatory Asset	• Each month the IESO determines the IESO deferral (the shortfall that results from the Fair Adjustment together with Carrying Costs paid, financing costs and other related costs) and records this amount, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right is the "Regulatory Asset") • The IESO may from time to time transfer a specified portion of the Regulatory Asset to the Trust for a cash purchase price equal to the corresponding amount recorded in the variance account
Investment Asset	• The Trust is not obligated to purchase Regulatory Assets from the IESO • If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right is an "Investment Interest" in an Investment Asset) • By acquiring an Investment Interest, the Trust will be entitled to recover all of its associated financing costs and acquires the right to collect, receive and recover CEAs from Specified Consumers in accordance with the Legislation
Moratorium Period *(July 1, 2017 to April 30, 2021)*	• CEAs are not permitted to be collected from Specified Consumers during this period • The IESO is obligated to pay the Trust all Carrying Costs, excluding repayment of principal on any debt obligations, during the Moratorium Period and extending to July 31, 2021. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to the Regulations • As security for the performance of its obligations, the IESO has granted the Trust a first-priority security interest in its accounts receivable owing by Electricity Vendors to the IESO • The IESO has a $2 billion credit facility from the Ontario Financing Authority ("OFA") which can be used, among other things, to fund payments of the Carrying Costs

Clean Energy Adjustments

- Under the FHPA, the CEA is the amount payable by Specified Consumers to cover the financing and other costs related to the acquisition by the Trust of the Investment Asset and the associated costs of the financing, including payment of principal, interest, operating costs of the Trust and funding of reserve accounts
- CEAs shown on an invoice issued to Specified Consumers represent the amount of the consumers' indebtedness and may not be set off or bypassed

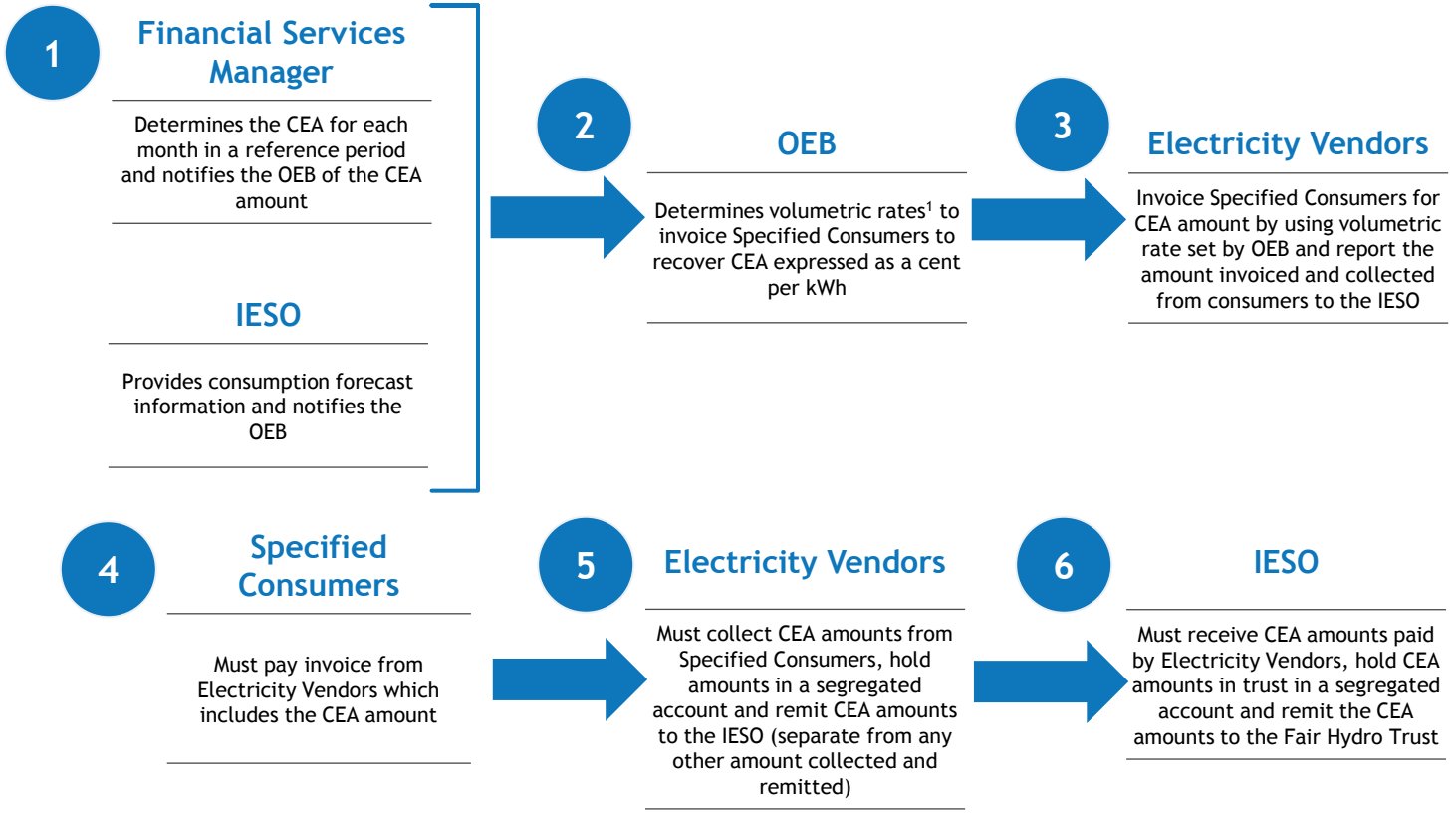


Finance amount is an estimate of the amount payable by the Trust mainly in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments

True-up amounts capture the difference between the finance amounts incurred by the Trust and the CEAs collected from Specified Consumers and also include other reasonably foreseeable differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)

Billing and Collection of CEAs

- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are mitigated through statutory rights in the FHPA, the obligations of the IESO under the Master Transfer & Servicing Agreement, and the ability to include amounts in the CEA by means of the true-up mechanism
- IESO is required to segregate the CEAs during a monthly period before remitting to FHT. If the IESO's credit rating is downgraded below investment grade, the IESO will be required to remit within two business days of receipt

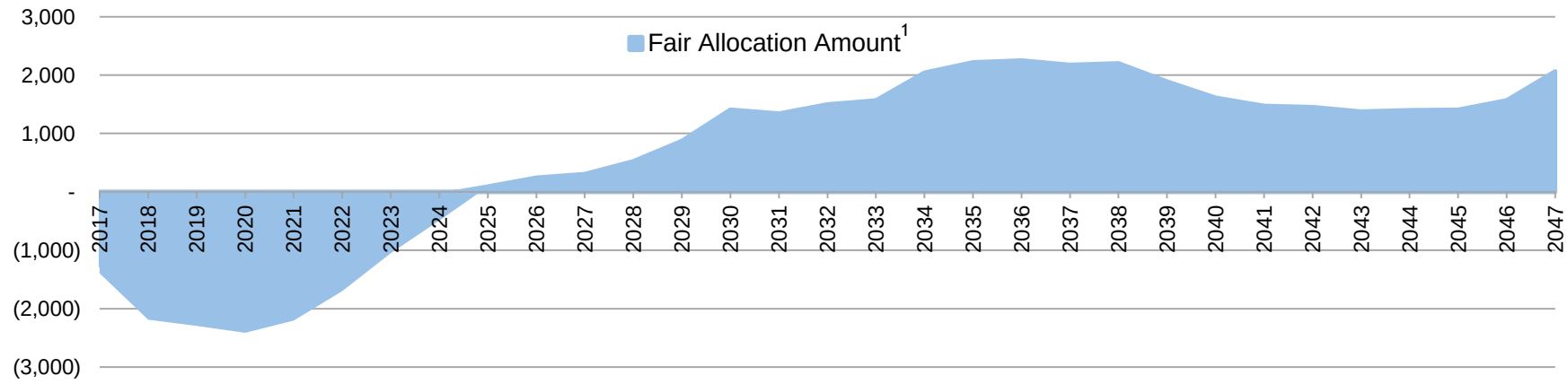


[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers.

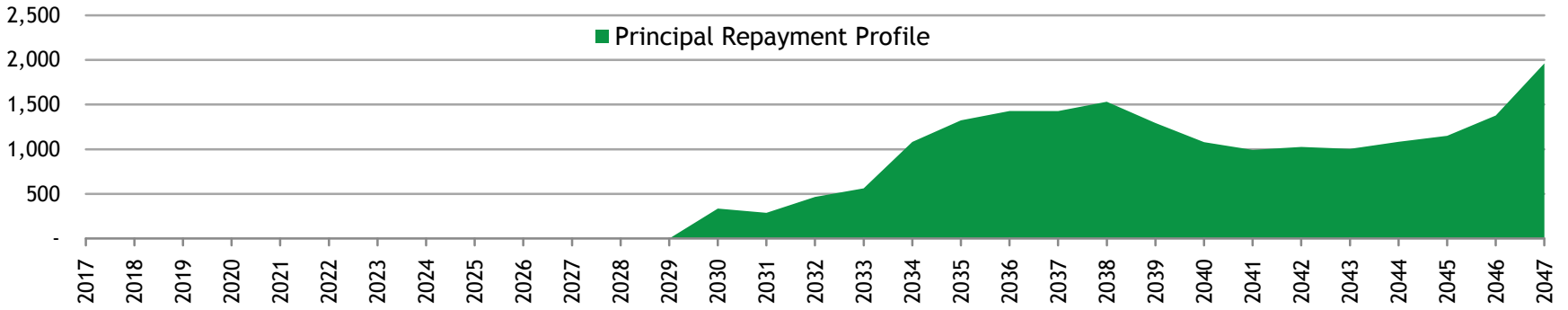
Fair Allocation Amount

- The Fair Allocation Amount ("FAA") is an amount calculated under the FHPA by the Minister of Energy in respect of each reference period that, among other things, allocates the estimated value of clean energy costs in proportion to the relative attribution of the value of clean energy benefits among Specified Consumers

Fair Allocation Amount ($ million)



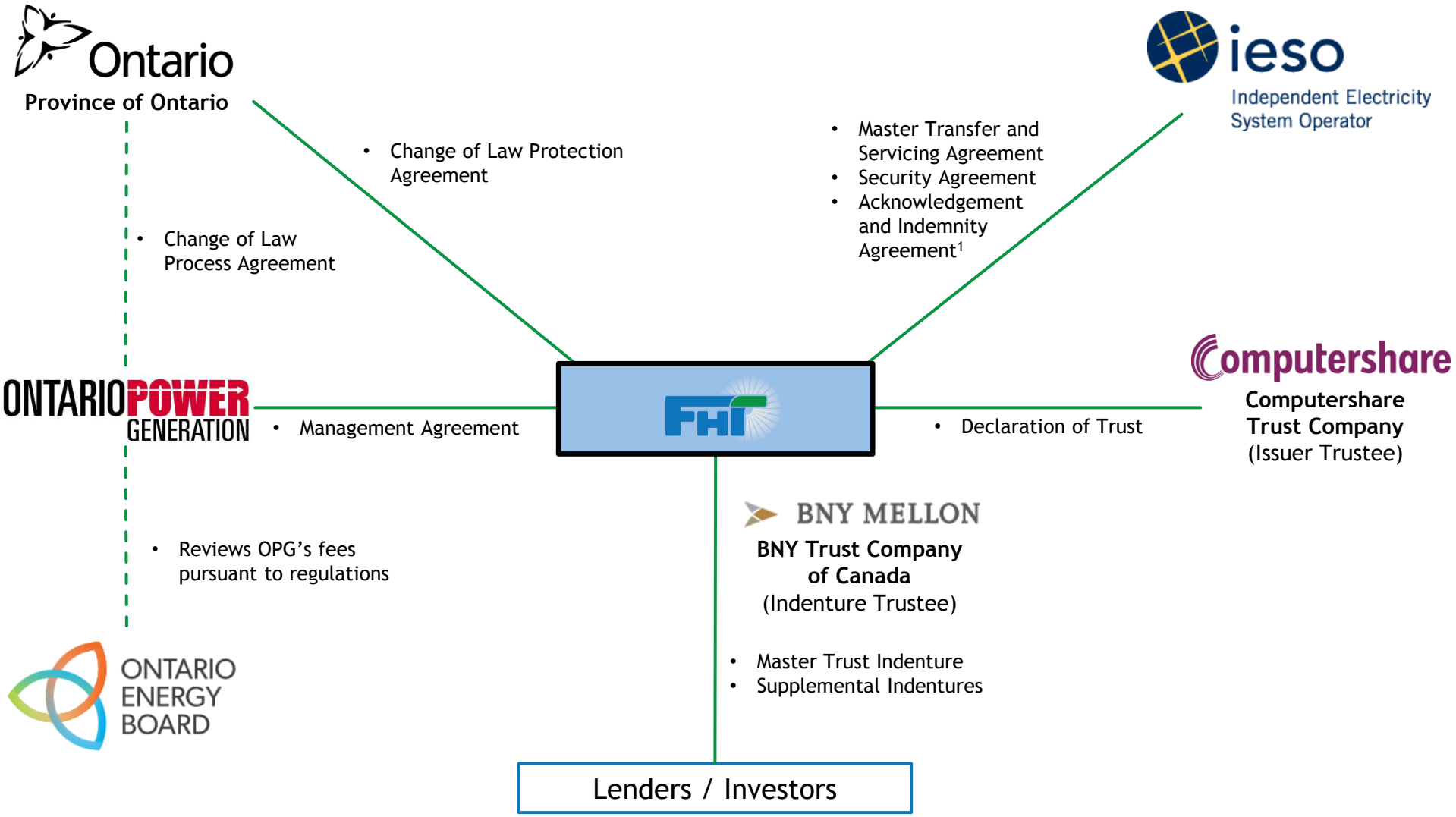
Principal Repayment Profile (derived from the FAA)



[1] Prior to 2025, the above graph of the FAA incorporates the Readjustment Amount. The Readjustment Amount represents the estimated amounts by which Specified Consumers overpaid for clean energy initiatives in the past. It has been incorporated into the FAA to further reduce electricity bills for such consumers.

IV. Contractual Framework

Simplified Contractual Structure



[1] Agreement between IESO and Indenture Trustee.

Contract Highlights

Change of Law Protection Agreement

Purpose	• Provides assurance to Specified Creditors[1] that upon the occurrence of a Protection Event, the Province of Ontario is required to make payments in respect of all Approved Obligations when due and payable
Protection Events	The occurrence of any of the following events: (1) • The Legislature repeals (and does not replace on an equivalent basis) or amends the Act or any portion thereof as in effect on the date hereof • The Legislature enacts or amends any other statute • The Lieutenant Governor in Council repeals (and does not replace on an equivalent basis) the regulations made under the Act or any portion thereof as in effect on the date hereof • The Lieutenant Governor in Council makes or amends any "Regulation" as in effect on the date hereof • The implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province or an entity controlled by the Province in each case that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount; or (2) • A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is *ultra vires* or invalid in a way that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable

Note: Additional information on the Change of Law Protection Agreement can be found in the Appendix.

[1] **Specified Creditors** refers to any Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Contract Highlights

Key Agreements

Master Transfer and Servicing Agreement	• Provides for the transfer by the IESO to the Trust of the Regulatory Asset, and upon such transfer the Trust acquires an Investment Interest in the Investment Asset • The IESO will be responsible for servicing the Investment Interest, including receiving CEA amounts from Electricity Vendors and remitting to the Trust
Management Agreement	• Issuer Trustee delegates to OPG, as Manager under the Management Agreement, all powers and duties of managing the Trust • The Manager will determine how and when to incur funding obligations to acquire Investment Interests
Other Key Agreements	• Security Agreement • Acknowledgement and Indemnity Agreement • Change of Law Process Agreement • Declaration of Trust

Note: Additional information on these key agreements can be found in the Appendix.

Allocation of Servicing Role and Responsibilities

- The shared responsibilities of servicing and management roles are summarized below

	OPG	IESO	LDC
Review Records of LDCs with Respect to CEAs (annually or less frequently in certain circumstances)	✔		
Determination of CEA for a Reference Period, including the True-Up Amount	✔		
Ongoing Reporting for Trust and Reporting to the Rating Agencies	✔		
Management of Ongoing Debt Issuances	✔		
Cash Management	✔	✔	
Preparation of Monthly Servicer Reports		✔	
Remittance of CEA to IESO and to the Trust		✔	✔
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		✔	✔
Customer Billing			✔
Customer Collections			✔
Customer Meter Reading			✔

V. Financing Program

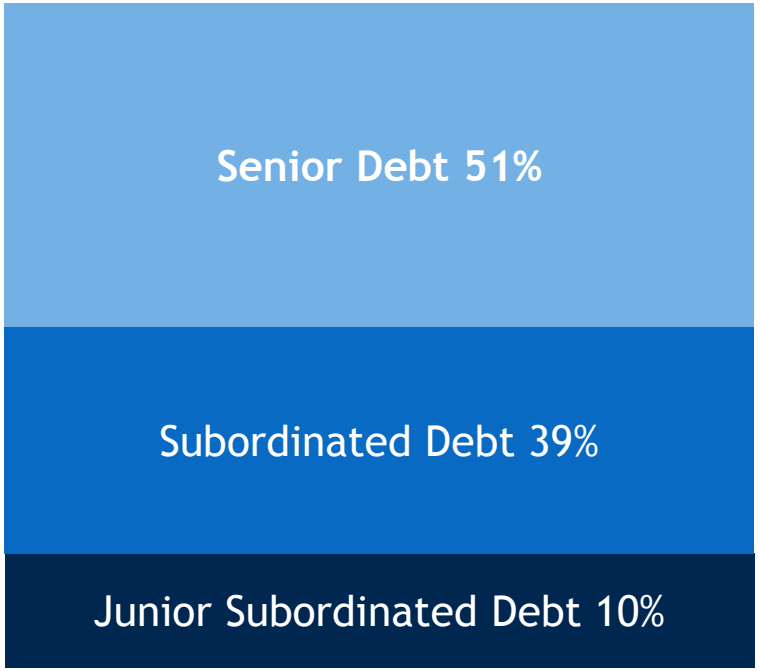
Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program
- Given the size (~$20 billion) and longevity (~10 years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Warehouse financing (ABCP conduit and bank funded senior debt) and subordinated warehouse debt and junior subordinated warehouse debt funded by OPG will be used to fund monthly Regulatory Asset purchases from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- Term debt can take the form of bullet bonds or could be issued as amortizing bonds

Warehouse Financing	• ABCP conduit and bank funded senior debt with subordinated debt funded by OPG will be used by the Trust to fund monthly Regulatory Asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance warehouse financing and the subordinated and junior subordinated warehouse debt funded by OPG • Both Canadian term debt and U.S. term debt market will be considered • Maturity profiles will be structured to ensure reasonable alignment with the FAA (bullet bonds with sinking funds or amortizing bonds) • FHT may issue debt that may be refinanced in the future
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall)

Financing Structure

- The Trust will fund Regulatory Asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51% anticipated) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required[1]) will be purchased by OPG, primarily funded by equity injections from the Province (44% of 49%) and the remaining portion from OPG (5% of 49%)



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

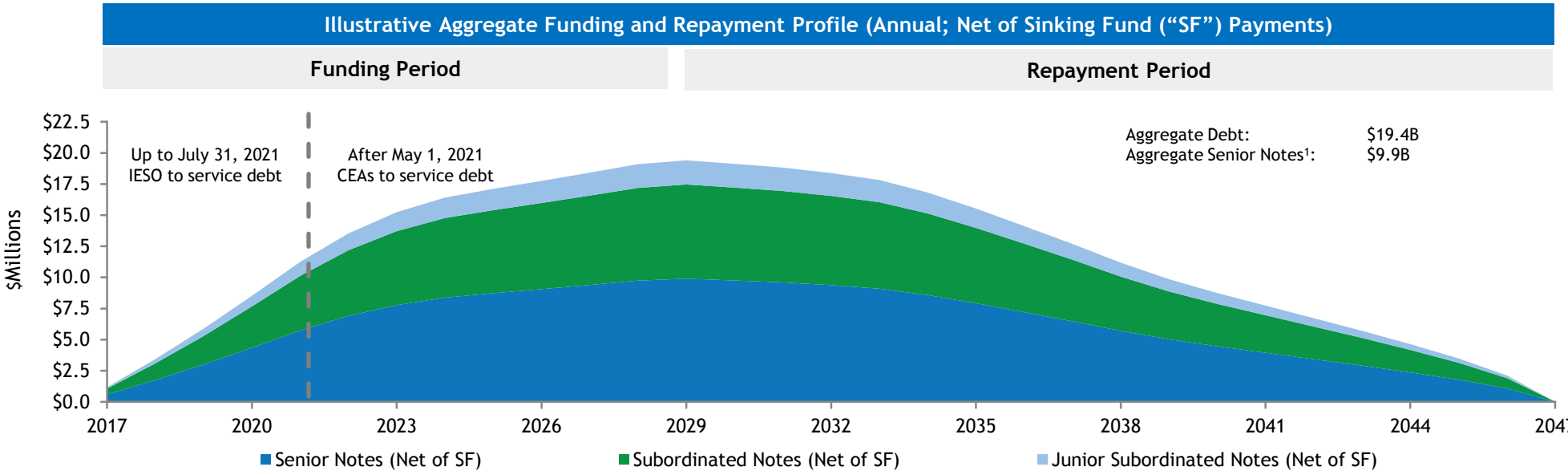
Note: Assumes 49% subordinated debt.

[1] Under the MTI, FHT is required at all times to ensure that all outstanding subordinated and junior subordinated debt be not less than 35% of all outstanding debt.

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount and the Province's electricity bill reduction targets, the following debt profile for the program is expected, peaking at just under $20 billion by 2029
- Various tranches of debt will be issued periodically during the period of 2018 - 2028, which are expected to mature over a period after 2029



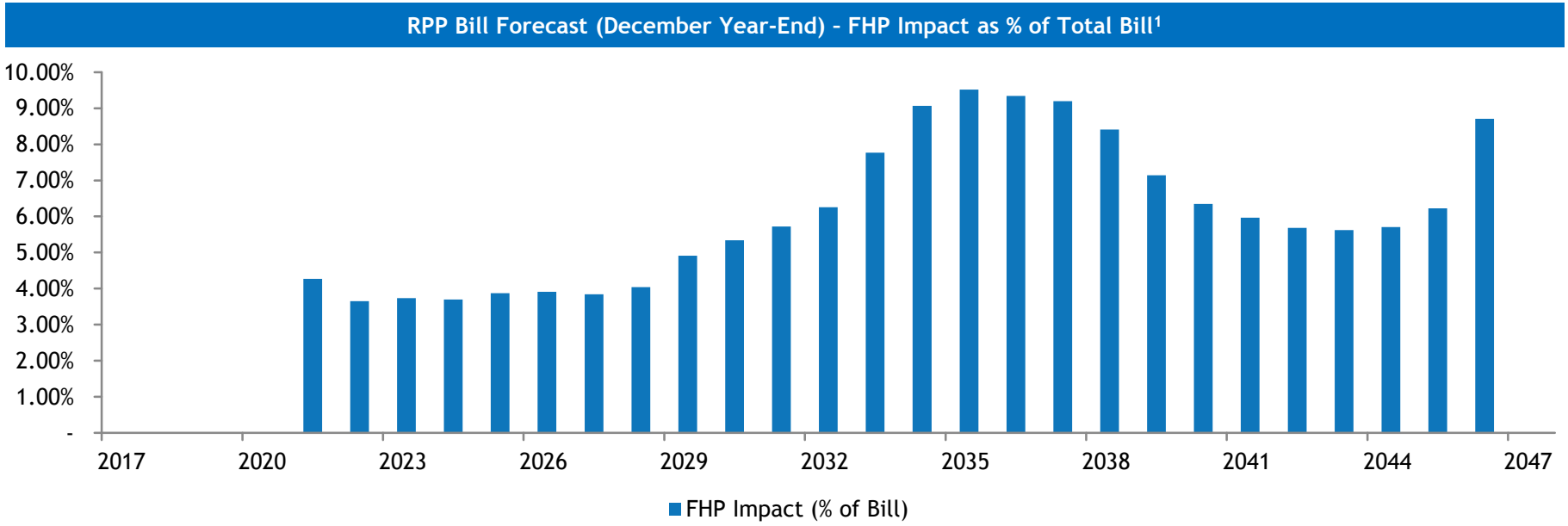
[1] Assumes 51% Senior Notes

Note: During the Moratorium Period and extending three additional months to July 31, 2021, the IESO is required under the Regulations to pay all Carrying Costs. The additional three month period is intended to cover the billing and collection lag from the introduction of Clean Energy Adjustments in May 2021.

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro Program, the CEA for the average residential customer is anticipated to remain below 10% of the total electricity bill
- Maximum CEA as a percent of the total bill is forecast to be 10.0%
- Average CEA as a percent of the total bill is forecast to be 6.9%



[1] Presents % of total bill at December year-ends; individual months in any given year may have a higher or lower impact as % of total bill.

Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• Governs the terms of the debt issued by FHT and cash flow waterfall and collateral structure for all Trust obligations to all Specified Creditors

Key Terms

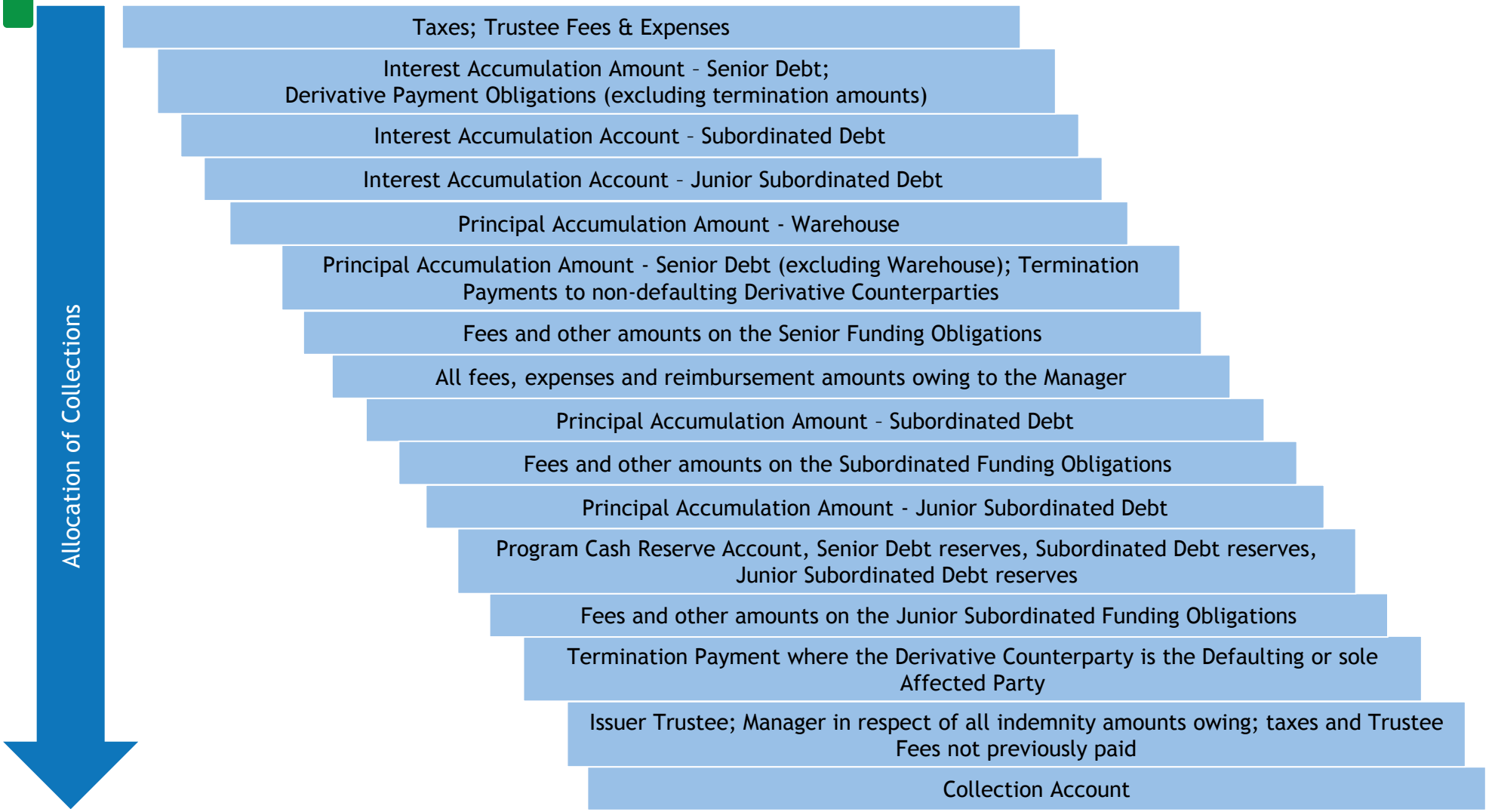
Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments including: – Note issuances under supplemental indentures – Borrowings under credit agreements – Purchase of notes under note purchase agreements – Letters of Credit/Guarantees under credit enhancement agreements – Liquidity loans under liquidity agreements backing short term notes
Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that: – the incurrence of such additional obligations will not cause an adverse effect – the incurrence of such additional obligations is materially consistent with the Financing Plan • It will also be a condition precedent that (i) each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations and (ii) the Indenture Trustee has received certain assurances as to the applicability of the Change of Law Protection Agreement to such funding obligations

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts
Subordination	• Provides for three different classes of funding obligations – (i) senior – (ii) subordinated – (iii) junior subordinated
Events of Default	• Includes payment and senior defaults, representation and covenant breaches, insolvency and Change of Law Protection Agreement ceasing to be in full force and effect against the Province
Acceleration	• Upon an acceleration, CEAs may be insufficient to repay all amounts becoming due in a period. CEAs for a period will be capped under the Regulation at the otherwise scheduled amounts, plus an additional amount equal to the amounts available under the FAA • However, the amounts received from CEAs after an acceleration will be allocated to pay senior indebtedness before principal amounts owing on subordinated and junior subordinated indebtedness. Accordingly, the subordination of debt across all series of debt should advance the repayment of the principal amount for senior funding obligations • After an acceleration, all Senior Term Notes will be paid pari-passu

Waterfall



Note: This waterfall indicates the priority of payment prior to an Event of Default and acceleration; additional information on the priority of payments after an Event of Default and acceleration can be found in the Offering Memorandum.
Note: After paying interest on the senior debt, no interest payments will be made on the subordinated debt unless there will be sufficient amounts remaining in the Interest Accumulation Account for what should be accumulated for the Senior Notes after making such payments.

VI. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• Future legislative action to change or challenge/invalidate the Act or the Change of Law Protection Agreement might materially adversely affect a holder's investment in the Notes	• Limited Guarantee provided by the Province of Ontario via the Change of Law Protection Agreement in favour of the Indenture Trustee for lenders/investors in these circumstances
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• True-up mechanism may result in a delay, but will be corrected in next True-up • Cash reserve and 35%-49% subordination which would first absorb any shortfalls • 6-month reference period • Any shortfall in collections are recoverable from all Specified Consumers
Reliance on IESO and LDCs	• Until July 31, 2021, the Trust is dependent on the IESO to remit payments to the Trust for all Carrying Costs • Receipt of CEAs dependent on the performance of LDCs and IESO • Limited ability to enforce against or replace an LDC	• Highly regulated industry and LDC and IESO are required under law and regulation to perform duties under FHP • IESO has a very strong credit profile and very low losses and grants security over its accounts receivable owed by Electricity Vendors as security during the Moratorium Period • IESO will provide a letter of credit/other security to mitigate commingling risks for CEAs held by non-rated or below investment grade rated LDCs until they are remitted to IESO • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment • $2 billion credit facility from the OFA which can be used by the IESO to pay the Carrying Costs
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	• 20-year repayment period allows for gradual rate increases • Max CEAs as a percent of the total bill over the collection period is forecast to be 10%
Disruptive Technology Risk / Change in Demographics	• Technological developments may result in reduced CEA payments as a result of increased use of alternative energy sources • Population fluctuations may result in fewer Specified Consumers	• True-up mechanism available to offset the reduction in CEAs due to technological advancements or fluctuations in the number of Specified Consumers • Collection shortfalls are allocated among a large base of Specified Consumers

VII. Summary of Offering

Summary of Indicative Terms

Initial Fair Hydro Term Issuance	**Class**	**Issue Amount**	**% of Initial Aggregate Notes**	**Expected Maturity Date**	**Principal Payment Default Date**	**Expected Ratings (DBRS / Moody's)**
	Senior Term Notes	$[●]MM	51%	May 15, 2033	May 15, 2035	AAA(sf)/Aa2(sf)
	Subordinated Notes	$[●]MM (placed with OPG)	39%	May 15, 2033	May 15, 2035	AA(sf)/Aa2(sf)
	Jr. Subordinated Notes	$[●]MM (placed with OPG)	10%	May 15, 2033	May 15, 2035	A(sf)/Aa2(sf)
Issuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager					
Financial Services Manager	Ontario Power Generation, Inc.					
Servicer	Independent Electricity System Operator					
Source of Repayment	• Moratorium Period: Statutorily mandated remittances (not including principal) from IESO (Up to July 31, 2021) • Post Moratorium Period: Non-bypassable charge from residential and small commercial customers in Ontario (After May 1, 2021)					
Payment Frequency	Semi-annual pay on May 15 and November 15 until the Expected Maturity Date, monthly thereafter if the notes are not repaid on the Expected Maturity Date					
Principal Accumulation	Principal will be accumulated monthly commencing January 2030 to facilitate repayment of notes on the Expected Maturity Date					
Interest Type	Fixed rate					
Senior Note Credit Enhancements	• Subordinated and Junior Subordinated notes initially equal to 49% of the aggregate issuance amount • Program Cash Reserve Account • Semi-annual (or more frequent) True-up mechanism to address any shortfalls in collections					
Program Cash Reserve Account	After the Moratorium Period, an amount equal to 0.50% of the aggregate amount of all outstanding Senior, Subordinated and Junior Subordinated funding obligations					
True-up	Calculated on at least a semi-annual basis post Moratorium Period					
Subordination	Subordinated and Junior Subordinated Notes will be retained by OPG					

VIII. Investment Highlights

Investment Highlights

- Protection against political risk through the Change of Law Protection Agreement
- Irrevocable & non-bypassable ratepayer charge, recoverable from Specified Consumers across the Province of Ontario
- Repayment risk spread across all Specified Consumers. Full cross-collateralization; collection shortfalls allocated among all Specified Consumers
- Robust true-up mechanism
- Credit enhancement for senior debt provided via subordinated debt
- Highly regulated market with experienced operating agents (OPG, IESO, and LDCs)
- Strong ratepayer base in Ontario

Appendix – Key Agreement Summaries

Key Agreements

Change of Law Protection Agreement

Parties	• (1) Province of Ontario and (2) Indenture Trustee as Trustee of the Issuer, on behalf of Specified Creditors[1], and (3) OPG as FSM
Purpose	• Provides assurance to Specified Creditors that upon the occurrence of a Protection Event (see slide 22 for details) the Province of Ontario will pay all Approved Obligations on behalf of the Trust, with limited rights of acceleration
Key Terms	• **Term**: Continues for as long as any protected obligations of the Trust that are secured under the Master Trust Indenture ("MTI") remain outstanding • **Limited Guarantee**: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all Approved Obligations when due and payable • **Priority of Payments**: The priority application of guarantee payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: For the Limited Guarantee to apply to an obligation of the Trust, OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the incurrence of such obligation (such obligation called an "Approved Obligation") • **Suspension Notice**: The Province may deliver a suspension notice upon the occurrence of the acceleration of any indebtedness of the Trust or other Program Breach or a default in performance or misrepresentation by OPG as FSM pursuant to certain internal reporting and other requirements contained in a Change of Law Process Agreement between OPG and the Province. Any new funding obligations that are incurred during a suspension period will not have the benefit of the Limited Guarantee, except that the Change of Law Protection Agreement applies to post-suspension refinancing of previously issued Approved Obligations

[1] **Specified Creditors** refers to any Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Key Agreements

Master Transfer and Servicing Agreement

Parties	• (1) IESO, as transferor and servicer; (2) Trust
Purpose	• Provides for the transfer, by the IESO to the Trust of specified portions of the Regulatory Asset, and upon such transfers the Trust acquires an Investment Interest; also describes the servicing obligations of IESO
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer specified portions of the Regulatory Asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer • **Servicing Duties:** The IESO will be responsible for servicing the Investment Interest under the Legislation, including receiving CEA amounts from Electricity Vendors and remitting the same to the Trust; other duties of the IESO include: – Establishing a segregated account for collecting CEAs and using commercially reasonable efforts to cause Electricity Vendors to do the same; – Remitting CEAs monthly to the Trust (unless downgraded below investment grade in which case it will remit within two business days); – Preparing monthly servicer reports; and – Providing a forecast of electricity consumption • **Carrying Costs:** During the Moratorium Period (until April 30, 2021) and extending to July 31, 2021, the IESO is required by regulation to fund all Carrying Costs of the Trust. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to regulation • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, as security for the commingling risk of CEAs collected by non-rated or non-investment grade rated Electricity Vendors and not yet remitted to the IESO

Key Agreements

Management Agreement

Parties	• (1) Issuer Trustee, on behalf of the Trust, and (2) OPG, as Manager and acknowledged and accepted by the Indenture Trustee, on behalf of specified creditors
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust
Key Terms	• **Duties Include**: – Negotiating and executing program agreements; – Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations; – Review or cause to be reviewed, records of electricity vendors on an annual basis with respect to CEAs (or less frequently in certain circumstances); – Preparing monthly portfolio reports; – Preparing financial statements; and – Paying taxes on behalf of the Trust • **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire Investment Interests • **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements • **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding • **Management Fees:** OPG is entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer

Key Agreements

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulation to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in its accounts receivable owing by Electricity Vendors
Acknowledgement and Indemnity Agreement	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee, including the right to enforce the indemnities provided to the issuer with respect to IESO's duties and obligations under the MTSA
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Limited Guarantee under the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as updated from time to time in the Financing Plan) to be exceeded
Declaration of Trust	• Establishes FHT to carry out activities for the exclusive benefit of its unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare) • The Issuer Trustee has delegated all of the powers and duties of managing the Trust to OPG under the Management Agreement

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement — January 22, 2018

FAIR HYDRO TRUST
Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (together with the regulations promulgated thereunder, the "**FHPA**"). Under the FHPA, OPG is appointed as financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this

confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended, supplemented, restated or otherwise modified from time to time.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the

investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page 95 of this confidential shelf offering memorandum. An index of defined terms used in this confidential shelf offering memorandum specifying on which page such terms are defined is provided starting on page 107 of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*, *"Subordinated Debt"* and *"Risk Factors"* of this confidential shelf offering memorandum and *"Fair Allocation Amount"*, *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"* and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval of all Series.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.
- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO in performing their respective obligations under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Power outages could impair payment of the Senior Notes.
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.
- If any Electricity Vendor or the IESO were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against such Electricity Vendor or the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS, AND THEIR RESPECTIVE REPRESENTATIVES, TO WHOM IT IS TRANSMITTED, SOLELY TO ENABLE SUCH PERSONS TO EVALUATE AN INVESTMENT IN THE NOTES DESCRIBED IN THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM. BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER.

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with a future Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer

nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page 95 of this confidential shelf offering memorandum. An index of defined terms used in this summary is provided starting on page 107 of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer) or of the IESO. The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG, IESO or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"— Change of Law Protection Agreement"*.
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "FHPA"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[1] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[2] for that period. Under the FHPA, OPG is appointed as Financial Services Manager and is given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Notes are Funding Obligations being offered for the purposes of the FHPA. See *"Ontario's Fair Hydro Plan — Background"*.

[1] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[2] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of Series, in one or several Offerings. A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the Master Trust Indenture, as supplemented by a Supplemental Indenture authorizing that Series.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a non-share corporation established under the *Electricity Act, 1998* (Ontario). As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy. The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market. Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). Pursuant to the Master Transfer and Servicing Agreement, the IESO may, on a monthly basis, offer to Transfer specified portions of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"The Transferor and Servicer"*.
Investment Interest:	Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.
Clean Energy Adjustment:	The FHPA imposes an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager and will be converted by the OEB into a cent per kWh rate and added to the electricity invoices sent to Specified Consumers. See *"— Statutory Duties of the OEB"* below. The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs (including interest and principal on the Senior Notes), derivative payments, required reserve account deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount will also reflect any historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. Based on the Fair Allocation Amount determined and provided by the Province, from July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment of interest on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*. Amounts so contributed by the IESO are not available to pay principal on the Senior Notes.

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs until July 31, 2021:

The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement, the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest.

As security for the performance of the IESO's obligation under the Regulations to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount & Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g.

OEB licensees) in Ontario's electricity market, including the activities of transmitters and distributors as well as the IESO (all of whom are Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided by the IESO to the OEB. See *"The Transferor and Servicer"*.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*The Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA requires Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of the Issuer and any other Financing Entities that may be established, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts and hold such amounts in trust for the benefit of the Financing Entities until remitted to the IESO for the benefit of the Financing Entities (initially, only the Issuer). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required is based on a formula as set out in the Master Transfer and Servicing Agreement and will be equal to: (a) the product of (i) 50% of estimated Clean Energy Adjustment amounts that are to be collected over a twelve-month period by all such non-investment grade rated Electricity Vendors, and (ii) a fraction equal to 45/365 (representing the 45-day period during which funds are expected to be held by such non-investment grade rated Electricity Vendors prior to being remitted to the Issuer); or (b) such

other lesser amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. See *"The Electricity Industry in Ontario — Key Industry Participants — Ontario Power Generation Inc."* and *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of the Financing Entities (of which the Issuer is currently the only one), to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of the Financing Entities (of which the Issuer is currently the only one) and remit such amounts on a monthly basis, subject to daily remittance being required in certain limited circumstances. Pursuant to the Master Transfer and Servicing Agreement, monthly remittances of amounts received in respect of the Clean Energy Adjustment will occur on the 18th business day of each calendar month. In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts and

fulfilling certain additional reporting requirements. Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which includes payments of amounts that are due and payable in respect of Senior Notes), although the amount of the Province of Ontario's payment obligations in a particular period may differ depending on whether an Acceleration has occurred. See *"Change of Law Protection Agreement"*. The Issuer and the Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*.

Generally, an "**Approved Obligation**" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

It will be a condition to any Offering of Senior Notes that such Senior Notes constitute Approved Obligations under the Change of Law Protection Agreement.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the Act or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the Act or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and

subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture (in effect as of the date hereof). See *"Capital Markets Platform — Acceleration and Remedies — Rights of Specified Creditors"*.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include

inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including all Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of Clean Energy Costs in proportion to the relative attribution of the value of Clean Energy Benefits among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations

should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation that is issued is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

Use of Proceeds:

The proceeds from each Offering may be used for one or more of the following purposes: (i) to acquire an Investment Interest pursuant to the FHPA and the Master Transfer and Servicing Agreement, (ii) to refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) to pay Offering and related costs of the Issuer and (iv) to fund specific reserve accounts as required.

The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.

Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", *"Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration"*.
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount. In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement

or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for Senior Funding Obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for Subordinated Funding Obligations;
- payments of or accumulations in respect of interest for Junior Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Warehouse Obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for Senior Funding Obligations (other than Warehouse Obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on Senior Funding Obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Junior Subordinated Funding Obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for Subordinated Funding Obligations or Junior Subordinated Funding Obligations);
- replenishment of Series Accounts established for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Junior Subordinated Funding Obligations;
- replenishment of Series Accounts established for Junior Subordinated Funding Obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on Senior Funding Obligations and payments under derivative agreements (other than termination payments), *pari passu*, then Subordinated Funding Obligations (other than principal) and then Junior Subordinated Funding Obligations (other than principal);
- principal for Warehouse Obligations;
- *pari passu*, principal on Senior Funding Obligations (other than Warehouse Obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for Subordinated Funding Obligations and then Junior Subordinated Funding Obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 units of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior

	Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103). By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.
Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The following summary of the electricity industry in Ontario does not purport to be comprehensive or definitive. It is a general and high-level overview of the historical context and the current manner in which the industry operates, including how real-time energy supply needs are met.

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydroelectric, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from large generating facilities to local distribution systems and large transmission-connected consumers, as well as to and from inter-jurisdictional entities; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses, as well as the delivery of electricity from small distribution-connected generating facilities, using low voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive wholesale electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes, along with the transmission and distribution system investments needed to support these changes, have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of smaller scale wind and solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be scheduled and dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy by certain domestic loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Most generators in Ontario also have bilateral contracts with the IESO (i.e. power purchase agreements) and one large generator, OPG, receives OEB-regulated prices, or payment amounts, that provide for payments in addition to wholesale market settlements that are paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario). The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold the generation assets of the former Ontario Hydro. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power facility. OPG's mandate is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for a significant portion of the total energy generated and injected into Ontario's electricity transmission system. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for managing the reliability of the provincial transmission system and operating the wholesale electricity markets in Ontario. The OPA was formed to plan the provincial power system and to procure electricity resources. The OPA entered into bilateral power or capacity purchase contracts with generators and other electricity resource providers. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial administrative tribunal and public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors. The IESO and distributors are Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

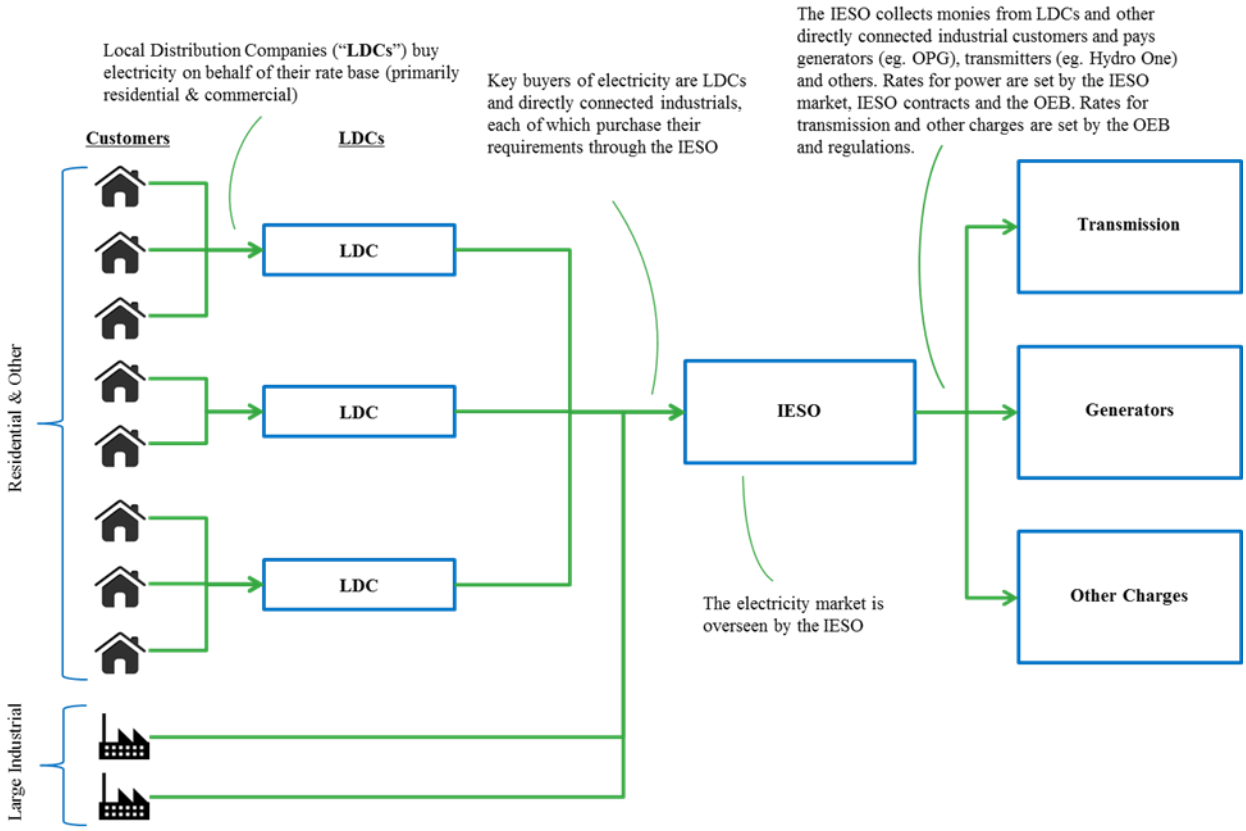
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures affecting regulated assets and regulated entities, such as distributors and transmitters. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, as well as institutions such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB.

The following diagram depicts the flow of funds between the key industry participants:



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two main components that make up the commodity cost of electricity in Ontario, the Hourly Ontario Energy Price ("**HOEP**") and the global adjustment charge.

- The HOEP is set by the IESO based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is established monthly by the IESO in accordance with regulations and is the amount of money necessary to pay certain other costs to generators and other suppliers that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to OPG pursuant to OEB-established payment amounts.

Prior to the FHPA being passed, the amount collected generally over an annual basis by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's current payables to generators and other electricity resource suppliers, subject to certain periodic true-ups, fees and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered prices primarily for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months by the OEB based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in previous periods. RPP prices are now established in accordance with the FHPA. Most

Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from an OEB-licensed retailer pursuant to a retail contract that provides a rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the FHPA. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[3] less than the rate that would otherwise have been determined by the OEB for that period absent Ontario's Fair Hydro Plan (such adjustment, together with the further adjustments described below in this section, the "**Fair Adjustment**").

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

[3] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, the amounts charged to the IESO by the Issuer in respect of the Carrying Costs of the Issuer, when applicable, and certain other amounts in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from Specified Consumers before May 1, 2021. The IESO may, in accordance with the FHPA, Transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that gives rise to the Regulatory Asset and, as an owner of the Investment Interest, will be entitled to recover its Finance Amount (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest by accepting a Transfer of the corresponding specified portion of a Regulatory Asset, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the Transfer of a specified portion of the Regulatory Asset from the IESO, such Transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of Financing Entities that own an Investment Interest (among other things):

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment,

including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest; and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers to cover the cost of financing the shortfall that gives rise to the Regulatory Asset. The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer , or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that are payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a Funding Obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) amounts received during the period in respect of Carrying Costs;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

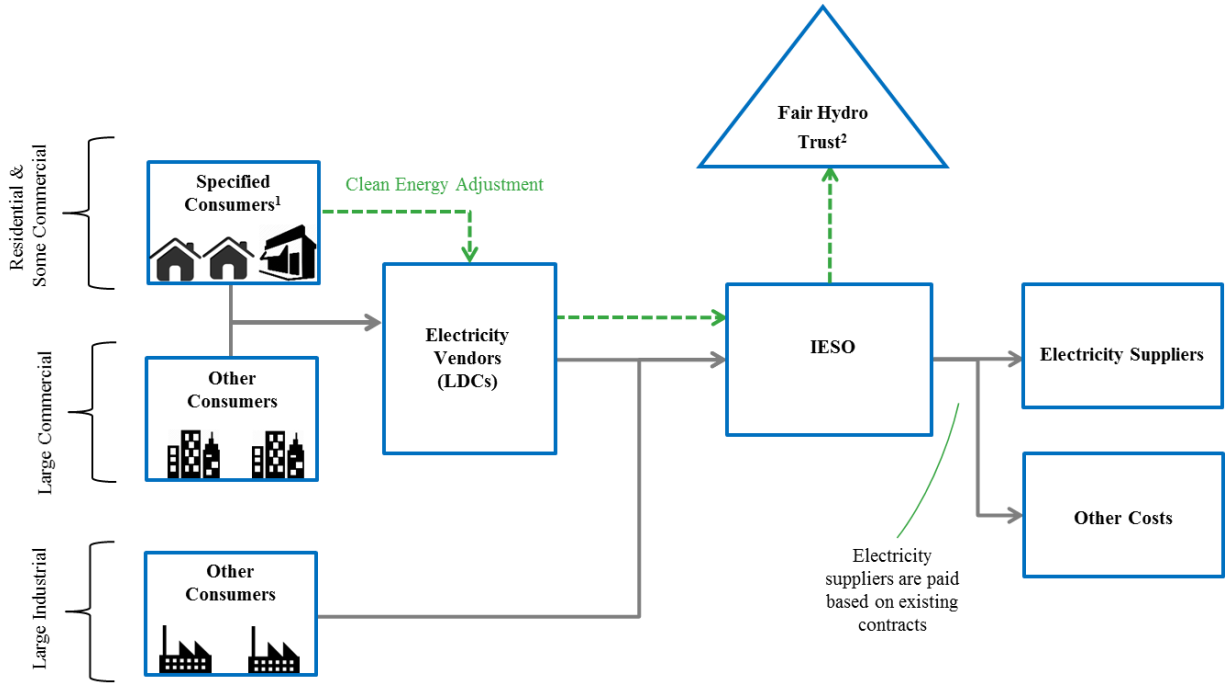
In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. The True-up Amount is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount will also reflect any historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period based on forecast information provided by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the Financing Entities (of which the Issuer is currently the only one), amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the Financing Entities (of which the Issuer is currently the only one) until remitted

to the IESO for the benefit of the Financing Entities (of which the Issuer is currently the only one). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay to the Issuer under the Regulations during such period. See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, once applicable, directly to the IESO.

[2] Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer for a corresponding purchase price. Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset following payment by the Issuer of the corresponding purchase price, the Issuer will acquire an Investment Interest.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers. Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA, provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation that is issued is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Payment of Carrying Costs until July 31, 2021

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes). The amounts paid by the IESO to the Issuer to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest pursuant to the FHPA.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer. Furthermore, as security for the performance of its obligations under the Regulations to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account. The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period, divided by the number of months in such Reference Period. See *"Capital Markets Platform — Acceleration and Remedies — Limitation on Available Amounts on Acceleration"* for a description of the amounts that would be available to be paid under the Master Trust Indenture in such circumstances.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Senior Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the Act or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the Act or any portion thereof, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued, provided that for purposes of determining voting rights with respect to Notes, Notes in which the Province of Ontario has an interest will be deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

It will be a condition to any Offering of Senior Notes that such Senior Notes constitute Approved Obligations under the Change of Law Protection Agreement.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

A "**Certified Primary Obligation**" means a Primary Obligation: (i) incurred by or on behalf of the Issuer to fund its ownership of an Investment Interest, including any Refinancing, other than a Post-Suspension Refinancing or a Pre-Approved Refinancing (each as defined below), of such a Primary Obligation (for greater certainty, including, in the case of any Certified Primary Obligation permitting funding transactions pursuant to a Funding Obligation Agreement applicable to the Certified Primary Obligation, each individual borrowing or funding utilization thereunder), (ii) incurred by or on behalf of the Issuer upon the Issuer entering into a derivative agreement, in which case the Certified Primary Obligation therefor shall be the Master Agreement applicable to such derivative agreement and not any individual trade confirmation other than a trade confirmation that modifies or purports to override the express terms or conditions of the related Master Agreement, or (iii) incurred by or on behalf of the Issuer upon entering into a contract that has a term of more than three (3) years which is not terminable by the Issuer giving three (3) years' notice or less and expected (as determined by the Manager, acting reasonably) aggregate payments by the

Issuer thereunder during the term of such contract are or would be in excess of $5,000,000 (that, for greater certainty, is not otherwise captured in clauses (i) and (ii) above).

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including the Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document to which the Limited Guarantee applies and which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Issuer Trustee is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

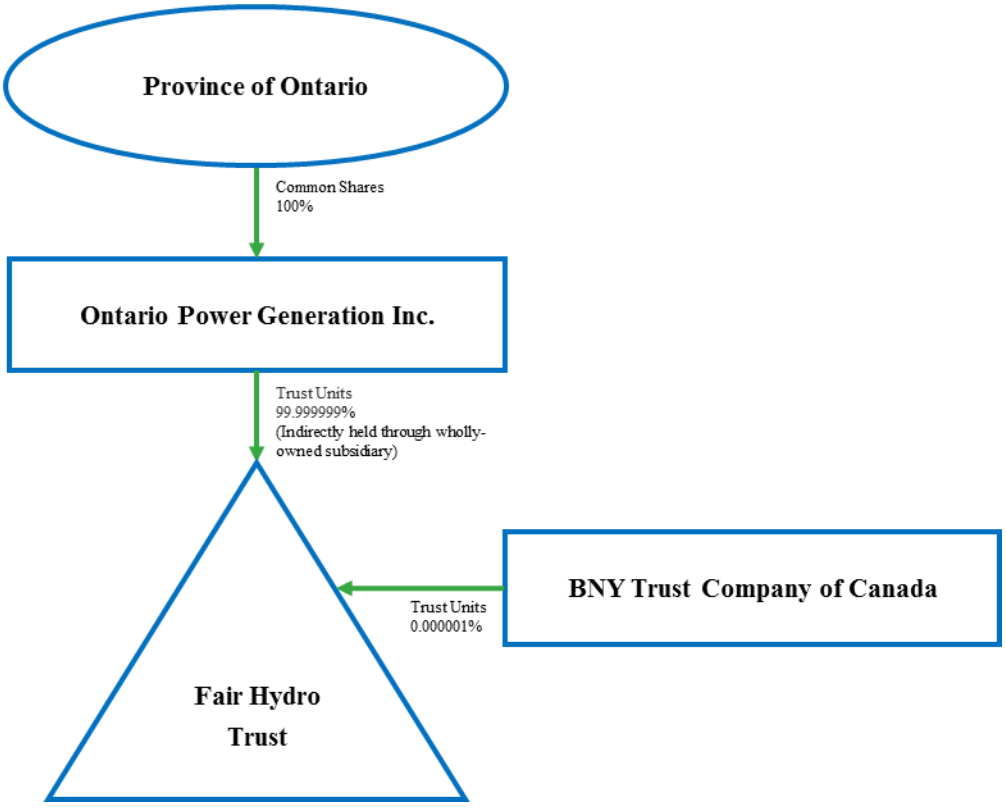
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, the Manager (on behalf of the Issuer) shall review, or cause to be reviewed,

on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors — Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager."*

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross

negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

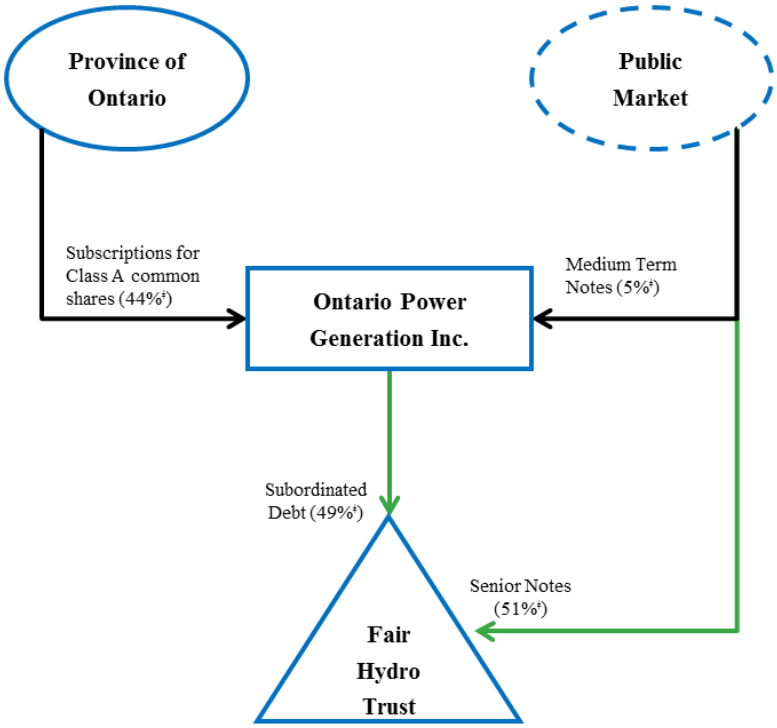
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximately 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



ǂ OPG is expected to acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(a) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(b) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(c) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest on December 21, 2017.

THE TRANSFEROR AND SERVICER

Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to Transfer to the Issuer a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of receiving the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts received in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on the 18th business day of each month, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) providing forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period.

The IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions. The Master Transfer and Servicing Agreement provides for various limitations on the duties and responsibilities of the IESO including that: (i) the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, (ii) the IESO is under no responsibility or obligation to the Issuer with respect to the nature or extent of the Investment Interest, the collectability of the Clean Energy Adjustment or that Clean Energy Adjustment amounts received will be sufficient to satisfy the Issuer's Funding Obligations, (iii) the IESO shall have no liability or responsibility to any person in respect of any forecasts or other information provided, provided only that such forecasts or other information has been prepared and provided in good faith and (iv) the IESO is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from Specified Consumers or not remitted by Electricity Vendors to the IESO. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"* and *"Ontario's Fair Hydro Plan — Other Statutory Protections"* with respect to the manner in which the risks associated with incorrect forecasts by the IESO, and shortfalls in Clean Energy Adjustments as a result of amounts not being collected by Electricity Vendors or remitted by Electricity Vendors, are mitigated.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA, including its obligation to pay the Carrying Costs to the Issuer.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations

of the Issuer, including repayment of principal on the Senior Notes. Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer.

As security for the performance of its obligation to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for Transfer to the Issuer in a subsequent period. Upon completion of such Transfer, the Issuer will acquire an Investment Interest pursuant to the FHPA.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors or such other number as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program

Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement or the FHPA (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to

the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);
- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and
- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "— *Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "— *Payment Waterfalls Prior to Acceleration — Collection Account*", "— *Payment Waterfalls Prior to Acceleration — Protection Account*" and "— *Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material

conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and

deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the Internal Revenue Code, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a

specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all

amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall. Amounts in the Program Cash Reserve Account will be available to pay interest and principal on the Senior Notes.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible

Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "— *Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "— *Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference

to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying

its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "— *Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel, each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized,

executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;

- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;

- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;

- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;

- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;

- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;

- facilitate the issuance of foreign currency Issuer Funding Obligations;

- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;

- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or

- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined based on the extent, if any, to which the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"Capital Markets Platform"*.

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF SENIOR NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this *"Description of Senior Notes"* section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;

- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s), if any, and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;
- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;
- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;
- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;
- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and
- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer) or of the IESO. The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will

also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Payment Dates on which such amounts are to be accumulated for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than an expected Principal Payment Date if an optional redemption occurs and may receive principal payments later than an expected Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on an expected Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit were successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA should no longer be law in Ontario or that the FHPA should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See *"Change of Law Protection Agreement"*. However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA referenced in the previous paragraph were amended or repealed through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Crown, nor may an order for execution or attachment be made against the Crown, although the remedy of damages is available. Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior

Notes, and the Issuer must rely for payment of all of its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs to the Issuer. The amounts paid by the IESO with respect to Carrying Costs cannot be applied on account of principal on the Senior Notes. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Carrying Costs to the Issuer. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring September 30, 2022, which can be used to pay the Carrying Costs to the Issuer. There can be no assurance that the IESO will continue to have sufficient funds available to pay the Carrying Costs to the Issuer during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay the Carrying Costs to the Issuer and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior Notes, and the Issuer must rely on the IESO for the funds necessary to pay its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs to the Issuer. Amounts paid by the IESO are not available to pay principal on the Senior Notes. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and

- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt or general obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA, rights to enforcement of the FHPA and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the

Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform -- Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring Investment Interests. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the Transfer by the IESO of specified portions of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, the Investment Asset will be co-owned by all Financing Entities (including the Issuer) and consequently Clean Energy Adjustment amounts collected by or for the benefit of the Financing Entities will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA and the Master Transfer and Servicing Agreement impose new duties and obligations on the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Master Transfer and Servicing Agreement. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or providing forecast information, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or

reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.

The FHPA imposes new duties and obligations on OPG, as Financial Services Manager, and the Program Agreements impose new duties and obligations on OPG, as Manager. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA, including determining the Clean Energy Adjustment (inclusive of the True-up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated based upon a forecast of Specified Consumer usage to be newly developed based on forecast information provided by the IESO. Under the Regulations, the IESO is required to provide forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period. The amount of the Clean Energy Adjustment collected in any period will depend in part on actual electricity usage by Specified Consumers and the amount of collections and write-offs for Specified Consumers. If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. The FHPA does not require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in FHPA. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment. The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-up Amount. Until such adjustments are made or, if those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to provide indemnification, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20° Celsius. Winters include snow and icy conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization,

if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.

Ordinarily, the interests of the Issuer as acquirer of an Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time the corresponding Regulatory Asset was Transferred to the Issuer. This could reduce the amounts that may be available to the Issuer in respect of the Investment Interest and, consequently, the holders of Senior Notes. Section 27(3) of the Act provides that at the time of the Transfer of the Regulatory Asset to a Financing Entity, such Transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the Act provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the Transfer and the property rights and interests acquired by the Transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the Act in such circumstances is untested. The Transfers of the Regulatory Asset to the Issuer will be made in accordance with section 26 of the Act. Section 27(1) of the Act provides that a Transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Transferee. Therefore, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Regulatory Asset. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO or such Electricity Vendor may be significantly impaired or delayed.

Under the Master Transfer and Servicing Agreement, collections received by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior

Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities

laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Capital Markets Platform — Covenants of the Issuer — Financial Statements; Statement as to Compliance"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of

an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Financial and Consumer Affairs Authority of Saskatchewan.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

(i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum (which shall for the purposes hereof be considered to include any document or record incorporated or deemed to be incorporated by reference herein), together with any amendments hereto (which shall for the purposes hereof be considered to include any document or record incorporated or deemed to be incorporated by reference therein), or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "misrepresentation"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action may be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any

misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference herein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference herein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference herein, not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the *Securities Act* (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer or the selling security holder on whose behalf the distribution is made. "Misrepresentation" means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer and selling security holder will be liable if the person proves that:

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

  (ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

  (iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that:

    (A) there had been a misrepresentation; or

    (B) the relevant part of the confidential shelf offering memorandum:

      a. did not fairly represent the report, statement or opinion of the expert, or

      b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) while still an owner of the Senior Notes, a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Alberta, British Columbia, Newfoundland and Labrador and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia, Newfoundland and Labrador and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, with respect to a Funding Obligation, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Act**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Change of Law Protection Agreement**" means the change of law protection agreement dated as of December 21, 2017 among the Province, the Issuer and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Ontario government related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**Crown**" means Her Majesty the Queen in Right of Ontario.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" means the declaration of trust made as of December 20, 2017 under which the Issuer was established, as amended, supplemented, restated or otherwise modified from time to time.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.

"**FHPA**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Entity**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligations**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations,

exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on page (iii) of this confidential shelf offering memorandum.

"**Issuer**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement".*

"**Management Agreement**" means the management agreement dated as of December 20, 2017 between the Manager and the Issuer, and acknowledged by the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Manitoba"*.

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**NI 31-103**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**NI 45-106**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their

capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Offering Jurisdiction**" has the meaning set out under *"Representations and Agreements of Purchasers".*

"**OPA**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO*.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month or, if such day is not a business day, the next business day.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

  (i) every six-month period following the period mentioned in (a);

  (ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Saskatchewan"*.

"**Section 130.1**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Ontario"*.

"**Section 150**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in New Brunswick"*.

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**Transfer**" has the meaning specified in the *Ontario Fair Hydro Plan Act, 2017*, and "**Transferred**" and "**Transferee**" shall have corresponding meanings.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" has the meaning set out under *"The Issuer"*.

"**U.S. Securities Act**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

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SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January 22, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Capital Markets Platform" and "Description of Senior Notes" sections of the confidential shelf offering memorandum which contain a more detailed description of certain terms of the Series 2018-1 Senior Notes and the trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture (the "Series 2018-1 Senior Supplemental Indenture") pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *January 22, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE MAY 15, 2033, SERIES 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	$●[(1)]
Term:	15.25 years
Launch Date:	●, 2018
Pricing Date:	●, 2018
Settlement Date:	●, 2018 (T+3)
Interest Rate:	●% per annum (the "**Series 2018-1 Interest Rate**")
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● +● bps (including a ● bps curve adjustment and +● bps delay adjustment), versus the CAN ●% due ● (priced at $● to yield ●%)

(1) The Issuer may offer and sell Series 2018-1 Senior Notes having a principal amount greater than the amount shown above. In that event, the Principal Accumulation Amounts, the principal amounts of the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes and the use of proceeds amount will be increased proportionately.

Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-1 Senior Notes.
Agents Commission:	$● per $1,000 principal amount of Series 2018-1 Senior Notes sold (payable from existing cash resources of the Issuer)
Interest Payment Dates:	The Interest Payment Dates for the Series 2018-1 Senior Notes are as follows: (i) prior to the occurrence of an Amortization Event, interest on the Series 2018-1 Senior Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Senior Notes on each Payment Date thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event, the first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes. If an Interest Payment Date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis. The record date for each Interest Payment Date is the last day of the calendar month preceding such Interest Payment Date. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-1 Senior Notes, or the outstanding principal amount of the Series 2018-1 Senior Notes has not been paid in full on the Expected Principal Payment Date (as defined below). An "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the Master Trust Indenture, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes and all interest thereon is declared due and payable in accordance with the Indenture as a result of the occurrence of a Series 2018-1 Event of Default (as defined below).
Principal Payment Dates and Principal Payment Amount:	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on May 15, 2033 (such Payment Date, the "**Expected Principal Payment Date**"). Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date in respect of the Series 2018-1 Senior Notes and the then outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date.
Principal Payment Default Date:	May 15, 2035

Principal Accumulation Amounts: Subject to the occurrence of an Amortization Event, the Series 2018-1 Senior Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix A hereto.

Following the occurrence of an Amortization Event, the Principal Accumulation Amount with respect to each Payment Date thereafter shall be an amount equal to the outstanding principal amount of the Series 2018-1 Senior Notes.

Subordination: Concurrent with the issuance of the Series 2018-1 Senior Notes, OPG will subscribe for (i) $● of ●% subordinated notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**"); and (ii) $● of ●% junior subordinated notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**"). The Series 2018-1 Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations), and the Series 2018-1 Junior Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations) and the Series 2018-1 Subordinated Notes (and all other Subordinated Funding Obligations), in each case in the manner described in the confidential shelf offering memorandum under the heading "*Capital Markets Platform – Subordination Provisions*".

Optional Redemption: The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption.

"**Par Call Date**" means November 15, 2032.

"**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus ●% per annum.

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

Limited Recourse:	The Series 2018-1 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-1 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-1 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Series 2018-1 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under *"Change of Law Protection Agreement"*. The Series 2018-1 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under the heading *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.
Use of Proceeds:	The proceeds from the Series 2018-1 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement. See *"Consolidated Capitalization"*. Expenses of the Series 2018-1 Senior Notes Offering are to be paid from existing cash resources.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Change of Law Protection Agreement:	The Series 2018-1 Senior Notes are Approved Obligations under the Change of Law Protection Agreement.
Series 2018-1 Events of Default:	In addition to the Events of Default contained in the Master Trust Indenture and described in the confidential shelf offering memorandum, each of the following events constitute a "**Series 2018-1 Events of Default**": (a) failure to pay interest on the Series 2018-1 Senior Notes when due, subject to a 5-day cure period; (b) failure to pay principal on the Principal Payment Default Date for the Series 2018-1 Senior Notes; (c) breach of representation or warranty in the Series 2018-1 Senior Supplemental Indenture applicable to the Series 2018-1 Senior Notes, subject to materiality requirements and a 60-day cure period; (d) breach of a covenant in the Series 2018-1 Senior Supplemental Indenture, subject to materiality requirements and a 60-day cure period; and (e) an event occurs and as a result thereof, all or any portion of the principal amount of any other Senior Funding Obligation has been accelerated.

Acceleration upon a Series 2018-1 Event of Default:	Upon the occurrence of a Series 2018-1 Event of Default, the holders of Series 2018-1 Senior Notes may, by Ordinary Resolution, declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Senior Notes to be immediately due and payable, whether or not all Issuer Funding Obligations have been accelerated pursuant to the Master Trust Indenture. For a discussion of the consequences of such declaration, see the confidential shelf offering memorandum under the headings "*Capital Markets Platform – Acceleration and Remedies*" and "*Risk Factors – If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected*".
Rating Agency Condition:	"**Rating Agency Condition**" means with respect to any action in respect of the Series 2018-1 Senior Notes subject to such condition, the Issuer shall deliver written notice of the proposed action to such Rating Agency or Rating Agencies at least 10 business days prior to the effective date of such action (or if 10 business days prior notice is impractical, such advance notice as is practicable) and (i) the Rating Agencies shall not have informed the Issuer prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, DBRS shall have informed the Issuer in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action.
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	CIBC World Markets Inc. (joint lead and joint bookrunner), Goldman Sachs Canada Inc. (joint lead), RBC Dominion Securities Inc. (joint lead and joint bookrunner), BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Morgan Stanley Canada Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Desjardins Securities Inc. and Casgrain & Company Limited.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading

in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	$●
Debt		
Long-term debt, including current portion……	Nil	$●
Short-term debt……...	$1,179,000,000.00[(2)]	$●
Bank indebtedness……..	Nil	$●
Total Debt……	$1,179,000,000.00[(2)]	$●
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	$1,179,010,000.01[(2)]	$●

(2) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short term debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes, Series 2017-1 held by OPG; and (iii) $117,900,000, or 10% of all short term debt, represented by Junior Subordinated Notes, Series 2017-1 held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On November 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, 2018, the Issuer had approximately $● outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' commission payable by the Issuer.

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

APPENDIX A
PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
January 15, 2030	$●
February 15, 2030	$●
March 15, 2030	$●
April 15, 2030	$●
May 15, 2030	$●
June 15, 2030	$●
July 15, 2030	$●
August 15, 2030	$●
September 15, 2030	$●
October 15, 2030	$●
November 15, 2030	$●
December 15, 2031	$●
January 15, 2031	$●
February 15, 2031	$●
March 15, 2031	$●
April 15, 2031	$●
May 15, 2031	$●
June 15, 2031	$●
July 15, 2031	$●
August 15, 2031	$●
September 15, 2031	$●
October 15, 2031	$●
November 15, 2031	$●
December 15, 2031	$●
January 15, 2032	$●
February 15, 2032	$●
March 15, 2032	$●
April 15, 2032	$●
May 15, 2032	$●
June 15, 2032	$●
July 15, 2032	$●
August 15, 2032	$●
September 15, 2032	$●
October 15, 2032	$●
November 15, 2032	$●
December 15, 2033	$●
January 15, 2033	$●
February 15, 2033	$●
March 15, 2033	$●
April 15, 2033	$●
May 15, 2033	$●

From:	Burrows, Scott - Debt Capital Markets
To:	Brett Kichiy; j.hahnparker@opg.com; dup-john.s.lee@opg.com; ken.hartwick@opg.com; ken.ryfa@opg.com; Kevin Shvarts; Linda Smith; Mike Manning; Ricky Lai; sheen.liu@opg.com
Cc:	Reeves, Geoffrey; Burrows, Scott - Debt Capital Markets; Persaud, Donnie - Debt Capital Markets
Subject:	CIBC Weekly Spread Summary Sheet April 2, 2018 - Ontario Power Generation
Date:	Monday, April 02, 2018 3:42:28 PM
Attachments:	04.02.18 OPG.xlsx FHP_CIB_20180402.xlsx

Please find indicative new issue levels attached.

Regards,

Scott

Scott Burrows | Managing Director | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.

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Bank Name	CIBC
Date	4/2/2018

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-28	01-Mar-23	01-Mar-20	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.50%	-	-	-	-
Benchmark Yield	2.25%	2.13%	1.98%	1.80%	-0.09%	-0.11%	-0.10%	-0.09%
Curve Adjustment (bp)	0.0	(0.3)	0.5	1.3	-	0.063	0.153	0.166
Spread to GoC Curve (bp)	171	123	81	56	2	2	2	2
Re-Offered Yield	3.96%	3.36%	2.79%	2.36%	-0.07%	-0.09%	-0.08%	-0.07%
Commission (bp)	2.9	4.8	7.6	10.4	-	-	-	-
All-in Yield	**3.99%**	**3.41%**	**2.87%**	**2.46%**	**-0.07%**	**-0.08%**	**-0.08%**	**-0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One Inc. (A / A3 / A(H))	139	98	71	52	4	4	4	4

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Province of Ontario (AA- / Aa2 / AA(L))	81	70	46	-	4	5	3	-
Toronto Hydro (A / - / A)	132	92	66	48	2	2	2	2
Nova Scotia Power (BBB+ / - / A(L))	148	104	75	53	1	1	1	1
FortisAlberta (A- / Baa1 / A(l))	136	95	69	-	2	2	2	-
Brookfield Renewable Energy Partners (BBB+ / - / BBB(H))	242	182	126	87	5	5	4	2
Bruce Power (BBB / Baa2 / BBB)	208	153	108	-	3	3	3	-

Bank Name	CIBC
Date	4/2/2018

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.25%	2.22%	2.19%	2.13%	2.08%	1.98%	-0.09%	-0.10%	-0.11%	-0.11%	-0.10%	-0.10%
Curve Adjustment (bp)	0.0	0.3	(0.2)	(0.3)	(0.6)	0.5	0.0	0.1	(0.0)	0.0	0.0	0.1
Spread to GoC Curve (bp)	**117**	**115**	**105**	**92**	**67**	**49**	10	9	10	5	4	3
Re-Offered Yield	3.41%	3.38%	3.23%	3.04%	2.74%	2.47%	0.01%	-0.01%	-0.01%	-0.06%	-0.06%	-0.07%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.44%**	**3.40%**	**3.25%**	**3.06%**	**2.75%**	**2.48%**	**0.01%**	**-0.01%**	**-0.01%**	**-0.06%**	**-0.06%**	**-0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	81	80	79	72	47	28.5	4	4	4	3	3	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG (BBB+ / - / A(l))	171	--	--	123	81	65	2	--	--	2	2	2
Toronto Hydro (A / - / A)	132	--	--	92	66	54	2	--	--	2	2	2
Nova Scotia Power (BBB+ / - / A(l))	148	--	--	104	75	60	1	--	--	1	1	1
FortisAlberta (A- / Baa1 / A(l))	136	--	--	95	69	--	2	--	--	2	2	--
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	242	--	--	182	126	102	5	--	--	5	4	2
Bruce Power (BBB / Baa2 / BBB)	208	--	--	153	108	--	3	--	--	3	3	--
City of Toronto (- / Aa1 / AA)	103	102	--	83.5	--	--	4	4	--	5	--	--

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.25%	2.22%	2.19%	2.13%	2.08%	1.98%	-0.09%	-0.10%	-0.11%	-0.11%	-0.10%	-0.10%
Curve Adjustment (bp)	0.0	0.3	(0.2)	(0.3)	(0.6)	0.5	0	0	(0)	0	0	0
Spread to GoC Curve (bp)	**142**	**140**	**130**	**116.5**	**92**	**73.5**	10	9	10	5	4	3
Re-Offered Yield	3.66%	3.63%	3.48%	3.29%	2.99%	2.72%	0.01%	-0.01%	-0.01%	-0.06%	-0.06%	-0.07%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All-in Yield	**3.69%**	**3.65%**	**3.50%**	**3.31%**	**3.00%**	**2.73%**	**0.01%**	**-0.01%**	**-0.01%**	**-0.06%**	**-0.06%**	**-0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	81	80	78.5	71.5	47	28.5	4	4	4	3	3	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Bank ABS (AAA / - / AAA)	--	--	--	--	80	67	--	--	--	--	0	1
Auto ABS (Ford) (AAA / Aaa / AAA)	--	--	--	--	92	79	--	--	--	--	3	3
NHA MBS (AAA / Aaa / AAA)	--	--	--	--	48	37	--	--	--	--	1	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.25%	2.22%	2.19%	2.13%	2.08%	1.98%	-0.09%	-0.10%	-0.11%	-0.11%	-0.10%	-0.10%
Curve Adjustment (bp)	0.0	0.3	(0.2)	(0.3)	(0.6)	0.5	0	0	(0)	0	0	0
Spread to GoC Curve (bp)	**167**	**165**	**155**	**141.5**	**117**	**98.5**	10	9	10	5	4	3
Re-Offered Yield	3.91%	3.88%	3.73%	3.54%	3.24%	2.97%	0.01%	-0.01%	-0.01%	-0.06%	-0.06%	-0.07%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.94%**	**3.90%**	**3.75%**	**3.56%**	**3.25%**	**2.98%**	**0.01%**	**-0.01%**	**-0.01%**	**-0.06%**	**-0.06%**	**-0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	81	80	78.5	71.5	47	28.5	4	4	4	3	3	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year

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Cc:	Reeves, Geoffrey; Burrows, Scott - Debt Capital Markets; Persaud, Donnie - Debt Capital Markets
Subject:	CIBC Weekly Spread Summary Sheet April 23, 2018 - Ontario Power Generation
Date:	Monday, April 23, 2018 5:08:20 PM
Attachments:	04.23.18 OPG.xlsx FHP_CIB_20180423.xlsx

Please find indicative new issue levels attached.

Regards,

Scott

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Bank Name	CIBC
Date	4/23/2018

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-28	01-Mar-23	01-Mar-20	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.50%	-	-	-	-
Benchmark Yield	2.45%	2.37%	2.18%	1.91%	0.07%	0.08%	0.06%	0.01%
Curve Adjustment (bp)	0.0	(0.1)	1.9	0.9	-	0.075	0.690	(1.263)
Spread to GoC Curve (bp)	163	117	79	54	(4)	(3)	(1)	(1)
Re-Offered Yield	4.08%	3.54%	2.97%	2.45%	0.03%	0.05%	0.05%	0.00%
Commission (bp)	2.9	4.8	7.6	10.4	-	-	-	-
All-in Yield	**4.11%**	**3.59%**	**3.05%**	**2.55%**	**0.03%**	**0.05%**	**0.05%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One Inc. (A / A3 / A(H))	134	95	71	52	(4)	(4)	(1)	(1)

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Province of Ontario (AA- / Aa2 / AA(L))	76	64	42	-	(2)	(3)	(3)	-
Toronto Hydro (A / - / A)	129	92	68	49	(3)	(4)	(1)	(1)
Nova Scotia Power (BBB+ / - / A(L))	145	103	77	55	(5)	(4)	(1)	(1)
FortisAlberta (A- / Baa1 / A(l))	135	94	69	-	(3)	(4)	(1)	-
Brookfield Renewable Energy Partners (BBB+ / - / BBB(H))	240	176	124	88	(5)	(4)	(3)	(2)
Bruce Power (BBB / Baa2 / BBB)	211	152	111	-	(1)	-	(3)	-

Bank Name	CIBC
Date	4/23/2018

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.45%	2.44%	2.42%	2.37%	2.31%	2.18%	0.07%	0.08%	0.09%	0.08%	0.08%	0.06%
Curve Adjustment (bp)	0.0	0.2	(0.1)	(0.1)	(0.5)	1.9	0.0	(0.1)	0.0	0.1	(0.1)	0.7
Spread to GoC Curve (bp)	**112**	**107**	**100**	**82**	**59**	**47**	-1	-3	-1	-2	-3	0
Re-Offered Yield	3.57%	3.51%	3.42%	3.19%	2.90%	2.67%	0.06%	0.05%	0.08%	0.06%	0.05%	0.06%
Commission (bp)	2.7	2.7	2.4	2.1	1.8	1.2	-	-	-	-	-	-
All-in Yield	**3.60%**	**3.54%**	**3.44%**	**3.21%**	**2.92%**	**2.68%**	**0.06%**	**0.05%**	**0.08%**	**0.06%**	**0.05%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	76	77	74	66	44	27	-1	0	-1	-2	-2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG (BBB+ / - / A(l))	163	--	--	117	79	63	(4)	--	--	(3)	(1)	(1)
Toronto Hydro (A / - / A)	129	--	--	92	68	56	(3)	--	--	(4)	(1)	(1)
Nova Scotia Power (BBB+ / - / A(l))	145	--	--	103	77	62	(5)	--	--	(4)	(1)	(1)
FortisAlberta (A- / Baa1 / A(l))	135	--	--	94	69	--	(3)	--	--	(4)	(1)	--
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	240	--	--	176	124	103	(5)	--	--	(4)	(3)	(2)
Bruce Power (BBB / Baa2 / BBB)	211	--	--	152	111	--	(1)	--	--	0	(3)	--
City of Toronto (- / Aa1 / AA)	99	99	--	80	--	--	(1)	(2)	--	(2)	--	--

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.45%	2.44%	2.42%	2.37%	2.31%	2.18%	0.07%	0.08%	0.09%	0.08%	0.08%	0.06%
Curve Adjustment (bp)	0.0	0.2	(0.1)	(0.1)	(0.5)	1.9	0	(0)	0	0	(0)	1
Spread to GoC Curve (bp)	**139**	**134**	**127**	**109**	**86**	**74**	1	(1)	1	0	(1)	2
Re-Offered Yield	3.84%	3.78%	3.69%	3.46%	3.17%	2.94%	0.08%	0.07%	0.10%	0.08%	0.07%	0.08%
Commission (bp)	2.7	2.7	2.4	2.1	1.8	1.2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All-in Yield	**3.87%**	**3.81%**	**3.71%**	**3.48%**	**3.19%**	**2.95%**	**0.08%**	**0.07%**	**0.10%**	**0.08%**	**0.07%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	76	77	74	66	44	27	(1)	0	(1)	(2)	(2)	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Bank ABS (AAA / - / AAA)	--	--	--	--	80	66	--	--	--	--	-2	-2
Auto ABS (Ford) (AAA / Aaa / AAA)	--	--	--	--	90	77	--	--	--	--	-1	-1
NHA MBS (AAA / Aaa / AAA)	--	--	--	--	47	36	--	--	--	--	-1	-1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.45%	2.44%	2.42%	2.37%	2.31%	2.18%	0.07%	0.08%	0.09%	0.08%	0.08%	0.06%
Curve Adjustment (bp)	0.0	0.2	(0.1)	(0.1)	(0.5)	1.9	0	(0)	0	0	(0)	1
Spread to GoC Curve (bp)	**166**	**161**	**154**	**136**	**113**	**101**	3	1	3	2	1	4
Re-Offered Yield	4.11%	4.05%	3.96%	3.73%	3.44%	3.21%	0.10%	0.09%	0.12%	0.10%	0.09%	0.10%
Commission (bp)	2.7	2.7	2.4	2.1	1.8	1.2	-	-	-	-	-	-
All-in Yield	**4.14%**	**4.08%**	**3.98%**	**3.75%**	**3.46%**	**3.22%**	**0.10%**	**0.09%**	**0.12%**	**0.10%**	**0.09%**	**0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	76	77	74	66	44	27	(1)	0	(1)	(2)	(2)	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year

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Cc:	Reeves, Geoffrey; Burrows, Scott - Debt Capital Markets; Persaud, Donnie - Debt Capital Markets
Subject:	CIBC Weekly Spread Summary Sheet April 9, 2018 - Ontario Power Generation
Date:	Monday, April 09, 2018 2:43:05 PM
Attachments:	04.09.18 OPG.xlsx FHP_CIB_20180409.xlsx

Please find indicative new issue levels attached.

Regards,

Scott

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Bank Name	CIBC
Date	4/9/2018

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-28	01-Mar-23	01-Mar-20	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.50%	-	-	-	-
Benchmark Yield	2.31%	2.17%	2.00%	1.82%	0.06%	0.04%	0.02%	0.02%
Curve Adjustment (bp)	0.0	(0.3)	0.7	1.8	-	0.005	0.187	0.477
Spread to GoC Curve (bp)	175	125	83	58	4	2	2	2
Re-Offered Yield	4.06%	3.42%	2.83%	2.40%	0.10%	0.06%	0.04%	0.04%
Commission (bp)	2.9	4.8	7.6	10.4	-	-	-	-
All-in Yield	**4.09%**	**3.47%**	**2.91%**	**2.50%**	**0.10%**	**0.06%**	**0.04%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One Inc. (A / A3 / A(H))	143	100	73	54	4	2	2	2

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Province of Ontario (AA- / Aa2 / AA(L))	83	73	50	-	2	3	4	-
Toronto Hydro (A / - / A)	136	96	69	50	4	4	3	2
Nova Scotia Power (BBB+ / - / A(L))	153	107	78	56	5	3	3	3
FortisAlberta (A- / Baa1 / A(l))	140	98	71	-	4	3	2	-
Brookfield Renewable Energy Partners (BBB+ / - / BBB(H))	247	185	130	92	5	3	4	5
Bruce Power (BBB / Baa2 / BBB)	220	160	114	-	12	7	6	-

Bank Name	CIBC
Date	4/9/2018

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.32%	2.30%	2.26%	2.19%	2.12%	2.02%	0.07%	0.07%	0.07%	0.06%	0.05%	0.04%
Curve Adjustment (bp)	0.0	0.3	(0.2)	(0.3)	(0.5)	0.7	0.0	(0.0)	0.0	0.0	0.1	0.2
Spread to GoC Curve (bp)	**119**	**117**	**107**	**92**	**67**	**50**	2	2	3	0	1	2
Re-Offered Yield	3.51%	3.47%	3.32%	3.10%	2.79%	2.53%	0.09%	0.09%	0.10%	0.06%	0.05%	0.06%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.53%**	**3.50%**	**3.35%**	**3.12%**	**2.81%**	**2.54%**	**0.09%**	**0.09%**	**0.10%**	**0.06%**	**0.05%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	83	83	81	76	51	30	2	3	3	4	5	1.5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG (BBB+ / - / A(l))	175	--	--	125	83	67	4	--	--	2	2	2
Toronto Hydro (A / - / A)	136	--	--	96	69	57	4	--	--	4	3	3
Nova Scotia Power (BBB+ / - / A(l))	153	--	--	107	78	63	5	--	--	3	3	3
FortisAlberta (A- / Baa1 / A(l))	140	--	--	98	71	--	4	--	--	3	2	--
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	247	--	--	185	130	107	5	--	--	3	4	5
Bruce Power (BBB / Baa2 / BBB)	220	--	--	160	114	--	12	--	--	7	6	--
City of Toronto (- / Aa1 / AA)	106	106	--	87	--	--	3	4	--	4	--	--

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.32%	2.30%	2.26%	2.19%	2.12%	2.02%	0.07%	0.07%	0.07%	0.06%	0.05%	0.04%
Curve Adjustment (bp)	0.0	0.3	(0.2)	(0.3)	(0.5)	0.7	0	(0)	0	0	0	0
Spread to GoC Curve (bp)	**144**	**142**	**132**	**116.5**	**92**	**75**	2	2	3	0	1	2
Re-Offered Yield	3.76%	3.72%	3.57%	3.35%	3.04%	2.78%	0.09%	0.09%	0.10%	0.06%	0.05%	0.06%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All-in Yield	**3.78%**	**3.75%**	**3.60%**	**3.37%**	**3.06%**	**2.79%**	**0.09%**	**0.09%**	**0.10%**	**0.06%**	**0.05%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	83	83	81	75.5	51	30	2	3	3	4	5	2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Bank ABS (AAA / - / AAA)	--	--	--	--	83	70	--	--	--	--	3	3
Auto ABS (Ford) (AAA / Aaa / AAA)	--	--	--	--	92	79	--	--	--	--	0	0
NHA MBS (AAA / Aaa / AAA)	--	--	--	--	48	37	--	--	--	--	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.32%	2.30%	2.26%	2.19%	2.12%	2.02%	0.07%	0.07%	0.07%	0.06%	0.05%	0.04%
Curve Adjustment (bp)	0.0	0.3	(0.2)	(0.3)	(0.5)	0.7	0	(0)	0	0	0	0
Spread to GoC Curve (bp)	**169**	**167**	**157**	**141.5**	**117**	**100**	2	2	3	0	1	2
Re-Offered Yield	4.01%	3.97%	3.82%	3.60%	3.29%	3.03%	0.09%	0.09%	0.10%	0.06%	0.05%	0.06%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**4.03%**	**4.00%**	**3.85%**	**3.62%**	**3.31%**	**3.04%**	**0.09%**	**0.09%**	**0.10%**	**0.06%**	**0.05%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	83	83	81	75.5	51	30	2	3	3	4	5	2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year

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Cc:	Reeves, Geoffrey; Burrows, Scott - Debt Capital Markets; Persaud, Donnie - Debt Capital Markets
Subject:	CIBC Weekly Spread Summary Sheet February 5, 2018 - Ontario Power Generation
Date:	Monday, February 05, 2018 3:09:53 PM
Attachments:	02.05.18 OPG.xlsx FHP_CIB_20180205.xlsx

Please find indicative new issue levels attached.

Regards,

Scott

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Bank Name	CIBC
Date	2/5/2018

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-27	01-Sep-22	01-Feb-20	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	1.00%	1.00%	1.25%	-	-	-	-
Benchmark Yield	2.47%	2.38%	2.14%	1.85%	0.12%	0.09%	0.06%	0.03%
Curve Adjustment (bp)	0.0	1.1	3.3	0.3	-	0.173	0.645	0.321
Spread to GoC Curve (bp)	150	106	70	47	2	2	2	2
Re-Offered Yield	3.97%	3.44%	2.84%	2.32%	0.14%	0.11%	0.08%	0.05%
Commission (bp)	2.9	4.8	7.6	10.3	-	-	-	-
All-in Yield	**4.00%**	**3.49%**	**2.92%**	**2.43%**	**0.14%**	**0.12%**	**0.08%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One Inc. (A / A3 / A(H))	122	84	59	40	2	2	2	2

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Province of Ontario (AA- / Aa2 / AA(L))	70	58	38	-	(2)	(1)	(3)	-
Toronto Hydro (A / - / A)	118	81	56	39	1	2	2	1
Nova Scotia Power (BBB+ / - / A(L))	131	92	65	44	2	2	2	2
FortisAlberta (A- / Baa1 / A(l))	121	86	61	-	-	2	2	-
Brookfield Renewable Energy Partners (BBB+ / - / BBB(H))	215	158	109	68	-	-	-	-
Bruce Power (BBB / Baa2 / BBB)	190	133	89	-	2	2	2	-

Bank Name	CIBC
Date	2/5/2018

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-	-
Benchmark Yield	2.46%	2.47%	2.44%	2.36%	2.24%	2.12%	0.12%	0.12%	0.11%	0.08%	0.06%	0.04%
Curve Adjustment (bp)	0.0	0.1	(0.2)	1.1	4.1	3.3	0.0	(0.0)	(0.1)	0.2	0.3	0.6
Spread to GoC Curve (bp)	**100**	**100**	**93**	**83**	**58**	**45**	0	1	-3	-1	-3	-1
Re-Offered Yield	3.46%	3.47%	3.36%	3.20%	2.86%	2.60%	0.12%	0.13%	0.08%	0.07%	0.04%	0.04%
Commission (bp)	2.7	2.7	2.4	2.1	1.8	1.2	-	-	-	-	-	-
All-in Yield	**3.49%**	**3.49%**	**3.39%**	**3.22%**	**2.87%**	**2.61%**	**0.12%**	**0.13%**	**0.08%**	**0.07%**	**0.04%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	70	70	67	58	38	25	0	1	1	-1	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG (BBB+ / - / A(l))	150	--	--	106	70	56	2	--	--	2	2	2
Toronto Hydro (A / - / A)	118	--	--	81	56	46	1	--	--	2	2	2
Nova Scotia Power (BBB+ / - / A(l))	131	--	--	92	65	52	2	--	--	2	2	2
FortisAlberta (A- / Baa1 / A(l))	121	--	--	86	61	--	-	--	--	2	2	--
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	215	--	--	158	109	83	-	--	--	-	-	-
Bruce Power (BBB / Baa2 / BBB)	190	--	--	133	89	--	2	--	--	2	2	--
City of Toronto (- / Aa1 / AA)	94	92	--	76	--	--	(1)	(1)	--	(1)	--	--

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-	-
Benchmark Yield	2.46%	2.47%	2.44%	2.36%	2.24%	2.12%	0.12%	0.12%	0.11%	0.08%	0.06%	0.04%
Curve Adjustment (bp)	0.0	0.1	(0.2)	1.1	4.1	3.3	-	(0.0)	(0.1)	0.2	0.3	0.6
Spread to GoC Curve (bp)	**125**	**125**	**118**	**108**	**83**	**70**	0	1	-3	-1	-3	-1
Re-Offered Yield	3.71%	3.72%	3.61%	3.45%	3.11%	2.85%	0.12%	0.13%	0.08%	0.07%	0.04%	0.04%
Commission (bp)	2.7	2.7	2.4	2.1	1.8	1.2	-	-	-	-	-	-
All-in Yield	**3.74%**	**3.74%**	**3.64%**	**3.47%**	**3.12%**	**2.86%**	**0.12%**	**0.13%**	**0.08%**	**0.07%**	**0.04%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	70	70	67	58	38	25	0	1	1	-1	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Bank ABS (AAA / - / AAA)	--	--	--	--	68	58	--	--	--	--	4	4
Auto ABS (Ford) (AAA / Aaa / AAA)	--	--	--	--	83	71	--	--	--	--	4	4
NHA MBS (AAA / Aaa / AAA)	--	--	--	--	51	41	--	--	--	--	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	.	1-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-	-
Benchmark Yield	2.46%	2.47%	2.44%	2.36%	2.24%	2.12%	0.12%	0.12%	0.11%	0.08%	0.06%	0.04%
Curve Adjustment (bp)	0.0	0.1	(0.2)	1.1	4.1	3.3	-	(0.0)	(0.1)	0.2	0.3	0.6
Spread to GoC Curve (bp)	**135**	**135**	**128**	**118**	**93**	**80**	0	1	-3	-1	-3	-1
Re-Offered Yield	3.81%	3.82%	3.71%	3.55%	3.21%	2.95%	0.12%	0.13%	0.08%	0.07%	0.04%	0.04%
Commission (bp)	2.7	2.7	2.4	2.1	1.8	1.2	-	-	-	-	-	-
All-in Yield	**3.84%**	**3.84%**	**3.74%**	**3.57%**	**3.22%**	**2.96%**	**0.12%**	**0.13%**	**0.08%**	**0.07%**	**0.04%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	70	70	67	58	38	25	0	1	1	-1	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year

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Cc:	Reeves, Geoffrey; Burrows, Scott - Debt Capital Markets; Persaud, Donnie - Debt Capital Markets
Subject:	CIBC Weekly Spread Summary Sheet January 15, 2018 - Ontario Power Generation
Date:	Monday, January 15, 2018 1:34:09 PM
Attachments:	01.15.18 OPG.xlsx 01.15.18 FHP.xlsx

Please find indicative new issue levels attached.

Regards,

Scott

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Bank Name	CIBC
Date	1/15/2018

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-27	01-Sep-22	01-Feb-20	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	1.00%	1.00%	1.25%	-	-	-	-
Benchmark Yield	2.37%	2.18%	1.98%	1.77%	0.00%	0.01%	-0.01%	-0.02%
Curve Adjustment (bp)	0.0	1.4	2.1	(0.3)	-	(0.171)	0.734	(2.026)
Spread to GoC Curve (bp)	151	105	71	47	(3)	(2)	(2)	(4)
Re-Offered Yield	3.88%	3.23%	2.69%	2.24%	-0.03%	-0.01%	-0.03%	-0.06%
Commission (bp)	2.9	4.7	7.6	10.3	-	-	-	-
All-in Yield	**3.91%**	**3.28%**	**2.77%**	**2.34%**	**-0.03%**	**-0.01%**	**-0.03%**	**-0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One Inc. (A / A3 / A(H))	122	85	60	41	(4)	(2)	(2)	(4)

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Province of Ontario (AA- / Aa2 / AA(L))	68	60	39	-	1	2	1	-
Toronto Hydro (A / - / A)	118	81	56	40	(4)	(2)	(2)	(2)
Nova Scotia Power (BBB+ / - / A(L))	130	93	66	45	(6)	(2)	(2)	(3)
FortisAlberta (A- / Baa1 / A(l))	122	85	60	-	(3)	(3)	(3)	-
Brookfield Renewable Energy Partners (BBB+ / - / BBB(H))	225	164	115	75	(5)	(6)	(3)	(3)
Bruce Power (BBB / Baa2 / BBB)	191	131	91	-	(9)	(9)	(9)	-

Bank Name	CIBC
Date	1/15/2018

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-	-
Benchmark Yield	2.37%	2.33%	2.28%	2.19%	2.09%	2.00%	-0.01%	-0.01%	-0.01%	0.00%	0.02%	0.01%
Curve Adjustment (bp)	0.0	0.4	(0.5)	1.4	2.4	2.1	0.0	(0.0)	0.0	(0.1)	(1.1)	0.5
Spread to GoC Curve (bp)	**98**	**97**	**94**	**84.5**	**59**	**44**	1	0	0	2	2	1
Re-Offered Yield	3.35%	3.30%	3.21%	3.05%	2.71%	2.46%	0.00%	-0.01%	-0.01%	0.02%	0.02%	0.02%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.37%**	**3.33%**	**3.23%**	**3.07%**	**2.72%**	**2.47%**	**0.00%**	**-0.01%**	**-0.01%**	**0.02%**	**0.02%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	68	67	64	59.5	39	24	1	0	1	2	2	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG (BBB+ / - / A(l))	150	--	--	119	85	70	(4)	--	--	(3)	(2)	(1)
Toronto Hydro (A / - / A)	118	--	--	81	56	46	(4)	--	--	(2)	(2)	(1)
Nova Scotia Power (BBB+ / - / A(l))	130	--	--	93	66	53	(6)	--	--	(2)	(2)	(2)
FortisAlberta (A- / Baa1 / A(l))	122	--	--	85	60	--	(3)	--	--	(3)	(3)	--
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	225	--	--	164	115	89	(5)	--	--	(6)	(3)	(3)
Bruce Power (BBB / Baa2 / BBB)	191	--	--	131	91	--	(9)	--	--	(9)	(9)	--
City of Toronto (- / Aa1 / AA)	93	92	--	76	--	--	1	2	--	3	--	--

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-	-
Benchmark Yield	2.37%	2.33%	2.28%	2.19%	2.09%	2.00%	-0.01%	-0.01%	-0.01%	0.00%	0.02%	0.01%
Curve Adjustment (bp)	0.0	0.4	(0.5)	1.4	2.4	2.1	-	(0.0)	0.0	(0.1)	(1.1)	0.5
Spread to GoC Curve (bp)	**123**	**122**	**119**	**109.5**	**84**	**69**	6	5	5	7	7	6
Re-Offered Yield	3.60%	3.55%	3.46%	3.30%	2.96%	2.71%	0.05%	0.04%	0.04%	0.07%	0.07%	0.07%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.62%**	**3.58%**	**3.48%**	**3.32%**	**2.97%**	**2.72%**	**0.05%**	**0.04%**	**0.04%**	**0.07%**	**0.07%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	68	67	64	59.5	39	24	1	0	1	2	2	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Bank ABS (AAA / - / AAA)	--	--	--	--	66	53	--	--	--	--	(4)	(4)
Auto ABS (Ford) (AAA / Aaa / AAA)	--	--	--	--	82	70	--	--	--	--	(3)	(2)
NHA MBS (AAA / Aaa / AAA)	--	--	--	--	47	34	--	--	--	--	(3)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	.	1-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-	-
Benchmark Yield	2.37%	2.33%	2.28%	2.19%	2.09%	2.00%	-0.01%	-0.01%	-0.01%	0.00%	0.02%	0.01%
Curve Adjustment (bp)	0.0	0.4	(0.5)	1.4	2.4	2.1	-	(0.0)	0.0	(0.1)	(1.1)	0.5
Spread to GoC Curve (bp)	**133**	**132**	**129**	**119.5**	**94**	**79**	6	5	5	7	7	6
Re-Offered Yield	3.70%	3.65%	3.56%	3.40%	3.06%	2.81%	0.05%	0.04%	0.04%	0.07%	0.07%	0.07%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.72%**	**3.68%**	**3.58%**	**3.42%**	**3.07%**	**2.82%**	**0.05%**	**0.04%**	**0.04%**	**0.07%**	**0.07%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	68	67	64	59.5	39	24	1	0	1	2	2	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year

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Cc:	Reeves, Geoffrey; Burrows, Scott - Debt Capital Markets; Burrows, Scott - Debt Capital Markets; Persaud, Donnie - Debt Capital Markets
Subject:	CIBC Weekly Spread Summary Sheet January 29, 2018 - Ontario Power Generation
Date:	Monday, January 29, 2018 4:15:53 PM
Attachments:	01.29.18 OPG.xlsx FHP_CIB_20180129.xlsx

Please find indicative new issue levels attached.

Regards,

Scott

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Bank Name	CIBC
Date	1/29/2018

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-27	01-Sep-22	01-Feb-20	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	1.00%	1.00%	1.25%	-	-	-	-
Benchmark Yield	2.35%	2.29%	2.08%	1.82%	-0.02%	0.05%	0.04%	0.02%
Curve Adjustment (bp)	0.0	0.9	2.7	0.0	-	(0.057)	0.348	0.232
Spread to GoC Curve (bp)	148	104	68	45	(2)	(1)	(2)	(2)
Re-Offered Yield	3.83%	3.33%	2.76%	2.27%	-0.04%	0.04%	0.02%	0.00%
Commission (bp)	2.8	4.8	7.6	10.3	-	-	-	-
All-in Yield	**3.86%**	**3.37%**	**2.84%**	**2.38%**	**-0.04%**	**0.03%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One Inc. (A / A3 / A(H))	120	82	57	38	(3)	(1)	(1)	(1)

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Province of Ontario (AA- / Aa2 / AA(L))	71	59	40	-	1	(2)	(1)	-
Toronto Hydro (A / - / A)	117	79	54	38	(2)	-	-	-
Nova Scotia Power (BBB+ / - / A(L))	129	90	63	42	(1)	(1)	(1)	(1)
FortisAlberta (A- / Baa1 / A(l))	121	84	59	-	(1)	(1)	(1)	-
Brookfield Renewable Energy Partners (BBB+ / - / BBB(H))	215	158	109	68	(5)	(4)	(3)	(4)
Bruce Power (BBB / Baa2 / BBB)	188	131	87	-	(3)	-	(4)	-

Bank Name	CIBC
Date	1/29/2018

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-	-
Benchmark Yield	2.35%	2.35%	2.33%	2.28%	2.18%	2.07%	-0.02%	0.01%	0.03%	0.05%	0.05%	0.04%
Curve Adjustment (bp)	0.0	0.1	(0.2)	0.9	3.9	2.7	0.0	(0.2)	0.2	(0.1)	0.8	0.4
Spread to GoC Curve (bp)	**100**	**99**	**96**	**84**	**60**	**46**	1	-1	-1	-2	-1	0
Re-Offered Yield	3.35%	3.34%	3.28%	3.13%	2.82%	2.56%	-0.01%	0.00%	0.02%	0.03%	0.05%	0.04%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.37%**	**3.36%**	**3.31%**	**3.15%**	**2.84%**	**2.57%**	**-0.01%**	**0.00%**	**0.02%**	**0.03%**	**0.05%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	70	69	66	59	40	26	1	-1	-1	-2	-1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG (BBB+ / - / A(l))	148	--	--	104	68	54	(1)	--	--	(11)	(15)	(14)
Toronto Hydro (A / - / A)	117	--	--	79	54	44	(2)	--	--	-	-	-
Nova Scotia Power (BBB+ / - / A(l))	129	--	--	90	63	50	(1)	--	--	(1)	(1)	(1)
FortisAlberta (A- / Baa1 / A(l))	121	--	--	84	59	--	(1)	--	--	(1)	(1)	--
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	215	--	--	158	109	83	(5)	--	--	(4)	(3)	(4)
Bruce Power (BBB / Baa2 / BBB)	188	--	--	131	87	--	(3)	--	--	-	(4)	--
City of Toronto (- / Aa1 / AA)	95	93	--	77	--	--	-	(1)	--	-	--	--

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-	-
Benchmark Yield	2.35%	2.35%	2.33%	2.28%	2.18%	2.07%	-0.02%	0.01%	0.03%	0.05%	0.05%	0.04%
Curve Adjustment (bp)	0.0	0.1	(0.2)	0.9	3.9	2.7	-	(0.2)	0.2	(0.1)	0.8	0.4
Spread to GoC Curve (bp)	**125**	**124**	**121**	**109**	**85**	**71**	1	-1	-1	-2	-1	0
Re-Offered Yield	3.60%	3.59%	3.53%	3.38%	3.07%	2.81%	-0.01%	0.00%	0.02%	0.03%	0.05%	0.04%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.62%**	**3.61%**	**3.56%**	**3.40%**	**3.09%**	**2.82%**	**-0.01%**	**0.00%**	**0.02%**	**0.03%**	**0.05%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	70	69	66	59	40	26	1	-1	-1	-2	-1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Bank ABS (AAA / - / AAA)	--	--	--	--	64	54	--	--	--	--	(1)	-
Auto ABS (Ford) (AAA / Aaa / AAA)	--	--	--	--	79	67	--	--	--	--	(1)	(1)
NHA MBS (AAA / Aaa / AAA)	--	--	--	--	49	39	--	--	--	--	4	6

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	.	1-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-	-
Benchmark Yield	2.35%	2.35%	2.33%	2.28%	2.18%	2.07%	-0.02%	0.01%	0.03%	0.05%	0.05%	0.04%
Curve Adjustment (bp)	0.0	0.1	(0.2)	0.9	3.9	2.7	-	(0.2)	0.2	(0.1)	0.8	0.4
Spread to GoC Curve (bp)	**135**	**134**	**131**	**119**	**95**	**81**	1	-1	-1	-2	-1	0
Re-Offered Yield	3.70%	3.69%	3.63%	3.48%	3.17%	2.91%	-0.01%	0.00%	0.02%	0.03%	0.05%	0.04%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.72%**	**3.71%**	**3.66%**	**3.50%**	**3.19%**	**2.92%**	**-0.01%**	**0.00%**	**0.02%**	**0.03%**	**0.05%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	70	69	66	59	40	26	1	-1	-1	-2	-1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year

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Cc:	Reeves, Geoffrey; Burrows, Scott - Debt Capital Markets; Persaud, Donnie - Debt Capital Markets
Subject:	CIBC Weekly Spread Summary Sheet June 4, 2018 - Ontario Power Generation
Date:	Monday, June 04, 2018 3:53:52 PM
Attachments:	06.04.18 OPG.xlsx FHP_CIB_20180604.xlsx

Please find indicative new issue levels attached.

Regards,

Scott

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Bank Name	CIBC
Date	6/4/2018

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-28	01-Mar-23	01-May-20	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.75%	-	-	-	-
Benchmark Yield	2.31%	2.27%	2.14%	1.93%	-0.03%	-0.03%	-0.01%	-0.01%
Curve Adjustment (bp)	0.0	0.0	0.8	1.9	-	0.017	(1.149)	0.252
Spread to GoC Curve (bp)	168	120	79	54	-	1	-	-
Re-Offered Yield	3.99%	3.47%	2.93%	2.47%	-0.03%	-0.02%	-0.01%	-0.01%
Commission (bp)	2.9	4.8	7.6	10.4	-	-	-	-
All-in Yield	**4.02%**	**3.52%**	**3.00%**	**2.58%**	**-0.03%**	**-0.02%**	**-0.01%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One Inc. (A / A3 / A(H))	137	99	71	54	-	2	2	2

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Province of Ontario (AA- / Aa2 / AA(L))	77	67	45	-	(2)	(3)	2	-
Toronto Hydro (A / - / A)	132	94	66	50	2	3	2	2
Nova Scotia Power (BBB+ / - / A(L))	149	109	79	58	4	4	4	4
FortisAlberta (A- / Baa1 / A(l))	136	97	70	-	2	2	2	-
Brookfield Renewable Energy Partners (BBB+ / - / BBB(H))	248	182	127	88	8	7	5	4
Bruce Power (BBB / Baa2 / BBB)	216	152	106	-	2	2	2	-

Bank Name	CIBC
Date	6/4/2018

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.31%	2.32%	2.30%	2.27%	2.22%	2.14%	-0.03%	-0.03%	-0.03%	-0.03%	-0.02%	-0.01%
Curve Adjustment (bp)	0.0	0.1	0.0	0.0	0.1	0.8	0.0	(0.0)	0.0	0.0	0.1	-1.1
Spread to GoC Curve (bp)	**110**	**108**	**101**	**88**	**61**	**51**	-2	-1	-1	0	2	2
Re-Offered Yield	3.41%	3.40%	3.31%	3.15%	2.83%	2.66%	-0.05%	-0.04%	-0.04%	-0.03%	0.00%	0.00%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.44%**	**3.42%**	**3.34%**	**3.17%**	**2.85%**	**2.67%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.03%**	**0.00%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	77	77	73	67	47	33	-2	0	-1	-2	-2	0.5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG (BBB+ / - / A(l))	168	--	--	120	79	63	0	--	--	1	0	0
Toronto Hydro (A / - / A)	132	--	--	94	66	56	2	--	--	3	2	2
Nova Scotia Power (BBB+ / - / A(l))	149	--	--	109	79	65	4	--	--	4	4	4
FortisAlberta (A- / Baa1 / A(l))	136	--	--	97	70	--	2	--	--	2	2	--
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	248	--	--	182	127	103	8	--	--	7	5	4
Bruce Power (BBB / Baa2 / BBB)	216	--	--	152	106	--	2	--	--	2	2	--
City of Toronto (- / Aa1 / AA)	99	98	--	84	--	--	2	3	--	3	--	--

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.31%	2.32%	2.30%	2.27%	2.22%	2.14%	-0.03%	-0.03%	-0.03%	-0.03%	-0.02%	-0.01%
Curve Adjustment (bp)	0.0	0.1	0.0	0.0	0.1	0.8	0	(0)	0	0	0	(1)
Spread to GoC Curve (bp)	**137**	**135**	**128**	**115**	**88**	**78**	(2)	(1)	(1)	0	2	2
Re-Offered Yield	3.68%	3.67%	3.58%	3.42%	3.10%	2.93%	-0.05%	-0.04%	-0.04%	-0.03%	0.00%	0.00%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All-in Yield	**3.71%**	**3.69%**	**3.61%**	**3.44%**	**3.12%**	**2.94%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.03%**	**0.00%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	77	77	73	66.5	47	33	(2)	0	(1)	(2)	(2)	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Bank ABS (AAA / - / AAA)	--	--	--	--	88	77	--	--	--	--	2	4
Auto ABS (Ford) (AAA / Aaa / AAA)	--	--	--	--	100	89	--	--	--	--	2	2
NHA MBS (AAA / Aaa / AAA)	--	--	--	--	50	38	--	--	--	--	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.31%	2.32%	2.30%	2.27%	2.22%	2.14%	-0.03%	-0.03%	-0.03%	-0.03%	-0.02%	-0.01%
Curve Adjustment (bp)	0.0	0.1	0.0	0.0	0.1	0.8	0	(0)	0	0	0	(1)
Spread to GoC Curve (bp)	**164**	**162**	**155**	**142**	**115**	**105**	(2)	(1)	(1)	0	2	2
Re-Offered Yield	3.95%	3.94%	3.85%	3.69%	3.37%	3.20%	-0.05%	-0.04%	-0.04%	-0.03%	0.00%	0.00%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.98%**	**3.96%**	**3.88%**	**3.71%**	**3.39%**	**3.21%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.03%**	**0.00%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	77	77	73	66.5	47	33	(2)	0	(1)	(2)	(2)	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year

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Cc:	Reeves, Geoffrey; Burrows, Scott - Debt Capital Markets; Persaud, Donnie - Debt Capital Markets
Subject:	CIBC Weekly Spread Summary Sheet March 26, 2018 - Ontario Power Generation
Date:	Monday, March 26, 2018 3:16:13 PM
Attachments:	03.26.18 OPG.xlsx FHP_CIB_20180326.xlsx

Please find indicative new issue levels attached.

Regards,

Scott

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Bank Name	CIBC
Date	3/26/2018

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-28	01-Mar-23	01-Mar-20	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.50%	-	-	-	-
Benchmark Yield	2.34%	2.24%	2.08%	1.89%	0.05%	0.07%	0.09%	0.10%
Curve Adjustment (bp)	0.0	(0.4)	0.3	1.1	-	0.022	0.133	0.244
Spread to GoC Curve (bp)	169	121	79	54	4	3	2	2
Re-Offered Yield	4.03%	3.45%	2.87%	2.43%	0.09%	0.10%	0.11%	0.12%
Commission (bp)	2.9	4.8	7.6	10.4	-	-	-	-
All-in Yield	**4.06%**	**3.49%**	**2.95%**	**2.53%**	**0.09%**	**0.09%**	**0.11%**	**0.12%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One Inc. (A / A3 / A(H))	135	94	67	48	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Province of Ontario (AA- / Aa2 / AA(L))	77	65	43	-	4	3	2	-
Toronto Hydro (A / - / A)	130	90	64	46	-	-	-	-
Nova Scotia Power (BBB+ / - / A(L))	147	103	74	52	1	1	1	1
FortisAlberta (A- / Baa1 / A(l))	134	93	67	-	-	1	1	-
Brookfield Renewable Energy Partners (BBB+ / - / BBB(H))	237	177	122	85	2	2	-	2
Bruce Power (BBB / Baa2 / BBB)	205	150	105	-	5	5	5	-

Bank Name	CIBC
Date	3/26/2018

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.34%	2.33%	2.29%	2.24%	2.17%	2.08%	0.05%	0.04%	0.06%	0.07%	0.08%	0.09%
Curve Adjustment (bp)	0.0	0.3	(0.2)	(0.4)	(0.6)	0.3	0.0	0.0	0.1	0.1	0.2	0.1
Spread to GoC Curve (bp)	**107**	**106**	**95**	**87**	**63**	**46**	4	4	4	3	3	1
Re-Offered Yield	3.40%	3.39%	3.24%	3.10%	2.80%	2.54%	0.09%	0.08%	0.10%	0.10%	0.10%	0.10%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.43%**	**3.42%**	**3.26%**	**3.12%**	**2.81%**	**2.55%**	**0.09%**	**0.08%**	**0.10%**	**0.10%**	**0.10%**	**0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	77	76	74	67	43	25.5	4	4	4	3	3	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG (BBB+ / - / A(l))	169	--	--	121	79	63	4	--	--	3	2	2
Toronto Hydro (A / - / A)	130	--	--	90	64	52	0	--	--	0	0	0
Nova Scotia Power (BBB+ / - / A(l))	147	--	--	103	74	59	1	--	--	1	1	1
FortisAlberta (A- / Baa1 / A(l))	134	--	--	93	67	--	0	--	--	1	1	--
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	237	--	--	177	122	100	2	--	--	2	0	2
Bruce Power (BBB / Baa2 / BBB)	205	--	--	150	105	--	5	--	--	5	5	--
City of Toronto (- / Aa1 / AA)	99	98	--	78.5	--	--	4	4	--	(2)	--	--

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.34%	2.33%	2.29%	2.24%	2.17%	2.08%	0.05%	0.04%	0.06%	0.07%	0.08%	0.09%
Curve Adjustment (bp)	0.0	0.3	(0.2)	(0.4)	(0.6)	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**132**	**131**	**120**	**111.5**	**88**	**70.5**	4	4	4	3	3	1
Re-Offered Yield	3.65%	3.64%	3.49%	3.35%	3.05%	2.79%	0.09%	0.08%	0.10%	0.10%	0.10%	0.10%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All-in Yield	**3.68%**	**3.67%**	**3.51%**	**3.37%**	**3.06%**	**2.80%**	**0.09%**	**0.08%**	**0.10%**	**0.10%**	**0.10%**	**0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	77	76	74	66.5	43	25.5	4	4	4	3	3	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Bank ABS (AAA / - / AAA)	--	--	--	--	80	66	--	--	--	--	2	2
Auto ABS (Ford) (AAA / Aaa / AAA)	--	--	--	--	89	76	--	--	--	--	2	2
NHA MBS (AAA / Aaa / AAA)	--	--	--	--	47	37	--	--	--	--	1	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.34%	2.33%	2.29%	2.24%	2.17%	2.08%	0.05%	0.04%	0.06%	0.07%	0.08%	0.09%
Curve Adjustment (bp)	0.0	0.3	(0.2)	(0.4)	(0.6)	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**157**	**156**	**145**	**136.5**	**113**	**95.5**	4	4	4	3	3	1
Re-Offered Yield	3.90%	3.89%	3.74%	3.60%	3.30%	3.04%	0.09%	0.08%	0.10%	0.10%	0.10%	0.10%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.93%**	**3.92%**	**3.76%**	**3.62%**	**3.31%**	**3.05%**	**0.09%**	**0.08%**	**0.10%**	**0.10%**	**0.10%**	**0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	77	76	74	66.5	43	25.5	4	4	4	3	3	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year

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Cc:	Reeves, Geoffrey; Burrows, Scott - Debt Capital Markets; Persaud, Donnie - Debt Capital Markets
Subject:	CIBC Weekly Spread Summary Sheet May 22, 2018 - Ontario Power Generation
Date:	Tuesday, May 22, 2018 2:09:38 PM
Attachments:	05.22.18 OPG.xlsx FHP_CIB_20180522.xlsx

Please find indicative new issue levels attached.

Regards,

Scott

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Bank Name	CIBC
Date	5/22/2018

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-28	01-Mar-23	01-May-20	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.75%	-	-	-	-
Benchmark Yield	2.50%	2.49%	2.31%	2.05%	0.05%	0.07%	0.07%	0.07%
Curve Adjustment (bp)	0.0	(0.0)	2.1	1.2	-	(0.005)	(0.179)	0.315
Spread to GoC Curve (bp)	170	119	78	53	2	(1)	(1)	(1)
Re-Offered Yield	4.20%	3.68%	3.09%	2.58%	0.07%	0.06%	0.06%	0.06%
Commission (bp)	3.0	4.9	7.7	10.4	-	-	-	-
All-in Yield	**4.23%**	**3.73%**	**3.16%**	**2.68%**	**0.07%**	**0.06%**	**0.05%**	**0.05%**

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Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One Inc. (A / A3 / A(H))	138	97	68	51	1	(2)	(2)	(2)

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Province of Ontario (AA- / Aa2 / AA(L))	75	64	40	-	(1)	(1)	(1)	-
Toronto Hydro (A / - / A)	131	91	63	47	1	(2)	(2)	(2)
Nova Scotia Power (BBB+ / - / A(L))	148	105	74	52	1	(2)	(2)	(2)
FortisAlberta (A- / Baa1 / A(l))	135	95	67	-	1	(2)	(2)	-
Brookfield Renewable Energy Partners (BBB+ / - / BBB(H))	243	178	123	85	-	(2)	(2)	(2)
Bruce Power (BBB / Baa2 / BBB)	214	150	104	-	2	-	-	-

Bank Name	CIBC
Date	5/22/2018

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.50%	2.53%	2.52%	2.49%	2.43%	2.31%	0.05%	0.07%	0.07%	0.07%	0.07%	0.06%
Curve Adjustment (bp)	0.0	(0.1)	(0.0)	(0.0)	(0.1)	2.1	0.0	(0.1)	0.0	0.0	0.1	-0.1
Spread to GoC Curve (bp)	**110**	**106**	**99**	**85**	**57**	**47**	-2	-2	-1	-2	1	-2
Re-Offered Yield	3.60%	3.59%	3.51%	3.34%	3.00%	2.80%	0.03%	0.04%	0.06%	0.05%	0.08%	0.04%
Commission (bp)	2.8	2.7	2.5	2.1	1.8	1.2	-	-	-	-	-	-
All-in Yield	**3.63%**	**3.62%**	**3.54%**	**3.36%**	**3.02%**	**2.81%**	**0.03%**	**0.04%**	**0.06%**	**0.05%**	**0.08%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	75	74	71	64	43	29	-1	-2	-1	0	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG (BBB+ / - / A(l))	170	--	--	119	78	62	2	--	--	(1)	(1)	(1)
Toronto Hydro (A / - / A)	131	--	--	91	63	53	1	--	--	(2)	(2)	(2)
Nova Scotia Power (BBB+ / - / A(l))	148	--	--	105	74	59	1	--	--	(2)	(2)	(2)
FortisAlberta (A- / Baa1 / A(l))	135	--	--	95	67	--	1	--	--	(2)	(2)	--
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	243	--	--	178	123	100	0	--	--	(2)	(2)	(1)
Bruce Power (BBB / Baa2 / BBB)	214	--	--	150	104	--	2	--	--	0	0	--
City of Toronto (- / Aa1 / AA)	98	95	--	81	--	--	0	(2)	--	0	--	--

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.50%	2.53%	2.52%	2.49%	2.43%	2.31%	0.05%	0.07%	0.07%	0.07%	0.07%	0.06%
Curve Adjustment (bp)	0.0	(0.1)	(0.0)	(0.0)	(0.1)	2.1	0	(0)	0	0	0	(0)
Spread to GoC Curve (bp)	**137**	**133**	**126**	**112**	**84**	**74**	(2)	(2)	(1)	(2)	1	(2)
Re-Offered Yield	3.87%	3.86%	3.78%	3.61%	3.27%	3.07%	0.03%	0.04%	0.06%	0.05%	0.08%	0.04%
Commission (bp)	2.8	2.7	2.5	2.1	1.8	1.2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All-in Yield	**3.90%**	**3.89%**	**3.81%**	**3.63%**	**3.29%**	**3.08%**	**0.03%**	**0.04%**	**0.06%**	**0.05%**	**0.08%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	75	74	71	64	43	29	(1)	(2)	(1)	0	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Bank ABS (AAA / - / AAA)	--	--	--	--	81	68	--	--	--	--	1	-2
Auto ABS (Ford) (AAA / Aaa / AAA)	--	--	--	--	93	80	--	--	--	--	0	0
NHA MBS (AAA / Aaa / AAA)	--	--	--	--	47	35	--	--	--	--	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.50%	2.53%	2.52%	2.49%	2.43%	2.31%	0.05%	0.07%	0.07%	0.07%	0.07%	0.06%
Curve Adjustment (bp)	0.0	(0.1)	(0.0)	(0.0)	(0.1)	2.1	0	(0)	0	0	0	(0)
Spread to GoC Curve (bp)	**164**	**160**	**153**	**139**	**111**	**101**	(2)	(2)	(1)	(2)	1	(2)
Re-Offered Yield	4.14%	4.13%	4.05%	3.88%	3.54%	3.34%	0.03%	0.04%	0.06%	0.05%	0.08%	0.04%
Commission (bp)	2.8	2.7	2.5	2.1	1.8	1.2	-	-	-	-	-	-
All-in Yield	**4.17%**	**4.16%**	**4.08%**	**3.90%**	**3.56%**	**3.35%**	**0.03%**	**0.04%**	**0.06%**	**0.05%**	**0.08%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	76	76	72	64	43	28	(3)	(3)	(3)	(4)	(3)	(3)

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year

From:	Burrows, Scott - Debt Capital Markets
To:	Brett Kichiy; j.hahnparker@opg.com; dup-john.s.lee@opg.com; ken.hartwick@opg.com; ken.ryfa@opg.com; Kevin Shvarts; Linda Smith; Mike Manning; Ricky Lai; sheen.liu@opg.com
Cc:	Reeves, Geoffrey; Burrows, Scott - Debt Capital Markets; Persaud, Donnie - Debt Capital Markets
Subject:	CIBC Weekly Spread Summary Sheet May 28, 2018 - Ontario Power Generation
Date:	Monday, May 28, 2018 1:35:53 PM
Attachments:	05.28.18 OPG.xlsx FHP_CIB_20180528.xlsx

Please find indicative new issue levels attached.

Regards,

Scott

Scott Burrows | Managing Director | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.

161 Bay Street, 5th Floor, Toronto, ON, M5J 2S8| Tel: 416 956-3049| Cell: 416 786-4369 | Fax: 416 594-7760 |

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Bank Name	CIBC
Date	5/28/2018

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-28	01-Mar-23	01-May-20	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.75%	-	-	-	-
Benchmark Yield	2.34%	2.30%	2.15%	1.94%	-0.16%	-0.19%	-0.16%	-0.11%
Curve Adjustment (bp)	0.0	0.0	1.9	1.6	-	-	(0.212)	0.381
Spread to GoC Curve (bp)	168	119	79	54	(2)	-	1	1
Re-Offered Yield	4.02%	3.49%	2.94%	2.48%	-0.18%	-0.19%	-0.15%	-0.10%
Commission (bp)	2.9	4.8	7.6	10.4	-	-	-	-
All-in Yield	**4.05%**	**3.54%**	**3.01%**	**2.58%**	**-0.18%**	**-0.19%**	**-0.15%**	**-0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One Inc. (A / A3 / A(H))	137	97	69	52	(1)	-	1	1

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Province of Ontario (AA- / Aa2 / AA(L))	79	69	43	-	4	5	3	-
Toronto Hydro (A / - / A)	130	91	64	48	(1)	-	1	1
Nova Scotia Power (BBB+ / - / A(L))	145	105	75	54	(3)	-	1	2
FortisAlberta (A- / Baa1 / A(l))	134	95	68	-	(1)	-	1	-
Brookfield Renewable Energy Partners (BBB+ / - / BBB(H))	240	175	122	84	(3)	(3)	(1)	(1)
Bruce Power (BBB / Baa2 / BBB)	214	150	104	-	-	-	-	-

Bank Name	CIBC
Date	5/28/2018

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.34%	2.35%	2.33%	2.30%	2.24%	2.15%	-0.16%	-0.18%	-0.19%	-0.20%	-0.19%	-0.16%
Curve Adjustment (bp)	0.0	0.1	(0.0)	0.0	0.0	1.9	0.0	0.1	0.0	0.0	0.1	-0.2
Spread to GoC Curve (bp)	**112**	**109**	**102**	**88**	**59**	**49**	2	3	3	3	2	2
Re-Offered Yield	3.46%	3.44%	3.35%	3.18%	2.83%	2.66%	-0.14%	-0.15%	-0.16%	-0.17%	-0.17%	-0.14%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.49%**	**3.47%**	**3.38%**	**3.20%**	**2.85%**	**2.67%**	**-0.14%**	**-0.15%**	**-0.16%**	**-0.17%**	**-0.17%**	**-0.14%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	79	77	74	69	48	32.5	4	3	3	5	5	3.5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG (BBB+ / - / A(l))	168	--	--	119	79	63	(2)	--	--	0	1	1
Toronto Hydro (A / - / A)	130	--	--	91	64	54	(1)	--	--	0	1	1
Nova Scotia Power (BBB+ / - / A(l))	145	--	--	105	75	61	(3)	--	--	0	1	2
FortisAlberta (A- / Baa1 / A(l))	134	--	--	95	68	--	(1)	--	--	0	1	--
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	240	--	--	175	122	99	(3)	--	--	(3)	(1)	(1)
Bruce Power (BBB / Baa2 / BBB)	214	--	--	150	104	--	0	--	--	0	0	--
City of Toronto (- / Aa1 / AA)	98	95	--	81	--	--	0	0	--	0	--	--

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.34%	2.35%	2.33%	2.30%	2.24%	2.15%	-0.16%	-0.18%	-0.19%	-0.20%	-0.19%	-0.16%
Curve Adjustment (bp)	0.0	0.1	(0.0)	0.0	0.0	1.9	0	0	0	0	0	(0)
Spread to GoC Curve (bp)	**139**	**136**	**129**	**115**	**86**	**76**	2	3	3	3	2	2
Re-Offered Yield	3.73%	3.71%	3.62%	3.45%	3.10%	2.93%	-0.14%	-0.15%	-0.16%	-0.17%	-0.17%	-0.14%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All-in Yield	**3.76%**	**3.74%**	**3.65%**	**3.47%**	**3.12%**	**2.94%**	**-0.14%**	**-0.15%**	**-0.16%**	**-0.17%**	**-0.17%**	**-0.14%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	79	77	74	68.5	48	32.5	4	3	3	5	5	4

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Bank ABS (AAA / - / AAA)	--	--	--	--	83	72	--	--	--	--	2	4
Auto ABS (Ford) (AAA / Aaa / AAA)	--	--	--	--	95	82	--	--	--	--	2	2
NHA MBS (AAA / Aaa / AAA)	--	--	--	--	49	37	--	--	--	--	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-	-
Benchmark Yield	2.34%	2.35%	2.33%	2.30%	2.24%	2.15%	-0.16%	-0.18%	-0.19%	-0.20%	-0.19%	-0.16%
Curve Adjustment (bp)	0.0	0.1	(0.0)	0.0	0.0	1.9	0	0	0	0	0	(0)
Spread to GoC Curve (bp)	**166**	**163**	**156**	**142**	**113**	**103**	2	3	3	3	2	2
Re-Offered Yield	4.00%	3.98%	3.89%	3.72%	3.37%	3.20%	-0.14%	-0.15%	-0.16%	-0.17%	-0.17%	-0.14%
Commission (bp)	2.7	2.7	2.4	2.1	1.7	1.2	-	-	-	-	-	-
All-in Yield	**4.03%**	**4.01%**	**3.92%**	**3.74%**	**3.39%**	**3.21%**	**-0.14%**	**-0.15%**	**-0.16%**	**-0.17%**	**-0.17%**	**-0.14%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	79	77	74	68.5	48	32.5	4	3	3	5	5	4

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year

From:	Mansoori, Nina
To:	Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Malle Hanslep (MOF); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); "tim.christine@ontario.ca"
Cc:	"John Lee (john.s.lee@opg.com)"; "Ken Ryfa (ken.ryfa@opg.com)"; "WONG Leslie -LAWDIV"; LADAK Lubna - TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Mansoori, Nina; Olusoga, Yinka
Subject:	Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Date:	Friday, January 05, 2018 4:56:52 PM
Attachments:	Cover Letter.pdf Transaction Documents.zip
Importance:	High

All,

Reference is made to the Change of Law Process Agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the Province") and Ontario Power Generation Inc. ("OPG") to be dated as of December 21, 2017 (the "Change of Law Process Agreement"). All capitalized terms used and not defined in this email shall have their respective meanings in the Change of Law Process Agreement.

On behalf of OPG, we have hand-delivered today to the Ministers and the Deputy Ministers the forms of Transaction Documents set out in the attached cover letter. For ease of reference, we also attach these documents here and attach blacklines to the last versions of the term supplemental indentures circulated to you. If you would like a blackline of any other Transaction Document, please send us the version you reviewed last.

We consider these forms settled other than:

- There is one change that has been proposed by the dealers, and which is under discussion, that will impact the term supplemental indentures and will necessitate some additional disclosure to the term sheet. The dealers have advised that following a Principal Payment Date (i.e. the date on which all amounts owing under the notes are expected to be repaid in full), it would be typical for the interest payment dates to accelerate to monthly (instead of semi-annually). Once the dealers and OPG have an opportunity to discuss and come to an agreement on this point next week, the necessary changes to reflect this will be made to the term supplemental indentures and the term sheet
- there are still some bullets in these documents which will be addressed closer to closing (including dates, pricing information and the names of all of the Agents)
- we expect there will be some minor clean up to the OM (including making sure all of our cross-references are correct and that the glossary picks up all defined terms).

Please let us know if you have any questions.

Best Regards,

Nina

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Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

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January 5, 2018

HAND DELIVERED

Ministry of Finance
7 Queen's Park Crescent, 7th Floor
Toronto, Ontario M7A 1Y7

Attention: Minister of Finance
Deputy Minister of Finance

Ministry of Energy
Hearst Block 4th Floor, 900 Bay Street
Toronto, Ontario M7A 2E1

Attention: Minister of Energy
Deputy Ministry of Energy

Dear Sirs/Mesdames:

Re: Fair Hydro Plan – Deliveries under Change of Law Process Agreement

Reference is made to the Change of Law Process Agreement dated as of December 21, 2017 between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance, and Ontario Power Generation Inc. (the "**Change of Law Process Agreement**"). Capitalized terms used and not defined herein shall have their respective meanings in the Change of Law Process Agreement.

On behalf of Ontario Power Generation Inc. and pursuant to section 2.01(b) of the Change of Law Process Agreement, please find enclosed the following Transaction Documents:

- Form of confidential shelf offering memorandum, including the form of investor presentation attached as Exhibit 1 thereto and the form of term sheet incorporated by reference therein;
- Form of Agency Agreement among, *inter alios*, Fair Hydro Trust, Ontario Power Generation Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc.;
- Form of Term Senior Supplemental Indenture between Fair Hydro Trust and BNY Trust Company of Canada;
- Form of Term Subordinated Supplemental Indenture between Fair Hydro Trust and BNY Trust Company of Canada; and

- Form of Term Junior Subordinated Supplemental Indenture between Fair Hydro Trust and BNY Trust Company of Canada.

Yours truly,



Brett Saulnier

Encl.

cc: Rima Ramchandani, *Torys LLP*
John Lee, *Ontario Power Generation Inc.*
Lubna Ladak, *Ontario Power Generation Inc.*
Leslie Wong, *Ontario Power Generation Inc.*

24716882.2

Attachment Transaction Documents (0 Bytes) cannot be converted to PDF format.

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "****U.S. Securities Act****") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement

January ■, 2018

FAIR HYDRO TRUST

Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (the "**FHPA**"), legislation that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms). Under the FHPA, Ontario Power Generation Inc. ("**OPG**") is appointed as financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt or general obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Risk Factors"*.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this

confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended or supplemented by supplemental indentures thereto.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the

investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount & Financing Plan"*, *"Subordinated Debt"*, *"■"* and *"Risk Factors"* of this confidential shelf offering memorandum and *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"*, *"■"* and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval by resolution of the holders of all Series of Senior Notes.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.
- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Power outages could impair payment of the Senior Notes.
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

PRIOR TO RECEIVING THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER MUST HAVE ENTERED INTO A CONFIDENTIALITY UNDERTAKING WITH THE ISSUER (IN A FORM ACCEPTABLE TO THE ISSUER) WHICH PROVIDES THAT BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER. ***[NTD: Logistics to be discussed between Dealers and OPG.]***

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Ontario's Fair Hydro Plan:	On March 2, 2017, the Province of Ontario announced its Fair Hydro Plan, proposing to lower the average electricity bill for certain eligible customers. On June 1, 2017, the Ontario government passed the Ontario Fair Hydro Plan Act, 2017 (the "**FHPA**"), legislation that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms). From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[1] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") for that period. Under the FHPA, OPG is appointed as financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA and the Regulations. The Issuer is a Financing Entity under the FHPA and the Regulations and the Notes are Funding Obligations being offered for the purposes of the FHPA and the Regulations. See *"Ontario's Fair Hydro Plan — Background"*.
Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of series (each a "**Series**"), in one or several offerings (each, an "**Offering**"). A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the master trust indenture dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Trust Indenture**") between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**"), as supplemented by a supplemental indenture dated the date of the issuance of such Series between the Issuer and the Indenture Trustee (a "**Supplemental Indenture**" and collectively with the Master Trust Indenture, the "**Indenture**") authorizing that Series.

[1] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a not-for-profit corporation established under the *Electricity Act, 1998* (Ontario). The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market. Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may, on a monthly basis, offer to transfer a specified portion of the Regulatory Asset to the Issuer. See *"Transferor and Servicer"*.
Investment Interest:	Upon acceptance of the transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the right to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA and the Regulations. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.
Clean Energy Adjustment:	The FHPA and the Regulations impose an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager and will be converted by the OEB into a $/kWh rate and added to the electricity invoices sent to Specified Consumers. See *"— Statutory Duties of the OEB"* below. The required Clean Energy Adjustment is an amount determined by the Financial Services Manager for each month in a Reference Period (which is generally a six-month period, subject to more frequent determinations in certain circumstances) and consists of the sum of: (i) the estimated Finance Amount in respect of the Reference Period, which includes all financing and other expenses of the Issuer for such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period. The "**True-up Amount**" is comprised of any Finance Amounts not previously received in respect of the Clean Energy Adjustment during preceding Reference Periods plus other anticipated shortfalls. The True-up Amount accounts for historical and reasonably foreseeable differences between the required Clean Energy Adjustment amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs, variations in billings due to variations in electricity consumption and amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all

Funding Obligations and other Finance Amounts have not be paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for such Reference Period.

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other carrying costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs during the Moratorium Period:

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of its carrying costs. Under the Regulations, "carrying costs" include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of carrying costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement, the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which can be used to pay the Issuer's carrying costs. The amounts paid by the IESO to fund these carrying costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for the performance of its obligation under the Regulations to pay the Issuer's carrying costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors

with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment after such time shall be determined without regard to the fact that such amount has become immediately due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount and Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors.

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are invoiced to recover the Clean Energy Adjustment. The rates are expressed in $/kWh and determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment in respect of the relevant period of time as determined by the Financial Services Manager by (ii) the forecast provided by the IESO of electricity consumption of Specified Consumers. See *"— Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA and the Regulations require Electricity Vendors to invoice Specified Consumers for a charge in respect of the Clean Energy

Adjustment commencing May 1, 2021, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of the Issuer, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, hold such amounts in trust for the benefit of the Issuer until deposited with the IESO and remit such amounts to the IESO for the benefit of the Issuer. If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate the payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice. It is a deemed condition of their distribution license that Electricity Vendors comply with the FHPA.

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required from the IESO is based on a formula as set out in the Master Transfer and Servicing Agreement and will equal: (i) 50% of forecasted Clean Energy Adjustment amounts that are to be collected by such non-investment grade rated Electricity Vendors and held for 45 days prior to the funds being remitted to the Issuer; or (ii) such other amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

OPG has entered into a management agreement (the "**Management Agreement**") with the Issuer pursuant to which the Issuer has delegated to OPG, as manager (the "**Manager**"), all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer. See *"The Manager"*.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA and the Regulations, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on

	behalf of the Issuer and any other Financing Entities. Subject to OEB approval, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. See *"The Manager"*.
Statutory and Servicing Duties of the IESO:	Following the Moratorium Period, the IESO is required, as agent of the Issuer, to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of the Issuer and remit such amounts to the Issuer on a monthly basis, subject to daily remittance being required in certain limited circumstances. In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including forecasting electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts to the Issuer and fulfilling certain additional reporting requirements. Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*
Change of Law Protection Agreement:	Pursuant to the Change of Law Protection Agreement in favour of the Issuer and the Indenture Trustee, upon a Protection Event, the Province of Ontario is required to make payments in respect of all "Approved Obligations" under the Change of Law Protection Agreement and which includes payments in respect of the Notes. Generally, an "**Approved Obligation**" under the Change of Law Protection Agreement includes all obligations of the Issuer, including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years and which are not terminable by the Issuer on less than three years' notice and on payment by the Issuer of an amount equal to or less than $5,000,000.
Protection Event:	Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement: (a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA, in whole or in part, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under or in connection with, the FHPA, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Province of Ontario, an official of the government or board or commission appointed by the Lieutenant Governor in Council makes or amends any regulation; or

(v) there is a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or any entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event is referred to as the "**Limited Guarantee**". Upon paying amounts in respect of Approved Obligations, including the Senior Notes, the Province of Ontario will have a right of subrogation that includes the entitlement to all rights and interests under and in respect of such Approved Obligations, including the security interest in each related Investment Interest and any related property of the Issuer.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee prior to the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect for as long as any Senior Notes remain outstanding.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant or representation of OPG to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the

Limited Guarantee; or (iii) if the Financial Services Manager is no longer the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall cease to apply only in respect of obligations incurred by the Issuer and certain material amendments of outstanding obligations of the Issuer, in each case following delivery of a Suspension Notice.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension if the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA and the Regulations by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of certain costs allocated to Specified Consumers in respect of the Ontario government's clean energy initiatives ("**Clean Energy Costs**") in proportion to the relative attribution of the value of benefits determined to be derived by or accruing to Specified Consumers as a result of such clean energy initiatives ("**Clean Energy Benefits**") among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether Funding Obligations should be incurred by the Issuer or other Financing Entities and having regard to certain principles, including that Funding Obligations should be incurred so that the estimated Finance Amount that would become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA, namely, to ensure that present and future Specified Consumers are bearing their share of the costs of providing Clean Energy Benefits. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current

	Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024. Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount on subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes. The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.
Subordinated Debt:	Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes. Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.
Use of Proceeds:	The proceeds from each Offering may be used to (i) acquire an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement, (ii) refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) pay Offering and related costs of the Issuer and (iv) fund specific reserve accounts as required. The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.

Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of carrying costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay carrying costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount. In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering. See "*Capital Markets Platform — Security*".
Priority of Payments:	Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts

available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for senior obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for subordinated obligations;
- payments of or accumulations in respect of interest for junior subordinated obligations;
- payment of or accumulations in respect of principal for warehouse obligations (see "*Warehouse Facilities*");
- accumulations in respect of principal for senior obligations (other than warehouse obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on senior obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for subordinated obligations;
- fees and other amounts (other than principal and interest) on subordinated obligations;
- payment of or accumulations in respect of principal for junior subordinated obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for subordinated obligations or junior subordinated obligations);
- replenishment of Series Accounts established for subordinated obligations;
- fees and other amounts (other than principal and interest) on junior subordinated obligations;
- replenishment of Series Accounts established for junior subordinated obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on senior obligations and payments under derivative agreements (other than termination payments), *pari passu*, then

subordinated obligations (other than principal) and then junior subordinated obligations (other than principal);

- principal for warehouse obligations;
- *pari passu*, principal on senior obligations (other than warehouse obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for subordinated obligations and then junior subordinated obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103).

By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.

Book-Entry Form: The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in

	accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydropower, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from generating facilities to local areas; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses using lower voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of small scale solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy from a few flexible loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Virtually all generators in Ontario also have bilateral contracts with the IESO that provide for payments in addition to the market price of electricity that is paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario), whose sole shareholder is the Province of Ontario. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold all of the generation assets. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power turbine. OPG's mission is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers

and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for almost half of the total energy generated and injected into Ontario's electricity transmission system, as reported by the IESO. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for operating the real-time electricity markets in Ontario, as well as administering the market rules. The OPA was the counterparty that entered into bilateral power or capacity purchase contracts with generators. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners, but it is governed by an independent Board of Directors whose chair and directors are appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial public regulatory agency. The *Ontario Energy Board Act* provides the OEB with the authority to regulate Ontario's electricity market, including the activities of Electricity Vendors.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

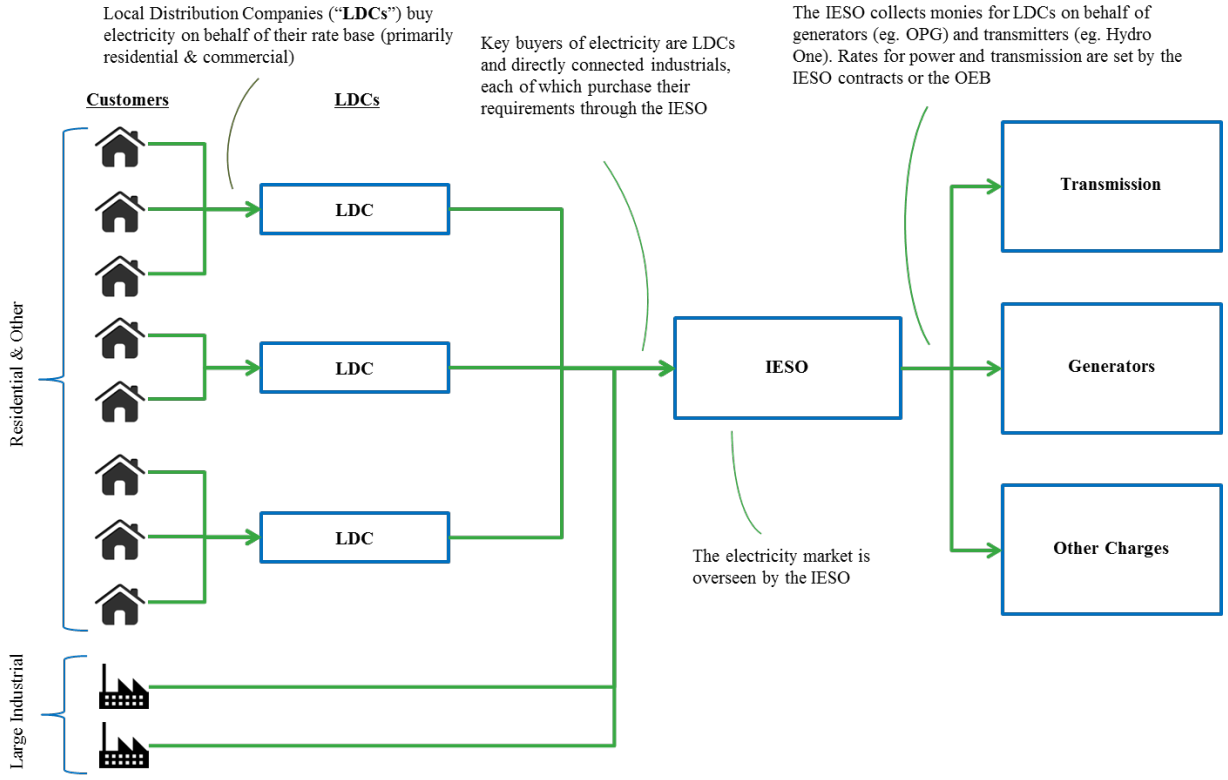
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures involving distributors, transmitters and other entities which it licenses. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as

applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB. The following diagram depicts a simplified flow of funds between the key industry participants:



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two main components that make up the commodity cost of electricity in Ontario, the hourly Ontario energy price ("**HOEP**") and the global adjustment charge.

- The HOEP is set by the IESO on an hourly basis based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is also paid by loads. It is established monthly by the IESO in accordance with regulations and is used to collect funds used by the IESO to pay certain "out of

market" costs that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to certain generators, including OPG, that are entitled to a regulated rate of return based on OEB-established payment amounts. For all loads with a peak demand under 500 kW (in other words, all Specified Consumers), the global adjustment charge is based on electricity usage on a per unit basis.

Prior to the FHPA being passed, the amount collected by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's liabilities, subject to certain periodic true-ups and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered prices for residential and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in the previous period. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from a licensed retailer pursuant to a retail contract that provides a fixed rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario government passed the *Ontario Fair Hydro Plan Act, 2017* (the "**FHPA**"), legislation that reallocates certain electricity costs over time and provides immediate rate relief to consumers. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[2] less than the rate that would otherwise have been determined by the OEB for that period (the "**Fair Adjustment**").

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming

[2] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one of more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (such obligations, "**Funding Obligations**") to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, in a variance account. The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The IESO may transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment and, as an owner of the Investment Interest, will be entitled to recover all its costs of such financing. While a Financing Entity may choose to acquire an Investment Interest from the IESO, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the transfer of a specified portion of the Regulatory Asset from the IESO, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and the Issuer's interest therein, an "**Investment Interest**"). The Investment Interest consists of, among other things:

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest, including any rights to receive a payment obligation incurred by the IESO as part of the transfer of the Regulatory Asset; and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount payable by Specified Consumers to cover the cost of financing the shortfall that results from the Fair Adjustment. The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" for a Reference Period is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the Reference Period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the Reference Period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer that are paid or payable during the Reference Period;

(iv) payments required to be made in respect of any derivative agreements during the Reference Period;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) fees, including fees charged by the Financial Services Manager, charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA that are paid or payable during the Reference Period; and

(vii) taxes paid or payable by the Issuer as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that are paid or payable during the Reference Period;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the Reference Period;

(ii) amounts received during the Reference Period in respect of funding rebates;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the Reference Period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the Reference Period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the Reference Period;

(vi) amounts received by the Issuer as a refund of tax during the Reference Period; and

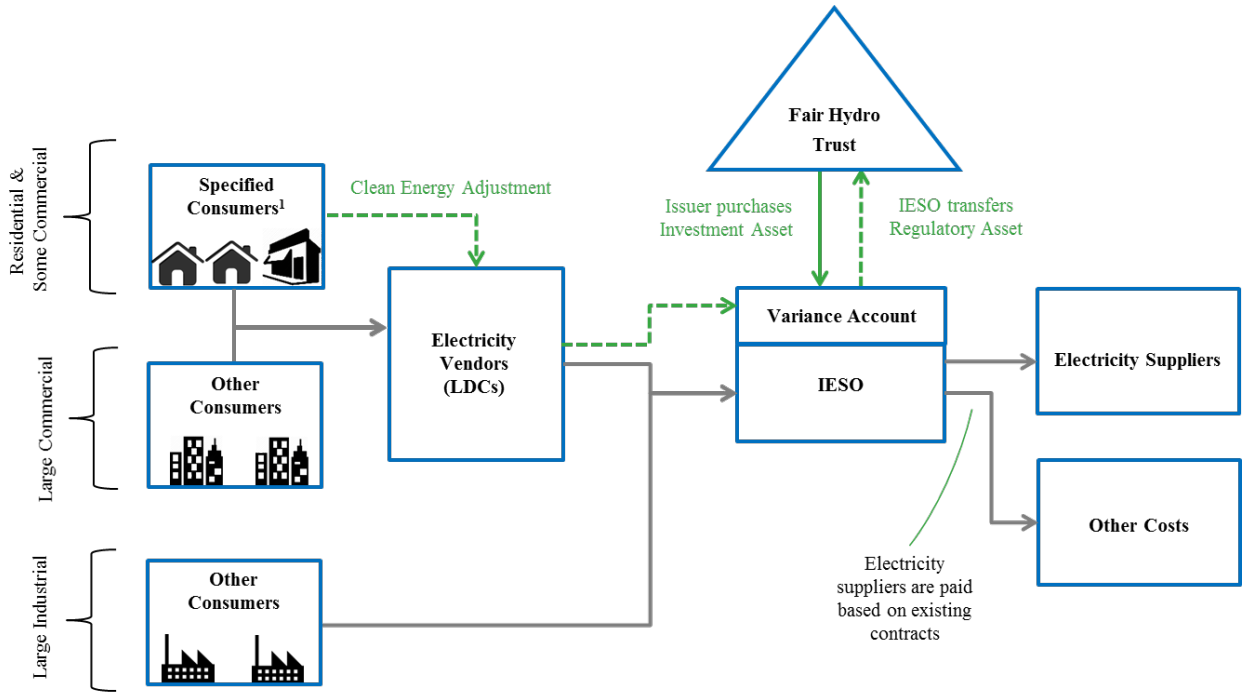
(c) subtracting the sum calculated under (a) from the sum calculated under (b).

The Clean Energy Adjustment will also take into account a true-up comprised of any Finance Amounts not previously received in respect of the Clean Energy Adjustment plus other anticipated shortfalls (the "**True-up Amount**"). The True-up Amount accounts for historical and reasonably foreseeable differences between the required Clean Energy Adjustment and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs, variations in billings due to variations in electricity consumption and amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a $/kWh amount and determined by the OEB by dividing (i) the Clean Energy Adjustment in respect of the relevant period of time provided by the Financial Services Manager by (ii) the forecast electricity consumption provided by the IESO of Specified Consumers in respect of the period. Electricity Vendors are required to invoice Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the Issuer, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, hold such amounts in trust for the benefit of the Issuer until deposited with the IESO and remit such amounts to the IESO for the benefit of the Issuer. If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate the payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice. It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA. If there are any amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to the Issuer during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other carrying costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, directly to the IESO.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers. Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of any Funding Obligations and the Fair Allocation Amount may be changed from time to time, provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred so that the estimated Finance Amount that would become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA, namely, to ensure that present and future Specified Consumers are bearing their share of the costs of providing Clean Energy Benefits. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024. Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount of subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

IESO Payment of Carrying Costs During the Moratorium Period

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its "carrying costs". "Carrying costs" include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes). The amounts paid by the IESO to fund these carrying costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of carrying costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which can be used to pay the Issuer's carrying costs. Furthermore, as security for the performance of its obligations under the Regulations to pay the Issuer's carrying costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister

of Energy or the Ontario government, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA or the Regulations, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement in favour of the Issuer and the Indenture Trustee, upon a Protection Event, the Province of Ontario is required to make payments in respect of all Approved Obligations when due and payable. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event is referred to as the "**Limited Guarantee**". In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA, in whole or in part, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under or in connection with, the FHPA, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Province of Ontario, an official of the government or board or commission appointed by the Lieutenant Governor in Council makes or amends any regulation; or

(v) there is a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or any entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The priority of payments made by the Province of Ontario under the Change of Law Protection Agreement is governed by the Master Trust Indenture. Upon paying amounts in respect of the Approved Obligations, the Province of Ontario will have a right of subrogation that includes the entitlement to all rights and interests under and in respect of such Approved Obligations, including the security interest in each related Investment Interest and any related property of the Issuer.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations; and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

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

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee prior to the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect for as long as any Senior Notes remain outstanding.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be

considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

A "**Post-Suspension Refinancing**" means a Funding Obligation that is an Obligation Secured and that is incurred on or after the occurrence of a Suspension Event in compliance with the requirements of the Change of Law Protection Agreement, as a refinancing of one or more Series of Approved Obligations (including any Pre-Approved Refinancing), in each case the proceeds of which, together with any other funds that may be available, are used solely for the purpose of paying in full such Series of Approved Obligations and any costs and expenses associated with such refinancing.

A "**Pre-Approved Refinancing**" means a refinancing of a Certified Primary Obligation in respect of which the Province of Ontario has, prior to the incurrence of such Certified Primary Obligation, agreed shall be an Approved Obligation, subject to compliance with such conditions and requirements as may be specified in such agreement.

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document to which the Limited Guarantee applies and which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA or the Regulations; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to a declaration of trust made December 20, 2017 (the "**Declaration of Trust**"). Computershare Trust Company of Canada (the "**Issuer Trustee**") is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to

conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

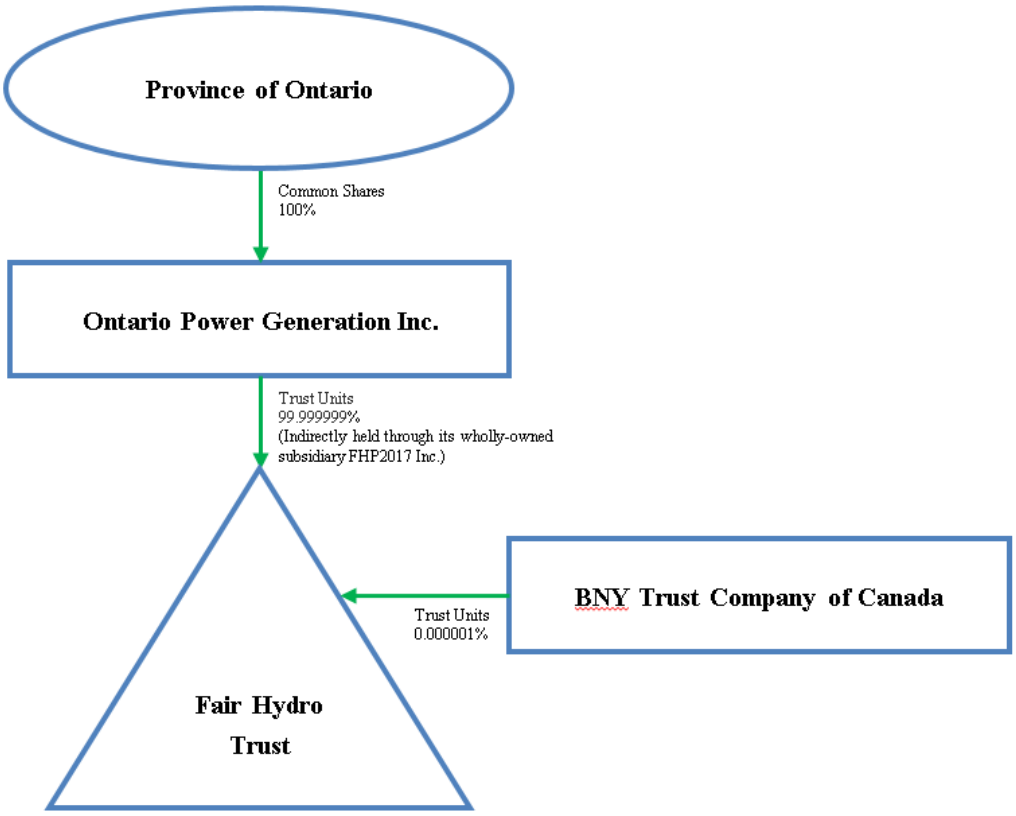
The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a

taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

OPG has entered into a management agreement with the Issuer dated as of December 20, 2017 (the "**Management Agreement**") pursuant to which the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA and the Regulations, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, the Manager shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA and the Regulations, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors − Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and Manager of the Issuer.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or carrying costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

SUBORDINATED DEBT

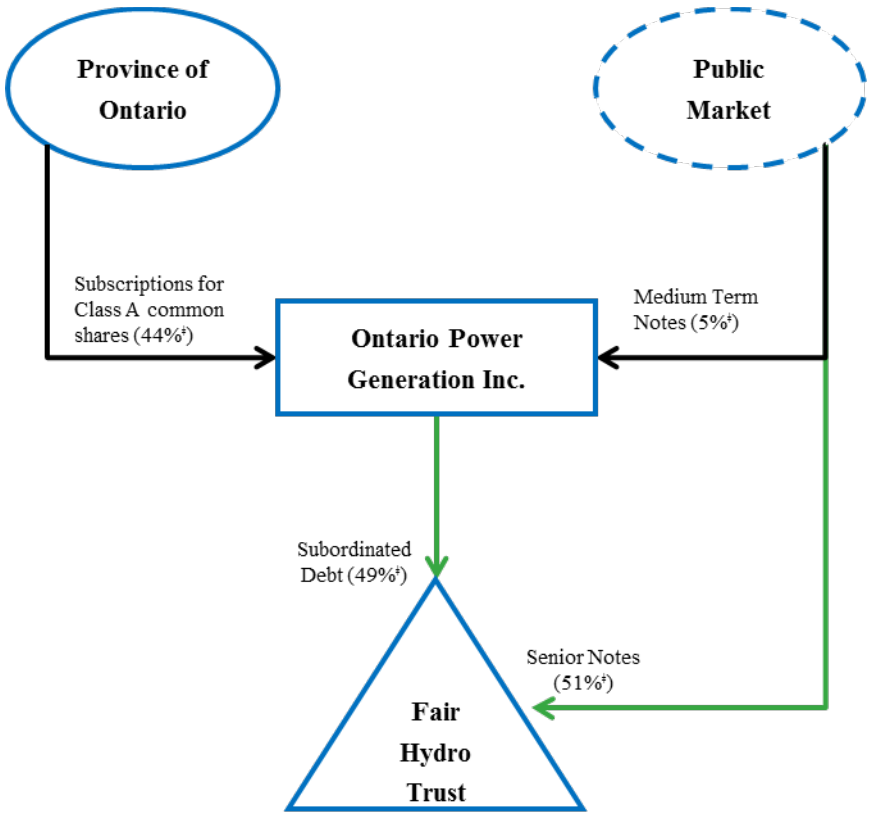
Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximate 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes).

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate

outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



‡ OPG will acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable

funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

THE TRANSFEROR AND SERVICER

The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may periodically transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to transfer to the Issuer its right, title and interest in, to and under a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of collecting the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts collected in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on a monthly basis, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) forecasting the electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer.

While the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that the Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, the IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA or the Regulations, including its obligation to pay the Issuer's carrying costs.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its carrying costs. Under the Regulations "carrying costs" include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes. Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of carrying costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which can be used to pay the Issuer's carrying costs.

As security for the performance of its obligation to pay the Issuer's carrying costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO with respect to the global adjustment charge. The amounts paid by the IESO to fund these carrying costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for transfer to the Issuer in a subsequent period and, upon completion of such transfer, shall become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the

proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);

- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and

- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the Internal Revenue Code, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated

Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be

credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has an been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All payments received from the Province of Ontario pursuant to the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will not be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "*— Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on

such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "*— Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve

Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the

funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in the any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "*— Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of

the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "*— Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by

conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel of external counsel, each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal

amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;

- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;

- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;

- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;

- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;

- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;

- facilitate the issuance of foreign currency Issuer Funding Obligations;

- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;

- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or

- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;
- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;
- a reduction in the amount of a discount note payable upon its acceleration;
- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;
- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;
- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or
- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or

powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts

will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this "Description of the Senior Notes" section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;

- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;

- the price at which such Series or Tranche of Senior Notes will be issued;

- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;

- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;

- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;

- the Principal Accumulation Date(s) and Principal Accumulation Amount(s) for such Series of Senior Notes;

- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;

- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;

- any events of default with respect to such Series or Tranche of Senior Notes;

- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;

- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;

- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;

- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and

- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date

for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Principal Accumulation Date(s) for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than a Principal Payment Date if an optional redemption occurs and may receive principal payments later than a Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on a Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants

with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not

be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA, the Regulations or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA or the Regulations.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA or the Regulations will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit were successful, it would likely be a Protection Event and the provisions of the Change of Law Protection Agreement would apply. See *"Change of Law Protection Agreement"*. If such successful lawsuit was not, however, a Protection Event, and an invalidation of any relevant underlying legislative or regulatory provision were to result, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Province of Ontario shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a

referendum or initiative process by which the FHPA may be amended or revoked. Therefore, the only way for such provisions of the FHPA to be amended or revoked would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA or the Regulations should no longer be law in Ontario or that the FHPA or Regulations should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment or revocation. Any such action that materially and adversely effects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay its obligations under the Senior Notes would be subject to the Change of Law Protection Agreement. See "*Change of Law Protection Agreement*". However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA or the Regulations referenced in the previous paragraph were amended or revoked through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Province of Ontario, although the remedy of damages is available. As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other carrying costs, solely upon the IESO who is obligated under the Regulations to pay these carrying costs. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Issuer's carrying costs. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring ■, 20■, which can be used to pay the Issuer's carrying costs. ***[NTD: IESO credit facility description to be confirmed.]*** There can be no assurance that the IESO will continue to have sufficient funds available to pay interest on the Senior Notes or to pay the Issuer's other carrying costs during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay interest on the Senior Notes or the Issuer's other carrying costs and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of carrying costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of carrying costs or enforcement of any security provided by the IESO under the Master Transfer and Servicing Agreement.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other carrying costs, solely upon the IESO who is obligated under the Regulations to pay these carrying costs. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA and the Regulations.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt or general obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA and the Regulations, rights to enforcement of the FHPA, the Regulations and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal

payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform -- Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Funding Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring an Investment Interest. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the transfer by the IESO of a specified portion of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA, the Regulations and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA, the Regulations and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or forecasting consumption, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of OPG, as Financial Services Manager and as Manager of the Issuer. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA and the Regulations, including determining the Clean Energy Adjustment (inclusive of the True-Up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting

and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated based upon a forecast of Specified Consumer usage to be newly developed by the IESO[, adjusted for expected billing lags and charge-offs] [including the effect of delinquencies and write-offs] ***[Confirm whether the IESO forecast takes into account items noted in square brackets.]***. Under the FHPA, the IESO is required to forecast electricity consumption of Specified Consumers. The amount and the rate of the Clean Energy Adjustment will depend in part on actual electricity usage and the amount of collections and write-offs for Specified Consumers. If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. Neither the FHPA nor the Regulations require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information to the IESO regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in FHPA and the Regulations. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment. For example, an Electricity Vendor's conditions of service may permit it to offer equal monthly billing plans to its consumers thereby delaying payments from one month to the next during the year or to enter into arrangements for the payment of arrears. In that event, collection of the Clean Energy Adjustment may be delayed or reduced until an adjustment is made.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment. The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to indemnify holders of Senior Notes, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach and the fact that holders of Senior Notes will be unsecured creditors of OPG or the IESO, as applicable, with respect to any of these indemnification amounts. Neither OPG nor the IESO will indemnify any person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Senior Notes, or for any consequential damages, including any loss of market value of the Senior Notes resulting from a default or a downgrade of the ratings of the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-Up Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°C. Winters include snow and icing conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the transfers between the IESO and the Issuer pursuant to the Master Transfer and Servicing Agreement may not be respected as true sales of the Investment Interest.

Ordinarily, the interests of the Issuer as transferee of the Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time an Investment Interest is transferred to the Issuer, which could reduce the amounts that may be available to the Issuer and, consequently, the holders of Senior Notes. Section 27(3) of the FHPA provides that at the time of the transfer to a Financing Entity, such transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the FHPA provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the transfer and the property rights and interests acquired by the transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the FHPA in such circumstances is untested. The IESO will treat the transactions described herein as a transfer of the Regulatory Asset to the Issuer. Such transfers will be made in accordance with Section 26 of the FHPA. Section 27(1) of the FHPA provides that a transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the transferee. As a transfer, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Investment Interest. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.

While the IESO is the servicer under the Master Transfer and Servicing Agreement, collections held by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the FHPA, provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these

provisions of the *Electricity Act, 1998* (Ontario), as amended by the FHPA, in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantee of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See "*Rating Agency Condition*".

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and

the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Description of Senior Notes — Reporting Requirements of Senior Notes"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is

delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its

previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

(i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating

the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference therein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference therein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the Securities Act (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer. "Misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

(i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

(ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer will be liable if the person proves that

(i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

(ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that;

(A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

[NTD: Glossary in progress. For ease of reference, Torys is considering adding an index or replacing glossary with an index for terms that are defined in the body.]

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" means the agents designated by the Issuer from time to time and identified in the Term Sheet applicable to such Offering to sell the Senior Notes as described under *"Plan of Distribution"*.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Ontario government related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" has the meaning set out under *"The Issuer"*.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" means The Depositary Trust Company.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.

"**FHPA**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" means OPG, in its capacity as financial services manager appointed under the FHPA to perform the duties assigned to it thereunder.

"**Financing Entity**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether Funding Obligations should be incurred for the purposes of acquiring Investment Interests, including any amendments thereto.

"**Funding Obligation**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as

applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer**" means Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" has the meaning set out under *"The Manager"*.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" means *The Securities Act* (Manitoba).

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**MW**" means megawatts.

"**NI 31-103**" means National Instrument 31-103 — *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

"**NI 45-106**" means National Instrument 45-106 — *Prospectus Exemptions*.

"**NL Act**" means the *Securities Act* (Newfoundland and Labrador).

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indentures and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" means an offering of senior secured notes pursuant to this confidential shelf offering memorandum and the related Term Sheet as described under *"Plan of Distribution"*.

"**Offering Jurisdiction**" means each of the provinces of Canada.

"**OPA**" means Ontario Power Authority.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date occurring on or after the Principal Accumulation Date for such Series, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates after the Principal Accumulation Date for such Series which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(i) every six-month period following the period mentioned in (a);

(ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" means *The Securities Act, 1988* (Saskatchewan).

"**Section 130.1**" means section 130.1 of the *Securities Act* (Ontario).

"**Section 150**" means section 150 of the *Securities Act* (New Brunswick).

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied

for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" means FHP2017 Inc., a wholly-owned subsidiary of OPG, and the Indenture Trustee.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
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Nova Scotia Securities Commission
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Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
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Ontario Securities Commission
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Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
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Charlottetown, Prince Edward Island C1A 7N8
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Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
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EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

Fair Hydro Trust
Investor Presentation

January [xx], 2018

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Presenters

ONTARIO POWER GENERATION

Ken Hartwick
Chief Financial Officer &
Senior Vice President – Finance

John Lee
Vice President, Treasurer

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I. Introduction and Transaction Overview

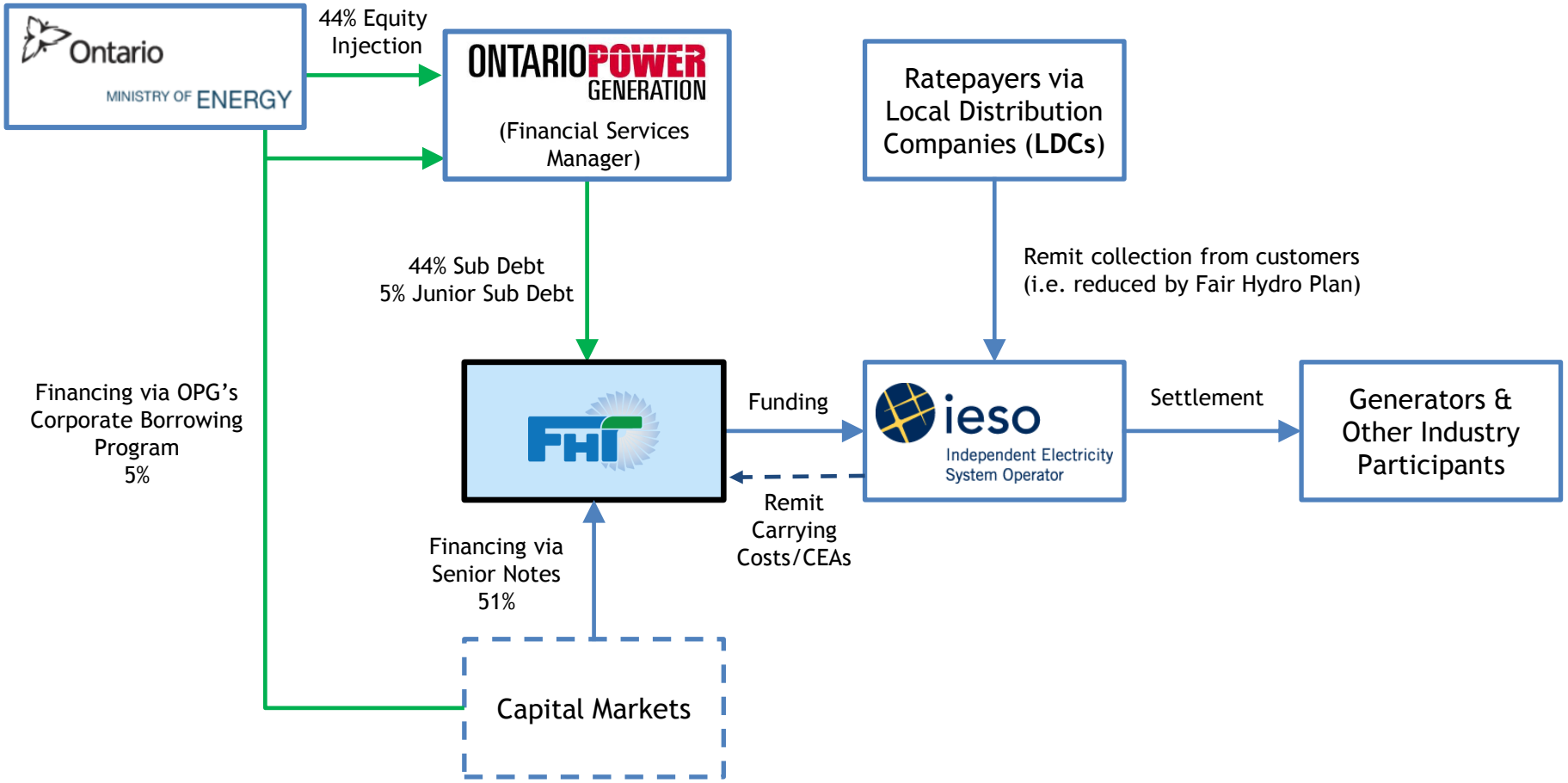
Introduction

Ontario's Fair Hydro Plan	• The Province of Ontario announced its Fair Hydro Plan (FHP) on March 2, 2017, which proposed to lower the average electricity bill for eligible customers[1] (referred to as Specified Consumers) by 25% (the Fair Adjustment) • The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax granted by the Ontario government in January 2017 • It is expected that the rate reduction will be in effect until April 30, 2021, with any rate increases until that date limited to the rate of inflation in Ontario
Legislation	• On June 1, 2017, the Ontario government passed the *Ontario Fair Hydro Plan Act, 2017* (together, with the regulations promulgated thereunder, the FHPA or Act) to give effect to the FHP, legislation that reallocates certain electricity costs over time and provides immediate rate relief contemplated by the Fair Hydro Plan to Specified Consumers • The FHPA is supplemented by regulations related to the implementation of the FHPA (the "Regulations") • The FHPA imposes an irrevocable and non-bypassable charge recoverable from Specified Consumers and referred to as the Clean Energy Adjustment (CEA) that will be determined by Ontario Power Generation (OPG) in its role as Financial Services Manager under the Act • The CEA will be determined for each six month reference period and converted by the Ontario Energy Board (OEB) into a $/kWh rate and added to electricity invoices sent to Specified Consumers commencing on May 1, 2021 • From July 1, 2017 to April 30, 2021 (the Moratorium Period), no payments in respect of CEA will be collected; during this period the Independent Electricity System Operator (IESO) is obligated to pay all funding and other expenses of the Trust (excluding principal) (referred to as Carrying Costs) under the Regulations
Fair Hydro Trust	• The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") through the issuance of senior, subordinated and junior subordinated notes • Structured to be bankruptcy remote and even though consolidated by OPG on an accounting basis is ring fenced from OPG's other creditors • The FHT term notes will be repaid through the CEA payments received from Specified Consumers

[1] Primarily Regulated Price Plan-eligible customers.

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt and junior subordinated debt of the Trust in an aggregate amount not to exceed 49% of all outstanding debt

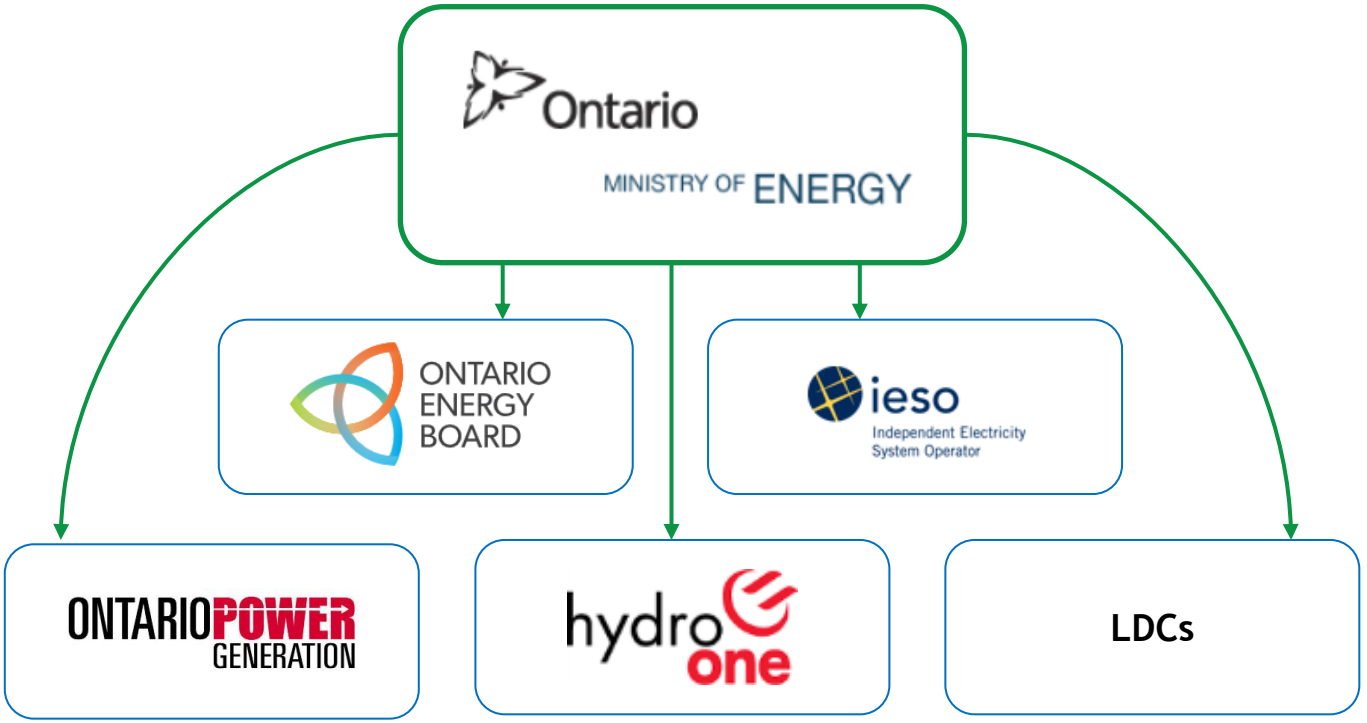


Note: The diagram above is based on subordinated debt of 49% of all outstanding debt; under the Master Trust Indenture, the Trust covenants to maintain the level of subordinated debt plus junior subordinated debt at not less than 35% of all outstanding debt
Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to exclude the assets and liabilities of OPG, and vice versa.

II. Ontario Electricity Market

Overview of Ontario's Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in average annual cash flows[1]
- Transmission rates, distribution rates, and OPG's regulated rates are set by the OEB
- Rates for the majority of the remaining generation supply are set by direct contracts with the IESO (e.g. wind, solar, hydroelectric)



[1] Source: "Ontario Planning Outlook – A technical report on the electricity system prepared by the IESO" dated September 1, 2016. The amount represents the mathematical average of the system costs on page 44 in the appendix "Data Tables for the OPO Technical Report".

Key Industry Participants

Participants	Credit Ratings *(DBRS / S&P / Moody's)*	Description
Ontario Ministry of Energy	**AA (l) / A+ / Aa2** [1]	• The Province of Ontario through the Ministry of Energy sets the policy for the electricity system
Ontario Energy Board	--	• Independent public regulatory agency established under the *Ontario Energy Board Act, 1998* and has the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • Sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan (RPP); RPP rates are set twice a year (May and November)
ieso Independent Electricity System Operator	**A(h) / -- / Aa2**	• Not-for-profit corporation established under the *Electricity Act, 1998 (Ontario)* • Manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
Ontario Power Generation	**A(l) / BBB+ / --**	• Corporation formed under the *Business Corporation Act (Ontario)*, whose sole shareholder is the Province of Ontario • Principal business is the generation and sale of electricity in Ontario and is Ontario's largest clean energy electricity generator, providing approximately half of the province's electricity
hydro one	**A(h) / A / A3**	• Ontario's largest electricity transmission and distribution company, delivering electricity to over 1.3 million customers across the province, and to large industrial customers and municipal utilities

[1] The credit ratings noted are for the Province of Ontario.

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry under the *Energy Competition Act, 1998*, the municipal electricity utilities became municipally-owned business corporations, including LDCs. The majority of LDCs continue to be municipally-owned, while others have been sold to or acquired by Hydro One or private-sector owners
- An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors

Select Aggregate Market Stats[1]

Number of LDCs in Ontario	65
Residential & Small Commercial[2] Revenue	$18.89 billion
Residential & Small Commercial[2] Metered Usage (kWh)	52.39 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

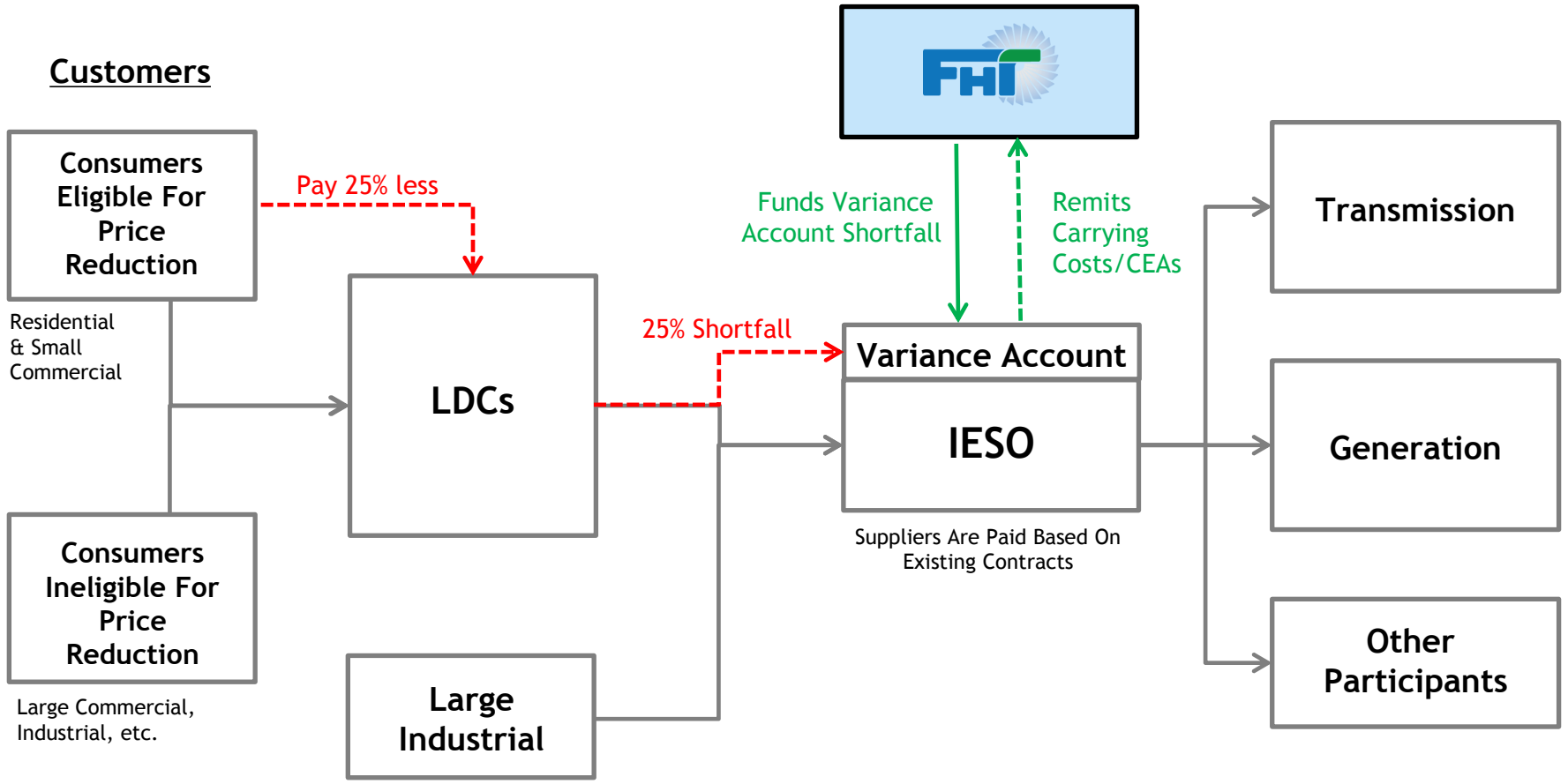
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	Customers[4] *(MM)*	Revenue[4] *(C$MM)*
hydro one	A / A(h) / A3	1.30	$4,533
alectra utilities	A / A / --	0.96	$3,642
TORONTO HYDRO	A / A / --	0.75	$3,886
HydroOttawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	**$13,680**

[1] Source: OEB 2016 Yearbook of Electricity Distributors
[2] Small Commercial includes General Service <50kW Customers
[3] Most recent rating reports from S&P, DBRS and Moody's
[4] Residential and Small Commercial customers

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment and records this amount, together with financing costs, in a variance account
- FHT will finance the shortfall and is entitled to recover its costs and the principal and interest on its debt through CEAs from Specified Consumers



III. Legislative and Regulatory Framework

Legislation Overview

Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to consumers as a result of Ontario's clean energy initiatives; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• **July 1, 2017 - April 30, 2018** – Specified Consumers charged an invoice amount that is 25%[1] less than the regulated rate that would otherwise have been determined by the OEB; the 25% reduction includes an 8% rebate equivalent to the provincial portion of the HST previously granted by the Ontario government • **May 1, 2018 - April 30, 2019** - regulated rate established in the first year of the Rate Reduction Period anticipated to increase by the rate of inflation in Ontario • **May 1, 2019 - April 30, 2021** - rate reductions will be established by future regulation but anticipated to increase by the rate of inflation in Ontario

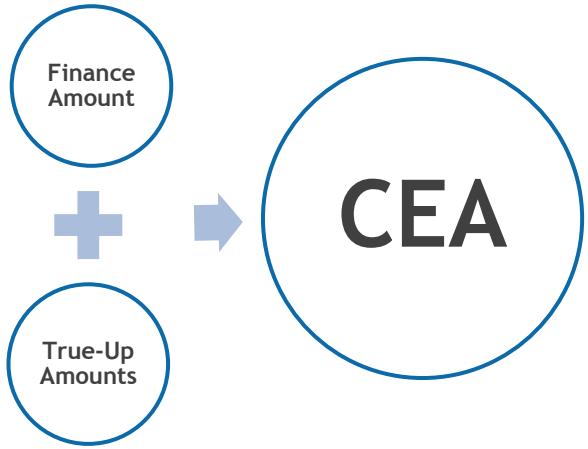
[1] Based on a typical Toronto Hydro customer; the amount of the reduction for any given Specified Consumer may vary from this account.

Legislation Overview, cont'd

Regulatory Asset	• Each month the IESO determines the shortfall that results from the Fair Adjustment and records this amount, together with the costs of financing the shortfall, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right is the Regulatory Asset) • The IESO may transfer a specified portion of the Regulatory Asset to the Trust for a cash purchase price equal to the amount recorded in the variance account
Investment Asset	• The Trust is not obligated to purchase Regulatory Assets from the IESO • If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right is an Investment Interest) • By acquiring an Investment Interest, the Trust will be entitled to recover all of its financing costs and acquires the right to impose, invoice, collect, receive and recover CEAs from Specified Consumers
Moratorium Period *(July 1, 2017 to April 30, 2021)*	• CEAs are not permitted to be collected from Specified Consumers during this period • The IESO is obligated to pay all Carrying Costs, excluding repayment of principal on any debt obligations, during the Moratorium Period and extending to July 31, 2021. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to Regulations • As security for the performance of its obligations, the IESO has granted the Trust a first-priority security interest in all of its accounts receivable • The IESO has a $2 billion general credit facility from the Ontario Financing Authority (OFA) which can be used to pay the Carrying Costs

Clean Energy Adjustments

- Under the FHPA, the CEA is the amount payable by Specified Consumers to cover the cost of financing the shortfall from the Fair Adjustment and the associated costs of the financing, including payment of principal, operating costs of the Trust and funding of reserve accounts
- CEAs shown on an invoice issued to Specified Consumers represents the amount of the consumers' indebtedness and may not be set off or bypassed

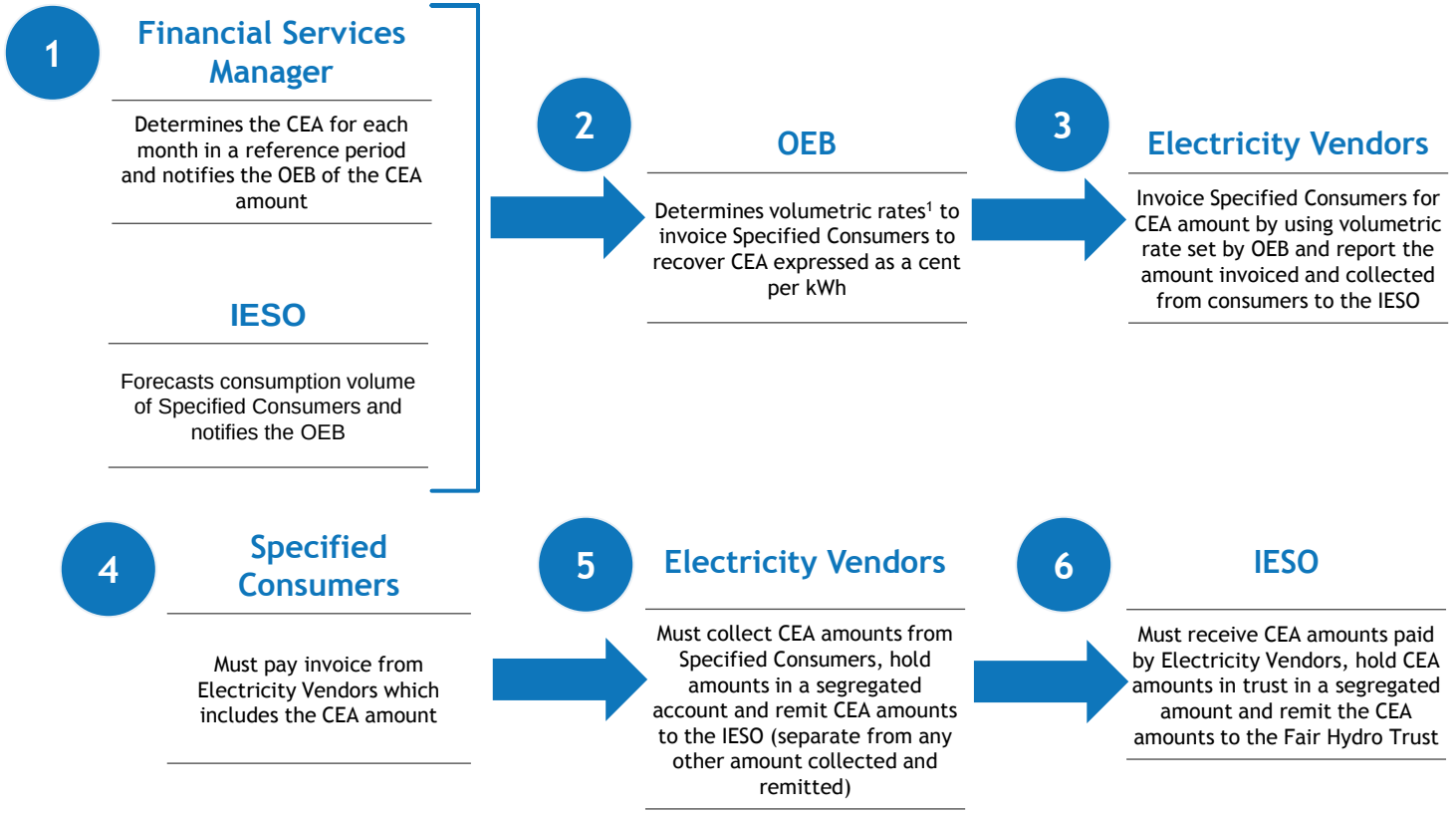


Finance amount = estimate of the amount payable by the Trust mainly in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments

True-up amounts capture the difference between the finance amounts incurred by the Trust and the CEAs collected from Specified Consumers and also include other anticipated shortfalls and differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)

Billing and Collection of CEAs

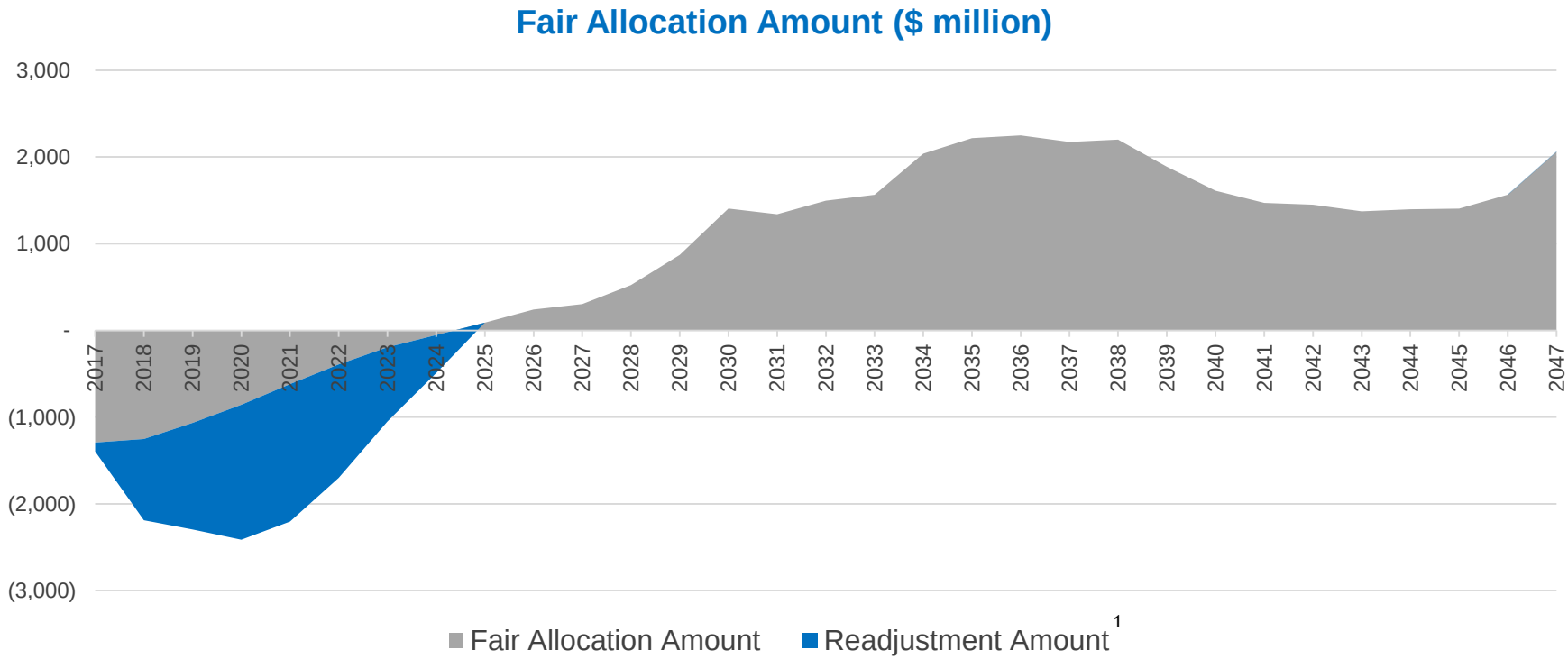
- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are mitigated through statutory rights in the FHPA, the collection obligations of the IESO under the Master Transfer & Servicing Agreement (MTSA), and the ability to include amounts into the true up mechanism
- IESO is allowed to commingle the CEAs during a monthly period before remitting to FHT. If the IESo's rating is downgraded below investment grade, it will not be allowed to commingle CEAs and will remit within two business days of receipt



[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers.

Fair Allocation Amount

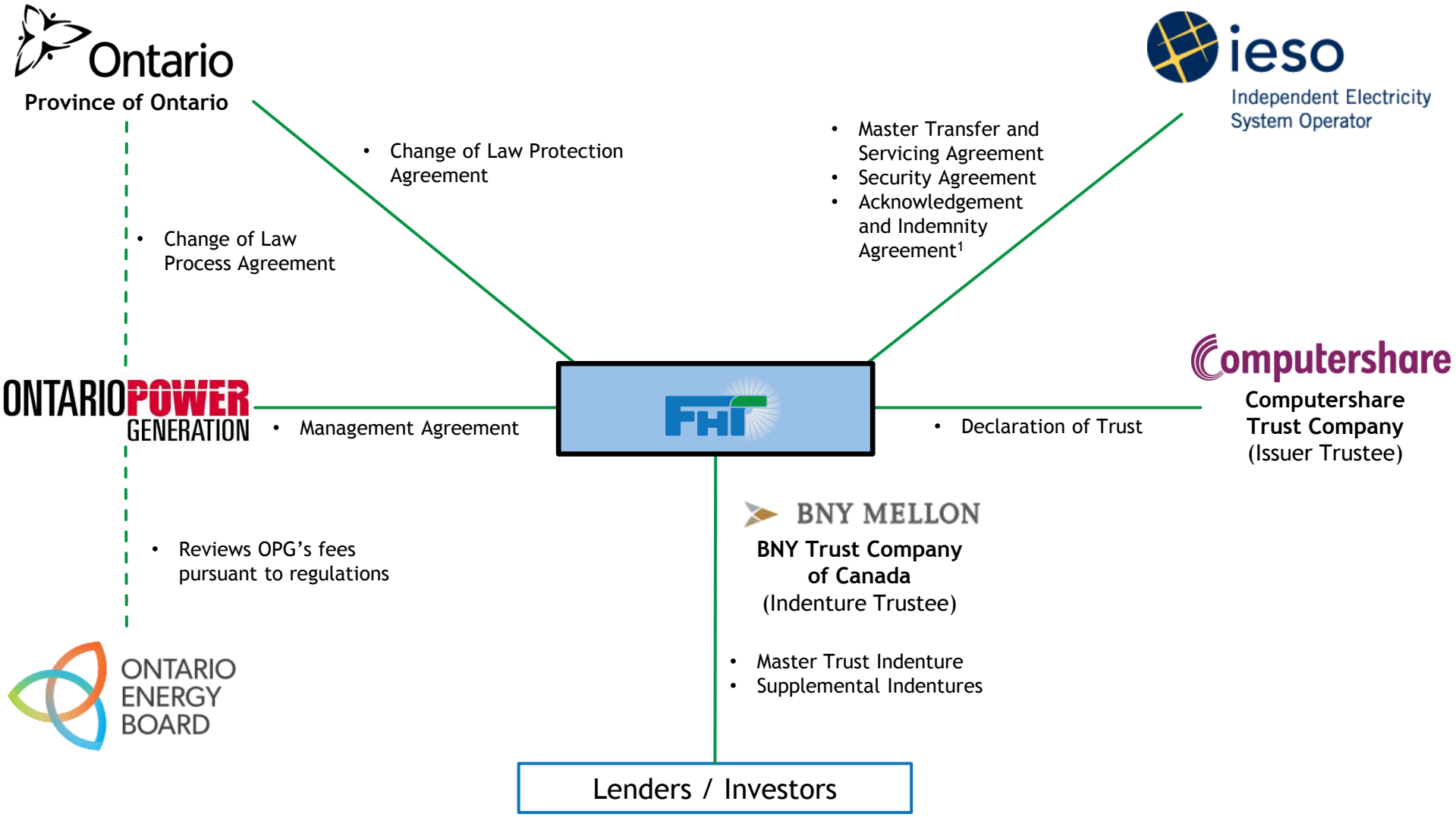
- The Fair Allocation Amount (FAA) is the estimated clean energy costs without the FHP compared to these same costs reallocated on the basis of estimated clean energy benefits to Specified Consumers in respect of each reference period and includes operating and financing costs of the FHT
- If the FAA is negative, this means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of clean energy costs (with the consequent rate reduction for current Specified Consumers); the FAA is expected to be negative until at least May 2024
- The Ministry of Energy may provide updated FAAs to OPG from time-to-time



[1] The Readjustment Amount represents the amounts by which Specified Consumers overpaid for clean energy initiatives in the past. It has been incorporated into the FAA to further reduce electricity bills for such consumers.

IV. Contractual Framework

Simplified Contractual Structure



[1] Agreement between IESO and Indenture Trustee.

Key Agreements

Change of Law Protection Agreement

Parties	• (1) Province of Ontario and (2) Indenture Trustee as Trustee of the Issuer, on behalf of Specified Creditors[1], and (3) OPG as Financial Services Manager (FSM)
Purpose	• Provides assurance to Specified Creditors that upon the occurrence of a Protection Event referred to below, the Province of Ontario will pay all Approved Obligations on behalf of the Trust, with limited rights of acceleration
Key Terms	• **Term**: Continues for as long as any protected obligations of the Trust that are secured under the Master Trust Indenture (MTI) remain outstanding • **Mandatory Payment**: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all Approved Obligations when due and payable • **Priority of Payments**: The priority of payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the issuance of debt which is to benefit from the Change of Law Protection Agreement from the Province (such debt called "Approved Obligations") • **Suspension Notice**: The Province may deliver a suspension notice upon the occurrence of the acceleration of any indebtedness of the Trust or a default in performance or misrepresentation by OPG as FSM pursuant to certain internal reporting and other requirements contained in a process agreement between OPG and the Province, and any new funding obligations that are incurred during a suspension period will not have the benefit of the Change of Law Protection Agreement, except that the Change of Law Protection Agreement applies to Post-Suspension Refinancing of previously issued Pre-Approved Refinancing

[1] **Specified Creditors** are any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Key Agreements

Change of Law Protection Agreement (cont'd)

Protection Events

The occurrence of any of the following events:

(1)

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

in each case that adversely affects the ability of the Trust to pay its obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount

(2)

- A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is *ultra vires* or invalid in a way that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable

Key Agreements (cont'd)

Master Transfer and Servicing Agreement

Parties	• (1) IESO, as transferor and servicer; (2) Trust
Purpose	• Provides for the transfer, by the IESO to the Trust of the Regulatory Asset, and upon such transfer the Trust acquires an Investment Interest and describes the servicing obligations of IESO
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer the Regulatory Asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer. • **Servicing Duties:** The IESO will be responsible for servicing the Investment Interest under the regulations, including collecting CEA amounts from Electricity Vendors and remitting the same to the Trust, including: – Establishing a segregated account for collecting CEAs and use reasonable efforts to cause Electricity Vendors to do the same; – Collect CEAs from Electricity Vendors; – Remit CEAs monthly to the Trust (unless downgraded below investment grade in which case it will remit daily); – Prepare monthly servicer reports; and – Forecast electricity consumption of Specified Consumers • **Moratorium Period:** During the Moratorium Period (until April 30, 2021) and extending to July 31, 2021, the IESO is required by regulation to fund all Carrying Costs of the Trust. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to regulation. • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, as security for the commingling risk of CEAs collected by non-rated or non-investment grade rated Electricity Vendors and not yet remitted to the IESO

Key Agreements (cont'd)

Management Agreement

Parties	• (1) Issuer Trustee, on behalf of the Trust, and (2) OPG, as Manager and acknowledged and accepted by the Indenture Trustee, on behalf of specified creditors
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust
Key Terms	• **Duties Include**: – Negotiating and executing program agreements; – Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations; – Review or cause to be reviewed, records of electricity vendors on an annual basis with respect to CEAs (or less frequently in certain circumstances); – Preparing monthly portfolio reports; – Preparing financial statements; and – Paying taxes on behalf of the Trust • **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire Investment Interests • **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements • **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding • **Management Fees:** OPG is entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer

Key Agreements (cont'd)

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulation to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in all of its accounts receivable
Acknowledgement and Indemnity Agreement (IESO)	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee, including the right to enforce the indemnities provided to the issuer with respect to IESO's duties and obligations under the MTSA
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as updated from time to time in the Financing Plan) to be exceeded
Declaration of Trust	• Establishes FHT to carry out activities for the exclusive benefit of its unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare) • The Issuer Trustee has delegated all of the powers and duties of managing the Trust to OPG under the Management Agreement

Allocation of Servicing Role and Responsibilities

- The shared responsibilities of servicing and management roles are summarized below

	OPG	IESO	LDC
Review Records of LDCs with Respect to CEAs (annually or less frequently in certain circumstances)	✔		
Determination of CEA for a Reference Period, including the True-Up Amount	✔		
Ongoing Reporting for Trust and Reporting to the Rating Agencies	✔		
Management of Ongoing Debt Issuances	✔		
Cash Management	✔	✔	
Preparation of Monthly Servicer Reports		✔	
Remittance of CEA to IESO and to the Trust		✔	✔
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		✔	✔
Customer Billing			✔
Customer Collections			✔
Customer Meter Reading			✔

V. Financing Program

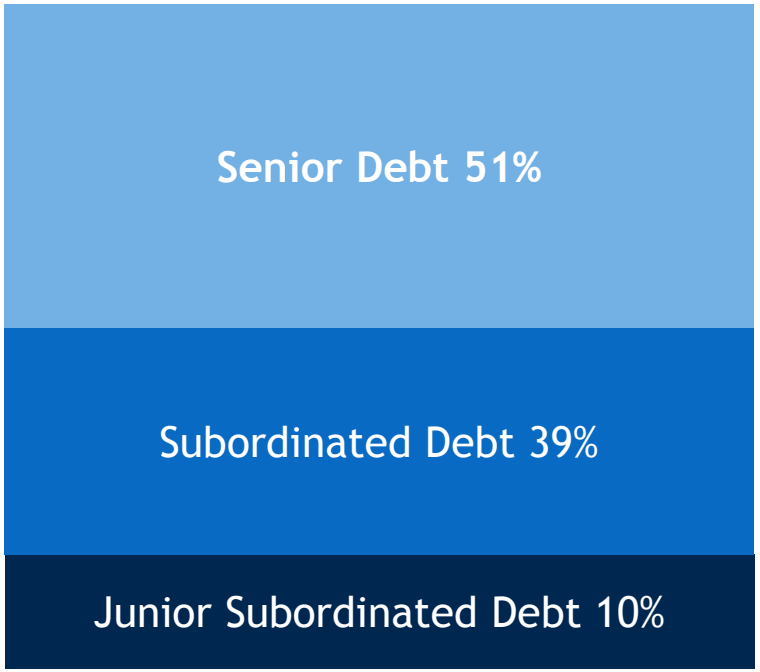
Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program
- Given the size (~$20 billion) and longevity (~10 years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Warehouse financing (ABCP conduit and bank funded) and subordinated debt and junior subordinated debt funded by OPG will be used to fund monthly Regulatory Asset purchases from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- Term debt can take the form of bullet bonds or could be issued as amortizing bonds

Warehouse Financing	• ABCP conduit and bank funded and subordinated debt funded by OPG will be used to fund monthly Regulatory Asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance warehouse financing and the subordinated debt and junior subordinated debt funded by OPG • Both Canadian term debt and U.S. term debt market will be considered • Maturity profiles will be structured to ensure reasonable alignment with the FAA (bullet bonds with sinking funds or amortizing bonds)
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall)

Financing Structure

- The Trust will fund Regulatory Asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51%) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required) will be purchased by OPG, primarily funded by equity injections from the Province (44% of 49%) and the remaining portion from OPG (5% of 49%)



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

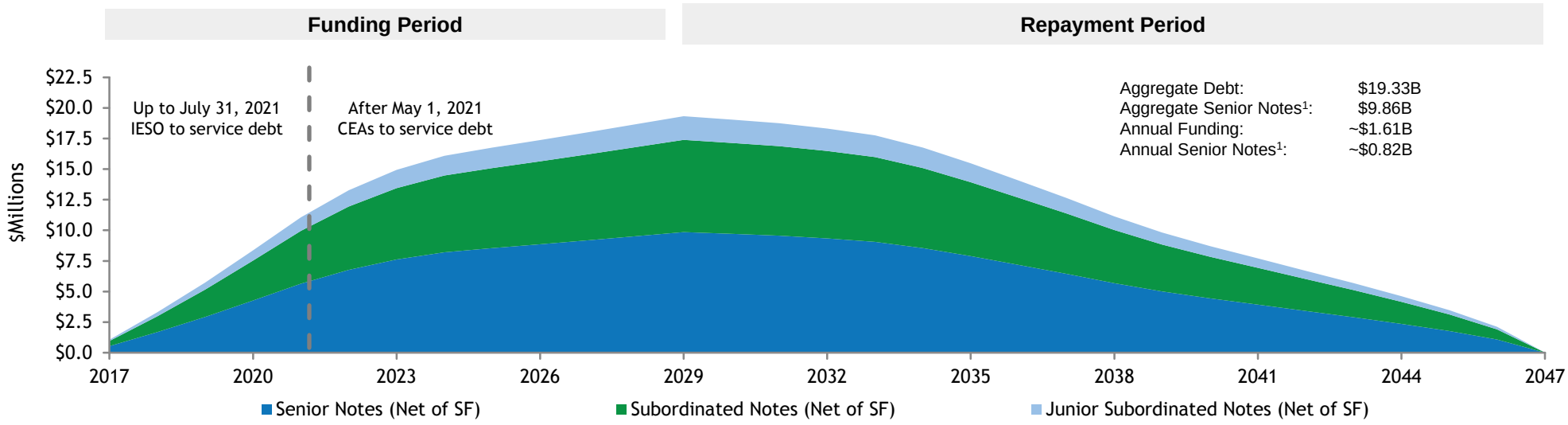
Note: Assumes 49% Subordinated Debt.

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount and the Province's electricity bill reduction targets, the following debt profile for the program is expected, peaking at just under $20 billion by 2029
- Various tranches of debts will be issued periodically during the period of 2017 - 2028, which are expected to mature over a period after 2029

Illustrative Aggregatee Funding and Repayment Profile (Annual; Net of Sinking Fund ("SF") Payments)

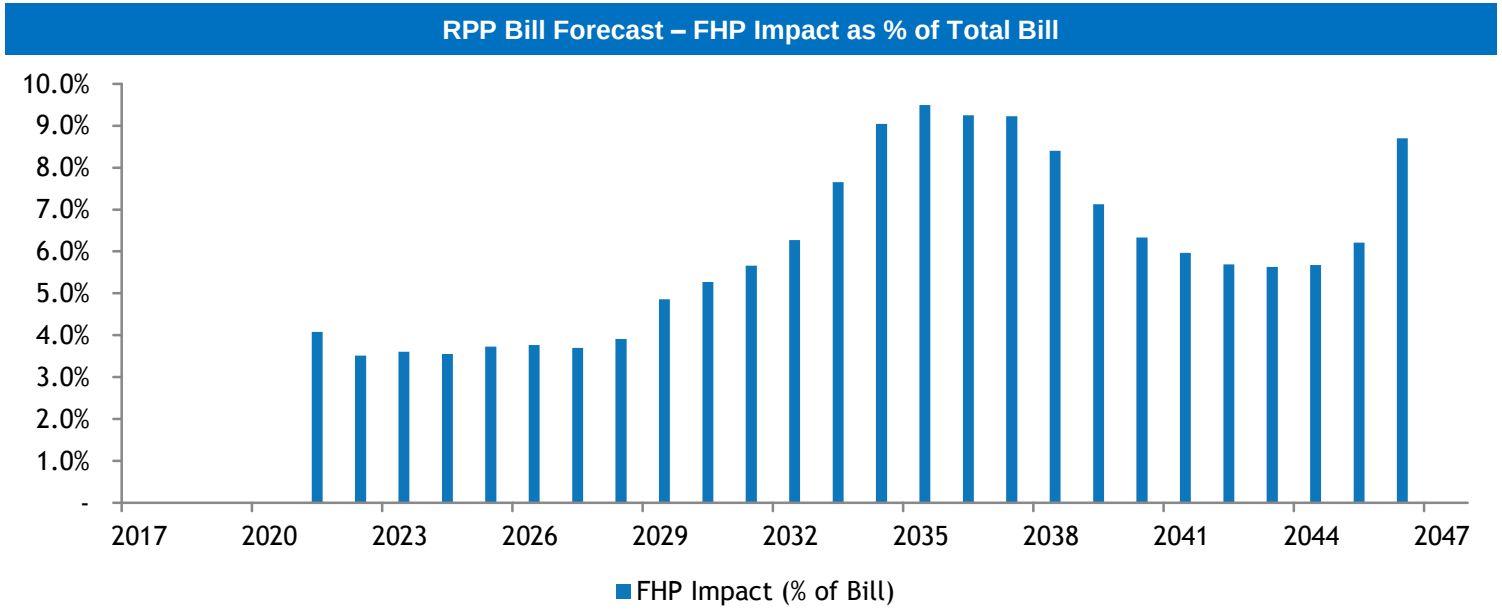


[1] Assumes 51% Senior Notes

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro Program, the CEA for the average residential customer is anticipated to remain below 10% of the total electricity bill
- Max CEA as a percent of the total bill is forecast to be 10.1%
- Average CEA as a percent of the total bill is forecast to be 6.9%



Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• Governs the terms of the debt issued by FHT and cash flow waterfall

Key Terms

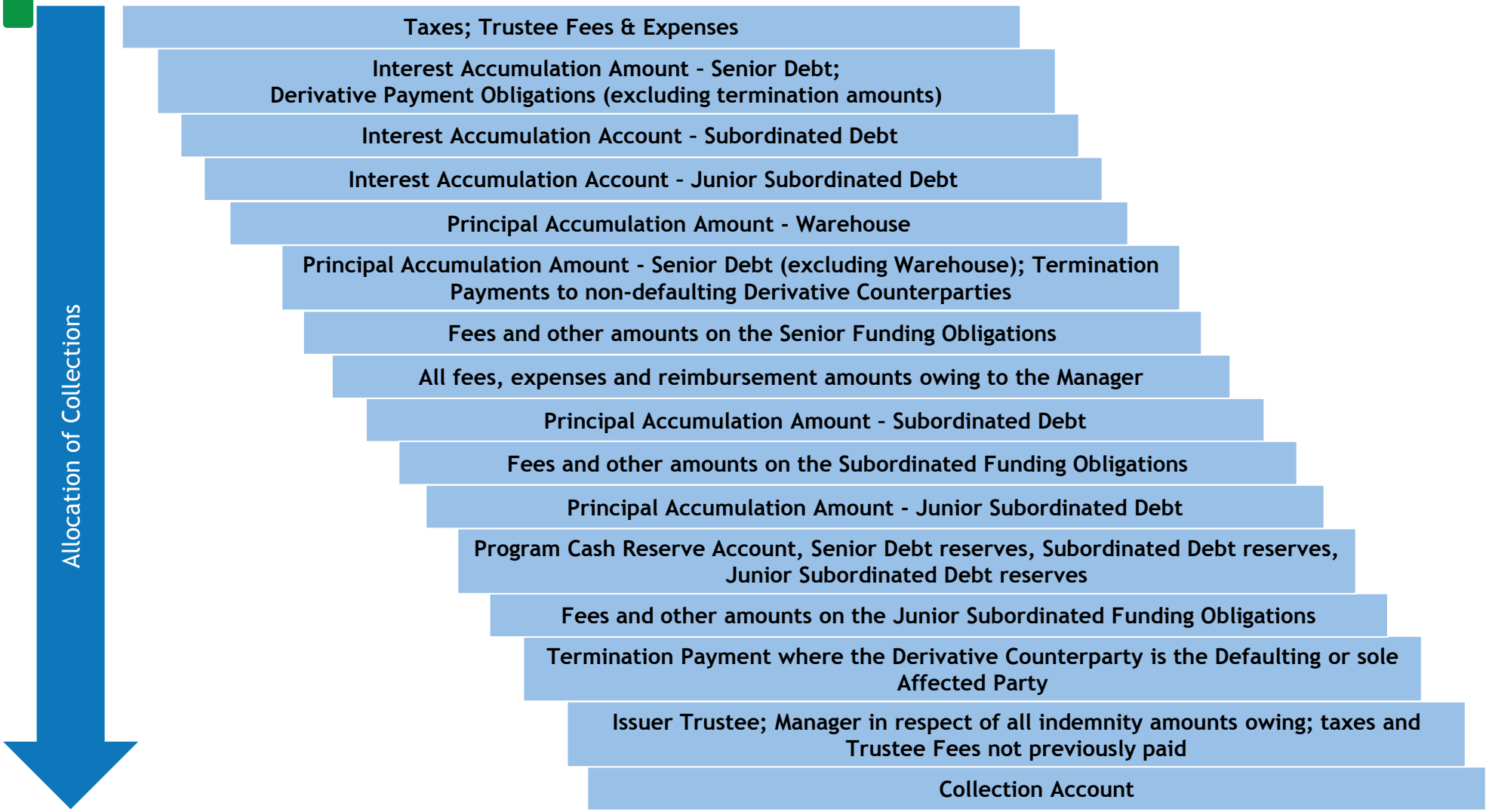
Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments including: – Note issuances under supplemental indentures – Borrowings under credit agreements – Purchase of notes under note purchase agreements – Letters of Credit/Guarantees under credit enhancement agreements – Liquidity loans under liquidity agreements backing short term notes
Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that: – the incurrence of such additional obligations will not cause an adverse effect – the incurrence of such additional obligations is materially consistent with the Financing Plan • It will also be a condition precedent that (i) each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations and (ii) the Indenture Trustee has received certain assurances as to the applicability of the Change of Law Protection Agreement to such funding obligations

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts
Subordination	• Provides for three different classes of funding obligations – (i) senior – (ii) subordinated – (iii) junior subordinated
Events of Default	• Include payment defaults, representation and covenant breaches, insolvency and Change of Law Protection Agreement ceasing to be in full force and effect against the Province
Acceleration	• CEAs cannot be increased to the level required to immediately repay all outstanding principal following acceleration. The increase in CEAs is limited under the Regulation to the amount available per the FAA • However, the CEAs are allocated to paying the senior indebtedness first. Accordingly, the subordination of debt across all series of debt would advance the repayment of the principal amount for senior funding obligations • After an acceleration, all Senior Term Notes will be paid parri-passu

Waterfall



Note: This waterfall indicates the priority of payment prior to an Event of Default and acceleration; additional information on the priority of payments after an Event of Default and acceleration can be found in the Offering Memorandum.
Note: After paying interest on the senior debt, no interest payments will be made on the subordinated debt unless there will be sufficient amounts remaining in the Interest Accumulation Account for what should be accumulated for the Senior Notes after making such payments.

VI. Summary of Offering

Summary of Indicative Terms

Initial Fair Hydro Term Issuance	**Class**	**Size**	**% of Trust**	**Expected Maturity**	**Principal Payment Default Date**	**Rating (DBRS / Moody's)**
	Senior Term Notes	$[ ] mm	[ ]%	[ ]	[ ]	AAA (sf) / Aa2 (sf)
	Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
	Jr. Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
Issuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager					
Financial Services Manager	Ontario Power Generation, Inc.					
Servicer	Independent Electricity System Operator					
Source of Repayment	• Moratorium Period: Statutorily mandated remittances from IESO (Up to July 31, 2021) • Post Moratorium Period: Non-bypassable charge from residential and commercial customers in Ontario, related collections and reserve accounts (After May 1, 2021)					
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	Principal Accumulation Date ●, 20●			Principal Accumulation Amount $●		
Payment Frequency	Semi-annual					
Interest	Fixed rate					
Senior Note Credit Enhancements	• Semi-annual (or more frequent) True-up • Reserve Account • Subordination					
Program Cash Reserve Account	After Moratorium period, an amount equal to 0.50% of the aggregate amount of all outstanding Senior, Subordinated and Junior Subordinated funding obligations					
True-up	Calculated on at least a semi-annual basis post-moratorium period					
Subordination	Subordinated and Junior Subordinated Notes will be retained by OPG					
Additional Issuance	Master Trust Indenture allows for the issuance of additional notes subject to satisfaction of Rating Agency Condition					

VII. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• Future legislative action to change or challenge/invalidate the Act or the Change of Law Protection Agreement might materially adversely affect a holder's investment in the Notes	• Limited Guarantee provided by the Province of Ontario via the Change of Law Protection Agreement in favour of lenders/investors in these circumstances
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• True up mechanism may result in a delay, but will be corrected in next True up • Cash reserve and 35%-49% subordination which would first absorb any shortfalls • 6-month reference period • Any shortfall in collections are recoverable from all Specified Consumers
Reliance on IESO and LDCs	• During the Moratorium Period, the Trust is dependent on the IESO to pay for all Carrying Costs • Receipt of CEAs dependent on the performance of LDCs and IESO • Limited ability to enforce against or replace on LDC	• Highly regulated industry and LDC and IESO are required under law and regulation to perform duties under FHP • IESO has a very strong credit profile and very low losses and grants security over all of its accounts receivables as security during the Moratorium Period • IESO will provide a letter of credit/other security for the commingling of CEAs by non-rated or below investment grade rated LDCs until they are remitted to IESO • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment • $2 billion general credit facility from the OFA which can be used to pay the Carrying Costs
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	• 20-year repayment period allows for gradual rate increases • Max CEAs as a percent of the total bill is forecast to be ~10%

VIII. Investment Highlights

Investment Highlights

- Protection against political risk through the Change of Law Protection Agreement
- Irrevocable & non-bypassable rate payer charge, recoverable from Specified Consumers across the Province of Ontario
- Repayment risk spread across all Specified Consumers. Full cross-collateralization; collection shortfalls allocated among all Specified Consumers (Joint and Several Liability)
- Enhanced true-up mechanism
- Credit enhancement for senior debt provided via subordinated debt
- Highly regulated market with experienced operating agents (OPG, IESO, and LDCs)
- Strong service territory
- No large user industrial risk exposure

Form of Term Sheet

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January ●, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Description of Notes" section of the confidential shelf offering memorandum which contains a more detailed description of certain terms of the Series 2018-1 Senior Notes and the master trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *January ●, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ●, Series 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Credit Ratings:	DBRS: ● (●) Moody's: ● (●)
Principal Amount:	$●
Term:	● years
Launch Date:	●, 2018
Pricing Date:	●, 2018
Settlement Date:	●, 2018 (T+3)
Interest Rate:	●%
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● +● bps (including a ● bps curve adjustment) versus the CAN ●% due ● (priced at $● to yield ●%)
Issue Yield:	●%
Issue Price:	$● for each $1,000 principal amount of Series 2018-1 Senior Notes sold.

Agents Commission: **$●**

Net Proceeds: $●

Interest Payment Dates: Interest on the Series 2018-1 Senior Notes shall be payable in equal (except the initial interest payment) semi-annual instalments in arrears on April 15 and October 15 of each year, commencing April 15, 2018 (short first coupon). The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first interest payment date for the Series 2018-1 Senior Notes. The first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes.

If an interest payment date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis.

Principal Accumulation Date(s) and Principal Accumulation Amount(s):

Principal Accumulation Dates	Principal Accumulation Amounts
●, 20●	$●

Principal Payment Date(s) and Principal Payment Amount(s):

Principal Payment Date	Principal Payment Amount
●, 20●	$●

Principal Payment Default Date: ●, 20●

Optional Redemption: The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption.

"**Par Call Date**" means ●, 20●.

"**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the date of redemption, plus ●%.

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

Use of Proceeds:	The net proceeds from the Series 2018-1 Senior Notes Offering will be used as follows: **[(i) to refinance $● of indebtedness of the Issuer originally incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement and (ii) to pay the Series 2018-1 Senior Notes Offering and related costs of the Issuer in an approximate amount of $●. See *"Consolidated Capitalization"*.]**
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	**[CIBC World Markets Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc. (as co-leads and co-bookrunners)]**, ●, ●, and ●.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer", of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

[NTD: If there are subsequent draws on the warehouse before the launch of the Series 2018-1 Senior Notes Offering, this section to be updated.]

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for:

(i) $● of ●% subordinated notes due ●, Series 2018-1; and
(ii) $● of ●% subordinated junior notes due ●, Series 2018-1.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	Nil
Debt		
Long-term debt, including current portion…….	Nil	$●
Short-term debt……...	**$[1,179,000,000.00][(1)]**	**$[1,179,000,000.00]**
Bank indebtedness……..	Nil	Nil
Total Debt……	**$[1,179,000,000.00][(1)]**	$●
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	**$[1,179,010,000.01][(1)]**	$●

(1) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short-term debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes, Series 2017-1 held by OPG; and (iii) $117,900,000 of which, or 10% of all short term debt, represented by Junior Subordinated Notes held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On October 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than

Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer", of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, the Issuer had approximately $● billion outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' fee payable by the Issuer

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

AGENCY AGREEMENT

January ●, 2018

Fair Hydro Trust
c/o Ontario Power Generation Inc.,
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: **[Name]**
[Title]

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: **[Name]**
[Title]

Dear Ladies and Gentlemen:

The undersigned, CIBC World Markets Inc., RBC Dominion Securities Inc., Goldman Sachs Canada Inc., ● and ● (collectively, the "**Agents**"), understand that Fair Hydro Trust (the "**Issuer**") proposes to create, issue, offer and sell (the "**Offering**"), by way of private placement in all of the provinces of Canada (collectively, the "**Offering Jurisdictions**") to certain "accredited investors", as such term is defined under applicable Securities Laws (as defined herein), up to an aggregate principal amount of $● of ●% Senior Notes due ●, Series 2018-1 (the "**Notes**"), at a price of $● per $1,000 principal amount and having the attributes set forth in the term sheet attached hereto as Appendix "A" (the "**Term Sheet**").

The Notes will be issued pursuant to a master trust indenture (the "**Master Trust Indenture**") dated as of December 21, 2017 between BNY Trust Company of Canada, as trustee (the "**Indenture Trustee**") and the Issuer, as supplemented by a term senior series **[2018-1]** supplemental indenture to the Master Trust Indenture (the "**First Term Supplemental Indenture**", and the Master Trust Indenture as amended and supplemented by the First Term Supplemental Indenture, the "**Indenture**") to be entered into as of the Closing Date (as defined herein) between the Indenture Trustee and the Issuer. A confidential shelf offering memorandum dated January ●, 2018 (the "**Shelf Offering Memorandum**"), as supplemented by the Term Sheet which, among other things, updates the Shelf Offering Memorandum to contain the final pricing information with respect to the Notes (collectively, the Shelf Offering Memorandum and the Term Sheet, the "**Offering Memorandum**"), has been prepared by the Issuer, with the assistance of the Agents, for use by the Agents in connection with the Offering.

The Issuer has entered into a management agreement dated as of December 20, 2017 pursuant to which the Issuer has delegated to Ontario Power Generation Inc. ("**OPG**"), as manager of the Issuer (the "**Manager**"), all of the powers and duties of managing the Issuer. OPG is executing this Agreement as principal only with respect to its representations, warranties and covenants set out in Section 10 and its indemnification obligations set out in Section 15(b) related to such

representations, warranties and covenants and in all other respects, OPG is executing this Agreement in its capacity as Manager.

1. **Appointment**. The Issuer hereby appoints the Agents to act as its sole and exclusive agents to effect the solicitation and private placement of the Notes in the Offering Jurisdictions, and in such other jurisdictions as may be agreed upon in writing between the Issuer and the Agents, and the Agents hereby agree to act as exclusive agents for such purpose and to use their reasonable best efforts to solicit offers to purchase the Notes on behalf of the Issuer, subject to the terms and conditions contained herein. The Issuer agrees and acknowledges that the Agents will act as agents only and will not at any time be obligated to purchase any Notes.

2. **Agents' Fee**. In consideration of the services rendered or to be rendered by the Agents to the Issuer in connection with the Offering, the Issuer shall, on the closing of the Offering (the "**Closing**"), pay to the Agents a fee equal to ●% of the aggregate principal amount of the Notes sold to purchasers (the "**Purchasers**") under the Offering (the "**Agents' Fee**"). The Agents' Fee shall be allocated among the Agents pro rata as follows:

CIBC World Markets Inc.	●%
RBC Dominion Securities Inc.	●%
Goldman Sachs Canada Inc.	●%
●	●%
●	●%

3. **Offering Restrictions.**

   (a) The Offering is to be effected in a manner exempt from the prospectus requirements of Securities Laws. The Notes shall be offered for sale to Purchasers in accordance with the "accredited investor exemption" as defined in section 2.3 of National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators ("**NI 45-106**") and, in the case of Purchasers resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario) (the "**OSA**"). For the purposes of this Agreement, "**Securities Laws**" means the applicable securities acts and laws, and the rules and regulations promulgated thereunder, of the Offering Jurisdictions and the rules, instruments, orders, published policy statements, rulings and notices of the securities regulatory authorities of such jurisdictions.

   (b) The Agents will solicit offers to purchase the Notes only from "accredited investors" (as such term is defined in section 1.1 of NI 45-106 or in section 73.3 of the OSA, as the case may be) in the Offering Jurisdictions who are not individuals unless such individuals are "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Requirements* ("**NI 31-103**")), all in accordance with all applicable Securities Laws and this Agreement and on a private placement basis so as not to require the Issuer to file a prospectus in any jurisdiction.

   (c) The Agents acknowledge and agree that the Notes will not be registered under the United States Securities Act of 1933, as amended, (the "**1933 Act**") or applicable

state securities laws and the Agents shall not offer, directly or indirectly, in the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the "**United States**") or to a U.S. person (as defined in Regulation S under the 1933 Act).

(d) The Agents will, upon the prior consent of the Issuer, be entitled to offer the Notes to purchasers resident in jurisdictions outside of the United States and Canada, provided that the Agents conduct all such activities in compliance with the applicable laws of any such jurisdictions, and provided that the Agents do not solicit offers to purchase or sell the Notes so as to require registration of the Notes or filing of a prospectus with respect to the Notes under the laws of any jurisdiction or impose any additional obligations on the Issuer.

4. **Distribution of Notes**.

(a) The Issuer shall, as soon as reasonably practicable and in any event prior to the Closing Date, use its reasonable commercial efforts to fulfill to the satisfaction of legal counsel to the Agents (the "**Agents' Counsel**"), acting reasonably, all legal requirements to be fulfilled by the Issuer to enable the Notes to be offered for sale and sold in each of the Offering Jurisdictions through the Agents in the manner contemplated herein and without any requirement that a prospectus be filed under the Securities Laws. The Issuer shall also file or cause to be filed with the securities regulatory authorities in the Offering Jurisdictions all information and forms required to be supplied or filed by it in connection with the Offering under applicable Securities Laws including, without limitation, filing the Offering Memorandum and the reports on Form 45-106F1 required under applicable Securities Laws. Each Agent acknowledges and agrees that it has taken or will take reasonable steps to confirm that each Purchaser of the Notes meets the terms and conditions of the prospectus exemption set forth in section 2.3 of NI 45-106 or section 73.3 of the OSA, as applicable, and obtains and retains, as necessary, relevant information and documentation to evidence the steps taken by such Agent to verify compliance with the exemption in accordance with its usual document retention policies and procedures in compliance with applicable Securities Laws, and will provide to the Issuer forthwith upon request all such information or documentation as the Issuer may reasonably request in good faith and solely for the purpose of verifying compliance with the exemption and assisting the Issuer with complying with its obligations under NI 45-106, including completing Form 45-106F1.

(b) The obligations of the Agents under this Agreement are several and not joint or joint and several. No Agent will be liable for any act, omission, default or conduct by any other Agent or any selling firm appointed by any other Agent.

5. **Deliveries by the Issuer**. The Issuer shall deliver to the Agents:

(a) reasonably promptly upon the Agents' request, such number of commercial copies of the Offering Memorandum to the offices of the Agents as the Agents may reasonably require by notice to the Issuer and an electronic version of the Offering Memorandum; and

(b) concurrently with the preparation thereof, copies of any other documents required to be signed and/or filed by the Issuer under the laws of any Offering Jurisdiction in connection with the Offering, including any Supplementary Material (as defined in Section 6), all of which the Issuer shall complete in form and substance satisfactory to the Agents, acting reasonably, and in compliance with applicable Securities Laws.

6. **Material Change**. For the purposes of this Agreement, the terms "**material change**", "**material fact**" and "**misrepresentation**" have the meanings ascribed thereto in Section 1(1) of the OSA. During the period from the date hereof to the Closing Date, the Issuer shall promptly notify the Agents in writing the full particulars of:

(a) any material change (actual, anticipated or threatened) in the business, affairs, operations, assets, liabilities (absolute, accrued, contingent or otherwise), capital or condition (financial or otherwise) of the Issuer or the Manager, which change is or will likely be of such nature as to result in a misrepresentation in the Offering Memorandum or any Supplementary Material (collectively, the "**Offering Documents**");

(b) any change in any material fact relating to or in respect of the Issuer or the Manager or to the business, affairs, operations, assets, liabilities (absolute, accrued, contingent or otherwise), capital or condition (financial or otherwise) of the Issuer or the Manager contained in the Offering Documents, which change is or will likely be of such nature as to result in a misrepresentation therein;

(c) any change, to the knowledge of the Issuer, in applicable laws, materially and adversely affecting, or which may materially and adversely affect, the business, operations, affairs, prospects or property of the Issuer, the Notes or the Offering, including, without limitation, the occurrence of a Protection Event (as defined in the Change of Law Protection Agreement (as defined in the Master Trust Indenture)); and

(d) any order of any court or securities regulatory authority preventing or suspending the use of any portion of the Offering Documents, if any, or preventing or suspending the offering or sale of the Notes in accordance with this Agreement.

The Issuer shall first discuss with the Agents in good faith any change in circumstances (actual, anticipated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt whether notice needs to be given to the Agents pursuant to this Section 6.

The Issuer shall promptly comply with all applicable filings and other requirements under applicable Securities Laws in connection with the matters referred to in subsections (a) to (d) of this Section 6 and shall prepare an amendment or supplement to the Offering Memorandum, and any amendment or supplement thereto (collectively, the "**Supplementary Material**") as may be required by Securities Laws, provided that the Supplementary Material shall be in form and substance satisfactory to the Agents, acting reasonably. Neither the Issuer nor the Agents shall provide to prospective Purchasers any document or other material relating to the Offering other than the Offering Memorandum,

any Supplementary Material or any other material previously approved by the Issuer and the Agents from time to time.

7. **Due Diligence**. During the period from the date of this Agreement to the Closing Date, the Agents shall be permitted to conduct such due diligence investigation of the Issuer and its assets, businesses and undertakings, as the Agents, acting reasonably, consider appropriate and to complete formal due diligence question and answer sessions with the Issuer and the Manager and with senior management, legal counsel and the auditor of the Issuer and such other persons as the Agents may reasonably request before the Closing Date. The Issuer and the Manager will make available to the Agents, on a reasonably timely basis, all trust, corporate, business and operating records, financial information, budgets and other information which the Agents may reasonably request, as well as access to appropriate officers and/or senior officers of the Issuer and the Manager (provided, that such access does not unduly interfere with the business operations of the Manager) and advisors and experts retained by the Issuer and/or the Manager in order to enable the Agents to complete their due diligence review.

8. **Offering Documents**. The Issuer and the Manager shall allow the Agents to participate fully in the preparation of the Offering Memorandum and any Supplementary Material and will exercise its reasonable commercial efforts to cause the appropriate officers and/or senior officers of the Issuer and the Manager to make themselves available to provide such assistance with marketing of the Notes as the Agents may reasonably require. The delivery by the Issuer of the Offering Documents to the Agents will constitute the Issuer's and the Manager's consent to the Agents to the use thereof in connection with the Offering in accordance with the provisions of this Agreement as well as the representation and warranty of the Issuer and the Manager to the Agents that, at the time of such delivery:

   (a) the information and statements contained in the Offering Documents (except information and statements relating solely to the Agents and furnished in writing by the Agents for use therein) contain no misrepresentation and contain no untrue statement of a material fact or do not omit to state a material fact regarding the Issuer, the Manager, the Notes or the Program Agreements (as defined below) that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made; and

   (b) the Offering Documents comply in all material respects, as applicable, with all Securities Laws.

9. **Representations, Warranties and Covenants of the Issuer**. The Issuer represents and warrants to, and agrees with, the Agents, as follows:

   (a) the Issuer is a trust duly constituted and validly existing under the laws of the province of Ontario and Computershare Trust Company of Canada (the "**Issuer Trustee**") has been appointed as trustee of the Issuer pursuant to the declaration of trust dated as of December 20, 2017 (the "**Declaration of Trust**");

   (b) the Issuer is duly qualified to carry on its business in each jurisdiction in which it carries on business and is in good standing in each jurisdiction or place in which such qualification is required, except where the failure so to qualify or to be in good

standing would not reasonably be expected to materially adversely affect its business, affairs, operations, financial condition, assets, properties, liabilities, capital, ownership or income taken together or have a material adverse effect on the ability of the Issuer to perform its obligations under any of this Agreement and the other Program Agreements (as defined in the Master Trust Indenture and collectively, the "**Transaction Documents**") to which it is a party (an "**Issuer Material Adverse Effect**");

(c) the Issuer has the power and authority to enter into and perform its obligations under this Agreement and each of the other Transaction Documents to which it is a party, and all other instruments and agreements delivered pursuant hereto and thereto;

(d) the execution, delivery and performance by the Issuer of, this Agreement and each of the other Transaction Documents to which it is a party, and every instrument or agreement delivered pursuant hereto and thereto:

(i) has been or will be duly authorized by all requisite action;

(ii) does not and will not conflict with, result in any breach or violation of, or constitute a default under the Declaration of Trust, or any applicable law, rule, regulation, order, judgment, determination or award presently in effect and applicable to it, or of any material agreement or any other instrument to which it is now a party or any of its properties are subject or otherwise bound; and

(iii) does not require the consent, filing, authorization, order, registration, qualification or approval (other than those consents or approvals already obtained) of any person or governmental authority, except that the Issuer must file with the applicable securities regulatory authorities a report on Form 45-106F1, prepared and executed in accordance with NI 45-106, accompanied by any applicable prescribed fees, together in certain Offering Jurisdictions with a copy of the Offering Memorandum and any Supplementary Material;

(e) each of the Transaction Documents to which the Issuer is a party has been, or will be at or prior to the Closing, duly executed and delivered by the Issuer Trustee or the Manager, as the case may be, on behalf of the Issuer, and in addition in the case of the Notes, duly certified by the Indenture Trustee and each of the Transaction Documents is, or will be on the Closing, a legal, valid and binding obligation of the Issuer enforceable against it in accordance with its respective terms, subject to applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally and subject to the qualifications that equitable remedies may only be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution and waiver of contribution may be limited under applicable law;

(f) the Issuer is not in violation of the Declaration of Trust or in default in the performance or observance of any obligation, agreement, covenant or condition

contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which it is a party or by which it may be bound or to which any of the property or assets of the Issuer is subject (including, for the avoidance of doubt, any Transaction Documents to which it is a party), except for such defaults that would not reasonably be expected to have an Issuer Material Adverse Effect;

(g) the Issuer: (i) is not in violation in any material respect of any law, ordinance, franchise, governmental rule or regulation to which it is subject, (ii) has not failed to obtain any material license, permit, qualification or governmental authorization necessary to the ownership of its property or the conduct of its business, and (iii) is not in default in any material respect of any order of any court or governmental authority or arbitration board or tribunal to which it is subject;

(h) no event of default has occurred and is continuing in respect of any outstanding indebtedness of the Issuer;

(i) no Protection Event has occurred and no Suspension Notice (as defined in the Change of Law Protection Agreement) has been received by the Issuer, and upon satisfaction of the Adherence Conditions (as defined in the Change of Law Protection Agreement), the Notes shall constitute Approved Obligations (as defined in the Change of Law Protection Agreement);

(j) the Issuer is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);

(k) all tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes in respect of the Issuer;

(l) since ●, 2017, (i) there has been no Issuer Material Adverse Effect and (ii) there has been no change, which would have a material adverse effect on the ability of the Issuer to fulfill its payment obligations under the Notes;

(m) except as disclosed in the Offering Memorandum, there are no actions, suits or proceedings existing, or, to the Issuer's knowledge after having made due enquiry, pending or threatened, affecting the Issuer in any court or before or by any governmental authority as of the date hereof which if decided, determined or resolved in a manner adverse to the Issuer, could reasonably be expected to have an Issuer Material Adverse Effect or have a material adverse effect on: (i) the ability of the Issuer to perform its obligations under the Transaction Documents to which it is a party; (ii) the ability of the Issuer to fulfill its payment obligations under the Notes; or (iii) the ability of the Issuer to conduct its business as described in the Offering Memorandum;

(n) as of the date of delivery, the financial model delivered by the Issuer to the Agents (the "**Financial Model**") contains the Issuer's reasonable estimate of projected [describe financial model metrics]. The Financial Model has been prepared in good faith, with due care and skill, is based on all information known to the Issuer and

the Manager at the time which could reasonably be relevant to the preparation thereof, and is subject to assumptions that, as of the date of delivery, are reasonable in the circumstances and the Issuer is not aware of any material inaccuracies in the Financial Model;

(o) the Issuer is a direct or indirect subsidiary of the Manager;

(p) the Issuer is structured so as not to be a "covered fund" under the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the "Volcker Rule";

(q) the Issuer is not in material default of its obligations under any applicable legislation, rules, regulations, instruments, guidelines or policies, including Securities Laws;

(r) no securities commission, stock exchange or similar regulatory authority has issued any order preventing or suspending trading in any securities of the Issuer or preventing or suspending use of the Shelf Offering Memorandum or the Offering Memorandum, and, to the knowledge of the Issuer, no proceedings, investigations or inquiries for such purpose are pending or contemplated or threatened;

(s) neither the Shelf Offering Memorandum (except to the extent corrected in the Term Sheet) nor the Term Sheet, as of their respective dates, contain any misrepresentation or contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which such statement was made, and the Offering Memorandum complies in all material respects with Securities Laws;

(t) the attributes and characteristics of the Notes and the Indenture conform, in all material respects, to the attributes and characteristics thereof described in the Offering Memorandum;

(u) the proceeds from the issuance of the Notes will be applied as described in the Term Sheet under the heading *"Use of Proceeds"*;

(v) the statements in the Shelf Offering Memorandum under the heading *"Statutory Rights of Actions*" and in the Term Sheet under the heading *"Certain Canadian Federal Income Tax Considerations"* accurately summarize, in all material respects, the matters referred to therein;

(w) other than as provided for in this Agreement, the Issuer has not incurred any obligation or liability (absolute, accrued, contingent or otherwise) for brokerage fees, finder's fees, agent's commission or other similar forms of compensation with respect to the transactions contemplated herein;

(x) the Indenture Trustee at its principal office in the City of Toronto, Ontario has been or will be on the Closing Date duly appointed as the trustee under the Indenture in respect of the Notes;

(y) prior to the Closing Date, the form and terms of the global certificate(s) representing the Notes will have been approved and adopted by the Issuer and will comply with all legal requirements and will not conflict with the Indenture;

(z) all requisite action has been, or will be, taken by the Issuer to authorize the delivery of the Offering Memorandum and the filing of the Offering Memorandum with all applicable securities commissions or similar regulatory authorities, as applicable, as required by Securities Laws;

(aa) the Issuer Trustee, as trustee of the Issuer, has all requisite power, authority and capacity to create, authorize, issue and sell the Notes and on or prior to the Closing Date all actions required to be taken by or on behalf of the Issuer will have occurred so as to validly create, authorize, issue and sell the Notes; and

(bb) on the Closing Date, upon execution and delivery of the Indenture, the Notes will be duly and validly created and, upon receipt of the purchase price will be duly and validly issued as fully paid Notes.

10. **Representations, Warranties and Covenants of OPG**. OPG represents and warrants to, and agrees with, the Agents, as follows:

(a) OPG is (i) a corporation duly incorporated and organized and validly existing under the *Business Corporations Act* (Ontario), (ii) duly qualified to carry on its business in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property and assets requires such qualification, except where the failure to so qualify would not reasonably be expected to materially adversely affect its business, affairs, operations, financial condition, assets, properties, liabilities, capital, ownership or income taken together or have a material adverse effect on its ability to perform its obligations under the change of law process agreement dated as of December 21, 2017 (the "**Change of Law Process Agreement**") between Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy and the Minister of Finance (the "**Province**") or its obligations under any of the Transaction Documents to which it is a party (a "**Manager Material Adverse Effect**"), and (iii) has the power and authority to enter into and perform its obligations under the Change of Law Process Agreement and each of the Transaction Documents to which it is a party (including, for the avoidance of doubt, the Management Agreement);

(b) the execution, delivery and performance by OPG of, this Agreement, the Change of Law Process Agreement and each of the other Transaction Documents to which it is a party, and every instrument or agreement delivered pursuant hereto or thereto:

(i) has been or will be duly authorized by all requisite action;

(ii) does not and will not conflict with, result in any breach or violation of, or constitute a default under its constating documents, as amended, or bylaws, or any resolutions of its board of directors or shareholders, or any applicable law, rule, regulation, order, judgment, determination or award presently in effect and applicable to it, or of any material agreement or any other

instrument to which it is now a party or any of its properties are subject or otherwise bound; and

(iii) does not require the consent, filing, authorization, order, registration, qualification or approval (other than those consents or approvals already obtained) of any person or governmental authority;

(c) none of OPG nor any of its subsidiaries is in violation of its constating documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which it or any of its subsidiaries is a party or by which it or any of them may be bound or to which any of the property or assets of OPG or any subsidiary of OPG is subject (including, for the avoidance of doubt, the Change of Law Process Agreement and any Transaction Documents to which it is a party), except for such defaults that would not reasonably be expected to have a Manager Material Adverse Effect;

(d) the Change of Law Process Agreement and each of the Transaction Documents to which OPG is a party has been, or will be at or prior to the Closing, duly executed and delivered by OPG, and the Change of Law Process Agreement and each of the Transaction Documents to which OPG is a party is, or will be on the Closing, a valid and binding obligation of OPG enforceable against it in accordance with its respective terms, subject to applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally and subject to the qualifications that equitable remedies may only be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution and waiver of contribution may be limited under applicable law;

(e) OPG is not in material default of its obligations under any applicable legislation, rules, regulations, instruments, guidelines or policies, including Securities Laws, except, in each case for such defaults that would not reasonably be expected to have a Manager Material Adverse Effect;

(f) no Protection Event has occurred and no Suspension Notice has been received by OPG, and upon satisfaction of the Adherence Conditions, the Notes shall constitute Approved Obligations;

(g) except as disclosed in the Offering Memorandum, there are no actions, suits or proceedings pending or, to OPG's knowledge after having made due enquiry, pending or threatened, affecting OPG in any court or before or by any governmental authority as of the date hereof against OPG, any of its undertaking, property and assets which, if adversely decided, could reasonably be expected to materially adversely affect the issuance of the Notes or the consummation of the transactions contemplated by the Change of Law Process Agreement or the Transaction Documents; and

(h) neither the Shelf Offering Memorandum (except to the extent corrected in the Term Sheet) nor the Term Sheet, as of their respective dates, contain any misrepresentation or contain any untrue statement of a material fact or omit to state

a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which such statement was made, and the Offering Memorandum complies in all material respects with Securities Laws.

11. **Representations, Warranties and Covenants of the Agents**. Each of the Agents, severally (and not jointly or jointly and severally) represent and warrant to the Issuer and agree with the Issuer that:

(a) it has not offered or sold, and will not offer or sell, any Notes to, or for the benefit of, any resident of Canada or any province thereof or to, or for the benefit of, any resident of any other jurisdiction (to the extent permitted to offer and sell Notes in such other jurisdictions pursuant to Section 3(d) hereof) in contravention of applicable Securities Laws or such other jurisdictions, as applicable;

(b) any offer of Notes in Canada will be made only pursuant to the exemption from the requirement to file a prospectus set forth in Section 2.3 of NI 45-106 and, in the case of Purchasers resident in Ontario, section 73.3(2) of the OSA, such that: (i) each Purchaser of Notes will be an "accredited investor" (as such term is defined in section 1.1 of NI 45-106 or in section 73.3 of the OSA, as the case may be) and further such that one or more of the categories set forth in the definition of "accredited investor" will correctly and in all respects describe such Purchaser; (ii) such Purchaser will not be a person created or being used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in Section 1.1 of NI 45-106; and (iii) such Purchaser will either be purchasing the Notes as principal for their own account, or are deemed to be purchasing the Notes as principal by applicable law;

(c) any offer of Notes will not be made to individuals unless such individuals are "permitted clients" (as such term is defined in NI 31-103);

(d) it has taken or will take reasonable steps to confirm that each Purchaser of Notes in Canada meets the terms and conditions of the "accredited investor exemption" as defined in section 2.3 of NI 45-106 and, in the case of Purchasers resident in Ontario, section 73.3(2) of the OSA (collectively, the "**AI Requirements**") and shall obtain and retain, as necessary, relevant information and documentation to evidence the steps taken to verify compliance with the AI Requirements in accordance with its usual document retention policies and procedures in compliance with applicable laws and provide to the Issuer forthwith upon request all such information or documentation as the Issuer may reasonably request in good faith and solely for the purpose of verifying compliance with the AI Requirements and assisting the Issuer with complying with its obligations under NI 45-106, including completing Form 45-106F1;

(e) it is duly qualified in the Offering Jurisdictions in a category of registration under applicable Securities Laws that permits it to offer and sell the Notes to purchasers resident in each of the Offering Jurisdictions in the manner contemplated herein and in the Offering Memorandum; and

(f) it has not and shall not make any representation or warranty with respect to the Issuer, the Manager or the Notes other than as set forth in the Offering Documents.

12. **Closing**. The Closing of the purchase and sale of the Notes under this Agreement will take place at the offices of Torys LLP, 79 Wellington St. West, 30th Floor, Box 270, TD South Tower Toronto, Ontario at [**9:00]** a.m. (Toronto time) on January ●, 2018 or at such other date and time as may be agreed upon by the Agents and the Issuer (the date of Closing, the "**Closing Date**" and the time of Closing on the Closing Date, the "**Closing Time**").

13. **Conditions to Closing; Closing Deliveries**. The obligations of the Agents under this Agreement to complete the purchase and sale of the Notes at the Closing Time is subject to the following conditions:

(a) the Issuer shall have obtained and provided to the Agents a final rating letter in respect of the Notes from each of DBRS Limited and Moody's Investor Services, Inc. providing a rating of **[AAA(sf)]** and **[Aa2(sf)]**, respectively, and such ratings shall not have been withdrawn, or down-graded or placed under "credit watch" nor shall any such action have been threatened;

(b) each of the Program Agreements to which the Issuer is a party (excluding the 2018-1 Term Supplemental Indentures (as defined below)) shall be in full force and effect as of the Closing Date;

(c) each of the First Term Supplemental Indenture, the junior subordinated series 2018-1 supplemental indenture to the Master Trust Indenture (the "**Junior Subordinated Term Supplemental Indenture**") and the subordinated series 2018-1 supplemental indenture to the Master Trust Indenture (the "**Subordinated Term Supplemental Indenture**" and together with the First Term Supplemental Indenture and the Junior Subordinated Term Supplemental Indenture, the "**2018-1 Term Supplemental Indentures**") shall have been executed and delivered by the appropriate parties thereunder, in form and substance satisfactory to the Agents, acting reasonably and the notes contemplated thereby shall have been validly issued;

(d) an adherence compliance certificate with respect to the Notes required pursuant to Section 4.02(a)(ii) of the Change of Law Protection Agreement or written confirmation that the Notes constitute Approved Obligations pursuant to Section 4.01(ii) of the Change of Law Protection Agreement, shall have been executed and delivered by the appropriate parties thereunder, in form and substance satisfactory to the Agents, acting reasonably;

(e) the Agents shall have received certificates from each of the Issuer and OPG dated the Closing Date, addressed to the Agents, and signed by two Responsible Officers (as defined in the Indenture) of the Issuer and two officers of OPG as may be acceptable to the Agents, acting reasonably, substantially as set out in Appendix "B" and Appendix "C", as applicable;

(f) the Agents shall have received a certificate, dated the Closing Date, signed by any Responsible Officer of the Issuer and addressed to the Agents and the Agents'

Counsel, with respect to the constating documents of the Issuer and other action relating to the Master Trust Indenture, the 2018-1 Term Supplemental Indentures, the authorization, creation, issue and sale of the Notes and the incumbency and specimen signatures of signing officers;

(g) the Agents shall have received a certificate, dated the Closing Date, signed by any authorized officer of the Manager, with respect to: (i) a copy of its incorporating documents and all amendments thereto and applicable by-laws; (ii) resolutions of the board of directors of the Manager approving and authorizing the execution, delivery and performance of each of the Master Trust Indenture and 2018-1 Term Supplemental Indentures; and (iii) incumbency and signatures of signing officers of the Manager executing the Master Trust Indenture and the 2018-1 Term Supplemental Indentures and the other documents to be delivered by the Manager thereunder, in each case showing their names, offices and specimen signatures;

(h) the Agents shall have received a certificate, dated the Closing Date, signed by any authorized officer of the Issuer Trustee with respect to: (i) a copy of its incorporating documents and all amendments thereto and applicable by-laws; and (ii) incumbency and signatures of signing officers of the Issuer Trustee, in each case showing their names, offices and specimen signatures;

(i) the Agents shall have received certificates of status or compliance or other similar documents issued by the applicable governmental authority to evidence that each of the Issuer Trustee and the Manager is validly existing pursuant to the laws of the jurisdiction of their respective establishment or incorporation;

(j) the Agents shall have received:

(i) an opinion of Torys LLP, legal counsel to the Issuer, addressed to the Agents, the Agents' Counsel and the Issuer dated the Closing Date, in form and substance satisfactory to the Agents, acting reasonably, with respect to matters relating to the Issuer and the Offering; it being understood that Torys LLP may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, trustees, directors or other representatives of the Issuer, the Manager or the Issuer Trustee;

(i) an opinion of Hunton & Williams LLP, U.S. legal counsel to the Issuer, addressed to the Agents, the Agents' Counsel and the Issuer dated the Closing Date, in form and substance satisfactory to the Agents, acting reasonably, that the Issuer is structured so as not to be a "covered fund" under the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the "Volcker Rule"; it being understood that Hunton & Williams LLP may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, trustees, directors or other representatives of Issuer, the Manager or the Issuer Trustee;

(k) the Agents shall have received a final report from Operis Business Engineering Limited, the model auditor, in form and substance acceptable to the Agents, acting reasonably, with respect to their review of the Financial Model;

(l) the Agents shall have received a favourable legal opinion, addressed to the Agents and dated the Closing Date, from Agents' Counsel, in a form acceptable to the Agents, acting reasonably; it being understood that Agents' Counsel may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, directors or other representatives of the Issuer, the Issuer Trustee or the Manager;

(m) the Issuer shall have met all requirements of CDS Clearing and Depository Services Inc. ("**CDS**") necessary to make use of its book entry system;

(n) the Issuer shall deliver one global certificate representing the Notes, registered in the name of "CDS & Co." (or in such other name as the Agents may direct in writing not less than 24 hours prior to the Closing) and duly signed by a Responsible Officer of the Issuer and countersigned by the Indenture Trustee, against payment to the Issuer, or as the Issuer may direct to the Agents in writing not less than 48 hours prior to the Closing, of the aggregate purchase price for the Notes, net of the Agents' Fee, by electronic wire transfer of immediately available funds or in such other manner as the Issuer and the Agents may agree;

(o) all consents, approvals and authorizations from any governmental authority or body or any other third party required for the creation, issuance, sale and delivery of the Notes or the fulfillment of the terms of the Transaction Documents shall have been obtained; and

(p) the receipt of such other documentation or information as may be requested by the Agents and which they have determined to be necessary to give effect to the Offering, acting reasonably.

14. **Rights of Termination.**

(a) If, prior to the Closing:

(i) any action, suit or other proceeding, whether formal or informal, occurs or is commenced, announced or threatened, or any order is made by any governmental authority or there is a change of law or in the interpretation or administration thereof (including a Protection Event), which in the opinion of any of the Agents, acting reasonably, operates to prevent or materially restrict trading or the distribution of the Notes or which would be expected to have an Issuer Material Adverse Effect or which materially adversely affects the market price or value of the Notes;

(ii) there occurs any material change or a change in any material fact or any new fact such as is contemplated by Section 6, which has, or in the opinion of any of the Agents could reasonably be expected to have, an Issuer

Material Adverse Effect or materially adversely affect the market price or value of the Notes; or

(iii) there develops, occurs or comes into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, acts of hostilities or escalation thereof or other calamity or crises or any change or development involving a prospective change in national or international political, financial or economic conditions or any incident, governmental action, law, regulation, policy, inquiry or other occurrence of any nature whatsoever which, in the reasonable opinion of any of the Agents, materially adversely affects, or involves, or will materially adversely affect the financial markets or which operates to prevent or materially restrict the trading or the distribution of the Notes;

the Agents (or any of them) are entitled at their sole option, to terminate their obligations under this Agreement by written notice to that effect given to the Issuer any time prior to the Closing Time.

(b) The Issuer agrees that all terms and conditions contained herein will be construed as conditions, that they shall use commercially reasonable efforts to cause such conditions to be complied with, and that any breach or failure by the Issuer to comply with any such conditions, in any material respect, will entitle any of the Agents to terminate their obligations under this Agreement by written notice to that effect given to the Issuer at or prior to the Closing Time. The Agents may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to their rights in respect of any other terms and conditions or any other breach, subsequent breach or non-compliance, provided that to be binding on an Agent, any such waiver must be in writing and signed by such Agent.

(c) The rights of termination contained in subsections (a) and (b) of this Section 14 are in addition to any other rights or remedies the Agents may have in respect of any default, act or failure to act or non-compliance by the Issuer in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there will be no further liability on the part of the Agents to the Issuer, or on the part of the Issuer to the Agents, except, in each case, in respect of any liability which may have arisen prior to or which arises after such termination under any of Sections 15 and 16.

15. **Indemnity.**

(a) The Issuer agrees to indemnify and hold harmless each of the Agents and each of their affiliates and each of their respective directors, officers, employees and agents, (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**"), from and against any and all losses (other than loss of profit in connection with the distribution of the Notes), expenses, claims (including shareholder actions, derivative or otherwise), actions, damages and liabilities, joint or several, including, without limitation, the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and

expenses of their counsel (collectively, the "**Losses**") that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, or connected with or arising out of any action, suit, proceeding, investigation or claim that may be made or threatened by any person or in enforcing this indemnity (collectively the "**Claims**") insofar as the Claims relate to, are caused by, or result from, arise out of or are based upon, directly or indirectly:

(i) any breach by the Issuer of applicable Securities Laws in connection with the offer, issue and sale of the Notes under this Agreement or as a result of any order made against the Issuer by any court or governmental authority in the Offering Jurisdictions which operates to prevent or materially restrict trading in or the distribution of the Notes;

(ii) any misrepresentation or alleged misrepresentation in the Offering Documents or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (other than a misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the information contained therein relating solely to the Agents which was furnished in writing by the Agents for use therein);

(iii) any order made or any inquiry, investigation or proceeding commenced or threatened by any securities regulatory authority or other competent authority, based on any misrepresentation or any alleged misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the Offering Memorandum, which prevents or restricts the trading in or the distribution of the Notes;

(iv) any inaccuracy of any representation or warranty of the Issuer contained in this Agreement or in any certificate or other document delivered by the Issuer pursuant hereto; or

(v) any breach by the Issuer of any covenant, term or condition to be performed by it contained in this Agreement or in any document or certificate delivered by the Issuer pursuant hereto.

(b) In addition to the Issuer's obligations under section 15(a), OPG agrees to indemnify and hold harmless each of the Indemnified Parties, from and against any and all Losses that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, or connected with or arising out of any Claim insofar as the Claims relate to, are caused by, or result from, arise out of or are based upon, directly or indirectly:

(i) any breach by OPG or the Issuer of applicable Securities Laws in connection with the offer, issue and sale of the Notes under this Agreement

or as a result of any order made against the Issuer by any court or governmental authority in the Offering Jurisdictions which operates to prevent or materially restrict trading in or the distribution of the Notes;

(ii) any misrepresentation or alleged misrepresentation in the Offering Documents or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (other than a misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the information contained therein relating solely to the Agents which was furnished in writing by the Agents for use therein);

(iii) any order made or any inquiry, investigation or proceeding commenced or threatened by any securities regulatory authority or other competent authority, based on any misrepresentation or any alleged misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the Offering Memorandum, which prevents or restricts the trading in or the distribution of the Notes;

(iv) any inaccuracy of any representation or warranty of OPG or the Issuer contained in this Agreement or in any certificate or other document delivered by OPG or the Issuer pursuant hereto; or

(v) any breach by OPG or the Issuer of any covenant, term or condition to be performed by either of them contained in this Agreement or in any document or certificate delivered by OPG or the Issuer pursuant hereto, excluding the 2018-1 Term Supplemental Indentures or the notes issued thereunder.

(c) Notwithstanding anything contained in this Agreement, it is expressly understood that with respect to its indemnification obligations set out in Section 15(b)(i), (iv) and (v), OPG is not agreeing to indemnify or hold any Indemnified Party harmless with respect to any of the following:

(i) any Losses resulting from any breach by the Issuer of any covenant, term or condition to be performed by it contained in this Agreement or in any document or certificate delivered by the Issuer pursuant hereto caused by a breach or failure to perform on the part of any other third party under any Program Agreement, the Ontario Fair Hydro Plan Act, 2017 or the regulations passed thereunder; provided that this Section 15(c)(i) shall not apply to limit the liability of OPG in respect of any delegation to a third party as provided for in Section 4.7 of the Management Agreement;

(ii) any Losses resulting from changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any

final and non-appealable judicial decision, other than Losses resulting solely from OPG's failure to comply with Section 4.1(a)(xiv) of the Management Agreement; or

(iii) any Losses resulting from the validity of the Change of Law Protection Agreement or the applicability thereof to the Province, the Issuer or the Indenture Trustee or any material part thereof being disaffirmed by or on behalf of the Province.

(d) The parties hereto agree that neither the Issuer nor OPG is providing any representations, warranties or covenants in this Agreement or in any document or certificate delivered by OPG or the Issuer pursuant hereto, and shall have no liability to any Indemnified Party, with respect to the collectability of the Clean Energy Adjustment (as defined in the Management Agreement) or the Carrying Costs (as defined in the Management Agreement), or that the Clean Energy Adjustment amounts or Carrying Costs collected will be sufficient to satisfy the Notes, provided that, for greater certainty, the foregoing qualification is not meant to diminish in any way the representations and warranties given by OPG or the Issuer in this Agreement, or in any document or certificate delivered by OPG or the Issuer pursuant hereto, that neither the Shelf Offering Memorandum (except to the extent corrected in the Term Sheet) nor the Term Sheet, as of their respective dates, contain any misrepresentation or contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which such statement was made.

(e) The Issuer and OPG are each referred to in this Section 15 as an "**Indemnifying Party**". Each Indemnifying Party agrees to waive any right such Indemnifying Party may have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under the indemnity in this Section 15. Each Indemnifying Party will not, without the Agents' prior written consent (as the case may be), such consent not to be unreasonably withheld, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Party is a party thereto) unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party.

(f) Promptly after receiving notice of a Claim against the Agents or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from an Indemnifying Party, the Agents or any such other Indemnified Party will notify the Indemnifying Party promptly in writing of the particulars thereof, provided that the omission so to notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability which the Indemnifying Party may have to the Agents or any other Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein

required prejudices the defence of such Claim or results in any material increase in the liability which the Indemnifying Party has under this Section 15. Each Indemnifying Party shall have 14 calendar days after receipt of the notice to undertake, conduct and control, through counsel of its own choosing and at its own expense, the settlement or defence of the Claim. If the Indemnifying Party undertakes, conducts and controls the settlement or defence of the Claim, the relevant Indemnified Parties shall have the right to participate in the settlement or defence of the Claim at their own cost subject to Section 15(h).

(g) The indemnity in this Section 15 shall cease to apply to an Indemnified Party to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable determines that such Losses to which the Indemnified Party may be subject were primarily caused by the fraud, fraudulent misrepresentation or gross negligence of such Indemnified Party or the Claim being asserted is as a result of a person not being provided with the Offering Memorandum or any Supplementary Material which corrects any misrepresentation or omission or alleged misrepresentation or omission in the Offering Memorandum or any other Supplementary Material due to a failure by the Agents to provide to such person such documents, as applicable, and which the Indemnifying Party has provided to the Agents to provide to such person, and in such event the Indemnified Party shall reimburse to the Indemnifying Party any funds advanced to the Indemnified Party in respect of such Claim.

(h) Each of the Indemnified Parties may retain counsel to separately represent them in the defence of a Claim, which shall be at the applicable Indemnifying Party's expense if: (i) the Indemnifying Party does not promptly assume the defence of the Claim no later than 14 calendar days after receiving actual notice of the Claim, (ii) the Indemnifying Party agrees to such separate representation, or (iii) the Indemnified Party, as the case may be, are advised by counsel that there is an actual or potential conflict between the Indemnifying Party's interests on the one hand and the Indemnified Party's interests on the other hand or additional defences are available to the Indemnified Parties, which makes representation by the same counsel inappropriate.

(i) In order to provide for just and equitable contribution in circumstances in which the indemnity in this Section 15 is unavailable (other than in accordance with the terms hereof) to the Indemnified Parties or insufficient to hold them harmless in respect of a Claim, the Indemnifying Parties shall jointly and severally contribute to the amount paid or payable by the Agents, as a result of such Claim in such proportion so that the Agents shall be responsible for that portion represented by percentage that the Agents' Fee received by the Agents hereunder bears to the aggregate principal amount of the Notes sold hereunder and the Indemnifying Parties shall be responsible for the balance whether or not they have been sued separately or together, provided, however that each Agent shall not in any event be liable to contribute, in the aggregate, any amount in excess of the Agents' Fee actually received by such Agent. The rights to contribution provided hereunder shall be in addition to and not in derogation of any other right to contribution which the Agents may have by statute or otherwise at law. No person that is determined

by a court of competent jurisdiction in a final judgment that has become non-appealable to have engaged in any fraud, fraudulent misrepresentation or gross negligence in connection with any matter that is the subject of the contribution payments contemplated by this Section 15(i) shall be entitled to such contribution.

(j) Each Indemnifying Party hereby constitutes each of the Agents as trustee, respectively, for each of the other Indemnified Parties, as appropriate, of the Indemnifying Party's covenants under the indemnity in this Section 15 with respect to those persons and the Agents agree to accept that trust and to hold and enforce those covenants on behalf of those persons.

(k) The obligations of the Indemnifying Party hereunder are in addition to any liabilities which such Indemnifying Party may otherwise have to the Agents or any other Indemnified Party.

16. **Expenses**. Whether or not the Offering is completed, all expenses of or incidental to the creation, authorization, issue, delivery and sale of the Notes and of or incidental to all other matters in connection with the Offering shall be borne by the Issuer, including, without limitation, reasonable expenses payable in connection with the fees and expenses of counsel to the Issuer, counsel to the Agents and local counsel in each of the Offering Jurisdictions, fees and disbursements of its accountants and auditors and other experts, the Indenture Trustee's fees, fees of ratings agencies and CDS, printing costs, delivery charges, fees and costs incurred in connection with the marketing of the Notes including travel expenses, road-shows, and filing fees (including securities regulatory private placement filing fees and fees payable to the Investment Industry Regulatory Organization of Canada), reasonable and documented out-of-pocket expenses of the Agents and all taxes payable on such fees and expenses.

17. **Severability**. If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

18. **Public Announcement**. For the period commencing on the date hereof and expiring on the Closing Date, and subject to the requirements of the Securities Laws, each of the Issuer and the Manager shall not, without first obtaining the approval of the Agents (such approval not to be unreasonably withheld), and the Agents shall not, without first obtaining the approval of the Issuer and the Manager, make any public communications, verbally, electronically or in writing, including issuing any press release respecting the issue of the Notes.

19. **Survival**. The representations, warranties, covenants, obligations and agreements of the parties contained herein or delivered pursuant hereto shall survive the issuance and sale of the Notes and shall continue in full force and effect notwithstanding any subsequent disposition of the Notes. The Agents shall be entitled to rely on the representations and warranties of the Issuer and the Manager contained in Sections 8, 9 and 10 herein or delivered pursuant hereto notwithstanding any investigation which the Agents may undertake or which may be undertaken on the Agents' behalf.

20. **Acknowledgement of Agents**. Each Agent (i) acknowledges and agrees in favour of the Indenture Trustee that it is a Specified Creditor (as defined in the Master Trust Indenture) under the Master Trust Indenture and its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 7.12 (Payments Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Section 8.14 (Limited Recourse), Article IX (Indenture Trustee) (including all limitations of liability hereunder), Section 9.14 (Communications to Specified Creditors) and Section 16.01 (No Petition); (ii) irrevocably authorizes and directs the Indenture Trustee on its behalf to take such action (including the execution and delivery of documents of subordination) as may be necessary or appropriate to further assure the priority arrangements provided for in Article VI, Article VII and Section 8.13 of the Master Trust Indenture, and appoints the Indenture Trustee as its agent for any and all such purposes; and (iii) consents, requests and authorizes the Issuer and the Indenture Trustee to (y) add the Agents (or their respective agents) to the register of Specified Creditors described in Section 13.13 of the Master Trust Indenture and (z) disseminate the notice details of the Agents to other Specified Creditors for the purposes set out in subsection 9.14(b) of the Master Trust Indenture.

21. **Notices**. Any notice or other communication to be given hereunder shall, in the case of notice to the Issuer, be addressed to:

Fair Hydro Trust
c/o Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: Lubna Ladak
Telephone: (416) 592-5984
Facsimile: (416) 592-4189
E-mail: lubna.ladak@opg.com

with a copy to:

Computershare Trust Company of Canada, in its capacity as Issuer Trustee for the Issuer
100 University Avenue, 11th Floor
Toronto, Ontario M5J 2Y1

Attention: ●
Telephone: ●
Facsimile: ●
E-mail: ●

- and -

Ontario Power Generation Inc., in its capacity as Manager of the Issuer
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: Lubna Ladak
Telephone: (416) 592-5984
Facsimile: (416) 592-4189
E-mail: lubna.ladak@opg.com

with a copy to:

Torys LLP
79 Wellington St. West
30th Floor, Box 270
TD South Tower
Toronto, ON M5K 1N2

Attention: Rima Ramchandani
Telephone: (416) 865-7500
Facsimile: (416) 865-7380
E-mail: rramchandani@torys.com

and, in the case of notice to the Agents, to:

CIBC World Markets Inc.
Brookfield Place
5th Floor, 161 Bay Street
Toronto, ON M5J 2S8

Attention: ●
●

Facsimile: (416) 594-7760

- and -

RBC Dominion Securities Inc.
200 Bay Street, 4th Floor
Royal Bank Plaza, South Tower
Toronto, ON M5J 2W7

Attention: ●
●

Facsimile: (416) 842-7777

- and -

Goldman Sachs Canada Inc.
●

Attention: ●

●

Facsimile: ●

- and -

●

Attention: ●
●

Facsimile: ●

●

Attention: ●
●

Facsimile: ●

with a copy to the Agents' Counsel at:

Osler, Hoskin & Harcourt LLP
100 King Street West
Suite 6200, P.O. Box 50
1 First Canadian Place
Toronto, ON M5X 1B8

Attention: Michael Innes

Facsimile: (416) 862-6666

Any such notice or other communication shall be in writing, and unless delivered personally to a responsible officer of the addressee, shall be given by courier service or fax (with receipt confirmed) or e-mail, and will be deemed to have been received, if given by fax or e-mail, on the day of sending (if such day is a Business Day and, if not, on the next Business Day following the sending thereof) and, if given by courier service, on the next Business Day following the sending thereof. For the purposes of this Agreement, a "**Business Day**" means a day which is not a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario.

22. **Confidentiality.** Other than the terms and conditions of this Agreement that are disclosed in the Offering Memorandum, the Issuer, the Manager and the Agents agree that they shall keep the terms and conditions of this Agreement confidential and shall not disclose the terms and conditions of this Agreement to any other person except to their affiliates and those directors, officers, employees and agents of each of the Issuer, the Manager and the Agents who need to review such terms and conditions so as to be able to give effect to the Offering (including pursuant to standard internal requirements); provided, however, that nothing in this Section 22 shall restrict disclosure by the Issuer, the Manager or any of the

Agents of the terms and conditions of this Agreement if: (i) such party is legally compelled to do so by order of a court or other competent governmental or regulatory agency, in the course of any judicial or administrative proceeding or by applicable law, or (ii) such party is reasonably required to do so in order to protect its legitimate interests in connection with a legal proceeding under this Agreement.

23. **Time of the Essence**. Time is of the essence of this Agreement.

24. **Currency**. Unless otherwise indicated, all references to "$" in this Agreement are references to the lawful currency of Canada.

25. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein and the courts of such province will have exclusive jurisdiction over any dispute hereunder.

26. **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings relating to the Offering. This Agreement may only be amended or modified in any respect by the written agreement of all of the parties hereto.

27. **Assignment.** None of the rights and obligations of the parties hereunder shall be assignable or transferable by any party without the prior written consent of the other parties hereto.

28. **Successors and Assigns**. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Issuer, the Manager and the Agents and their respective successors and permitted assigns.

29. **Singular and Plural; Gender**. Where the context so requires, words importing the singular number include the plural and *vice versa*, and words importing gender shall include the masculine, feminine and neuter genders.

30. **Execution in Counterparts**. This Agreement may be executed in counterparts (including counterparts by facsimile), each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

[Signature page follows]

If the foregoing is acceptable to the Issuer and the Manager, please signify such acceptance by signing and returning one copy of this letter to the Agents, which accepted offer shall constitute the contract for the provision of services of the Agents in connection with the Offering referred to herein and shall constitute a binding agreement between the parties hereto.

Yours very truly,

CIBC WORLD MARKETS INC.

By: _____
Name:
Title:

RBC DOMINION SECURITIES INC.

By: _____
Name:
Title:

GOLDMAN SACHS CANADA INC.

By: _____
Name:
Title:

[NTD: Other Dealers to be added as determined.]

By: _____
Name:
Title:

ACCEPTED AND AGREED to this _____ day of January, 2018.

FAIR HYDRO TRUST, by its Manager, **ONTARIO POWER GENERATION INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

APPENDIX “A”

TERM SHEET

(see attached)

APPENDIX "B"

FORM OF OFFICERS' CERTIFICATE OF THE ISSUER

1. the Issuer has duly complied with all terms and conditions of this Agreement, the Master Trust Indenture and the 2018-1 Term Supplemental Indentures on its part to be complied with and satisfied at or prior to the Closing and no Termination Event (as defined in the Master Trust Indenture) has occurred;

2. no order, ruling or determination having the effect of suspending the sale or ceasing or suspending trading in the Notes or any other securities of the Issuer has been issued by any securities commission or any other regulatory authority and is continuing in effect and no proceedings for such purpose have been instituted and are continuing or are pending or, to the knowledge, information and belief of the persons signing such certificate, are contemplated or threatened;

3. the representations and warranties of the Issuer contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time, after giving effect to the transactions contemplated by this Agreement;

4. the representations and warranties of the Issuer set forth in Section 12.01 of the Master Trust Indenture and Section 3.1 of the Supplemental Indenture are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated hereby; and

5. to the knowledge of the Issuer (after due inquiry), no default or Event of Default has occurred or is continuing. For the purposes of such certificate, an "Event of Default" has the meaning to be given to such terms in the Indenture.

APPENDIX "C"

FORM OF OFFICERS' CERTIFICATE OF OPG

1. OPG has duly complied with all terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing; and

2. the representations and warranties of OPG contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time, after giving effect to the transactions contemplated by this Agreement.

TERM

SENIOR SERIES 2018-1 SUPPLEMENTAL INDENTURE

between

FAIR HYDRO TRUST

by

COMPUTERSHARE TRUST COMPANY OF CANADA
as Issuer Trustee

and

BNY TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF DECEMBER 21, 2017

AND PROVIDING FOR THE ISSUE OF
●% SENIOR NOTES DUE ●, SERIES 2018-1
OF FAIR HYDRO TRUST

Made as of ●, 2018

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●% SENIOR NOTES DUE ●, SERIES 2018-1

THIS SENIOR NOTES SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2018, between **Computershare Trust Company of Canada** in its capacity as trustee of **Fair Hydro Trust**, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and **BNY Trust Company of Canada**, a trust company existing under the laws of Canada (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of December 21, 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Senior Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Senior Notes designated as the ●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2018-1 Senior Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental Indenture are applicable only in respect of the Series 2018-1 Senior Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2018-1 Senior Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2018-1 Senior Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2018-1 SENIOR NOTES

2.1 Creation of Series 2018-1 Senior Notes

There is hereby created a Series of Senior Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●% Senior Notes due ●, Series 2018-1.**"

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2018-1 Senior Notes will:

(a) be designated as set out in Section 2.1;

(b) be Senior Notes;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have a Stated Principal Amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2018-1 Senior Notes may be increased after the date hereof without the consent of any Series 2018-1 Noteholder or any holder of any Notes of any other Class, Series or Tranche, but subject to satisfaction of the Rating Agency Condition;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued as a Registered Note in minimum denominations of $150,000 and integral multiples of 1,000;

(h) be issued in the form of a Global Note and the depository thereof shall be the Canadian Depository;

(i) be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) bear interest at a rate of ●% per annum;

(k) accrue interest from the later of: (i) ●, 2018 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Series 2018-1 Senior Notes;

(l) have interest paid in equal semi-annual instalments (except the initial interest payment) on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing with the Payment Date occurring in the month of April, 2018 in respect of the Series 2018-1 Senior Notes issued prior to such date;

(m) subject to the occurrence of an Acceleration Event, mature on, and have ●, 20●, as their sole Principal Payment Date with a principal payment amount on such Principal Payment Date equal to the then Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes;

(n) have ●, 20● as their Principal Payment Default Date;

(o) subject to the occurrence of an Acceleration Event, have ●, 20● as their Principal Accumulation Date;

(p) subject to the occurrence of an Acceleration Event, have the following Principal Accumulation Amounts for each Payment Date on or after their Principal Accumulation Date:

Payment Dates	**Principal Accumulation Amounts**
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●

(q) after the occurrence of an Acceleration Event and for so long as it continues, each Payment Date shall be a Principal Payment Date in respect of the Series 2018-1 Senior Notes and the full Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date;

(r) have a Record Date for each Interest Payment Date that is the last day of the calendar month preceding each Interest Payment Date; and

(s) be redeemable and subject to repurchase as provided in Section 2.6 below.

2.3 Delivery

On the date of issuance of the Series 2018-1 Senior Notes, Series 2018-1 Senior Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any Taxes required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2018-1 Senior Notes) will on each Interest Payment Date, make payment

of such interest, less any Taxes required by law to be deducted or withheld, by wire transfer to each Series 2018-1 Noteholder as of the Record Date. The payment by such wire transfer will satisfy and discharge the liability for interest upon such Series 2018-1 Senior Note to the extent of the sum represented thereby (plus the amount of any Taxes deducted or withheld as aforesaid). Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

By 10:00 a.m. (Toronto time) on the Principal Payment Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order of Series 2018-1 Noteholders on maturity on account of principal. The deposit of such funds will satisfy and discharge the liability for principal of the Series 2018-1 Senior Notes to the extent of the sum represented thereby.

2.6 Redemption and Repurchase

(a) At its option, at any time prior to the Par Call Date, the Issuer may redeem the Series 2018-1 Senior Notes in whole or, from time to time, in part, on payment of a Redemption Price equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2018-1 Redemption Date. At any time on or after the Par Call Date, the Issuer may redeem the Series 2018-1 Senior Notes in whole or, from time to time, in part, on payment of a Redemption Price equal to par, together with accrued and unpaid interest to the Series 2018-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and not less than 15 days before the date fixed for redemption, and will provide a copy of such notice to DBRS and Moody's upon the issuance thereof. Less than all of the Series 2018-1 Senior Notes may be redeemed, if so redeemed, in accordance with Section 4.10 of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2018-1 Senior Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Less than all of the Series 2018-1 Senior Notes may be purchased, if so purchased, for cancellation in accordance with Section 4.11 of the Trust Indenture.

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2018-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer Indemnified Person by reason of: (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability,

expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer Indemnified Person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section 7.04 or Section 8.13 of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of Taxes, excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other Taxes based on or measured by the net income of any person legally entitled to receive such payments (each a "**Recipient**") as a result of a present or former connection between the Recipient and the jurisdiction of the Governmental Authority imposing such Taxes (other than any such connection arising solely from the Recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); (ii) any withholding or deduction imposed pursuant to (A) Sections 1471 to 1474 of the Internal Revenue Code ("**FATCA**"), or any successor version thereof, or any similar legislation imposed by any other Governmental Authority, or (B) any treaty, law or regulation or other official guidance enacted by Canada implementing FATCA or any intergovernmental agreement with respect to FATCA or any similar legislation imposed by any other Governmental Authority, including, for greater certainty, the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) and Parts XVIII and XIX of the Income Tax Act (collectively, and including FATCA, the "**AEOI Legislation**"); and (iii) any interest, penalties and additions to Taxes in respect of (i) and (ii) (all such excluded Taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a Recipient hereunder, the amounts so payable to the Recipient shall be increased, and the Recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the Recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Whenever any Taxes are payable on or with respect to amounts distributed to a Recipient, as promptly as possible thereafter the Issuer shall send to such Recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to withholding Taxes under any AEOI Legislation if the Recipient were to fail to comply with the applicable reporting requirements of any AEOI Legislation, such Recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with its obligations under any AEOI Legislation and to determine that such Recipient has complied with its obligations under any AEOI Legislation, or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a Recipient expires or becomes

obsolete or inaccurate in any respect, the Recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a Recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2018-1 Senior Notes

On or prior to the initial issuance of Series 2018-1 Senior Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 3.1 of this Supplemental Indenture shall be true and correct in all material respects, and the Issuer shall be in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Series 2018-1 Senior Notes shall have been rated **[AAA(sf)]** by DBRS and **[Aa2(sf)]** by Moody's.

(d) The Indenture Trustee shall have received (i) the Adherence Compliance Certificate required pursuant to Section 4.02(a) of the Change of Law Protection Agreement with respect to the incurrence of Funding Obligations under this Supplemental Indenture, or (ii) written confirmation from the Province that the Funding Obligations incurred under this Supplemental Indenture constitute Approved Obligations.

2.10 Delivery to Depository

Promptly following the issuance of the Series 2018-1 Senior Notes, the Global Note representing such Notes shall be delivered to the Canadian Depository (or as it may direct) for deposit into its book-based system for the benefit of the Note Owners of such Notes.

2.11 Acceleration Events

If a Series 2018-1 Event of Default occurs and is continuing, then and in each and every such case, and without regard to whether all Issuer Funding Obligations have been declared due and payable pursuant to Section 8.02(a) of the Trust Indenture, the Series 2018-1 Noteholders may by Ordinary Resolution (with notice of such Ordinary Resolution being provided to the Issuer and the Indenture Trustee) determine to declare the Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes and all interest accrued and unpaid (if any) thereon to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable,

notwithstanding anything in this Supplemental Indenture or the Trust Indenture to the contrary. The Issuer shall give prompt written notice to DBRS and Moody's of the occurrence of an Acceleration Event.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2018-1 Noteholder that:

(a) no Termination Event has occurred or would result from the purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not Non-residents;

(c) all Tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest; and

(f) to its knowledge, there is no set of circumstances existing at such time that will have an Adverse Effect or will reasonably be expected to have an Adverse Effect.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section 9.07 of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Indenture Trustee (on behalf of the Series 2018-1 Noteholders) hereby acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments to be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2018-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2018-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given, in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 15 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (c) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that Computershare Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with

wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2018-1 Senior Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[Signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture as of the date first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer, by ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

BNY TRUST COMPANY OF CANADA, as Indenture Trustee and not in its individual capacity

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means either:

(a) all Issuer Funding Obligations are declared due and payable under Section 8.02 of the Trust Indenture, or

(b) the Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes and all interest accrued and unpaid thereon is declared to be due and payable under Section 2.11.

"**AEOI Legislation**" has the meaning specified in Section 2.8(a).

"**Excluded Taxes**" has the meaning specified in Section 2.8(a).

"**FATCA**" has the meaning specified in Section 2.8(a).

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes to be redeemed, the yield from the Series 2018-1 Redemption Date to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to the Par Call Date (calculated from the Series 2018-1 Redemption Date), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

"**Indenture Trustee**" has the meaning specified in the recitals of this Supplemental Indenture.

"**Interest Payment Date**" has the meaning specified in Section 2.2(l).

"**Issuer**" has the meaning specified in the recitals of this Supplemental Indenture.

"**Issuer Indemnified Person**" has the meaning specified in Section 2.7.

"**Par Call Date**" means ●, 20●.

"**Recipient**" has the meaning specified in Section 2.8(a).

"**Requisite Series 2018-1 Noteholders**" means Series 2018-1 Noteholders holding, in aggregate, at least 50% of the Series 2018-1 Senior Notes then Outstanding.

"Series 2018-1 Canada Yield Price" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the Series 2018-1 Redemption Date specified in the notice of redemption delivered pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture, plus ●%.

"**Series 2018-1 Event of Default**" means any one of the following events (whatever the reason for such Series 2018-1 Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

(a) a default by the Issuer in the payment of any interest on any Series 2018-1 Senior Notes when such interest becomes due and payable, and continuance of such default for a period of five days following the date on which such interest became due and payable;

(b) a default by the Issuer in the payment of any principal of any Series 2018-1 Senior Notes at its Principal Payment Default Date;

(c) any representation or warranty contained in Section 3.1 of this Supplemental Indenture or Section 12.01 of the Trust Indenture proves to be incorrect in any material respect when made and such incorrect representation or warranty if capable of being remedied by the Issuer, has not been remedied for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) a default in the performance, or breach, of any covenant of the Issuer in the Trust Indenture or this Supplemental Indenture in respect of any Series 2018-1 Senior Notes (other than an agreement, covenant or warranty a default in the performance of which or the breach of which is elsewhere specifically dealt with in this definition of Series 2018-1 Event of Default), and continuance of such default or breach for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period; or

(e) an event of default or other event occurs and as a result thereof, all or a portion of the principal amount owing in respect of any other Series of Senior Funding Obligations has become, or been declared, due and payable before the scheduled payment date, maturity date or redemption date in respect of such other Series of Senior Funding Obligations.

"**Series 2018-1 Noteholder**" means a Person in whose name a Series 2018-1 Senior Note is registered in the Note Register.

"**Series 2018-1 Redemption Date**" means a date fixed for redemption of the Series 2018-1 Senior Notes pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture.

"**Series 2018-1 Senior Note**" means any one of the Series 2018-1 Senior Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Termination Event**" means any Acceleration Event or Series 2018-1 Event of Default, or any event which with the giving of notice or the passage of time, or both, could become an Acceleration Event or a Series 2018-1 Event of Default.

"**Trust Indenture**" has the meaning specified in the recitals of this Supplemental Indenture.

SCHEDULE B

FORM OF SERIES 2018-1 SENIOR NOTE

[FOR GLOBAL NOTES ONLY: THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE TRUST INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF CDS & CO. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO FAIR HYDRO TRUST OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.]

EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — *RESALE OF SECURITIES*, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LAWS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.

IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY.

FAIR HYDRO TRUST

(A trust established under the laws of the Province of Ontario)

No. ● $●

CUSIP: ●

ISIN: ●

GLOBAL NOTE
●% SENIOR NOTE DUE ●, SERIES 2018-1

Fair Hydro Trust (herein referred to as the "**Issuer**"), a trust governed by the laws of Ontario and established under a Declaration of Trust dated as of December 20, 2017, for value received, hereby promises to pay the principal sum of $● to the registered holder hereof on ●, 20● (the "**Principal Payment Date**") or on such earlier date as the principal amount hereof may become due, in accordance with the provisions set forth in the Trust Indenture and the Supplemental Indenture. The Issuer will pay interest on the outstanding principal amount of this Series 2018-1 Senior Note in accordance with Section 2.4 of the Supplemental Indenture on each Interest Payment Date (as defined below) at the rate of ●% per annum in equal semi-annual instalments on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing on April ●, 2018 (provided that the initial interest payment payable on April ●, 2018 will be in an aggregate amount equal to $● per $1,000 principal amount) until the principal of this Series 2018-1 Senior Note is paid or made available for payment,

to the extent funds are available in accordance with the terms of the Supplemental Indenture. The principal of and interest on this Series 2018-1 Senior Note are payable in Canadian dollars.

Beginning on the first Payment Date following the occurrence of an Acceleration Event, the principal of this Series 2018-1 Senior Note shall be paid in full on each such Payment Date to the extent of funds available for payment therefor pursuant to the Trust Indenture. Such principal of and interest on this Series 2018-1 Senior Note shall be paid in the manner specified on the reverse hereof.

Reference is made to the further provisions of this Series 2018-1 Senior Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Series 2018-1 Senior Note. Although a summary of certain provisions of the Trust Indenture and Supplemental Indenture is set forth below and on the reverse hereof and made a part hereof, this Series 2018-1 Senior Note does not purport to summarize the Trust Indenture and Supplemental Indenture and reference is made to the Trust Indenture and Supplemental Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Issuer and the Indenture Trustee. In the event that there is any inconsistency between the provisions of the Trust Indenture or Supplemental Indenture and the provisions hereof, the provisions of the Trust Indenture and Supplemental Indenture shall govern. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture and Supplemental Indenture. Copies of the Trust Indenture and Supplemental Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: BNY Trust Company of Canada, One York Street, 6th Floor, Toronto, Ontario M5J 0B6, Attention: Corporate Trust Administration.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee, by manual signature, this Series 2018-1 Senior Note shall not be entitled to any benefit under the Trust Indenture and Supplemental Indenture referred to on the reverse hereof, or be valid for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Series 2018-1 Senior Note to be duly executed.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

Dated: _____●, 2018

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the ●% Senior Notes due ●, Series 2018-1 described in the within-mentioned Trust Indenture and Supplemental Indenture.

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By: _____
Authorized Signatory

By: _____
Authorized Signatory

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ●, SERIES 2018-1

Summary of Terms and Conditions

This Series 2018-1 Senior Note is one of a duly authorized Series of Senior Notes of the Issuer, designated as the ●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**"), issued under a trust indenture dated as of December 21, 2017 (as may be amended, supplemented, restated, replaced or otherwise modified from time to time, the "**Trust Indenture**"), between the Issuer and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**," which term includes any successor Indenture Trustee under the Trust Indenture), as amended and supplemented by the Senior Series 2018-1 Supplemental Indenture, dated as of ●, 2018 (the "**Supplemental Indenture**"), and representing the right to receive certain payments from the Issuer. Except as set forth in the Supplemental Indenture, the Series 2018-1 Senior Note is subject to all of the terms of the Trust Indenture. All terms used in this Series 2018-1 Senior Note and not otherwise defined herein shall have the meanings assigned to them in or pursuant to the Supplemental Indenture.

The Series 2018-1 Senior Note is and will be equally and ratably secured by the Collateral pledged as security therefor as provided in the Trust Indenture.

"**Payment Date**" means the 15th day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on April 15, 2018.

As described above, all amounts payable on maturity with respect to this Series 2018-1 Senior Note shall be due and payable on the Principal Payment Date, in accordance with Section 2.5 of the Supplemental Indenture. All principal payments of the Series 2018-1 Senior Note shall be deposited with the Indenture Trustee.

Payments of interest on this Series 2018-1 Senior Note are due and payable on each Interest Payment Date or such other date as may be specified in the Supplemental Indenture by wire transfer to each Series 2018-1 Noteholder as of the Record Date. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

The Series 2018-1 Senior Notes are redeemable in accordance with Section 2.6 of the Supplemental Indenture and Section 4.10 of the Trust Indenture.

The Indenture Trustee (on behalf of each Series 2018-1 Noteholder), acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments To Be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

The Trust Indenture and Supplemental Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Series 2018-1 Noteholders under the Trust Indenture and Supplemental Indenture at any time by the Issuer with the consent of the applicable Person(s) specified therein. The Trust Indenture also contains provisions permitting the applicable Person(s) specified therein to waive compliance by the Issuer with certain provisions of the Trust Indenture and certain past defaults under the Trust Indenture and their consequences with respect to the Series 2018-1 Senior Notes. Any such consent or waiver by such Person(s) shall be conclusive and binding upon the Series 2018-1 Noteholders and upon all future holders of this Series 2018-1 Senior Note and of any Series 2018-1 Senior Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Series 2018-1 Senior Note. The Trust Indenture also permits the Issuer and the Indenture Trustee to amend or waive certain terms and conditions set forth in the Trust Indenture without the consent of any other Person.

The term "**the Issuer**" as used in this Series 2018-1 Senior Note includes any successor to the Issuer under the Trust Indenture.

The Series 2018-1 Senior Notes are issuable under the Book-Entry System in minimum denominations of $150,000 and integral multiple of $1,000. The right of beneficial holders of this Series 2018-1 Senior Note to receive fully registered definitive note certificates is restricted. The Series 2018-1 Senior Notes of any authorized denomination may be exchanged, as provided in the Trust Indenture, for Series 2018-1 Senior Notes of an equal aggregate principal amount in any other authorized denomination or denominations.

This Series 2018-1 Senior Note, the Trust Indenture and Supplemental Indenture, and all matters arising out of or relating to this Series 2018-1 Senior Note, the Trust Indenture or Supplemental Indenture, shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws applicable therein, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such laws.

No reference herein to the Trust Indenture and Supplemental Indenture and no provision of this Series 2018-1 Senior Note or of the Trust Indenture and Supplemental Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Series 2018-1 Senior Note at the times, place and rate, and in the coin or currency herein prescribed, subject to any duty of the Issuer to deduct or withhold any amounts as required by law, including any applicable Taxes.

REGISTRATION PANEL

(No writing on this panel except
by the Note Registrar)

Date of Registration	In Whose Name Registered	Signature of Note Registrar

TERM

SENIOR SERIES ~~[~~2018-1~~]~~ SUPPLEMENTAL INDENTURE

between

FAIR HYDRO TRUST

by

COMPUTERSHARE TRUST COMPANY OF CANADA
as Issuer Trustee

and

BNY TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF DECEMBER ~~●,~~21, 2017

AND PROVIDING FOR THE ISSUE OF
●% SENIOR NOTES DUE ●, SERIES 2018-1
OF FAIR HYDRO TRUST

Made as of ●, 2018

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●% SENIOR NOTES DUE ●, SERIES 2018-1

THIS SENIOR NOTES SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2018, between **Computershare Trust Company of Canada** in its capacity as trustee of **Fair Hydro Trust**, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and **BNY Trust Company of Canada**, a trust company existing under the laws of Canada (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of December ~~●,~~ **21,** 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Senior Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Senior Notes designated as the ●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2018-1 Senior Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental Indenture are applicable only in respect of the Series 2018-1 Senior Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2018-1 Senior Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2018-1 Senior Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2018-1 SENIOR NOTES

2.1 Creation of Series 2018-1 Senior Notes

There is hereby created a Series of Senior Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●% Senior Notes due ●, Series 2018-1.**"

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2018-1 Senior Notes will:

(a) be designated as set out in Section 2.1;

(b) be Senior Notes;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have a Stated Principal Amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2018-1 Senior Notes may be increased after the date hereof without the consent of any ~~holder of~~ Series 2018-1 ~~Senior Notes~~**Noteholder** or any holder of any Notes of any other Class, Series or Tranche, but subject to satisfaction of the Rating Agency Condition;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued **as a Registered Note in minimum denominations of $150,000 and integral multiples of 1,000;**

(h) **be issued** in the form of a Global Note and the depository thereof shall be the Canadian Depository;

(i) ~~(h)~~ be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) ~~(i)~~ bear interest at a rate of ●% per annum;

(k) ~~(j)~~ accrue interest from the later of: (i) ●, 2018 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Series 2018-1 Senior Notes;

(l) ~~(k)~~ have interest paid in equal semi-annual instalments ~~[~~(except the initial interest payment)~~]~~ on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing with the Payment Date occurring in the month of ~~[~~April~~]~~, 2018 in respect of the Series 2018-1 Senior Notes issued prior to such date;

(m) ~~(l)~~ subject to the occurrence of an Acceleration Event, mature on, and have ●, 20●, as their sole Principal Payment Date with a principal payment amount on such Principal Payment Date equal to the then Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes;

(n) ~~(m)~~ have ●, 20● as their Principal Payment Default Date;

(o) ~~(n)~~ subject to the occurrence of an Acceleration Event, have ●, 20● as their Principal Accumulation Date;

(p) ~~(o)~~ subject to the occurrence of an Acceleration Event, have the following Principal Accumulation Amounts for each Payment Date on or after their Principal Accumulation Date:

Payment Dates	Principal Accumulation Amounts
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●

(q) ~~(p)~~ after the occurrence of an Acceleration Event and for so long as it continues, each Payment Date shall be a Principal Payment Date in respect of the Series 2018-1 Senior Notes and the full Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date;

(r) ~~(q)~~ have a Record Date for each Interest Payment Date that is the last day of the calendar month preceding each Interest Payment Date; **and**

(s) ~~(r) [~~be redeemable and subject to repurchase as provided in Section 2.6 below~~]; and(s) [not be subject to defeasance as contemplated by Section 2.08 of the Trust Indenture] [be subject to defeasance in accordance with Section 2.08 of the Trust Indenture]~~.

2.3 Delivery

On the date of issuance of the Series 2018-1 Senior Notes, Series 2018-1 Senior Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any ~~taxes~~**Taxes** required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2018-1 Senior Notes) will on each Interest Payment Date, make payment of such interest, less any ~~taxes~~**Taxes** required by law to be deducted or withheld, by wire transfer to each ~~holder of a~~ Series 2018-1 ~~Senior Note~~**Noteholder** as of the Record Date. The payment by such wire transfer will satisfy and discharge the liability for interest upon such Series 2018-1 Senior Note to the extent of the sum represented thereby (plus the amount of any ~~taxes~~**Taxes** deducted or withheld as aforesaid). Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a **Series 2018-1** Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

By 10:00 a.m. (Toronto time) on the Principal Payment Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order ~~of holders~~ of Series 2018-1 ~~Senior Notes~~**Noteholders** on maturity on account of principal. The deposit of such funds will satisfy and discharge the liability for principal of the Series 2018-1 Senior Notes to the extent of the sum represented thereby.

2.6 ~~[~~Redemption and Repurchase

~~[NTD: Redemption features to be discussed.]~~

(a) At its option, at any time prior to ~~●, 20●~~ ~~[par call date]~~**the Par Call Date**, the Issuer may redeem the Series 2018-1 Senior Notes in whole or, from time to time, in part, on payment of a ~~redemption price~~**Redemption Price** equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2018-1 Redemption Date. At any time on or after ~~●, 20●~~ ~~[par call date]~~**the Par Call Date**, the Issuer may redeem the Series 2018-1 Senior Notes in whole or, from time to time, in part, on payment of a ~~redemption price~~**Redemption Price** equal to par, together with accrued and unpaid interest to the Series 2018-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and not less than 15 days before the date fixed for redemption, and will provide a copy of such notice to DBRS **and Moody's** upon the issuance thereof. Less than all of the Series 2018-1 Senior Notes may be redeemed, if so redeemed, in accordance with Section 4.10 of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2018-1 Senior Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Less than all of the Series 2018-1 Senior Notes may be purchased, if so purchased, for cancellation in accordance with Section 4.11 of the Trust Indenture.

~~(c) The Series 2018-1 Senior Notes will not be subject to repurchase pursuant to any sinking fund or any other required repayment provisions].~~

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2018-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer Indemnified Person by reason of: (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer Indemnified Person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section 7.04 or Section 8.13 of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of Taxes, excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other Taxes based on or measured by the net income of any person legally entitled to receive such payments (each a "**Recipient**") as a result of a present or former connection between the Recipient and the jurisdiction of the Governmental Authority imposing such Taxes (other than any such connection arising solely from the Recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); (ii) any withholding or deduction imposed pursuant to (A) Sections 1471 to 1474 of the Internal Revenue Code ("**FATCA**"), or any successor version thereof, or any similar legislation imposed by any other Governmental Authority, or (B) any treaty, law or regulation or other official guidance enacted by Canada implementing FATCA or any intergovernmental agreement with respect to FATCA or any similar legislation imposed by any other Governmental Authority, including, for greater certainty, the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) and Parts XVIII and XIX of the Income Tax Act (collectively, and including FATCA, the "**AEOI Legislation**"); and (iii) any interest, penalties and additions to Taxes in respect of (i) and (ii) (all such excluded Taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a Recipient hereunder, the amounts so payable to the Recipient shall be increased, and the Recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the Recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts

specified hereunder. Whenever any Taxes are payable on or with respect to amounts distributed to a Recipient, as promptly as possible thereafter the Issuer shall send to such Recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to withholding Taxes under any AEOI Legislation if the Recipient were to fail to comply with the applicable reporting requirements of any AEOI Legislation, such Recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with its obligations under any AEOI Legislation and to determine that such Recipient has complied with its obligations under any AEOI Legislation, or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a Recipient expires or becomes obsolete or inaccurate in any respect, the Recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a Recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2018-1 Senior Notes

On or prior to the initial issuance of Series 2018-1 Senior Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in Section **12.01 of the Trust Indenture and Section** 3.1 of this Supplemental Indenture shall be true and correct in all material respects, **and** the Issuer shall be in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Series 2018-1 Senior Notes ~~will~~**shall** have been rated **[AAA(~~sp~~sf)]** by DBRS and **[~~Aaa(sp~~Aa2(sf)]** by Moody's.

(d) The Indenture Trustee shall have received (i) the Adherence Compliance Certificate required pursuant to Section 4.02(a) of the Change of Law Protection Agreement with respect to the incurrence of Funding Obligations under this Supplemental Indenture, or (ii) written confirmation from the Province that the Funding Obligations incurred under this Supplemental Indenture constitute Approved Obligations.

2.10 Delivery to Depository

Promptly following the issuance of the Series 2018-1 Senior Notes, the Global Note representing such Notes shall be delivered to the **Canadian** Depository (or as it may direct) for deposit into its book-based system for the benefit of the Note Owners of such Notes.

2.11 Acceleration Events

If a Series 2018-1 Event of Default occurs and is continuing, then and in each and every such case, and without regard to whether all Issuer Funding Obligations have been declared due and payable pursuant to Section 8.02(a) of the Trust Indenture, the Series 2018-1 Noteholders may by Ordinary Resolution (with notice of such Ordinary Resolution being provided to the Issuer and the Indenture Trustee) determine to declare the Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes and all interest accrued and unpaid (if any) thereon to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, notwithstanding anything in this Supplemental Indenture or the Trust Indenture to the contrary. The Issuer shall give prompt written notice to DBRS **and Moody's** of the occurrence of an Acceleration Event.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2018-1 Noteholder that:

(a) no Termination Event has occurred or would result from the purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not Non-residents;

(c) all Tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest; and

(f) to its knowledge, there is no set of circumstances existing at such time that will have an Adverse Effect or will reasonably be expected to have an Adverse Effect.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section 9.07 of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Indenture Trustee (on behalf of the Series 2018-1 Noteholders) hereby acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as ~~a~~ Specified ~~Creditor~~**Creditors** are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments to be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (**The** Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (**Preservation of Information;** Communications to Specified Creditors) and Section 16.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any

provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2018-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2018-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given , in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 15 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (~~iii~~**c**) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and

assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that Computershare Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2018-1 Senior Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[~~signature~~Signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture as of the date first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, ~~as Issuer Trustee~~in its capacity as trustee of
FAIR HYDRO TRUST, as Issuer, by ~~its Manager,~~
ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

BNY TRUST COMPANY OF CANADA, as Indenture Trustee and not in its individual capacity

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means either:

(a) all Issuer Funding Obligations are declared due and payable under Section 8.02 of the Trust Indenture, or

(b) the Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes and all interest accrued and unpaid thereon is declared to be due and payable under Section ~~2.10~~**2.11**.

"**AEOI Legislation**" has the meaning specified in Section 2.8(a).

"**Excluded Taxes**" has the meaning specified in Section 2.8(a).

"**FATCA**" has the meaning specified in Section 2.8(a).

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes to be redeemed, the yield from the Series 2018-1 Redemption Date to ● ~~[par call date]~~**the Par Call Date**, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to ● ~~[par call date]~~**the Par Call Date** (calculated from the Series 2018-1 Redemption Date)~~ of the Series 2018-1 Senior Notes~~, such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

"**Indenture Trustee" has the meaning specified in the recitals of this Supplemental Indenture.**

"**Interest Payment Date**" has the meaning specified in Section 2.2(l).

"Issuer" has the meaning specified in the recitals of this Supplemental Indenture.

"**Issuer Indemnified Person**" has the meaning specified in Section 2.7.

"Par Call Date" means ●, 20●.

"**Recipient**" has the meaning specified in Section 2.8(a).

"**Requisite Series 2018-1 Noteholders**" means Series 2018-1 Noteholders holding, in aggregate, at least ~~[~~50~~]~~% of the Series 2018-1 Senior Notes then Outstanding.

"Series 2018-1 Canada Yield Price" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to ● ~~[par call date]~~**the Par Call Date**, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third

Business Day preceding the Series 2018-1 Redemption Date specified in the notice of redemption delivered pursuant to Section 4.10 of the Trust Indenture **and Section 2.6 of this Supplemental Indenture**, plus ●%.

"**Series 2018-1 Event of Default**" means any one of the following events (whatever the reason for such Series 2018-1 Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

(a) a default by the Issuer in the payment of any interest on any Series 2018-1 Senior Notes when such interest becomes due and payable, and continuance of such default for a period of five days following the date on which such interest became due and payable;

(b) a default by the Issuer in the payment of any principal of any Series 2018-1 Senior Notes at its Principal Payment Default Date;

(c) any representation or warranty contained in Section 3.1 of this Supplemental Indenture or Section 12.01 of the Trust Indenture proves to be incorrect in any material respect when made and such incorrect representation or warranty if capable of being remedied by the Issuer, has not been remedied for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) a default in the performance, or breach, of any covenant of the Issuer in the Trust Indenture or this Supplemental Indenture in respect of any Series 2018-1 Senior Notes (other than an agreement, covenant or warranty a default in the performance of which or the breach of which is elsewhere specifically dealt with in this definition of Series 2018-1 Event of Default), and continuance of such default or breach for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period; or

(e) an event of default or other event occurs and as a result thereof, all or a portion of the principal amount owing in respect of any other Series of Senior Funding Obligations has become, or been declared, due and payable before the scheduled payment date, maturity date or redemption date in respect of such other Series of Senior Funding Obligations.

"**Series 2018-1 Noteholder**" means a Person in whose name a Series 2018-1 Senior Note is registered in the Note Register.

"**Series 2018-1 Redemption Date**" means a date fixed for redemption of the Series 2018-1 Senior Notes pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture.

"**Series 2018-1 Senior Note**" means any one of the Series 2018-1 Senior Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Termination Event**" means any Acceleration Event **or Series 2018-1 Event of Default,** or any event which with the giving of notice or the passage of time, or both, could become an Acceleration Event **or a Series 2018-1 Event of Default**.

"Trust Indenture" has the meaning specified in the recitals of this Supplemental Indenture.

SCHEDULE B

FORM OF SERIES 2018-1 SENIOR NOTE

[~~FORM OF NOTE~~]

~~SERIES 2018-1 SENIOR NOTE~~FOR GLOBAL NOTES ONLY: THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE TRUST INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF CDS & CO. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO FAIR HYDRO TRUST OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.]

EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — *RESALE OF SECURITIES*, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LAWS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.

IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY.

FAIR HYDRO TRUST
(A trust established under the laws of the Province of Ontario)

No. ● $●
CUSIP: ●
ISIN: ●

GLOBAL NOTE
● % SENIOR NOTE DUE ●, SERIES 2018-1

Fair Hydro Trust (herein referred to as the "Issuer"), a trust governed by the laws of Ontario and established under a Declaration of Trust dated as of December 20, 2017, for value received, hereby promises to pay the principal sum of $● to the registered holder hereof on ●, 20● (the "Principal Payment Date") or on such earlier date as the principal amount hereof may become due, in accordance with the provisions set forth in the Trust Indenture and the Supplemental Indenture. The Issuer will pay interest on the outstanding principal amount of this Series 2018-1 Senior Note in accordance with Section 2.4 of the

Supplemental Indenture on each Interest Payment Date (as defined below) at the rate of ●% per annum in equal semi-annual instalments on the Payment Dates occurring in the months of April and October in each year (each, an "Interest Payment Date") commencing on April ●, 2018 (provided that the initial interest payment payable on April ●, 2018 will be in an aggregate amount equal to $● per $1,000 principal amount) until the principal of this Series 2018-1 Senior Note is paid or made available for payment, to the extent funds are available in accordance with the terms of the Supplemental Indenture. The principal of and interest on this Series 2018-1 Senior Note are payable in Canadian dollars.

Beginning on the first Payment Date following the occurrence of an Acceleration Event, the principal of this Series 2018-1 Senior Note shall be paid in full on each such Payment Date to the extent of funds available for payment therefor pursuant to the Trust Indenture. Such principal of and interest on this Series 2018-1 Senior Note shall be paid in the manner specified on the reverse hereof.

Reference is made to the further provisions of this Series 2018-1 Senior Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Series 2018-1 Senior Note. Although a summary of certain provisions of the Trust Indenture and Supplemental Indenture is set forth below and on the reverse hereof and made a part hereof, this Series 2018-1 Senior Note does not purport to summarize the Trust Indenture and Supplemental Indenture and reference is made to the Trust Indenture and Supplemental Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Issuer and the Indenture Trustee. In the event that there is any inconsistency between the provisions of the Trust Indenture or Supplemental Indenture and the provisions hereof, the provisions of the Trust Indenture and Supplemental Indenture shall govern. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture and Supplemental Indenture. Copies of the Trust Indenture and Supplemental Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: BNY Trust Company of Canada, One York Street, 6th Floor, Toronto, Ontario M5J 0B6, Attention: Corporate Trust Administration.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee, by manual signature, this Series 2018-1 Senior Note shall not be entitled to any benefit under the Trust Indenture and Supplemental Indenture referred to on the reverse hereof, or be valid for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Series 2018-1 Senior Note to be duly executed.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By:
Name:
Title:

By:
Name:
Title:

Dated: ●, 2018

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the ●% Senior Notes due ●, Series 2018-1 described in the within-mentioned Trust Indenture and Supplemental Indenture.

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By:
Authorized Signatory

By:
Authorized Signatory

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ●, SERIES 2018-1

Summary of Terms and Conditions

This Series 2018-1 Senior Note is one of a duly authorized Series of Senior Notes of the Issuer, designated as the ●% Senior Notes due ●, Series 2018-1 (the "Series 2018-1 Senior Notes"), issued under a trust indenture dated as of December 21, 2017 (as may be amended, supplemented, restated, replaced or otherwise modified from time to time, the "Trust Indenture"), between the Issuer and BNY Trust Company of Canada, as indenture trustee (the "Indenture Trustee," which term includes any successor Indenture Trustee under the Trust Indenture), as amended and supplemented by the Senior Series 2018-1 Supplemental Indenture, dated as of ●, 2018 (the "Supplemental Indenture"), and representing the right to receive certain payments from the Issuer. Except as set forth in the Supplemental Indenture, the Series 2018-1 Senior Note is subject to all of the terms of the Trust Indenture. All terms used in this Series 2018-1 Senior Note and not otherwise defined herein shall have the meanings assigned to them in or pursuant to the Supplemental Indenture.

The Series 2018-1 Senior Note is and will be equally and ratably secured by the Collateral pledged as security therefor as provided in the Trust Indenture.

"Payment Date" means the 15th day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on April 15, 2018.

As described above, all amounts payable on maturity with respect to this Series 2018-1 Senior Note shall be due and payable on the Principal Payment Date, in accordance with Section 2.5 of the Supplemental Indenture. All principal payments of the Series 2018-1 Senior Note shall be deposited with the Indenture Trustee.

Payments of interest on this Series 2018-1 Senior Note are due and payable on each Interest Payment Date or such other date as may be specified in the Supplemental Indenture by wire transfer to each Series 2018-1 Noteholder as of the Record Date. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

The Series 2018-1 Senior Notes are redeemable in accordance with Section 2.6 of the Supplemental Indenture and Section 4.10 of the Trust Indenture.

The Indenture Trustee (on behalf of each Series 2018-1 Noteholder), acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments To Be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13

(Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

The Trust Indenture and Supplemental Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Series 2018-1 Noteholders under the Trust Indenture and Supplemental Indenture at any time by the Issuer with the consent of the applicable Person(s) specified therein. The Trust Indenture also contains provisions permitting the applicable Person(s) specified therein to waive compliance by the Issuer with certain provisions of the Trust Indenture and certain past defaults under the Trust Indenture and their consequences with respect to the Series 2018-1 Senior Notes. Any such consent or waiver by such Person(s) shall be conclusive and binding upon the Series 2018-1 Noteholders and upon all future holders of this Series 2018-1 Senior Note and of any Series 2018-1 Senior Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Series 2018-1 Senior Note. The Trust Indenture also permits the Issuer and the Indenture Trustee to amend or waive certain terms and conditions set forth in the Trust Indenture without the consent of any other Person.

The term "the Issuer" as used in this Series 2018-1 Senior Note includes any successor to the Issuer under the Trust Indenture.

The Series 2018-1 Senior Notes are issuable under the Book-Entry System in minimum denominations of $150,000 and integral multiple of $1,000. The right of beneficial holders of this Series 2018-1 Senior Note to receive fully registered definitive note certificates is restricted. The Series 2018-1 Senior Notes of any authorized denomination may be exchanged, as provided in the Trust Indenture, for Series 2018-1 Senior Notes of an equal aggregate principal amount in any other authorized denomination or denominations.

This Series 2018-1 Senior Note, the Trust Indenture and Supplemental Indenture, and all matters arising out of or relating to this Series 2018-1 Senior Note, the Trust Indenture or Supplemental Indenture, shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws applicable therein, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such laws.

No reference herein to the Trust Indenture and Supplemental Indenture and no provision of this Series 2018-1 Senior Note or of the Trust Indenture and Supplemental Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Series 2018-1 Senior Note at the times, place and rate, and in the coin or currency herein prescribed, subject to any duty of the Issuer to deduct or withhold any amounts as required by law, including any applicable Taxes.

REGISTRATION PANEL

(No writing on this panel except by the Note Registrar)

Date of Registration	In Whose Name Registered	Signature of Note Registrar

Document comparison by Workshare Compare on January-05-18 11:06:41 AM

Input:	
Document 1 ID	file://C:\Users\bsaulnie\AppData\Local\Temp\Workshare\wmtemp2e5c\Fair Hydro - Term - Senior Supplemental Indenture.docx
Description	Fair Hydro - Term - Senior Supplemental Indenture
Document 2 ID	file://C:\Users\bsaulnie\Desktop\New folder\Senior Supplemental Indenture.docx
Description	Senior Supplemental Indenture
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	146
Deletions	79
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	225

TERM
SUBORDINATED SERIES 2018-1
SUPPLEMENTAL INDENTURE

between

FAIR HYDRO TRUST

by

COMPUTERSHARE TRUST COMPANY OF CANADA
as Issuer Trustee

and

BNY TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF DECEMBER 21, 2017

AND PROVIDING FOR THE ISSUE OF
●% SUBORDINATED NOTES DUE ●, SERIES 2018-1
OF FAIR HYDRO TRUST

Made as of ●, 2018

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●% SUBORDINATED NOTES DUE ●, SERIES 2018-1

THIS SUBORDINATED NOTES SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2018, between **Computershare Trust Company of Canada** in its capacity as trustee of **Fair Hydro Trust**, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and **BNY Trust Company of Canada**, a trust company existing under the laws of Canada (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of December 21, 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Subordinated Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Subordinated Notes designated as the ●% Subordinated Notes due ●, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2018-1 Subordinated Notes, amended and supplemented so as to

be consistent herewith. The provisions of this Supplemental Indenture are applicable only in respect of the Series 2018-1 Subordinated Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2018-1 Subordinated Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2018-1 Subordinated Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2018-1 SUBORDINATED NOTES

2.1 Creation of Series 2018-1 Subordinated Notes

There is hereby created a Series of Subordinated Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●%Subordinated Notes due ●, Series 2018-1**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2018-1 Subordinated Notes will:

(a) be designated as set out in Section 2.1;

(b) be Subordinated Notes;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have a Stated Principal Amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2018-1 Subordinated Notes may be increased after the date hereof without the consent of any Series 2018-1 Noteholder or any holder of any Notes of any other Class, Series or Tranche, but subject to satisfaction of the Rating Agency Condition;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued as a Registered Note in minimum denominations of $150,000 and integral multiples of 1,000;

(h) be issued as definitive notes and will not be in the form of a Global Note;

(i) be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) bear interest at a rate of ●% per annum;

(k) accrue interest from the later of: (i) ●, 2018 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Series 2018-1 Subordinated Notes;

(l) have interest paid in equal semi-annual instalments (except the initial interest payment) on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing with the Payment Date occurring in the month of April, 2018 in respect of the Series 2018-1 Subordinated Notes issued prior to such date;

(m) subject to the occurrence of an Acceleration Event, mature on, and have ●, 20●, as their sole Principal Payment Date with a principal payment amount on such Principal Payment Date equal to the then Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes;

(n) have ●, 20● as their Principal Payment Default Date;

(o) subject to the occurrence of an Acceleration Event, have ●, 20● as their Principal Accumulation Date;

(p) subject to the occurrence of an Acceleration Event, have the following Principal Accumulation Amounts for each Payment Date on or after their Principal Accumulation Date:

Payment Dates	**Principal Accumulation Amounts**
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●

(q) after the occurrence of an Acceleration Event and for so long as it continues, each Payment Date shall be a Principal Payment Date in respect of the Series 2018-1 Subordinated Notes and the full Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes shall be due and payable on each such Payment Date;

(r) have a Record Date for each Interest Payment Date that is the last day of the calendar month preceding each Interest Payment Date; and

(s) be redeemable and subject to repurchase as provided in Section 2.6 below.

2.3 Delivery

On the date of issuance of the Series 2018-1 Subordinated Notes, Series 2018-1 Subordinated Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any Taxes required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2018-1 Subordinated Notes) will on each Interest Payment Date, make payment of such interest, less any Taxes required by law to be deducted or withheld, by wire transfer to each Series 2018-1 Noteholder as of the Record Date. The payment by such wire transfer will satisfy and discharge the liability for interest upon such Series 2018-1 Subordinated Note to the extent of the sum represented thereby (plus the amount of any Taxes deducted or withheld as aforesaid). Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

By 10:00 a.m. (Toronto time) on the Principal Payment Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order of Series 2018-1 Noteholders on maturity on account of principal. The deposit of such funds will satisfy and discharge the liability for principal of the Series 2018-1 Subordinated Notes to the extent of the sum represented thereby.

2.6 Redemption and Repurchase

(a) Subject to the terms of Section 13.24 of the Trust Indenture, at any time prior to the Par Call Date, the Issuer may redeem the Series 2018-1 Subordinated Notes in whole or, from time to time, in part, on payment of a Redemption Price equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2018-1 Redemption Date. At any time on or after the Par Call Date, the Issuer may redeem the Series 2018-1 Subordinated Notes in whole or, from time to time, in part, on payment of a Redemption Price equal to par, together with accrued and unpaid interest to the Series 2018-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and not less than 15 days before the date fixed for redemption, and will provide a copy of such notice to DBRS and Moody's upon the issuance thereof. Less than all of the Series 2018-1 Subordinated Notes may be redeemed, if so redeemed, in accordance with Section 4.10 of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2018-1 Subordinated Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Less than all of the Series 2018-1 Subordinated Notes may be purchased, if so purchased, for cancellation in accordance with Section 4.11 of the Trust Indenture.

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2018-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer Indemnified Person by reason of (a) any acts, omissions or alleged acts

or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer Indemnified Person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section 7.04 or Section 8.13 of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of Taxes, excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other Taxes based on or measured by the net income of any person legally entitled to receive such payments (each a "**Recipient**") as a result of a present or former connection between the Recipient and the jurisdiction of the Governmental Authority imposing such Taxes (other than any such connection arising solely from the Recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); (ii) any withholding or deduction imposed pursuant to (A) Sections 1471 to 1474 of the Internal Revenue Code ("**FATCA**"), or any successor version thereof, or any similar legislation imposed by any other Governmental Authority, or (B) any treaty, law or regulation or other official guidance enacted by Canada implementing FATCA or any intergovernmental agreement with respect to FATCA or any similar legislation imposed by any other Governmental Authority, including, for greater certainty, the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) and Parts XVIII and XIX of the Income Tax Act (collectively, and including FATCA, the "**AEOI Legislation**"); and (iii) any interest, penalties and additions to Taxes in respect of (i) and (ii) (all such excluded Taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a Recipient hereunder, the amounts so payable to the Recipient shall be increased, and the Recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the Recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Whenever any Taxes are payable on or with respect to amounts distributed to a Recipient, as promptly as possible thereafter the Issuer shall send to such Recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to withholding Taxes under any AEOI Legislation if the Recipient were to fail to comply with the applicable reporting requirements of any AEOI Legislation, such Recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with its obligations under any AEOI Legislation and to determine that such Recipient has complied with its obligations under any AEOI Legislation, or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a Recipient expires or becomes obsolete or inaccurate in any respect, the Recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a Recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2018-1 Subordinated Notes

On or prior to the initial issuance of Series 2018-1 Subordinated Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 3.1 of this Supplemental Indenture shall be true and correct in all material respects, and the Issuer shall be in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Indenture Trustee shall have received (i) the Adherence Compliance Certificate required pursuant to Section 4.02(a) of the Change of Law Protection Agreement with respect to the incurrence of Funding Obligations under this Supplemental Indenture, or (ii) written confirmation from the Province that the Funding Obligations incurred under this Supplemental Indenture constitute Approved Obligations.

2.10 Delivery to Series 2018-1 Noteholder

Promptly following the issuance of the Series 2018-1 Subordinated Notes, the definitive notes representing the Series 2018-1 Subordinated Notes shall be delivered to the Series 2018-1 Noteholders (or as they may direct).

2.11 Acceleration Events

If a Series 2018-1 Event of Default occurs and is continuing, then and in each and every such case, and without regard to whether all Issuer Funding Obligations have been declared due and payable pursuant to Section 8.02(a) of the Trust Indenture, the Series 2018-1 Noteholders may by Ordinary Resolution (with notice of such Ordinary Resolution being provided to the Issuer and the Indenture Trustee) determine to declare the Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes and all interest accrued and unpaid (if any) thereon to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, notwithstanding anything in this Supplemental Indenture or the Trust Indenture to the contrary. The Issuer shall give prompt written notice to DBRS and Moody's of the occurrence of an Acceleration Event.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2018-1 Noteholder that:

(a) no Termination Event has occurred or would result from the purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not Non-residents;

(c) all Tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest; and

(f) to its knowledge, there is no set of circumstances existing at such time that will have an Adverse Effect or will reasonably be expected to have an Adverse Effect.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section 9.07 of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Indenture Trustee (on behalf of the Series 2018-1 Noteholders) hereby acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments to be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2018-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2018-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 15 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (c) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that Computershare Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2018-1 Subordinated Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[Signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture as of the date first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer, by **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

BNY TRUST COMPANY OF CANADA, as Indenture Trustee and not in its individual capacity

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means either:

(a) all Issuer Funding Obligations are declared due and payable under Section 8.02 of the Trust Indenture, or

(b) the Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes and all interest accrued and unpaid thereon is declared to be due and payable under Section 2.11.

"**AEOI Legislation**" has the meaning specified in Section 2.8(a).

"**Excluded Taxes**" has the meaning specified in Section 2.8(a).

"**FATCA**" has the meaning specified in Section 2.8(a).

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Subordinated Notes to be redeemed, the yield from the Series 2018-1 Redemption Date to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to the Par Call Date (calculated from the Series 2018-1 Redemption Date), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

"**Indenture Trustee**" has the meaning specified in the recitals of this Supplemental Indenture.

"**Interest Payment Date**" has the meaning specified in Section 2.2(l).

"**Issuer**" has the meaning specified in the recitals of this Supplemental Indenture.

"**Issuer Indemnified Person**" has the meaning specified in Section 2.7.

"**Par Call Date**" means ■, 20■.

"**Recipient**" has the meaning specified in Section 2.8(a).

"**Requisite Series 2018-1 Noteholders**" means Series 2018-1 Noteholders holding, in aggregate, at least 50% of the Series 2018-1 Subordinated Notes then Outstanding.

"Series 2018-1 Canada Yield Price" means a price equal to the price of the Series 2018-1 Subordinated Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the Series 2018-1 Redemption Date specified in the notice of redemption delivered

pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture, plus ●%.

"**Series 2018-1 Event of Default**" means any one of the following events occurs at any time that the Subordinated Funding Obligations constitute the Controlling Class Obligations (whatever the reason for such Series 2018-1 Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

(a) a default by the Issuer in the payment of any interest on any Series 2018-1 Subordinated Notes when such interest becomes due and payable, and continuance of such default for a period of five days following the date on which such interest became due and payable;

(b) a default by the Issuer in the payment of any principal of any Series 2018-1 Subordinated Notes at its Principal Payment Default Date;

(c) any representation or warranty contained in Section 3.1 of this Supplemental Indenture or Section 12.01 of the Trust Indenture proves to be incorrect in any material respect when made and such incorrect representation or warranty if capable of being remedied by the Issuer, has not been remedied for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) a default in the performance, or breach, of any covenant of the Issuer in the Trust Indenture or this Supplemental Indenture in respect of any Series 2018-1 Subordinated Notes (other than an agreement, covenant or warranty a default in the performance of which or the breach of which is elsewhere specifically dealt with in this definition of Series 2018-1 Event of Default), and continuance of such default or breach for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period; or

(e) an event of default or other event occurs and as a result thereof, all or a portion of the principal amount owing in respect of any other Series of Subordinated Funding Obligations has become, or been declared, due and payable before the scheduled payment date, maturity date or redemption date in respect of such other Series of Subordinated Funding Obligations.

"**Series 2018-1 Noteholder**" means a Person in whose name a Series 2018-1 Subordinated Note is registered in the Note Register.

"**Series 2018-1 Redemption Date**" means a date fixed for redemption of the Series 2018-1 Subordinated Notes pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture.

"**Series 2018-1 Subordinated Note**" means any one of the Series 2018-1 Subordinated Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Termination Event**" means any Acceleration Event or Series 2018-1 Event of Default, or any event which with the giving of notice or the passage of time, or both, could become an Acceleration Event or a Series 2018-1 Event of Default.

"**Trust Indenture**" has the meaning specified in the recitals of this Supplemental Indenture.

SCHEDULE B

FORM OF SERIES 2018-1 SUBORDINATED NOTE

FAIR HYDRO TRUST
(A trust established under the laws of the Province of Ontario)

●% SUBORDINATED NOTE DUE ●, SERIES 2018-1

Fair Hydro Trust (herein referred to as the "**Issuer**"), a trust governed by the laws of Ontario and established under a Declaration of Trust dated as of December 20, 2017, for value received, hereby promises to pay the principal sum of $● to the registered holder hereof on ●, 20● (the "**Principal Payment Date**") or on such earlier date as the principal amount hereof may become due, in accordance with the provisions set forth in the Trust Indenture and the Supplemental Indenture. The Issuer will pay interest on the outstanding principal amount of this Series 2018-1 Subordinated Note in accordance with Section 2.4 of the Supplemental Indenture on each Interest Payment Date (as defined below) at the rate of ●% per annum in equal semi-annual instalments on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing on April ●, 2018 (provided that the initial interest payment payable on April ●, 2018 will be in an aggregate amount equal to $● per $1,000 principal amount) until the principal of this Series 2018-1 Subordinated Note is paid or made available for payment, to the extent funds are available in accordance with the terms of the Supplemental Indenture. The principal of and interest on this Series 2018-1 Subordinated Note are payable in Canadian dollars.

Beginning on the first Payment Date following the occurrence of an Acceleration Event, the principal of this Series 2018-1 Subordinated Note shall be paid in full on each such Payment Date to the extent of funds available for payment therefor pursuant to the Trust Indenture. Such principal of and interest on this Series 2018-1 Subordinated Note shall be paid in the manner specified on the reverse hereof.

Reference is made to the further provisions of this Series 2018-1 Subordinated Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Series 2018-1 Subordinated Note. Although a summary of certain provisions of the Trust Indenture and Supplemental Indenture is set forth below and on the reverse hereof and made a part hereof, this Series 2018-1 Subordinated Note does not purport to summarize the Trust Indenture and Supplemental Indenture and reference is made to the Trust Indenture and Supplemental Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Issuer and the Indenture Trustee. In the event that there is any inconsistency between the provisions of the Trust Indenture or Supplemental Indenture and the provisions hereof, the provisions of the Trust Indenture and Supplemental Indenture shall govern. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture and Supplemental Indenture. Copies of the Trust Indenture and Supplemental Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: BNY Trust Company of Canada, One York Street, 6th Floor, Toronto, Ontario M5J 0B6, Attention: Corporate Trust Administration.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee, by manual signature, this Series 2018-1 Subordinated Note shall not be entitled to any benefit under the Trust Indenture and Supplemental Indenture referred to on the reverse hereof, or be valid for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Series 2018-1 Subordinated Note to be duly executed.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by
ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By: _____

Name:

Title:

By: _____

Name:

Title:

Dated: _____●, 2018

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the ●% Subordinated Notes due ●, Series 2018-1 described in the within-mentioned Trust Indenture and Supplemental Indenture.

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By: _____

Authorized Signatory

By: _____

Authorized Signatory

FAIR HYDRO TRUST

●% SUBORDINATED NOTES DUE ●, SERIES 2018-1

Summary of Terms and Conditions

This Series 2018-1 Subordinated Note is one of a duly authorized Series of Subordinated Notes of the Issuer, designated as the ●% Subordinated Notes due ●, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**"), issued under a trust indenture dated as of December 21, 2017 (as may be amended, supplemented, restated, replaced or otherwise modified from time to time, the "**Trust Indenture**"), between the Issuer and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**," which term includes any successor Indenture Trustee under the Trust Indenture), as amended and supplemented by the Subordinated Series 2018-1 Supplemental Indenture, dated as of ●, 2018 (the "**Supplemental Indenture**"), and representing the right to receive certain payments from the Issuer. Except as set forth in the Supplemental Indenture, the Series 2018-1 Subordinated Note is subject to all of the terms of the Trust Indenture. All terms used in this Series 2018-1 Subordinated Note and not otherwise defined herein shall have the meanings assigned to them in or pursuant to the Supplemental Indenture.

The Series 2018-1 Subordinated Note is and will be equally and ratably secured by the Collateral pledged as security therefor as provided in the Trust Indenture.

"**Payment Date**" means the 15th day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on April 15, 2018.

As described above, all amounts payable on maturity with respect to this Series 2018-1 Subordinated Note shall be due and payable on the Principal Payment Date, in accordance with Section 2.5 of the Supplemental Indenture. All principal payments of the Series 2018-1 Subordinated Note shall be deposited with the Indenture Trustee.

Payments of interest on this Series 2018-1 Subordinated Note are due and payable on each Interest Payment Date or such other date as may be specified in the Supplemental Indenture by wire transfer to each Series 2018-1 Noteholder as of the Record Date. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

The Series 2018-1 Subordinated Notes are redeemable in accordance with Section 2.6 of the Supplemental Indenture and Section 4.10 of the Trust Indenture.

The Indenture Trustee (on behalf of each Series 2018-1 Noteholder), acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments To Be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

The Trust Indenture and Supplemental Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Series 2018-1 Noteholders under the Trust Indenture and Supplemental Indenture at any time by the Issuer with the consent of the applicable Person(s) specified therein. The Trust Indenture also contains provisions permitting the applicable Person(s) specified therein to waive compliance by the Issuer with certain provisions of the Trust Indenture and certain past defaults under the Trust Indenture and their consequences with respect to the Series 2018-1 Subordinated Notes. Any such consent or waiver by such Person(s) shall be conclusive and binding upon the Series 2018-1 Noteholders and upon all future holders of this Series 2018-1 Subordinated Note and of any Series 2018-1 Subordinated Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Series 2018-1 Subordinated Note. The Trust Indenture also permits the Issuer and the Indenture Trustee to amend or waive certain terms and conditions set forth in the Trust Indenture without the consent of any other Person.

The term "the Issuer" as used in this Series 2018-1 Subordinated Note includes any successor to the Issuer under the Trust Indenture.

The Series 2018-1 Subordinated Notes are only issuable in registered form in denominations as provided in the Trust Indenture, subject to certain limitations set forth therein.

This Series 2018-1 Subordinated Note, the Trust Indenture and Supplemental Indenture, and all matters arising out of or relating to this Series 2018-1 Subordinated Note, the Trust Indenture or Supplemental Indenture, shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws applicable therein, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such laws.

No reference herein to the Trust Indenture and Supplemental Indenture and no provision of this Series 2018-1 Subordinated Note or of the Trust Indenture and Supplemental Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Series 2018-1 Subordinated Note at the times, place and rate, and in the coin or currency herein prescribed, subject to any duty of the Issuer to deduct or withhold any amounts as required by law, including any applicable Taxes.

REGISTRATION PANEL

(No writing on this panel except
by the Note Registrar)

Date of Registration	In Whose Name Registered	Signature of Note Registrar

TERM
SUBORDINATED SERIES ~~[~~2018-1~~]~~
SUPPLEMENTAL INDENTURE

between

FAIR HYDRO TRUST

by

COMPUTERSHARE TRUST COMPANY OF CANADA
as Issuer Trustee

and

BNY TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF DECEMBER ~~●,~~21, 2017

AND PROVIDING FOR THE ISSUE OF
●% SUBORDINATED NOTES DUE ●, SERIES 2018-1
OF FAIR HYDRO TRUST

Made as of ●, 2018

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●% SUBORDINATED NOTES DUE ●, SERIES 2018-1

THIS SUBORDINATED NOTES SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2018, between **Computershare Trust Company of Canada** in its capacity as trustee of **Fair Hydro Trust**, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and **BNY Trust Company of Canada**, a trust company existing under the laws of Canada (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of December ~~●,~~ **21,** 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Subordinated Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Subordinated Notes designated as the ●% Subordinated Notes due ●, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2018-1 Subordinated Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental

Indenture are applicable only in respect of the Series 2018-1 Subordinated Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2018-1 Subordinated Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2018-1 Subordinated Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2018-1 SUBORDINATED NOTES

2.1 Creation of Series 2018-1 Subordinated Notes

There is hereby created a Series of Subordinated Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●%Subordinated Notes due ●, Series 2018-1**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2018-1 Subordinated Notes will:

(a) be designated as set out in Section 2.1;

(b) be Subordinated Notes;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have a Stated Principal Amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2018-1 Subordinated Notes may be increased after the date hereof without the consent of any ~~holder of~~ Series 2018-1 ~~Subordinated Notes~~**Noteholder** or any holder of any Notes of any other Class, Series or Tranche, but subject to satisfaction of the Rating Agency Condition;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued as a Registered Note in minimum denominations of $150,000 and integral multiples of 1,000;

(h) ~~(g)~~ be issued as definitive notes and will not be in the form of a Global Note; ~~**[NTD: To be confirmed.]**~~

(i) ~~(h)~~ be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) ~~(i)~~ bear interest at a rate of ●% per annum;

(k) ~~(j)~~ accrue interest from the later of: (i) ●, 2018 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Series 2018-1 Subordinated Notes;

(l) ~~(k)~~ have interest paid in equal semi-annual instalments ~~[~~(except the initial interest payment)~~]~~ on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing with the Payment Date occurring in the month of ~~[~~April~~]~~, 2018 in respect of the Series 2018-1 Subordinated Notes issued prior to such date;

(m) ~~(l)~~ subject to the occurrence of an Acceleration Event, mature on, and have ●, 20●, as their sole Principal Payment Date with a principal payment amount on such Principal Payment Date equal to the then Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes;

(n) ~~(m)~~ have ●, 20● as their Principal Payment Default Date;

(o) ~~(n)~~ subject to the occurrence of an Acceleration Event, have ●, 20● as their Principal Accumulation Date;

(p) ~~(o)~~ subject to the occurrence of an Acceleration Event, have the following Principal Accumulation ~~Amount~~**Amounts** for each Payment Date on or after their Principal Accumulation Date:

Payment ~~Date~~Dates	**Principal Accumulation ~~Amount~~Amounts**
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●

(q) ~~(p)~~ after the occurrence of an Acceleration Event and for so long as it continues, each Payment Date shall be a Principal Payment Date in respect of the Series 2018-1 Subordinated Notes and the full Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes shall be due and payable on each such Payment Date;

(r) ~~(q)~~ have a Record Date for each Interest Payment Date that is the last day of the calendar month preceding each Interest Payment Date; **and**

(s) ~~(r)~~ ~~[~~be redeemable and subject to repurchase as provided in Section 2.6 below~~]~~; ~~and~~ ~~(s) [not be subject to defeasance as contemplated by Section 2.08 of the Trust~~

~~Indenture] [be subject to defeasance in accordance with Section 2.08 of the Trust Indenture]~~.

2.3 Delivery

On the date of issuance of the Series 2018-1 Subordinated Notes, Series 2018-1 Subordinated Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any ~~taxes~~**Taxes** required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2018-1 Subordinated Notes) will on each Interest Payment Date, make payment of such interest, less any ~~taxes~~**Taxes** required by law to be deducted or withheld, by wire transfer to each ~~holder of a~~ Series 2018-1 ~~Subordinated Note~~**Noteholder** as of the Record Date. The payment by such wire transfer will satisfy and discharge the liability for interest upon such Series 2018-1 Subordinated Note to the extent of the sum represented thereby (plus the amount of any ~~taxes~~**Taxes** deducted or withheld as aforesaid). Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a **Series 2018-1** Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

By 10:00 a.m. (Toronto time) on the Principal Payment Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order of ~~holders of~~ Series 2018-1 ~~Subordinated Notes~~**Noteholders** on maturity on account of principal. The deposit of such funds will satisfy and discharge the liability for principal of the Series 2018-1 Subordinated Notes to the extent of the sum represented thereby.

2.6 ~~[~~Redemption and Repurchase

~~[NTD: Redemption features to be discussed.]~~

(a) Subject to the terms of Section 13.24 of the Trust Indenture, at any time prior to ~~●, 20●~~ ~~[par call date]~~**the Par Call Date**, the Issuer may redeem the Series 2018-1 Subordinated Notes in whole or, from time to time, in part, on payment of a ~~redemption price~~**Redemption Price** equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2018-1 Redemption Date. At any time on or after ~~●, 20●~~ ~~[par call date]~~**the Par Call Date**, the Issuer may redeem the Series 2018-1 Subordinated Notes in whole or, from time to time, in part, on payment of a ~~redemption price~~**Redemption Price** equal to par, together with accrued and unpaid interest to the Series 2018-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and not less than 15 days before the date fixed for redemption, and will provide a copy of such notice to DBRS **and**

Moody's upon the issuance thereof. Less than all of the Series 2018-1 Subordinated Notes may be redeemed, if so redeemed, in accordance with Section 4.10 of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2018-1 Subordinated Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Less than all of the Series 2018-1 Subordinated Notes may be purchased, if so purchased, for cancellation in accordance with Section 4.11 of the Trust Indenture.

~~(c) The Series 2018-1 Subordinated Notes will not be subject to repurchase pursuant to any sinking fund or any other required repayment provisions.]~~

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2018-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer Indemnified Person by reason of (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer Indemnified Person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section 7.04 or Section 8.13 of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of Taxes, excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other Taxes based on or measured by the net income of any person legally entitled to receive such payments (each a "**Recipient**") as a result of a present or former connection between the Recipient and the jurisdiction of the Governmental Authority imposing such Taxes (other than any such connection arising solely from the Recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); (ii) any

withholding or deduction imposed pursuant to (A) Sections 1471 to 1474 of the Internal Revenue Code ("**FATCA**"), or any successor version thereof, or any similar legislation imposed by any other Governmental Authority, or (B) any treaty, law or regulation or other official guidance enacted by Canada implementing FATCA or any intergovernmental agreement with respect to FATCA or any similar legislation imposed by any other Governmental Authority, including, for greater certainty, the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) and Parts XVIII and XIX of the Income Tax Act (collectively, and including FATCA, the "**AEOI Legislation**"); and (iii) any interest, penalties and additions to Taxes in respect of (i) and (ii) (all such excluded Taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a Recipient hereunder, the amounts so payable to the Recipient shall be increased, and the Recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the Recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Whenever any Taxes are payable on or with respect to amounts distributed to a Recipient, as promptly as possible thereafter the Issuer shall send to such Recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to withholding Taxes under any AEOI Legislation if the Recipient were to fail to comply with the applicable reporting requirements of any AEOI Legislation, such Recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with its obligations under any AEOI Legislation and to determine that such Recipient has complied with its obligations under any AEOI Legislation, or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a Recipient expires or becomes obsolete or inaccurate in any respect, the Recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a Recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2018-1 Subordinated Notes

On or prior to the initial issuance of Series 2018-1 Subordinated Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in **Section 12.01 of the Trust Indenture and** Section 3.1 of this Supplemental Indenture shall be true and correct in all material respects, **and** the Issuer shall be in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Indenture Trustee shall have received (i) the Adherence Compliance Certificate required pursuant to Section 4.02(a) of the Change of Law Protection Agreement with respect to the incurrence of Funding Obligations under this Supplemental Indenture, or (ii) written confirmation from the Province that the Funding Obligations incurred under this Supplemental Indenture constitute Approved Obligations.

2.10 Delivery to Series 2018-1 Noteholder

Promptly following the issuance of the Series 2018-1 Subordinated Notes, the definitive notes representing the Series 2018-1 Subordinated Notes shall be delivered to the Series 2018-1 Noteholders (or as they may direct).

2.11 Acceleration Events

If a Series 2018-1 Event of Default occurs and is continuing, then and in each and every such case, and without regard to whether all Issuer Funding Obligations have been declared due and payable pursuant to Section 8.02(a) of the Trust Indenture, the Series 2018-1 Noteholders may by Ordinary Resolution (with notice of such Ordinary Resolution being provided to the Issuer and the Indenture Trustee) determine to declare the Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes and all interest accrued and unpaid (if any) thereon to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, notwithstanding anything in this Supplemental Indenture or the Trust Indenture to the contrary. The Issuer shall give prompt written notice to DBRS **and Moody's** of the occurrence of an Acceleration Event.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2018-1 Noteholder that:

(a) no Termination Event has occurred or would result from the purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not Non-residents;

(c) all Tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest; and

(f) to its knowledge, there is no set of circumstances existing at such time that will have an Adverse Effect or will reasonably be expected to have an Adverse Effect.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section 9.07 of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Indenture Trustee (on behalf of the Series 2018-1 Noteholders) hereby acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and

their entitlements as ~~a~~ Specified ~~Creditor~~**Creditors** are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments to be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (**The** Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (**Preservation of Information;** Communications to Specified Creditors) and Section 16.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2018-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2018-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 15 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (~~iii~~**c**) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that Computershare Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2018-1 Subordinated Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[~~signature~~Signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture as of the date first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, ~~as Issuer Trustee~~**in its capacity as trustee** of **FAIR HYDRO TRUST**, **as Issuer,** by ~~its Manager,~~ **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

BNY TRUST COMPANY OF CANADA, as Indenture Trustee **and not in its individual capacity**

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means either:

(a) all Issuer Funding Obligations are declared due and payable under Section 8.02 of the Trust Indenture, or

(b) the Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes and all interest accrued and unpaid thereon is declared to be due and payable under Section 2.11.

"**AEOI Legislation**" has the meaning specified in Section 2.8(a).

"**Excluded Taxes**" has the meaning specified in Section 2.8(a).

"**FATCA**" has the meaning specified in Section 2.8(a).

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Subordinated Notes to be redeemed, the yield from the Series 2018-1 Redemption Date to ~~● [par call date]~~**the Par Call Date**, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to ~~● [par call date]~~**the Par Call Date** (calculated from the Series 2018-1 Redemption Date) ~~of the Series 2018-1 Subordinated Notes~~, such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

"Indenture Trustee" has the meaning specified in the recitals of this Supplemental Indenture.

"**Interest Payment Date**" has the meaning specified in Section 2.2(l).

"Issuer" has the meaning specified in the recitals of this Supplemental Indenture.

"**Issuer Indemnified Person**" has the meaning specified in Section 2.7.

"Par Call Date" means ■, 20■.

"**Recipient**" has the meaning specified in Section 2.8(a).

"**Requisite Series 2018-1 Noteholders**" means Series 2018-1 Noteholders holding, in aggregate, at least ~~[~~50~~]~~% of the Series 2018-1 Subordinated Notes then Outstanding.

"Series 2018-1 Canada Yield Price" means a price equal to the price of the Series 2018-1 Subordinated Notes calculated to provide a yield to ~~● [par call date]~~**the Par Call Date**, compounded semi-annually and calculated in accordance with generally accepted Canadian

financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the Series 2018-1 Redemption Date specified in the notice of redemption delivered pursuant to Section 4.10 of the Trust Indenture **and Section 2.6 of this Supplemental Indenture**, plus ●%.

"**Series 2018-1 Event of Default**" means any one of the following events occurs at any time that the Subordinated Funding Obligations constitute the Controlling Class Obligations (whatever the reason for such Series 2018-1 Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

(a) a default by the Issuer in the payment of any interest on any Series 2018-1 Subordinated Notes when such interest becomes due and payable, and continuance of such default for a period of five days following the date on which such interest became due and payable;

(b) a default by the Issuer in the payment of any principal of any Series 2018-1 Subordinated Notes at its Principal Payment Default Date;

(c) any representation or warranty contained in Section 3.1 of this Supplemental Indenture or Section 12.01 of the Trust Indenture proves to be incorrect in any material respect when made and such incorrect representation or warranty if capable of being remedied by the Issuer, has not been remedied for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) a default in the performance, or breach, of any covenant of the Issuer in the Trust Indenture or this Supplemental Indenture in respect of any Series 2018-1 Subordinated Notes (other than an agreement, covenant or warranty a default in the performance of which or the breach of which is elsewhere specifically dealt with in this definition of Series 2018-1 Event of Default), and continuance of such default or breach for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period; or

(e) an event of default or other event occurs and as a result thereof, all or a portion of the principal amount owing in respect of any other Series of Subordinated Funding Obligations has become, or been declared, due and payable before the scheduled payment date, maturity date or redemption date in respect of such other Series of Subordinated Funding Obligations.

"**Series 2018-1 Noteholder**" means a Person in whose name a Series 2018-1 Subordinated Note is registered in the Note Register.

"**Series 2018-1 Redemption Date**" means a date fixed for redemption of the Series 2018-1 Subordinated Notes pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture.

"**Series 2018-1 Subordinated Note**" means any one of the Series 2018-1 Subordinated Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Termination Event**" means any Acceleration Event **or Series 2018-1 Event of Default,** or any event which with the giving of notice or the passage of time, or both, could become an Acceleration Event **or a Series 2018-1 Event of Default**.

"Trust Indenture" has the meaning specified in the recitals of this Supplemental Indenture.

SCHEDULE B

[FORM OF NOTE]SERIES 2018-1 SUBORDINATED NOTE

FAIR HYDRO TRUST
(A trust established under the laws of the Province of Ontario)

● % SUBORDINATED NOTE DUE ●, SERIES 2018-1

Fair Hydro Trust (herein referred to as the "Issuer"), a trust governed by the laws of Ontario and established under a Declaration of Trust dated as of December 20, 2017, for value received, hereby promises to pay the principal sum of $● to the registered holder hereof on ●, 20● (the "Principal Payment Date") or on such earlier date as the principal amount hereof may become due, in accordance with the provisions set forth in the Trust Indenture and the Supplemental Indenture. The Issuer will pay interest on the outstanding principal amount of this Series 2018-1 Subordinated Note in accordance with Section 2.4 of the Supplemental Indenture on each Interest Payment Date (as defined below) at the rate of ●% per annum in equal semi-annual instalments on the Payment Dates occurring in the months of April and October in each year (each, an "Interest Payment Date") commencing on April ●, 2018 (provided that the initial interest payment payable on April ●, 2018 will be in an aggregate amount equal to $● per $1,000 principal amount) until the principal of this Series 2018-1 Subordinated Note is paid or made available for payment, to the extent funds are available in accordance with the terms of the Supplemental Indenture. The principal of and interest on this Series 2018-1 Subordinated Note are payable in Canadian dollars.

Beginning on the first Payment Date following the occurrence of an Acceleration Event, the principal of this Series 2018-1 Subordinated Note shall be paid in full on each such Payment Date to the extent of funds available for payment therefor pursuant to the Trust Indenture. Such principal of and interest on this Series 2018-1 Subordinated Note shall be paid in the manner specified on the reverse hereof.

Reference is made to the further provisions of this Series 2018-1 Subordinated Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Series 2018-1 Subordinated Note. Although a summary of certain provisions of the Trust Indenture and Supplemental Indenture is set forth below and on the reverse hereof and made a part hereof, this Series 2018-1 Subordinated Note does not purport to summarize the Trust Indenture and Supplemental Indenture and reference is made to the Trust Indenture and Supplemental Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Issuer and the Indenture Trustee. In the event that there is any inconsistency between the provisions of the Trust Indenture or Supplemental Indenture and the provisions hereof, the provisions of the Trust Indenture and Supplemental Indenture shall govern. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture and Supplemental Indenture. Copies of the Trust Indenture and Supplemental Indenture may be requested from the Indenture

Trustee by writing to the Indenture Trustee at: BNY Trust Company of Canada, One York Street, 6th Floor, Toronto, Ontario M5J 0B6, Attention: Corporate Trust Administration.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee, by manual signature, this Series 2018-1 Subordinated Note shall not be entitled to any benefit under the Trust Indenture and Supplemental Indenture referred to on the reverse hereof, or be valid for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Series 2018-1 Subordinated Note to be duly executed.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By:

Name:

Title:

By:

Name:

Title:

Dated: _____●, 2018

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the ●% Subordinated Notes due ●, Series 2018-1 described in the within-mentioned Trust Indenture and Supplemental Indenture.

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By:

Authorized Signatory

By:

Authorized Signatory

FAIR HYDRO TRUST

●% SUBORDINATED NOTES DUE ●, SERIES 2018-1

Summary of Terms and Conditions

This Series 2018-1 Subordinated Note is one of a duly authorized Series of Subordinated Notes of the Issuer, designated as the ●% Subordinated Notes due ●, Series 2018-1 (the "Series 2018-1 Subordinated Notes"), issued under a trust indenture dated as of December 21, 2017 (as may be amended, supplemented, restated, replaced or otherwise modified from time to time, the "Trust Indenture"), between the Issuer and BNY Trust Company of Canada, as indenture trustee (the "Indenture Trustee," which term includes any successor Indenture Trustee under the Trust Indenture), as amended and supplemented by the Subordinated Series 2018-1 Supplemental Indenture, dated as of ●, 2018 (the "Supplemental Indenture"), and representing the right to receive certain payments from the Issuer. Except as set forth in the Supplemental Indenture, the Series 2018-1 Subordinated Note is subject to all of the terms of the Trust Indenture. All terms used in this Series 2018-1 Subordinated Note and not otherwise defined herein shall have the meanings assigned to them in or pursuant to the Supplemental Indenture.

The Series 2018-1 Subordinated Note is and will be equally and ratably secured by the Collateral pledged as security therefor as provided in the Trust Indenture.

"Payment Date" means the 15th day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on April 15, 2018.

As described above, all amounts payable on maturity with respect to this Series 2018-1 Subordinated Note shall be due and payable on the Principal Payment Date, in accordance with Section 2.5 of the Supplemental Indenture. All principal payments of the Series 2018-1 Subordinated Note shall be deposited with the Indenture Trustee.

Payments of interest on this Series 2018-1 Subordinated Note are due and payable on each Interest Payment Date or such other date as may be specified in the Supplemental Indenture by wire transfer to each Series 2018-1 Noteholder as of the Record Date. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

The Series 2018-1 Subordinated Notes are redeemable in accordance with Section 2.6 of the Supplemental Indenture and Section 4.10 of the Trust Indenture.

The Indenture Trustee (on behalf of each Series 2018-1 Noteholder), acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments To Be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13

(Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

The Trust Indenture and Supplemental Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Series 2018-1 Noteholders under the Trust Indenture and Supplemental Indenture at any time by the Issuer with the consent of the applicable Person(s) specified therein. The Trust Indenture also contains provisions permitting the applicable Person(s) specified therein to waive compliance by the Issuer with certain provisions of the Trust Indenture and certain past defaults under the Trust Indenture and their consequences with respect to the Series 2018-1 Subordinated Notes. Any such consent or waiver by such Person(s) shall be conclusive and binding upon the Series 2018-1 Noteholders and upon all future holders of this Series 2018-1 Subordinated Note and of any Series 2018-1 Subordinated Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Series 2018-1 Subordinated Note. The Trust Indenture also permits the Issuer and the Indenture Trustee to amend or waive certain terms and conditions set forth in the Trust Indenture without the consent of any other Person.

The term "the Issuer" as used in this Series 2018-1 Subordinated Note includes any successor to the Issuer under the Trust Indenture.

The Series 2018-1 Subordinated Notes are only issuable in registered form in denominations as provided in the Trust Indenture, subject to certain limitations set forth therein.

This Series 2018-1 Subordinated Note, the Trust Indenture and Supplemental Indenture, and all matters arising out of or relating to this Series 2018-1 Subordinated Note, the Trust Indenture or Supplemental Indenture, shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws applicable therein, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such laws.

No reference herein to the Trust Indenture and Supplemental Indenture and no provision of this Series 2018-1 Subordinated Note or of the Trust Indenture and Supplemental Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Series 2018-1 Subordinated Note at the times, place and rate, and in the coin or currency herein prescribed, subject to any duty of the Issuer to deduct or withhold any amounts as required by law, including any applicable Taxes.

REGISTRATION PANEL

(No writing on this panel except by the Note Registrar)

Date of Registration	In Whose Name Registered	Signature of Note Registrar

Document comparison by Workshare Compare on January-05-18 11:07:31 AM

Input:	
Document 1 ID	file://C:\Users\bsaulnie\AppData\Local\Temp\Workshare\wmtemp2e5c\Fair Hydro - Term - Subordinated Supplemental Indenture.docx
Description	Fair Hydro - Term - Subordinated Supplemental Indenture
Document 2 ID	file://C:\Users\bsaulnie\Desktop\New folder\Subordinated Supplemental Indenture.docx
Description	Subordinated Supplemental Indenture
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	108
Deletions	79
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	187

TERM
JUNIOR SUBORDINATED SERIES 2018-1
SUPPLEMENTAL INDENTURE

between

FAIR HYDRO TRUST

by

COMPUTERSHARE TRUST COMPANY OF CANADA
as Issuer Trustee

and

BNY TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF DECEMBER 21, 2017

AND PROVIDING FOR THE ISSUE OF
●% JUNIOR SUBORDINATED NOTES DUE ●, SERIES 2018-1
OF FAIR HYDRO TRUST

Made as of ●, 2018

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●% JUNIOR SUBORDINATED NOTES DUE ●, SERIES 2018-1

THIS JUNIOR SUBORDINATED NOTES SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2018, between **Computershare Trust Company of Canada** in its capacity as trustee of **Fair Hydro Trust**, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and **BNY Trust Company of Canada**, a trust company existing under the laws of Canada (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of December 21, 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Junior Subordinated Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Junior Subordinated Notes designated as the ●% Junior Subordinated Notes due ●, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2018-1 Junior Subordinated Notes, amended and supplemented

so as to be consistent herewith. The provisions of this Supplemental Indenture are applicable only in respect of the Series 2018-1 Junior Subordinated Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2018-1 Junior Subordinated Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2018-1 Junior Subordinated Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2018-1 JUNIOR SUBORDINATED NOTES

2.1 Creation of Series 2018-1 Junior Subordinated Notes

There is hereby created a Series of Junior Subordinated Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●%Junior Subordinated Notes due ●, Series 2018-1**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2018-1 Junior Subordinated Notes will:

(a) be designated as set out in Section 2.1;

(b) be Junior Subordinated Notes;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have a Stated Principal Amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2018-1 Junior Subordinated Notes may be increased after the date hereof without the consent of any Series 2018-1 Noteholder or any holder of any Notes of any other Class, Series or Tranche, but subject to satisfaction of the Rating Agency Condition;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued as a Registered Note in minimum denominations of $150,000 and integral multiples of 1,000;

(h) be issued as definitive notes and will not be in the form of a Global Note;

(i) be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) bear interest at a rate of ●% per annum;

(k) accrue interest from the later of: (i) ●, 2018 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Series 2018-1 Junior Subordinated Notes;

(l) have interest paid in equal semi-annual instalments (except the initial interest payment) on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing with the Payment Date occurring in the month of April, 2018 in respect of the Series 2018-1 Junior Subordinated Notes issued prior to such date;

(m) subject to the occurrence of an Acceleration Event, mature on, and have ●, 20●, as their sole Principal Payment Date with a principal payment amount on such Principal Payment Date equal to the then Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes;

(n) have ●, 20● as their Principal Payment Default Date;

(o) subject to the occurrence of an Acceleration Event, have ●, 20● as their Principal Accumulation Date;

(p) subject to the occurrence of an Acceleration Event, have the following Principal Accumulation Amounts for each Payment Date on or after their Principal Accumulation Date:

Payment Dates	**Principal Accumulation Amounts**
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●

(q) after the occurrence of an Acceleration Event and for so long as it continues, each Payment Date shall be a Principal Payment Date in respect of the Series 2018-1 Junior Subordinated Notes and the full Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes shall be due and payable on each such Payment Date;

(r) have a Record Date for each Interest Payment Date that is the last day of the calendar month preceding each Interest Payment Date; and

(s) be redeemable and subject to repurchase as provided in Section 2.6 below.

2.3 Delivery

On the date of issuance of the Series 2018-1 Junior Subordinated Notes, Series 2018-1 Junior Subordinated Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any Taxes required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2018-1 Junior Subordinated Notes) will on each Interest Payment Date, make payment of such interest, less any Taxes required by law to be deducted or withheld, by wire transfer to each Series 2018-1 Noteholder as of the Record Date. The payment by such wire transfer will satisfy and discharge the liability for interest upon such Series 2018-1 Junior Subordinated Note to the extent of the sum represented thereby (plus the amount of any Taxes deducted or withheld as aforesaid). Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

By 10:00 a.m. (Toronto time) on the Principal Payment Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order of Series 2018-1 Noteholders on maturity on account of principal. The deposit of such funds will satisfy and discharge the liability for principal of the Series 2018-1 Junior Subordinated Notes to the extent of the sum represented thereby.

2.6 Redemption and Repurchase

(a) Subject to the terms of Section 13.24 of the Trust Indenture, at any time prior to the Par Call Date, the Issuer may redeem the Series 2018-1 Junior Subordinated Notes in whole or, from time to time, in part, on payment of a Redemption Price equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2018-1 Redemption Date. At any time on or after the Par Call Date, the Issuer may redeem the Series 2018-1 Junior Subordinated Notes in whole or, from time to time, in part, on payment of a Redemption Price equal to par, together with accrued and unpaid interest to the Series 2018-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and not less than 15 days before the date fixed for redemption, and will provide a copy of such notice to DBRS and Moody's upon the issuance thereof. Less than all of the Series 2018-1 Junior Subordinated Notes may be redeemed, if so redeemed, in accordance with Section 4.10 of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2018-1 Junior Subordinated Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Less than all of the Series 2018-1 Junior Subordinated

Notes may be purchased, if so purchased, for cancellation in accordance with Section 4.11 of the Trust Indenture.

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2018-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer Indemnified Person by reason of (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer Indemnified Person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section 7.04 or Section 8.13 of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of Taxes, excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other Taxes based on or measured by the net income of any person legally entitled to receive such payments (each a "**Recipient**") as a result of a present or former connection between the Recipient and the jurisdiction of the Governmental Authority imposing such Taxes (other than any such connection arising solely from the Recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); (ii) any withholding or deduction imposed pursuant to (A) Sections 1471 to 1474 of the Internal Revenue Code ("**FATCA**"), or any successor version thereof, or any similar legislation imposed by any other Governmental Authority, or (B) any treaty, law or regulation or other official guidance enacted by Canada implementing FATCA or any intergovernmental agreement with respect to FATCA or any similar legislation imposed by any other Governmental Authority, including, for greater certainty, the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) and Parts XVIII and XIX of the Income Tax Act (collectively, and including FATCA, the "**AEOI Legislation**"); and (iii) any interest, penalties and additions to Taxes in respect of (i) and (ii) (all such excluded Taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a Recipient hereunder, the amounts so

payable to the Recipient shall be increased, and the Recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the Recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Whenever any Taxes are payable on or with respect to amounts distributed to a Recipient, as promptly as possible thereafter the Issuer shall send to such Recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to withholding Taxes under any AEOI Legislation if the Recipient were to fail to comply with the applicable reporting requirements of any AEOI Legislation, such Recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with its obligations under any AEOI Legislation and to determine that such Recipient has complied with its obligations under any AEOI Legislation, or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a Recipient expires or becomes obsolete or inaccurate in any respect, the Recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a Recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2018-1 Junior Subordinated Notes

On or prior to the initial issuance of Series 2018-1 Junior Subordinated Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 3.1 of this Supplemental Indenture shall be true and correct in all material respects, and the Issuer shall be in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Indenture Trustee shall have received (i) the Adherence Compliance Certificate required pursuant to Section 4.02(a) of the Change of Law Protection Agreement with respect to the incurrence of Funding Obligations under this Supplemental Indenture, or (ii) written confirmation from the Province that the Funding Obligations incurred under this Supplemental Indenture constitute Approved Obligations.

2.10 Delivery to Series 2018-1 Noteholder

Promptly following the issuance of the Series 2018-1 Junior Subordinated Notes, the definitive notes representing the Series 2018-1 Junior Subordinated Notes shall be delivered to the Series 2018-1 Noteholders (or as they may direct).

2.11 Acceleration Events

If a Series 2018-1 Event of Default occurs and is continuing, then and in each and every such case, and without regard to whether all Issuer Funding Obligations have been declared due and payable pursuant to Section 8.02(a) of the Trust Indenture, the Series 2018-1 Noteholders may by Ordinary Resolution (with notice of such Ordinary Resolution being provided to the Issuer and the Indenture Trustee) determine to declare the Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes and all interest accrued and unpaid (if any) thereon to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, notwithstanding anything in this Supplemental Indenture or the Trust Indenture to the contrary. The Issuer shall give prompt written notice to DBRS and Moody's of the occurrence of an Acceleration Event.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2018-1 Noteholder that:

(a) no Termination Event has occurred or would result from the purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not Non-residents;

(c) all Tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest; and

(f) to its knowledge, there is no set of circumstances existing at such time that will have an Adverse Effect or will reasonably be expected to have an Adverse Effect.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section 9.07 of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Indenture Trustee (on behalf of the Series 2018-1 Noteholders) hereby acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments to be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2018-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2018-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 15 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (c) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that Computershare Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2018-1 Junior Subordinated Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[Signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture as of the date first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer, **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

BNY TRUST COMPANY OF CANADA, as Indenture Trustee and not in its individual capacity

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means either:

(a) all Issuer Funding Obligations are declared due and payable under Section 8.02 of the Trust Indenture, or

(b) the Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes and all interest accrued and unpaid thereon is declared to be due and payable under Section 2.11.

"**AEOI Legislation**" has the meaning specified in Section 2.8(a).

"**Excluded Taxes**" has the meaning specified in Section 2.8(a).

"**FATCA**" has the meaning specified in Section 2.8(a).

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Junior Subordinated Notes to be redeemed, the yield from the Series 2018-1 Redemption Date to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to the Par Call Date (calculated from the Series 2018-1 Redemption Date), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

"**Indenture Trustee**" has the meaning specified in the recitals of this Supplemental Indenture.

"**Interest Payment Date**" has the meaning specified in Section 2.2(l).

"**Issuer**" has the meaning specified in the recitals of this Supplemental Indenture.

"**Issuer Indemnified Person**" has the meaning specified in Section 2.7.

"**Par Call Date**" means ■, 20■.

"**Recipient**" has the meaning specified in Section 2.8(a).

"**Requisite Series 2018-1 Noteholders**" means Series 2018-1 Noteholders holding, in aggregate, at least 50% of the Series 2018-1 Junior Subordinated Notes then Outstanding.

"Series 2018-1 Canada Yield Price" means a price equal to the price of the Series 2018-1 Junior Subordinated Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the Series 2018-1 Redemption Date specified in the notice of redemption delivered

pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture, plus ●%.

"**Series 2018-1 Event of Default**" means any one of the following events occurs at any time that the Junior Subordinated Funding Obligations constitute the Controlling Class Obligations (whatever the reason for such Series 2018-1 Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

(a) a default by the Issuer in the payment of any interest on any Series 2018-1 Junior Subordinated Notes when such interest becomes due and payable, and continuance of such default for a period of five days following the date on which such interest became due and payable;

(b) a default by the Issuer in the payment of any principal of any Series 2018-1 Junior Subordinated Notes at its Principal Payment Default Date;

(c) any representation or warranty contained in Section 3.1 of this Supplemental Indenture or Section 12.01 of the Trust Indenture proves to be incorrect in any material respect when made and such incorrect representation or warranty if capable of being remedied by the Issuer, has not been remedied for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) a default in the performance, or breach, of any covenant of the Issuer in the Trust Indenture or this Supplemental Indenture in respect of any Series 2018-1 Junior Subordinated Notes (other than an agreement, covenant or warranty a default in the performance of which or the breach of which is elsewhere specifically dealt with in this definition of Series 2018-1 Event of Default), and continuance of such default or breach for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period; or

(e) an event of default or other event occurs and as a result thereof, all or a portion of the principal amount owing in respect of any other Series of Junior Subordinated Funding Obligations has become, or been declared, due and payable before the scheduled payment date, maturity date or redemption date in respect of such other Series of Junior Subordinated Funding Obligations.

"**Series 2018-1 Junior Subordinated Note**" means any one of the Series 2018-1 Junior Subordinated Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Series 2018-1 Noteholder**" means a Person in whose name a Series 2018-1 Junior Subordinated Note is registered in the Note Register.

"**Series 2018-1 Redemption Date**" means a date fixed for redemption of the Series 2018-1 Junior Subordinated Notes pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Termination Event**" means any Acceleration Event or Series 2018-1 Event of Default, or any event which with the giving of notice or the passage of time, or both, could become an Acceleration Event or a Series 2018-1 Event of Default.

"**Trust Indenture**" has the meaning specified in the recitals of this Supplemental Indenture.

SCHEDULE B

FORM OF SERIES 2018-1 JUNIOR SUBORDINATED NOTE

FAIR HYDRO TRUST
(A trust established under the laws of the Province of Ontario)

●% JUNIOR SUBORDINATED NOTE DUE ●, SERIES 2018-1

Fair Hydro Trust (herein referred to as the "**Issuer**"), a trust governed by the laws of Ontario and established under a Declaration of Trust dated as of December 20, 2017, for value received, hereby promises to pay the principal sum of $● to the registered holder hereof on ●, 20● (the "**Principal Payment Date**") or on such earlier date as the principal amount hereof may become due, in accordance with the provisions set forth in the Trust Indenture and the Supplemental Indenture. The Issuer will pay interest on the outstanding principal amount of this Series 2018-1 Junior Subordinated Note in accordance with Section 2.4 of the Supplemental Indenture on each Interest Payment Date (as defined below) at the rate of ●% per annum in equal semi-annual instalments on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing on April ●, 2018 (provided that the initial interest payment payable on April ●, 2018 will be in an aggregate amount equal to $● per $1,000 principal amount) until the principal of this Series 2018-1 Junior Subordinated Note is paid or made available for payment, to the extent funds are available in accordance with the terms of the Supplemental Indenture. The principal of and interest on this Series 2018-1 Junior Subordinated Note are payable in Canadian dollars.

Beginning on the first Payment Date following the occurrence of an Acceleration Event, the principal of this Series 2018-1 Junior Subordinated Note shall be paid in full on each such Payment Date to the extent of funds available for payment therefor pursuant to the Trust Indenture. Such principal of and interest on this Series 2018-1 Junior Subordinated Note shall be paid in the manner specified on the reverse hereof.

Reference is made to the further provisions of this Series 2018-1 Junior Subordinated Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Series 2018-1 Junior Subordinated Note. Although a summary of certain provisions of the Trust Indenture and Supplemental Indenture is set forth below and on the reverse hereof and made a part hereof, this Series 2018-1 Junior Subordinated Note does not purport to summarize the Trust Indenture and Supplemental Indenture and reference is made to the Trust Indenture and Supplemental Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Issuer and the Indenture Trustee. In the event that there is any inconsistency between the provisions of the Trust Indenture or Supplemental Indenture and the provisions hereof, the provisions of the Trust Indenture and Supplemental Indenture shall govern. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture and Supplemental Indenture. Copies of the Trust Indenture and Supplemental Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: BNY Trust Company of Canada, One York Street, 6th Floor, Toronto, Ontario M5J 0B6, Attention: Corporate Trust Administration.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee, by manual signature, this Series 2018-1 Junior Subordinated Note shall not be entitled to any benefit under the Trust Indenture and Supplemental Indenture referred to on the reverse hereof, or be valid for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Series 2018-1 Junior Subordinated Note to be duly executed.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by
ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By: _____

Name:

Title:

By: _____

Name:

Title:

Dated: _____●, 2018

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the ●% Junior Subordinated Notes due ●, Series 2018-1 described in the within-mentioned Trust Indenture and Supplemental Indenture.

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By: _____

Authorized Signatory

By: _____

Authorized Signatory

FAIR HYDRO TRUST

●% JUNIOR SUBORDINATED NOTES DUE ●, SERIES 2018-1

Summary of Terms and Conditions

This Series 2018-1 Subordinated Note is one of a duly authorized Series of Subordinated Notes of the Issuer, designated as the ●% Subordinated Notes due ●, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**"), issued under a trust indenture dated as of December 21, 2017 (as may be amended, supplemented, restated, replaced or otherwise modified from time to time, the "**Trust Indenture**"), between the Issuer and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**," which term includes any successor Indenture Trustee under the Trust Indenture), as amended and supplemented by the Junior Subordinated Series 2018-1 Supplemental Indenture, dated as of ●, 2018 (the "**Supplemental Indenture**"), and representing the right to receive certain payments from the Issuer. Except as set forth in the Supplemental Indenture, the Series 2018-1 Junior Subordinated Note is subject to all of the terms of the Trust Indenture. All terms used in this Series 2018-1 Junior Subordinated Note and not otherwise defined herein shall have the meanings assigned to them in or pursuant to the Supplemental Indenture.

The Series 2018-1 Junior Subordinated Note is and will be equally and ratably secured by the Collateral pledged as security therefor as provided in the Trust Indenture.

"**Payment Date**" means the 15th day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on April 15, 2018.

As described above, all amounts payable on maturity with respect to this Series 2018-1 Junior Subordinated Note shall be due and payable on the Principal Payment Date, in accordance with Section 2.5 of the Supplemental Indenture. All principal payments of the Series 2018-1 Junior Subordinated Note shall be deposited with the Indenture Trustee.

Payments of interest on this Series 2018-1 Junior Subordinated Note are due and payable on each Interest Payment Date or such other date as may be specified in the Supplemental Indenture by wire transfer to each Series 2018-1 Noteholder as of the Record Date. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

The Series 2018-1 Junior Subordinated Notes are redeemable in accordance with Section 2.6 of the Supplemental Indenture and Section 4.10 of the Trust Indenture.

The Indenture Trustee (on behalf of each Series 2018-1 Noteholder), acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments To Be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14

(Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

The Trust Indenture and Supplemental Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Series 2018-1 Noteholders under the Trust Indenture and Supplemental Indenture at any time by the Issuer with the consent of the applicable Person(s) specified therein. The Trust Indenture also contains provisions permitting the applicable Person(s) specified therein to waive compliance by the Issuer with certain provisions of the Trust Indenture and certain past defaults under the Trust Indenture and their consequences with respect to the Series 2018-1 Junior Subordinated Notes. Any such consent or waiver by such Person(s) shall be conclusive and binding upon the Series 2018-1 Noteholders and upon all future holders of this Series 2018-1 Junior Subordinated Note and of any Series 2018-1 Junior Subordinated Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Series 2018-1 Junior Subordinated Note. The Trust Indenture also permits the Issuer and the Indenture Trustee to amend or waive certain terms and conditions set forth in the Trust Indenture without the consent of any other Person.

The term "the Issuer" as used in this Series 2018-1 Junior Subordinated Note includes any successor to the Issuer under the Trust Indenture.

The Series 2018-1 Junior Subordinated Notes are only issuable in registered form in denominations as provided in the Trust Indenture, subject to certain limitations set forth therein.

This Series 2018-1 Junior Subordinated Note, the Trust Indenture and Supplemental Indenture, and all matters arising out of or relating to this Series 2018-1 Junior Subordinated Note, the Trust Indenture or Supplemental Indenture, shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws applicable therein, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such laws.

No reference herein to the Trust Indenture and Supplemental Indenture and no provision of this Series 2018-1 Junior Subordinated Note or of the Trust Indenture and Supplemental Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Series 2018-1 Junior Subordinated Note at the times, place and rate, and in the coin or currency herein prescribed, subject to any duty of the Issuer to deduct or withhold any amounts as required by law, including any applicable Taxes.

REGISTRATION PANEL

(No writing on this panel except
by the Note Registrar)

Date of Registration	In Whose Name Registered	Signature of Note Registrar

TERM
JUNIOR SUBORDINATED SERIES ~~[~~2018-1~~]~~
SUPPLEMENTAL INDENTURE

between

FAIR HYDRO TRUST

by

COMPUTERSHARE TRUST COMPANY OF CANADA
as Issuer Trustee

and

BNY TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF DECEMBER ~~●~~21, 2017

AND PROVIDING FOR THE ISSUE OF
●% JUNIOR SUBORDINATED NOTES DUE ●, SERIES 2018-1
OF FAIR HYDRO TRUST

Made as of ●, 2018

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●% JUNIOR SUBORDINATED NOTES DUE ●, SERIES 2018-1

THIS JUNIOR SUBORDINATED NOTES SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2018, between **Computershare Trust Company of Canada** in its capacity as trustee of **Fair Hydro Trust**, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and **BNY Trust Company of Canada**, a trust company existing under the laws of Canada (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of December ~~●,~~ **21,** 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Junior Subordinated Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Junior Subordinated Notes designated as the ●% Junior Subordinated Notes due ●, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2018-1 Junior Subordinated Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental

Indenture are applicable only in respect of the Series 2018-1 Junior Subordinated Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2018-1 Junior Subordinated Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2018-1 Junior Subordinated Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2018-1 JUNIOR SUBORDINATED NOTES

2.1 Creation of Series 2018-1 Junior Subordinated Notes

There is hereby created a Series of Junior Subordinated Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●%Junior Subordinated Notes due ●, Series 2018-1**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2018-1 Junior Subordinated Notes will:

(a) be designated as set out in Section 2.1;

(b) be Junior Subordinated Notes;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have a Stated Principal Amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2018-1 Junior Subordinated Notes may be increased after the date hereof without the consent of any ~~holder of~~ Series 2018-1 ~~Junior Subordinated Notes~~**Noteholder** or any holder of any Notes of any other Class, Series or Tranche, but subject to satisfaction of the Rating Agency Condition;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued as a Registered Note in minimum denominations of $150,000 and integral multiples of 1,000;

(h) ~~(g)~~ be issued as definitive notes and will not be in the form of a Global Note; ~~**[NTD: To be confirmed.]**~~

(i) ~~(h)~~ be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) ~~(i)~~ bear interest at a rate of ●% per annum;

(k) ~~(j)~~ accrue interest from the later of: (i) ●, 2018 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Series 2018-1 Junior Subordinated Notes;

(l) ~~(k)~~ have interest paid in equal semi-annual instalments ~~[~~(except the initial interest payment)~~]~~ on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing with the Payment Date occurring in the month of ~~[~~April~~]~~, 2018 in respect of the Series 2018-1 Junior Subordinated Notes issued prior to such date;

(m) ~~(l)~~ subject to the occurrence of an Acceleration Event, mature on, and have ●, 20●, as their sole Principal Payment Date with a principal payment amount on such Principal Payment Date equal to the then Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes;

(n) ~~(m)~~ have ●, 20● as their Principal Payment Default Date;

(o) ~~(n)~~ subject to the occurrence of an Acceleration Event, have ●, 20● as their Principal Accumulation Date;

(p) ~~(o)~~ subject to the occurrence of an Acceleration Event, have the following Principal Accumulation ~~Amount~~**Amounts** for each Payment Date on or after their Principal Accumulation Date:

Payment ~~Date~~Dates	**Principal Accumulation ~~Amount~~Amounts**
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●

(q) ~~(p)~~ after the occurrence of an Acceleration Event and for so long as it continues, each Payment Date shall be a Principal Payment Date in respect of the Series 2018-1 Junior Subordinated Notes and the full Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes shall be due and payable on each such Payment Date;

(r) ~~(q)~~ have a Record Date for each Interest Payment Date that is the last day of the calendar month preceding each Interest Payment Date; **and**

(s) ~~(r) [~~be redeemable and subject to repurchase as provided in Section 2.6 below~~]; and(s) [not be subject to defeasance as contemplated by Section 2.08 of the Trust Indenture] [be subject to defeasance in accordance with Section 2.08 of the Trust Indenture]~~.

2.3 Delivery

On the date of issuance of the Series 2018-1 Junior Subordinated Notes, Series 2018-1 Junior Subordinated Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any ~~taxes~~Taxes required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2018-1 Junior Subordinated Notes) will on each Interest Payment Date, make payment of such interest, less any ~~taxes~~Taxes required by law to be deducted or withheld, by wire transfer to each ~~holder of a~~ Series 2018-1 ~~Junior Subordinated Note~~Noteholder as of the Record Date. The payment by such wire transfer will satisfy and discharge the liability for interest upon such Series 2018-1 Junior Subordinated Note to the extent of the sum represented thereby (plus the amount of any ~~taxes~~Taxes deducted or withheld as aforesaid). Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

By 10:00 a.m. (Toronto time) on the Principal Payment Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order of ~~holders of~~ Series 2018-1 ~~Junior Subordinated Notes~~Noteholders on maturity on account of principal. The deposit of such funds will satisfy and discharge the liability for principal of the Series 2018-1 Junior Subordinated Notes to the extent of the sum represented thereby.

2.6 ~~[~~Redemption and Repurchase

~~[NTD: Redemption features to be discussed.]~~

(a) Subject to the terms of Section 13.24 of the Trust Indenture, at any time prior to ~~●, 20●~~ ~~[par call date]~~the Par Call Date, the Issuer may redeem the Series 2018-1 Junior Subordinated Notes in whole or, from time to time, in part, on payment of a ~~redemption price~~Redemption Price equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2018-1 Redemption Date. At any time on or after ~~●, 20●~~ ~~[par call date]~~the Par Call Date, the Issuer may redeem the Series 2018-1 Junior Subordinated Notes in whole or, from time to time, in part, on payment of a ~~redemption price~~Redemption Price equal to par, together with accrued and unpaid interest to the Series 2018-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and

not less than 15 days before the date fixed for redemption, and will provide a copy of such notice to DBRS **and Moody's** upon the issuance thereof. Less than all of the Series 2018-1 Junior Subordinated Notes may be redeemed, if so redeemed, in accordance with Section 4.10 of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2018-1 Junior Subordinated Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Less than all of the Series 2018-1 Junior Subordinated Notes may be purchased, if so purchased, for cancellation in accordance with Section 4.11 of the Trust Indenture.

~~(c) The Series 2018-1 Junior Subordinated Notes will not be subject to repurchase pursuant to any sinking fund or any other required repayment provisions.]~~

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2018-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer Indemnified Person by reason of (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer Indemnified Person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section 7.04 or Section 8.13 of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of Taxes, excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other Taxes based on or measured by the net income of any person legally entitled to receive such payments (each a "**Recipient**") as a result of a present or former connection between the Recipient and the jurisdiction of the Governmental Authority imposing such Taxes (other than any such connection

arising solely from the Recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); (ii) any withholding or deduction imposed pursuant to (A) Sections 1471 to 1474 of the Internal Revenue Code ("**FATCA**"), or any successor version thereof, or any similar legislation imposed by any other Governmental Authority, or (B) any treaty, law or regulation or other official guidance enacted by Canada implementing FATCA or any intergovernmental agreement with respect to FATCA or any similar legislation imposed by any other Governmental Authority, including, for greater certainty, the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) and Parts XVIII and XIX of the Income Tax Act (collectively, and including FATCA, the "**AEOI Legislation**"); and (iii) any interest, penalties and additions to Taxes in respect of (i) and (ii) (all such excluded Taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a Recipient hereunder, the amounts so payable to the Recipient shall be increased, and the Recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the Recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Whenever any Taxes are payable on or with respect to amounts distributed to a Recipient, as promptly as possible thereafter the Issuer shall send to such Recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to withholding Taxes under any AEOI Legislation if the Recipient were to fail to comply with the applicable reporting requirements of any AEOI Legislation, such Recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with its obligations under any AEOI Legislation and to determine that such Recipient has complied with its obligations under any AEOI Legislation, or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a Recipient expires or becomes obsolete or inaccurate in any respect, the Recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a Recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2018-1 Junior Subordinated Notes

On or prior to the initial issuance of Series 2018-1 Junior Subordinated Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in **Section 12.01 of the Trust Indenture and** Section 3.1 of this Supplemental Indenture shall be true and correct in all material respects, **and** the Issuer shall be in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Indenture Trustee shall have received (i) the Adherence Compliance Certificate required pursuant to Section 4.02(a) of the Change of Law Protection Agreement with respect to the incurrence of Funding Obligations under this Supplemental Indenture, or (ii) written confirmation from the Province that the Funding Obligations incurred under this Supplemental Indenture constitute Approved Obligations.

2.10 Delivery to Series 2018-1 Noteholder

Promptly following the issuance of the Series 2018-1 Junior Subordinated Notes, the definitive notes representing the Series 2018-1 Junior Subordinated Notes shall be delivered to the Series 2018-1 Noteholders (or as they may direct).

2.11 Acceleration Events

If a Series 2018-1 Event of Default occurs and is continuing, then and in each and every such case, and without regard to whether all Issuer Funding Obligations have been declared due and payable pursuant to Section 8.02(a) of the Trust Indenture, the Series 2018-1 Noteholders may by Ordinary Resolution (with notice of such Ordinary Resolution being provided to the Issuer and the Indenture Trustee) determine to declare the Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes and all interest accrued and unpaid (if any) thereon to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, notwithstanding anything in this Supplemental Indenture or the Trust Indenture to the contrary. The Issuer shall give prompt written notice to DBRS **and Moody's** of the occurrence of an Acceleration Event.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2018-1 Noteholder that:

(a) no Termination Event has occurred or would result from the purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not Non-residents;

(c) all Tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest; and

(f) to its knowledge, there is no set of circumstances existing at such time that will have an Adverse Effect or will reasonably be expected to have an Adverse Effect.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section 9.07 of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Indenture Trustee (on behalf of the Series 2018-1 Noteholders) hereby acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as ~~a~~ Specified ~~Creditor~~**Creditors** are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments to be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (**The** Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (**Preservation of Information;** Communications to Specified Creditors) and Section 16.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2018-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2018-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 15 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (~~iii~~**c**) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that Computershare Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2018-1 Junior Subordinated Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the

Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[~~signature~~Signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture as of the date first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, ~~as Issuer Trustee~~**in its capacity as trustee** of **FAIR HYDRO TRUST**, ~~by its Manager~~**as Issuer**, **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

BNY TRUST COMPANY OF CANADA, as Indenture Trustee **and not in its individual capacity**

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means either:

(a) all Issuer Funding Obligations are declared due and payable under Section 8.02 of the Trust Indenture, or

(b) the Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes and all interest accrued and unpaid thereon is declared to be due and payable under Section 2.11.

"**AEOI Legislation**" has the meaning specified in Section 2.8(a).

"**Excluded Taxes**" has the meaning specified in Section 2.8(a).

"**FATCA**" has the meaning specified in Section 2.8(a).

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Junior Subordinated Notes to be redeemed, the yield from the Series 2018-1 Redemption Date to ~~● [par call date]~~**the Par Call Date**, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to ~~● [par call date]~~**the Par Call Date** (calculated from the Series 2018-1 Redemption Date) ~~of the Series 2018-1 Junior Subordinated Notes~~, such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

"~~Interest Payment Date~~**Indenture Trustee**" has the meaning **specified in the recitals of this Supplemental Indenture.**

"Interest Payment Date" has the meaning specified in Section 2.2(l).

"**Issuer" has the meaning specified in the recitals of this Supplemental Indenture.**

"Issuer Indemnified Person" has the meaning specified in Section 2.7.

"Par Call Date" means ■, 20■.

"**Recipient**" has the meaning specified in Section 2.8(a).

"**Requisite Series 2018-1 Noteholders**" means Series 2018-1 Noteholders holding, in aggregate, at least ~~[~~50~~]~~% of the Series 2018-1 Junior Subordinated Notes then Outstanding.

"Series 2018-1 Canada Yield Price" means a price equal to the price of the Series 2018-1 Junior Subordinated Notes calculated to provide a yield to ~~● [par call date]~~**the Par Call Date**, compounded semi-annually and calculated in accordance with generally accepted Canadian

financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the Series 2018-1 Redemption Date specified in the notice of redemption delivered pursuant to Section 4.10 of the Trust Indenture **and Section 2.6 of this Supplemental Indenture**, plus ●%.

"**Series 2018-1 Event of Default**" means any one of the following events occurs at any time that the Junior Subordinated Funding Obligations constitute the Controlling Class Obligations (whatever the reason for such Series 2018-1 Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

(a) a default by the Issuer in the payment of any interest on any Series 2018-1 Junior Subordinated Notes when such interest becomes due and payable, and continuance of such default for a period of five days following the date on which such interest became due and payable;

(b) a default by the Issuer in the payment of any principal of any Series 2018-1 Junior Subordinated Notes at its Principal Payment Default Date;

(c) any representation or warranty contained in Section 3.1 of this Supplemental Indenture or Section 12.01 of the Trust Indenture proves to be incorrect in any material respect when made and such incorrect representation or warranty if capable of being remedied by the Issuer, has not been remedied for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) a default in the performance, or breach, of any covenant of the Issuer in the Trust Indenture or this Supplemental Indenture in respect of any Series 2018-1 Junior Subordinated Notes (other than an agreement, covenant or warranty a default in the performance of which or the breach of which is elsewhere specifically dealt with in this definition of Series 2018-1 Event of Default), and continuance of such default or breach for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period; or

(e) an event of default or other event occurs and as a result thereof, all or a portion of the principal amount owing in respect of any other Series of Junior Subordinated Funding Obligations has become, or been declared, due and payable before the scheduled payment date, maturity date or redemption date in respect of such other Series of Junior Subordinated Funding Obligations.

"**Series 2018-1 Junior Subordinated Note**" means any one of the Series 2018-1 Junior Subordinated Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Series 2018-1 Noteholder**" means a Person in whose name a Series 2018-1 Junior Subordinated Note is registered in the Note Register.

"**Series 2018-1 Redemption Date**" means a date fixed for redemption of the Series 2018-1 Junior Subordinated Notes pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Termination Event**" means any Acceleration Event **or Series 2018-1 Event of Default,** or any event which with the giving of notice or the passage of time, or both, could become an Acceleration Event **or a Series 2018-1 Event of Default**.

"Trust Indenture" has the meaning specified in the recitals of this Supplemental Indenture.

SCHEDULE B

[FORM OF NOTE]SERIES 2018-1 JUNIOR SUBORDINATED NOTE

FAIR HYDRO TRUST
(A trust established under the laws of the Province of Ontario)

● % JUNIOR SUBORDINATED NOTE DUE ●, SERIES 2018-1

Fair Hydro Trust (herein referred to as the "Issuer"), a trust governed by the laws of Ontario and established under a Declaration of Trust dated as of December 20, 2017, for value received, hereby promises to pay the principal sum of $● to the registered holder hereof on ●, 20● (the "Principal Payment Date") or on such earlier date as the principal amount hereof may become due, in accordance with the provisions set forth in the Trust Indenture and the Supplemental Indenture. The Issuer will pay interest on the outstanding principal amount of this Series 2018-1 Junior Subordinated Note in accordance with Section 2.4 of the Supplemental Indenture on each Interest Payment Date (as defined below) at the rate of ●% per annum in equal semi-annual instalments on the Payment Dates occurring in the months of April and October in each year (each, an "Interest Payment Date") commencing on April ●, 2018 (provided that the initial interest payment payable on April ●, 2018 will be in an aggregate amount equal to $● per $1,000 principal amount) until the principal of this Series 2018-1 Junior Subordinated Note is paid or made available for payment, to the extent funds are available in accordance with the terms of the Supplemental Indenture. The principal of and interest on this Series 2018-1 Junior Subordinated Note are payable in Canadian dollars.

Beginning on the first Payment Date following the occurrence of an Acceleration Event, the principal of this Series 2018-1 Junior Subordinated Note shall be paid in full on each such Payment Date to the extent of funds available for payment therefor pursuant to the Trust Indenture. Such principal of and interest on this Series 2018-1 Junior Subordinated Note shall be paid in the manner specified on the reverse hereof.

Reference is made to the further provisions of this Series 2018-1 Junior Subordinated Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Series 2018-1 Junior Subordinated Note. Although a summary of certain provisions of the Trust Indenture and Supplemental Indenture is set forth below and on the reverse hereof and made a part hereof, this Series 2018-1 Junior Subordinated Note does not purport to summarize the Trust Indenture and Supplemental Indenture and reference is made to the Trust Indenture and Supplemental Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Issuer and the Indenture Trustee. In the event that there is any inconsistency between the provisions of the Trust Indenture or Supplemental Indenture and the provisions hereof, the provisions of the Trust Indenture and Supplemental Indenture shall govern. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture and Supplemental Indenture. Copies of the Trust Indenture and Supplemental Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: BNY

Trust Company of Canada, One York Street, 6th Floor, Toronto, Ontario M5J 0B6, Attention: Corporate Trust Administration.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee, by manual signature, this Series 2018-1 Junior Subordinated Note shall not be entitled to any benefit under the Trust Indenture and Supplemental Indenture referred to on the reverse hereof, or be valid for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Series 2018-1 Junior Subordinated Note to be duly executed.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By:

Name:

Title:

By:

Name:

Title:

Dated: _____●, 2018

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the ●% Junior Subordinated Notes due ●, Series 2018-1 described in the within-mentioned Trust Indenture and Supplemental Indenture.

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By:

Authorized Signatory

By:

Authorized Signatory

FAIR HYDRO TRUST

●% JUNIOR SUBORDINATED NOTES DUE ●, SERIES 2018-1

Summary of Terms and Conditions

This Series 2018-1 Subordinated Note is one of a duly authorized Series of Subordinated Notes of the Issuer, designated as the ●% Subordinated Notes due ●, Series 2018-1 (the "Series 2018-1 Junior Subordinated Notes"), issued under a trust indenture dated as of December 21, 2017 (as may be amended, supplemented, restated, replaced or otherwise modified from time to time, the "Trust Indenture"), between the Issuer and BNY Trust Company of Canada, as indenture trustee (the "Indenture Trustee," which term includes any successor Indenture Trustee under the Trust Indenture), as amended and supplemented by the Junior Subordinated Series 2018-1 Supplemental Indenture, dated as of ●, 2018 (the "Supplemental Indenture"), and representing the right to receive certain payments from the Issuer. Except as set forth in the Supplemental Indenture, the Series 2018-1 Junior Subordinated Note is subject to all of the terms of the Trust Indenture. All terms used in this Series 2018-1 Junior Subordinated Note and not otherwise defined herein shall have the meanings assigned to them in or pursuant to the Supplemental Indenture.

The Series 2018-1 Junior Subordinated Note is and will be equally and ratably secured by the Collateral pledged as security therefor as provided in the Trust Indenture.

"Payment Date" means the 15th day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on April 15, 2018.

As described above, all amounts payable on maturity with respect to this Series 2018-1 Junior Subordinated Note shall be due and payable on the Principal Payment Date, in accordance with Section 2.5 of the Supplemental Indenture. All principal payments of the Series 2018-1 Junior Subordinated Note shall be deposited with the Indenture Trustee.

Payments of interest on this Series 2018-1 Junior Subordinated Note are due and payable on each Interest Payment Date or such other date as may be specified in the Supplemental Indenture by wire transfer to each Series 2018-1 Noteholder as of the Record Date. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

The Series 2018-1 Junior Subordinated Notes are redeemable in accordance with Section 2.6 of the Supplemental Indenture and Section 4.10 of the Trust Indenture.

The Indenture Trustee (on behalf of each Series 2018-1 Noteholder), acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments To Be Held in Trust), Section 8.11 (Control by Controlling Class

Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

The Trust Indenture and Supplemental Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Series 2018-1 Noteholders under the Trust Indenture and Supplemental Indenture at any time by the Issuer with the consent of the applicable Person(s) specified therein. The Trust Indenture also contains provisions permitting the applicable Person(s) specified therein to waive compliance by the Issuer with certain provisions of the Trust Indenture and certain past defaults under the Trust Indenture and their consequences with respect to the Series 2018-1 Junior Subordinated Notes. Any such consent or waiver by such Person(s) shall be conclusive and binding upon the Series 2018-1 Noteholders and upon all future holders of this Series 2018-1 Junior Subordinated Note and of any Series 2018-1 Junior Subordinated Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Series 2018-1 Junior Subordinated Note. The Trust Indenture also permits the Issuer and the Indenture Trustee to amend or waive certain terms and conditions set forth in the Trust Indenture without the consent of any other Person.

The term "the Issuer" as used in this Series 2018-1 Junior Subordinated Note includes any successor to the Issuer under the Trust Indenture.

The Series 2018-1 Junior Subordinated Notes are only issuable in registered form in denominations as provided in the Trust Indenture, subject to certain limitations set forth therein.

This Series 2018-1 Junior Subordinated Note, the Trust Indenture and Supplemental Indenture, and all matters arising out of or relating to this Series 2018-1 Junior Subordinated Note, the Trust Indenture or Supplemental Indenture, shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws applicable therein, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such laws.

No reference herein to the Trust Indenture and Supplemental Indenture and no provision of this Series 2018-1 Junior Subordinated Note or of the Trust Indenture and Supplemental Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Series 2018-1 Junior Subordinated Note at the times, place and rate, and in the coin or currency herein prescribed, subject to any duty of the Issuer to deduct or withhold any amounts as required by law, including any applicable Taxes.

REGISTRATION PANEL

(No writing on this panel except by the Note Registrar)

Date of Registration	In Whose Name Registered	Signature of Note Registrar

Document comparison by Workshare Compare on January-05-18 11:09:14 AM

Input:	
Document 1 ID	file://C:\Users\bsaulnie\AppData\Local\Temp\Workshare\wmtemp278c\Fair Hydro - Term - Junior Subordinated Supplemental Indenture.docx
Description	Fair Hydro - Term - Junior Subordinated Supplemental Indenture
Document 2 ID	file://C:\Users\bsaulnie\Desktop\New folder\Junior Subordinated Supplemental Indenture.docx
Description	Junior Subordinated Supplemental Indenture
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	105
Deletions	74
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	179

TORYS LLP

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Brett Saulnier
bsaulnier@torys.com
P. 416.865.8148

January 5, 2018

HAND DELIVERED

Ministry of Finance
7 Queen's Park Crescent, 7th Floor
Toronto, Ontario M7A 1Y7

Attention: Minister of Finance
Deputy Minister of Finance

Ministry of Energy
Hearst Block 4th Floor, 900 Bay Street
Toronto, Ontario M7A 2E1

Attention: Minister of Energy
Deputy Ministry of Energy

Dear Sirs/Mesdames:

Re: Fair Hydro Plan – Deliveries under Change of Law Process Agreement

Reference is made to the Change of Law Process Agreement dated as of December 21, 2017 between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance, and Ontario Power Generation Inc. (the "**Change of Law Process Agreement**"). Capitalized terms used and not defined herein shall have their respective meanings in the Change of Law Process Agreement.

On behalf of Ontario Power Generation Inc. and pursuant to section 2.01(b) of the Change of Law Process Agreement, please find enclosed the following Transaction Documents:

- Form of confidential shelf offering memorandum, including the form of investor presentation attached as Exhibit 1 thereto and the form of term sheet incorporated by reference therein;
- Form of Agency Agreement among, *inter alios*, Fair Hydro Trust, Ontario Power Generation Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc.;
- Form of Term Senior Supplemental Indenture between Fair Hydro Trust and BNY Trust Company of Canada;
- Form of Term Subordinated Supplemental Indenture between Fair Hydro Trust and BNY Trust Company of Canada; and

- Form of Term Junior Subordinated Supplemental Indenture between Fair Hydro Trust and BNY Trust Company of Canada.

Yours truly,



Brett Saulnier

Encl.

cc: Rima Ramchandani, *Torys LLP*
John Lee, *Ontario Power Generation Inc.*
Lubna Ladak, *Ontario Power Generation Inc.*
Leslie Wong, *Ontario Power Generation Inc.*

24716882.2

From:	LEE John -TREASURY
To:	Tim Christie (ENERGY)
Cc:	Mike Manning; Ken Kandeepan; LAURETA LAPIRA May -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY
Subject:	Draft Fair Hydro Investor Presentation.
Date:	Thursday, December 21, 2017 5:33:16 PM
Attachments:	Appendix 1 Fair Hydro Trust Draft Investor Presentation - Dec 21 to ARC.pdf

Tim:

As discussed attached is the most current draft of the Investor Presentation. If you or the MOE or OFA have any comments please let us know.

The plan is to have another turn of the document in the 1st week in January. May will have the "pen" from our side.

Have a Merry Christmas.

John

John Lee | Vice President Treasurer |
Ontario Power Generation | 700 University Avenue, H18 A6, Toronto, Ontario M5G 1X6 |
416.592.6392 | john.s.lee@opg.com

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Fair Hydro Trust
Investor Presentation

January [xx], 2018

Disclaimers

This presentation and its contents are being supplied for informational purposes only by Fair Hydro Trust (the "**Issuer**") and are not an offer to buy or sell or a solicitation of an offer to buy or sell any securities of the Issuer.

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Presenters

ONTARIO POWER GENERATION

Ken Hartwick
Chief Financial Officer &
Senior Vice President – Finance

John Lee
Vice President, Treasurer

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I. Introduction and Transaction Overview

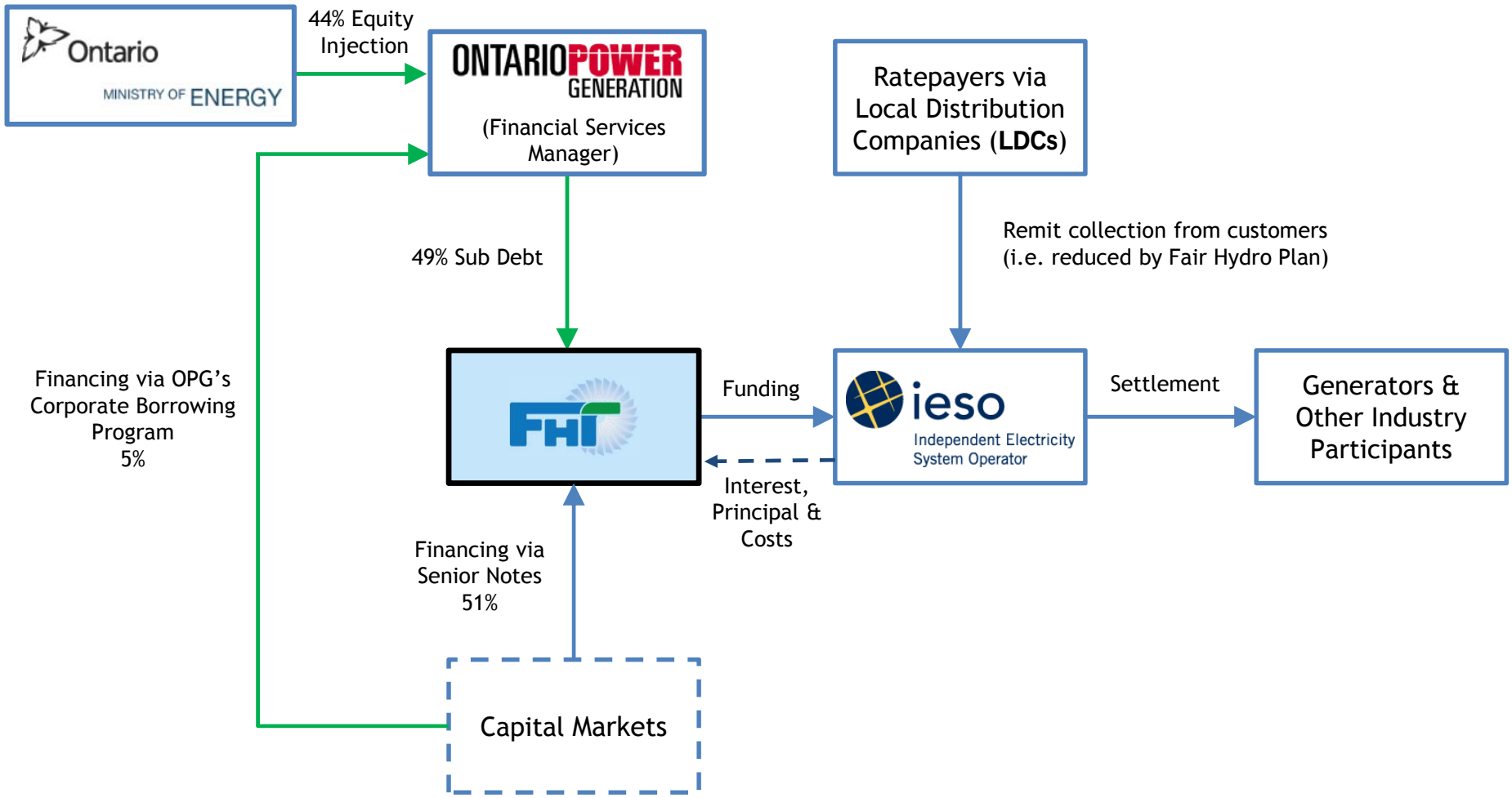
Introduction

Ontario's Fair Hydro Plan	• The Province of Ontario announced its Fair Hydro Plan ("FHP") on March 2nd, 2017, which proposed to lower the average electricity bill for eligible customers[1] (referred to as "Specified Consumers") by 25% (the "Fair Adjustment") • The 25% reduction includes an 8% rebate in the provincial portion of the HST granted by the Ontario government in January 2017 • It is expected that the rate reduction will be in effect to April 30, 2021, with any rate increases over that period limited to the rate of inflation in Ontario
Legislation	• On June 1, 2017, the Ontario government passed the *Ontario Fair Hydro Plan Act, 2017* (the "FHPA" or "Act"), legislation that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers • The FHPA imposes an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment ("CEA") that will be determined by Ontario Power Generation ("OPG") in its role as Financial Services Manager under the Act • The CEA will be determined for each six month reference period and converted by the Ontario Energy Board ("OEB") into a $/kWh rate and added to electricity invoices sent to Specified Consumers commencing on May 1, 2021 • From July 1, 2017 until April 30, 2021 (the "Moratorium Period"), no CEA will be collected; during this period the Independent Electricity System Operator ("IESO") is obligated to pay all funding costs (excluding principal) under the Regulations
Fair Hydro Trust ("FHT")	• The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") through the issuance of senior and subordinated notes • Structured to be bankruptcy remote and ring fenced from OPG

[1] Primarily Regulated Price Plan-eligible customers.

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt of the Trust in an amount not to exceed 49% of all outstanding debt

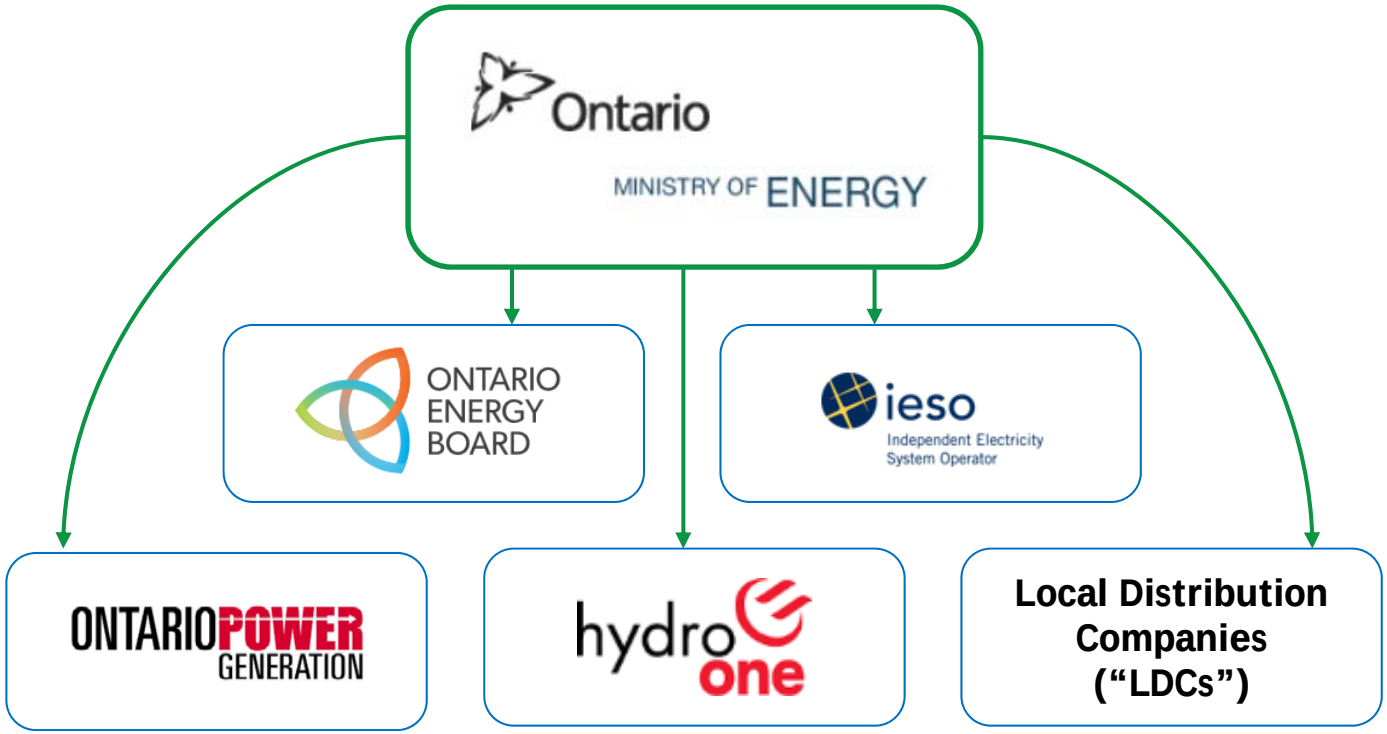


Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to not include the assets and liabilities of OPG, and vice versa

II. Ontario Electricity Market

Overview of Ontario's Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in annual cash flows
- Transmission rates, distribution rates, and OPG's regulated rates are set by the Ontario Energy Board
- Rates for the majority of the remaining generation supply are set by direct contracts with the IESO (e.g. wind, solar, hydroelectric)



Key Industry Participants

Participant	Rating *(DBRS / S&P / Moody's)*	Description
ONTARIO ENERGY BOARD	--	• The OEB is an independent public regulatory agency established under the Ontario Energy Board Act, 1998 • The Ontario Energy Board Act, 1998 provides the OEB with the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • The OEB sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan ("RPP"); RPP rates are set twice a year (May and November) • RPP prices are set for: time-of-use (On-peak, Mid-peak, and Off-peak); and tiered (Tier 1 and Tier 2), to recover the forecast commodity cost of electricity
ieso Independent Electricity System Operator	A(h) / -- / Aa2	• The Independent Electricity System Operator (the "IESO") is a not-for-profit corporation established under the Electricity Act, 1998 • The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
ONTARIO POWER GENERATION	A(l) / BBB+ / --	• OPG is a corporation formed under the Business Corporation Act (Ontario), whose sole shareholder is the Province of Ontario • OPG's principal business is the generation and sale of electricity in Ontario • OPG is Ontario's largest electricity generator, providing approximately half of Ontario's electricity
hydro one	A(h) / A / A3	• Hydro One is Ontario's largest electricity transmission and distribution company; Hydro One delivers electricity to over 1.3 million customers across the Province of Ontario, and to large industrial customers and municipal utilities

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations
  - These distributors are typically referred to in Ontario as local distribution companies, or "LDCs"
- An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors
  - A service territory may cover large portions of all of a particular municipality, or an otherwise-defined geographic area
  - Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals

Select Aggregate Market Stats[1]

Number of LDCs	65
Residential & Small Commercial[2] Revenue	$18.89 billion
Residential & Small Commercial[2] Metered Usage (kWh)	52.39 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

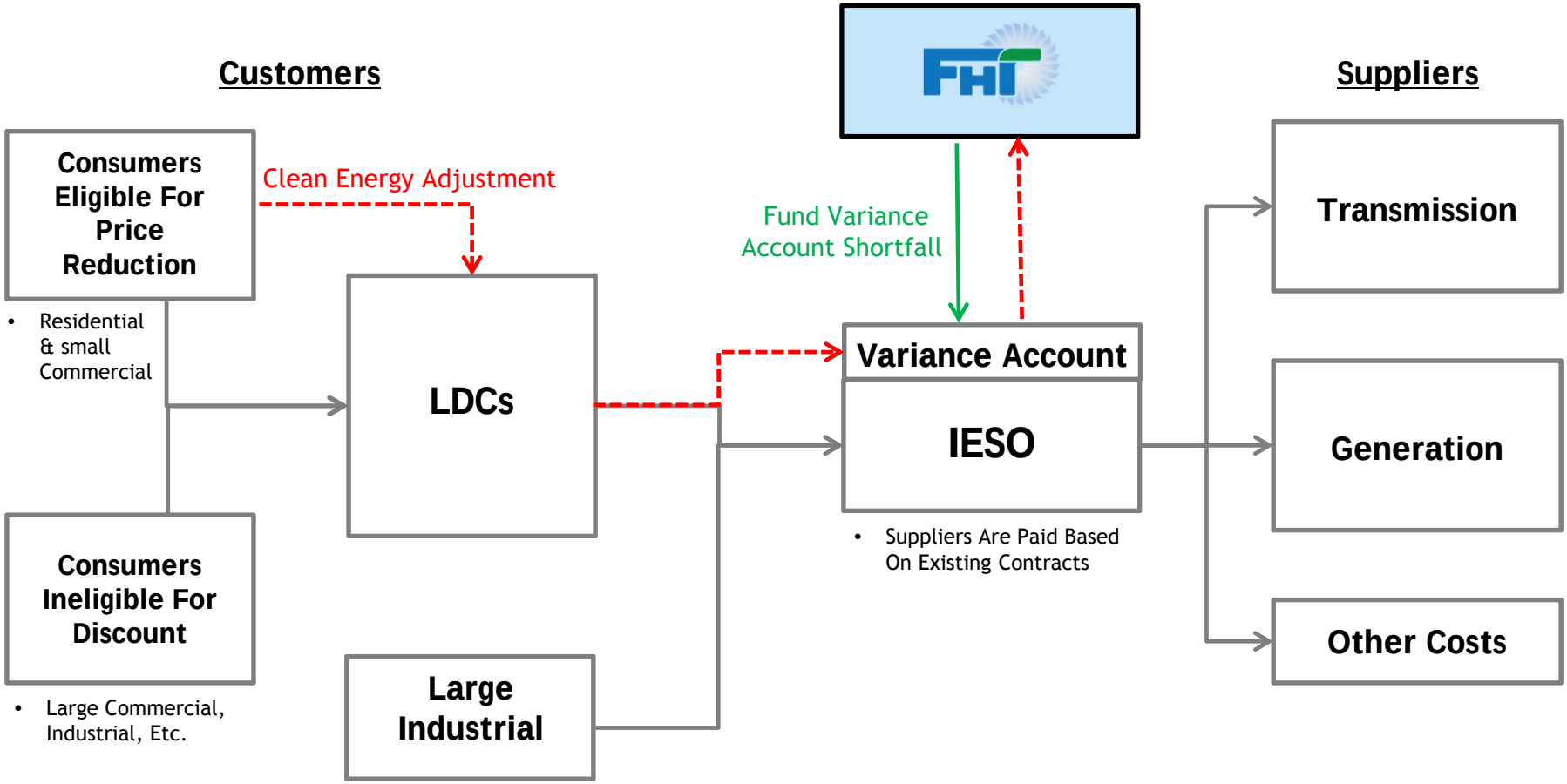
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	Customers[4] *(MM)*	Revenue[4] *(C$MM)*
hydro one	A / A(h) / A3	1.30	$4,533
alectra utilities	A / A / --	0.96	$3,642
TORONTO HYDRO	A / A / --	0.75	$3,886
HydroOttawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	**$13,680**

[1] Source: OEB 2016 Yearbook of Electricity Distributors
[2] Small Commercial includes General Service <50kW Customers
[3] Most recent rating reports from S&P, DBRS and Moody's
[4] Residential and Small Commercial customers

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment and records this amount, together with financing costs, in a variance account
- FHT will finance the shortfall and is entitled to recover its costs through CEAs from Specified Consumers



III. Legislative and Regulatory Framework

Legislation Overview

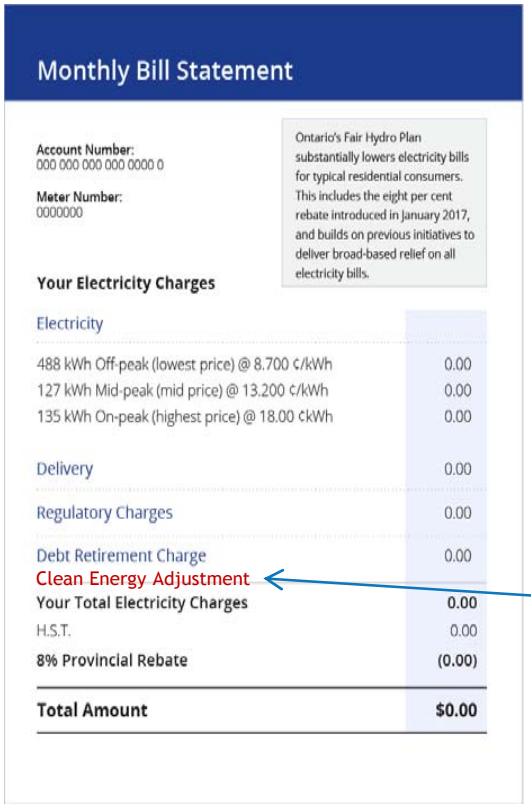
Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to consumers as a result of Ontario's clean energy initiative; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• *July 1, 2017 – April 30, 2018* – Specified Consumers charged an invoice amount that is 25% less than the regulated rate that would otherwise have been determined by the OEB (referred to as the "Fair Adjustment") • *May 1, 2018 – April 30, 2019* - previously established regulated rate anticipated to increase by the rate of inflation in Ontario • *May 1, 2019 – April 30, 2021* - rate reductions will be established by regulation but anticipated to increase by the rate of inflation in Ontario

Legislation Overview

Regulatory Asset	• Each month the IESO determines the shortfall that results from the Fair Adjustment and records this amount, together with the costs of financing the shortfall, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right, the "Regulatory Asset") • The IESO may transfer a specified portion of the Regulatory Asset to the Trust for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset
Investment Asset	• If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right, an "Investment Interest") • By acquiring an Investment Interest, the Trust will be entitled to recover all of its costs of such financing and will acquire the right to impose, invoice, collect, receive and recover CEAs from Specified Consumers • The Trust is not obligated to purchase Regulatory Assets from the IESO
Moratorium Period	• From July 1, 2017 to April 30, 2021, CEAs are not permitted to be collected from Specified Consumers ("Moratorium Period") • The IESO is obligated to pay all funding and other expenses of the Trust (referred to as Carrying Costs), excluding principal, during the Moratorium Period up to July 31, 2021 • The IESO has a $2 billion credit facility from the Ontario Electricity Financing Corporation ("OEFC") to pay Carrying Costs; as security for the performance of its obligations, the IESO has granted a first-priority security interest in all of its accounts receivables

Clean Energy Adjustments

- Under the FHPA, the "clean energy adjustment" is the amount payable by Specified Consumers to cover the cost of financing the shortfall from the Fair Adjustment and the associated costs to finance, including operating costs of the Trust and funding of reserve accounts
- CEAs may not be set off or by-passed by Specified Consumers
- **Finance amount** = estimate of the amount payable by the Trust in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments
- **True-up amount** = captures the difference between the finance amounts incurred by the Trust and the CEAs collected from consumers and also includes other anticipated shortfalls and differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)



Monthly Bill Statement

Account Number:
000 000 000 000 0000 0

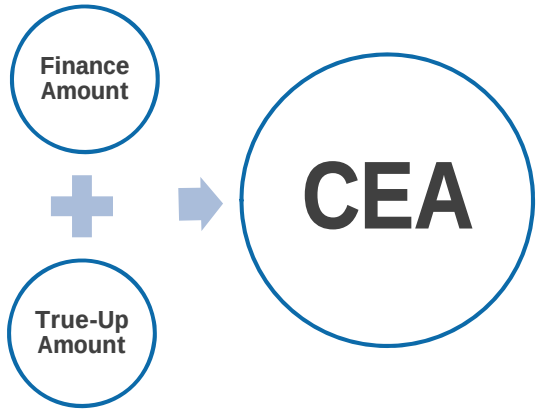
Meter Number:
0000000

Ontario's Fair Hydro Plan substantially lowers electricity bills for typical residential consumers. This includes the eight per cent rebate introduced in January 2017, and builds on previous initiatives to deliver broad-based relief on all electricity bills.

Your Electricity Charges

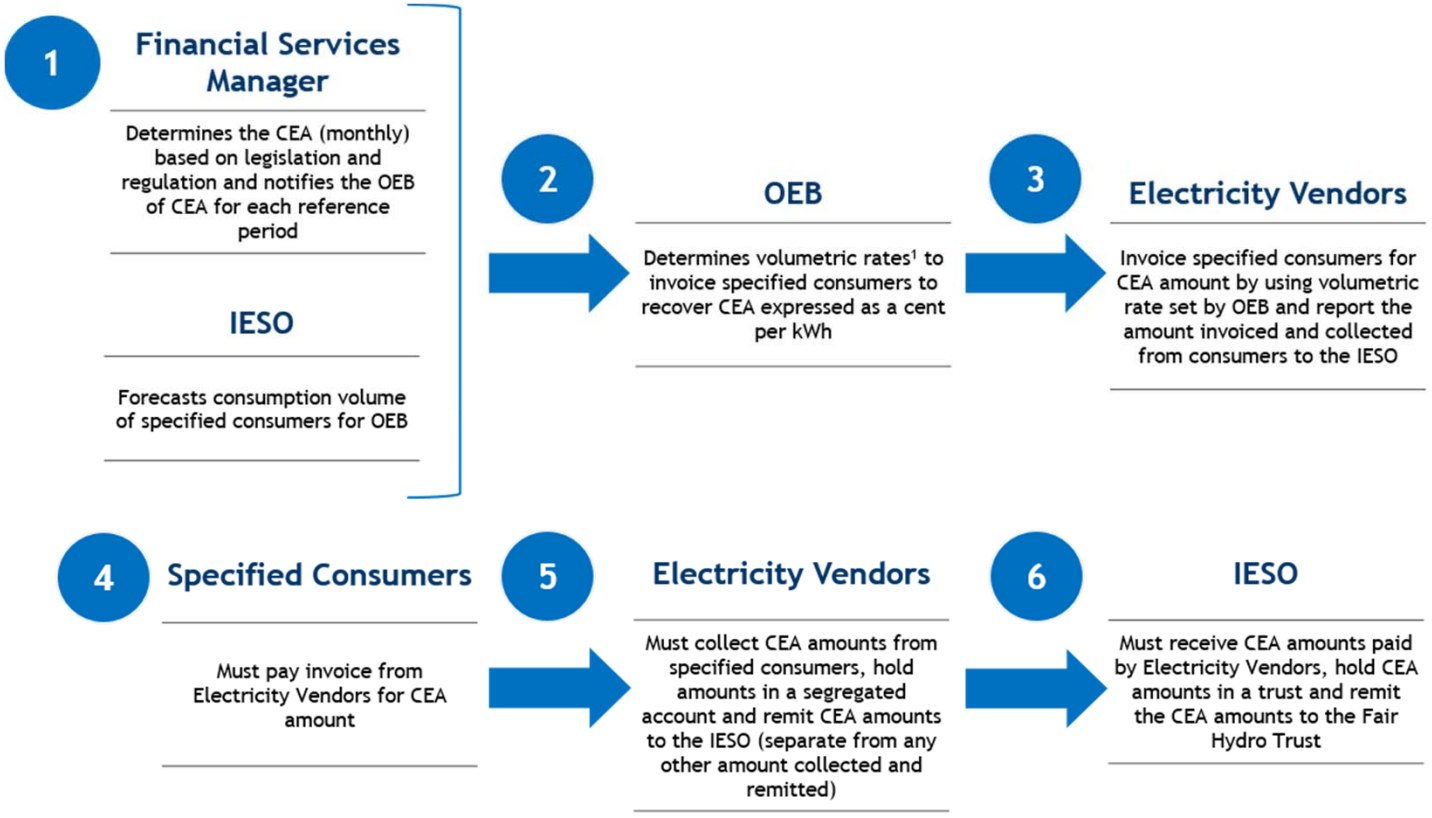
Electricity	
488 kWh Off-peak (lowest price) @ 8.700 ¢/kWh	0.00
127 kWh Mid-peak (mid price) @ 13.200 ¢/kWh	0.00
135 kWh On-peak (highest price) @ 18.00 ¢kWh	0.00
Delivery	0.00
Regulatory Charges	0.00
Debt Retirement Charge	0.00
Clean Energy Adjustment	
Your Total Electricity Charges	0.00
H.S.T.	0.00
8% Provincial Rebate	(0.00)
Total Amount	**$0.00**

New charge that will be added to electricity bills in May 2021 as a separate line item



Billing and Collection of CEAs

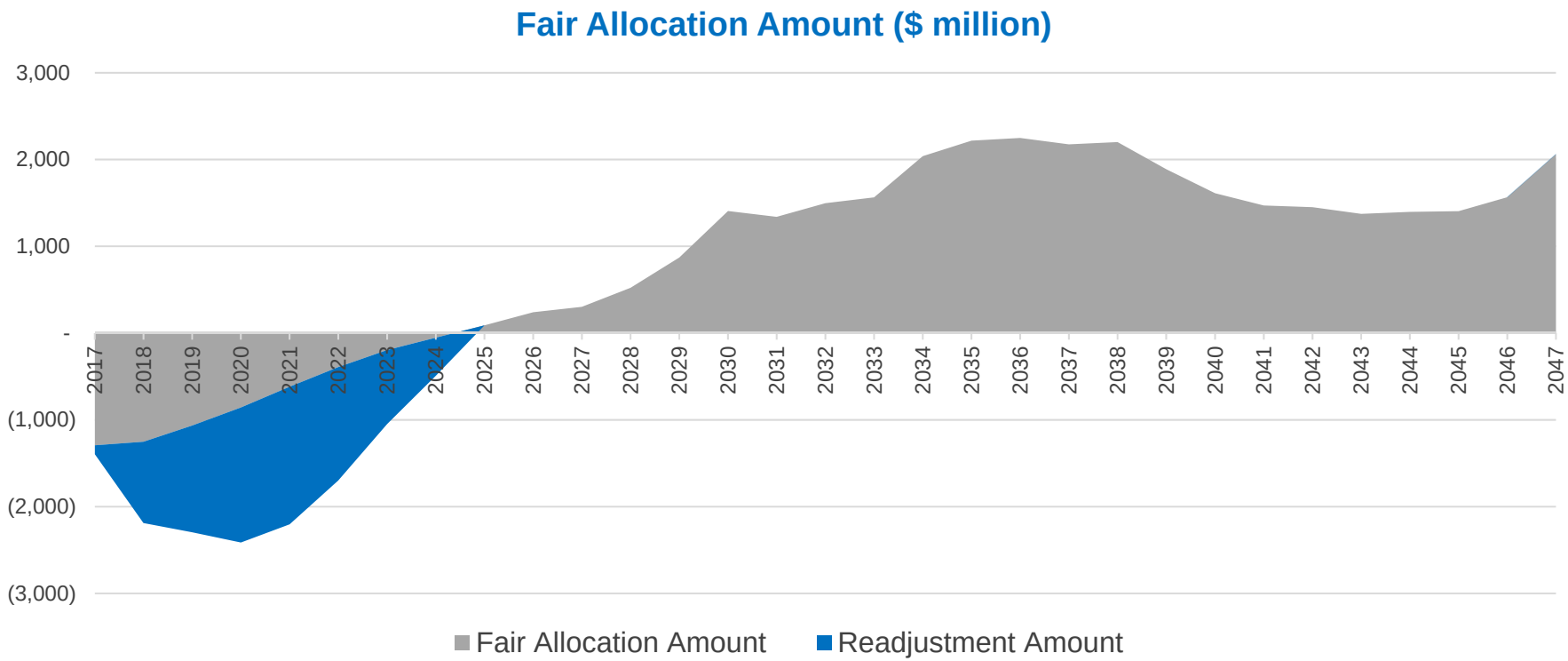
- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are dealt with through statutory rights in the Act, the collection obligations of the IESO under the Master Transfer & Servicing Agreement ("MTSA") and the ability to include amounts into the true up mechanism



[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers

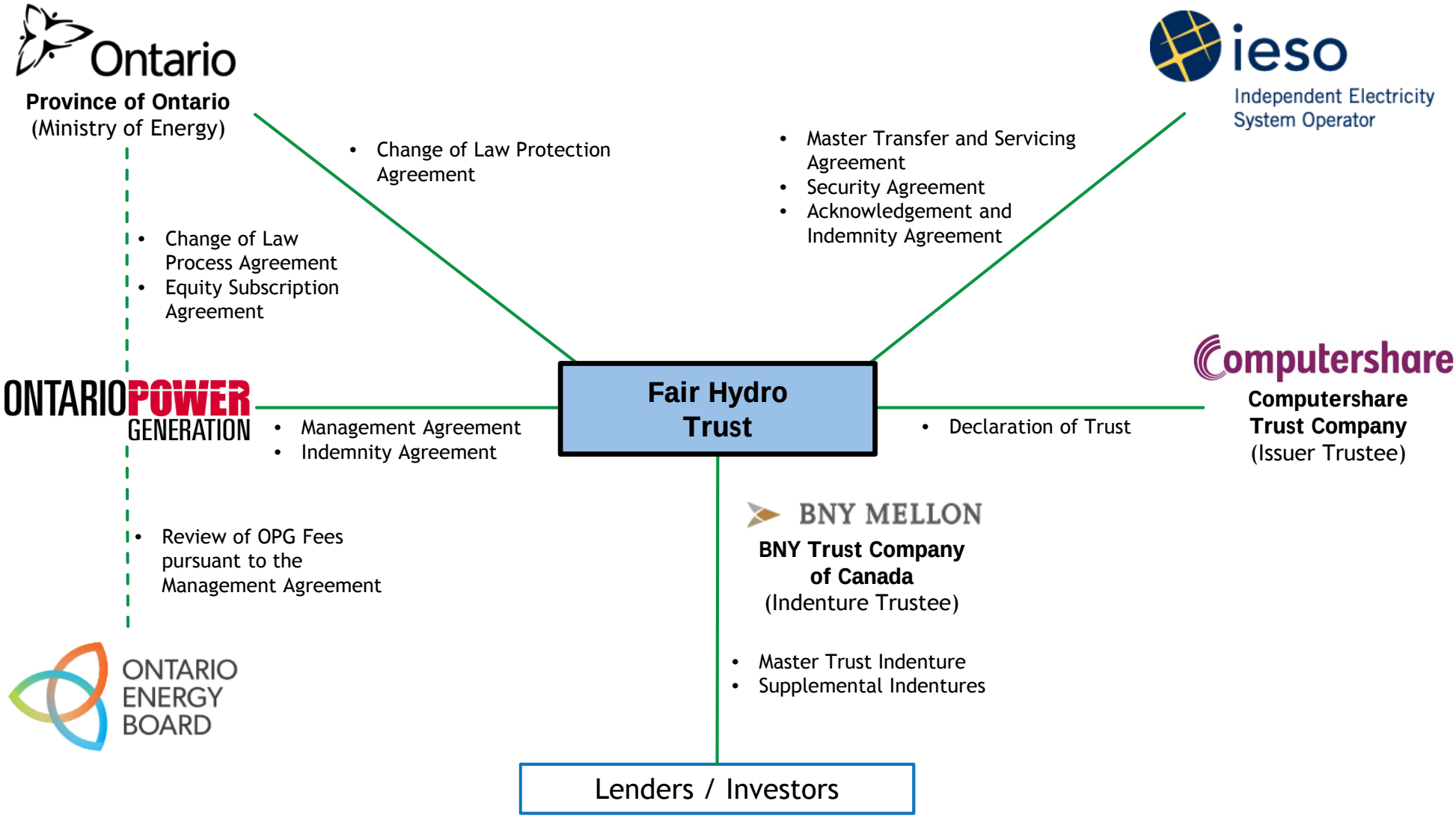
Fair Allocation Amount

- The Fair Allocation Amount ("FAA") is the estimated clean energy costs without consideration of the FHP compared to these same costs reallocated on the basis of estimated clean energy benefits to Specified Consumers in respect of each reference period and includes operating and financing costs of the FHT
- If the FAA is negative, this means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers); the FAA is expected to be negative until at least May 2024
- The Ministry of Energy will provide updated FAAs to OPG from time-to-time



IV. Contractual Framework

Simplified Contractual Structure



Key Agreements

Change of Law Protection Agreement

Parties	• (1) Province of Ontario as Obligor and (2) Indenture Trustee, on behalf of Specified Creditors[1], as Beneficiaries and (3) OPG as Financial Services Manager ("FSM")
Purpose	• Provides assurance to investors that upon the occurrence of a Protection Event, the Province of Ontario will have an obligation to make payments on behalf of the Trust
Key Terms	• **Term**: Continues for as long as any obligations of the Trust that are secured under the Master Trust Indenture (MTI) remain outstanding • **Mandatory Payment**: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all obligations when due and payable • **Priority of Payments**: The priority of payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the issuance of debt which is to benefit from change in law protection from the Province • **Suspension Notice**: The Province may deliver a suspension notice, after which date funding obligations incurred will not have the benefit of the Change of Law Protection, upon the occurrence of a program breach, a default in performance, or misrepresentation by OPG as FSM

[1] **Specified Creditors** are any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer

Key Agreements

Change of Law Protection Agreement (cont'd)

Protection Events

The occurrence of any of the following events:

- The Legislature repeals (and does not replace on an equivalent basis) or amends the Act or any portion thereof as in effect on the date hereof
- The Legislature enacts or amends any other statute
- The Lieutenant Governor in Council repeals (and does not replace on an equivalent basis) the regulations made under the Act or any portion thereof as in effect on the date hereof
- The Lieutenant Governor in Council amends any "regulation" (as defined in Part III of the Legislation Act, 2006) as in effect on the date hereof
- The implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province
- A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is ultra vires or invalid in a way that adversely affects the ability of the Trust to pay its obligations

in each case that adversely affects the ability of the Trust to pay its obligations when due and payable, taking into account any funds available in reserve accounts and any reasonably expected potential effect of a true-up amount

Key Agreements (cont'd)

Master Transfer and Servicing Agreement

Parties	• (1) the IESO, as transferor and servicer; (2) the Trust
Purpose	• Provides for the transfer, by the IESO to the Trust of the regulatory asset, and upon such transfer the Trust acquires an investment interest
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer the regulatory asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer. • **Servicing Duties:** The IESO will be responsible for servicing the investment interest under the Regulations, including collecting clean energy adjustment amounts from electricity vendors and remitting the same to the Trust, including: – Establishing a segregated account for collecting CEAs and use reasonable efforts to cause electricity vendors to do the same – Collect CEAs from electricity vendors – Remit CEAs monthly to the Trust – Prepare monthly servicer reports – Forecast electricity consumption of Specified Consumers • **Moratorium Period:** During Moratorium Period (until May 1, 2021), the IESO will be required by regulation to fund all interest and other expenses of the Trust, which will be offered, as regulatory assets, for transfer to the Trust in a subsequent period. • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, for the obligation of non-rated or non-investment grade rated electricity vendors.

Key Agreements (cont'd)

Management Agreement

Parties	• Issuer Trustee, on behalf of the Trust, and OPG, as Manager
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust
Key Terms	• **Duties Include**: – Negotiating and executing program agreements; – Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations; – Review or caused to be reviewed, records of electricity vendors on a annual basis with respect to CEAs – Preparing financial statements; and – Paying taxes on behalf of the Trust • **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire investment interests • **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements • **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding

Key Agreements (cont'd)

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulation to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in all of its accounts receivable
Acknowledgement and Indemnity Agreement (IESO)	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee and provides certain indemnities with respect to its duties and obligations under the MTSA
Indemnity Agreement (OPG)	• OPG, as manager under the Management Agreement, provides certain indemnities to the Indenture Trustee with respect to its duties and obligations under the Management Agreement
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of a proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as updated from time to time) to be exceeded
Equity Subscription Agreement	• Specifies the terms and conditions upon which the Province provides equity injections to OPG to purchase subordinated debt issued by the Trust
Declaration of Trust	• Establishes FHT to carry out activities for the benefit of its beneficiary unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare)

Allocation of Servicing Role and Responsibilities

The shared responsibilities of servicing and management roles are summarized below

	OPG	IESO	LDC
Annually Review Records of LDCs with Respect to CEAs	✔		
Determination of True-Up Amount	✔		
Ongoing Filings for Trustee and Rating Agencies	✔		
Management of Ongoing Debt Issuances	✔		
Cash Management		✔	
Preparation of Monthly Service Reports		✔	
Remittance of CEA to IESO and to the Trust		✔	✔
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		✔	✔
Customer Billing			✔
Customer Collections			✔
Customer Meter Reading			✔

V. Financing Program

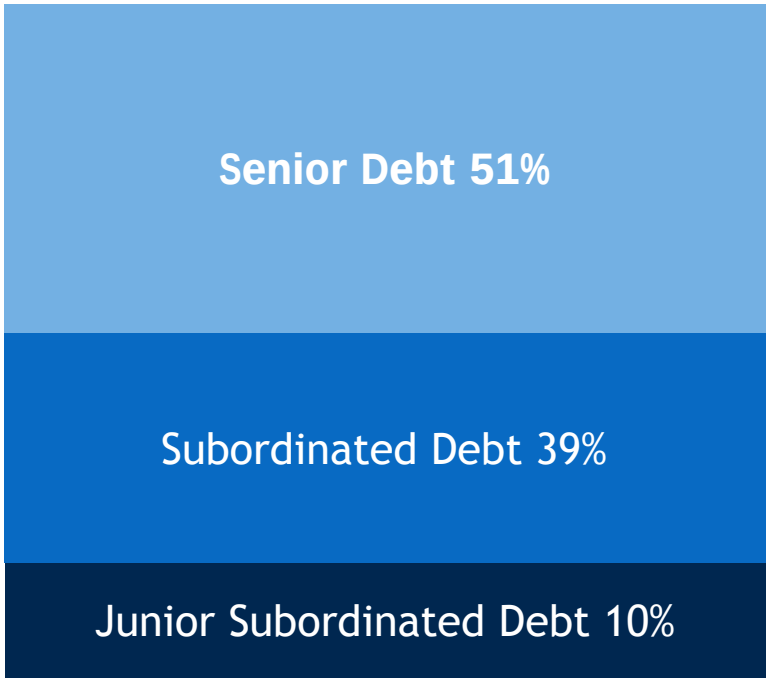
Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program
- Given the size (~$20 billion) and longevity (~10 years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Warehouse financing (ABCP conduit) and OPG subordinated debt will be used to fund monthly regulatory asset purchases from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- Term debt can take the form of bullet bonds or could be issued as amortizing bonds

ABCP Conduit	• ABCP conduit and OPG subordinated debt will be used to fund monthly regulatory asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance short term debt financing provided by ABCP conduit and OPG subordinated debt • Both Canadian term debt and U.S. term debt market will be considered • Maturity profiles will be structured to fit under the fair allocation curve (bullet bonds with synthetic amortization or amortizing bonds)
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall)

Financing Structure

- The Trust will fund regulatory asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51%) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required) will be purchased by OPG, primarily with equity injections from the Province (44%) and the remaining 5% from OPG



Senior Notes
Term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

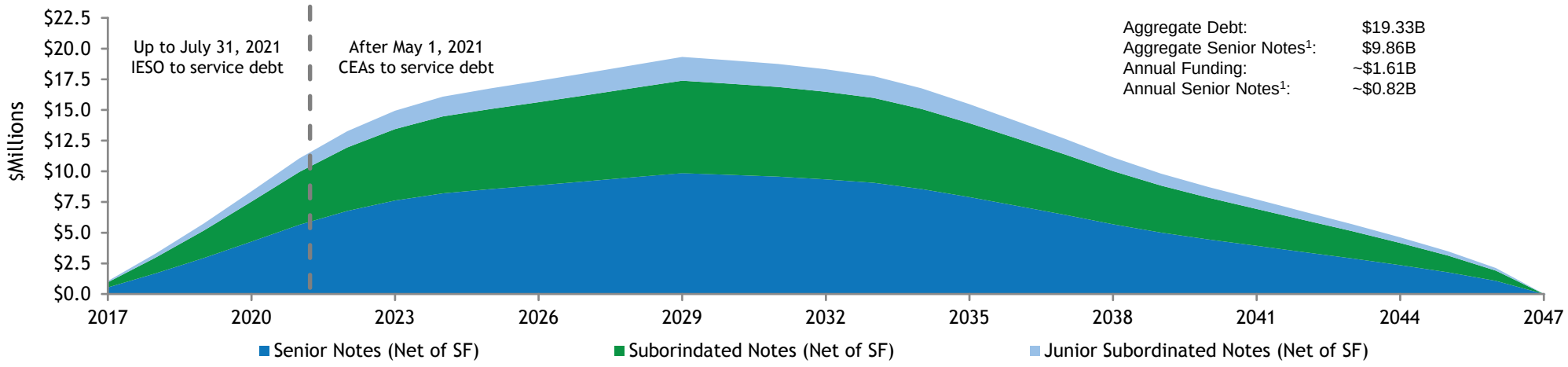
Junior Subordinated Debt
- OPG equity injection (5%)
- Provided to Trust by OPG via the Province (5%)

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount and the Province's electricity bill reduction targets, the following debt profile for the program is expected, peaking at just under $20 billion by 2029
- Various tranches of debts will be issued periodically during the period of 2017 - 2028, which will mature over a period after 2029

Illustrative Aggregatee Funding and Repayment Profile (Annual; Net of Sinking Fund ("SF") Payments)

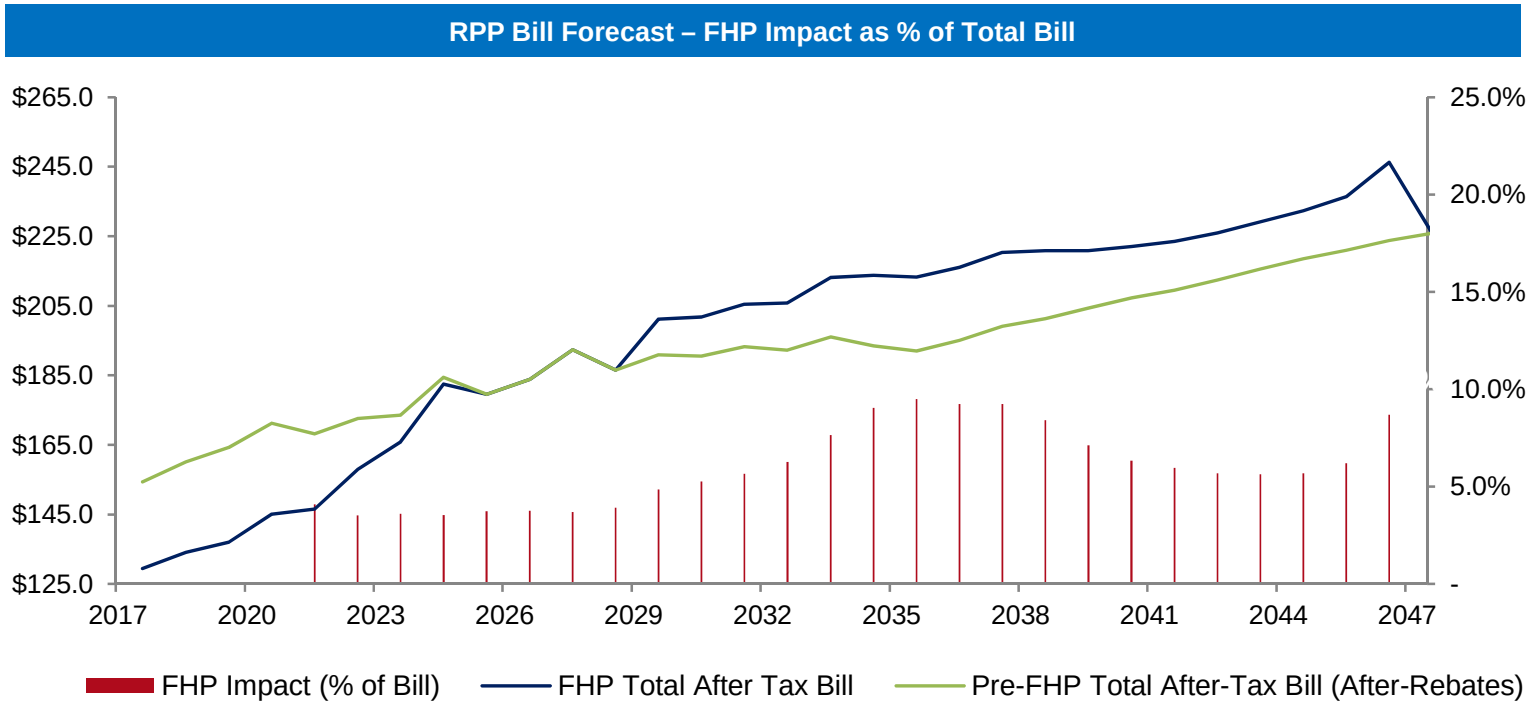


[1] Assumes 51% Senior Notes

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro program, the clean energy adjustment for the average residential customer is anticipated to remain below 10% of the total electricity bill
- Max CEA as a percent of the total bill is forecast to be 10.1%
- Average CEA as a percent of the total bill is forecast to be 6.9%



Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• All Specified Creditors are required to be bound by the terms of the MTI including the priority provisions and to limit recourse to the assets of the Trust

Key Terms

Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments including:
	  • Note issuances under supplemental indentures
	  • Borrowings under credit agreements
	  • Purchase of notes under note purchase agreements
	  • Letters of Credit/Guarantees under credit enhancement agreements
	  • Liquidity loans under liquidity agreements backing short term notes

Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that:
	  – the incurrence of such additional obligations will not cause an adverse effect
	  – the incurrence of such additional obligations is materially consistent with the Financing Plan
	  – the estimated finance amount that would become due during the applicable reference period is expected to reasonably align with the fair allocation amount for such reference period
	• It will also be a condition precedent that each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations

Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Subordination	• Provides for three different classes of funding obligations (i) senior (ii) subordinated, and (iii) junior subordinated
Priority	• Prior to an Event of Default: the waterfall provision applies • After an Event of Default: payment priority direct all amounts to pay senior obligations first
Early Amortization	• Early amortization events will include the occurrence of a scheduled final payment date on notes, the Trust becoming an investment company, the insolvency of IESO or the Manager and any other additional early amortization events set out in a funding obligation agreement • An early amortization event will result in a modified repayment schedule for the outstanding funding obligations
Events of Default	• Include payment defaults, and representation and covenant breaches
Acceleration	• CEAs cannot be increased to the level to repay all outstanding principal following acceleration, however the subordination of debt would advance the repayment of the senior funding obligations

Indicative Waterfall



VI. Summary of Offering

Summary of Indicative Terms

Initial Fair Hydro Issuance	**Class**	**Size**	**% of Trust**	**Expected Maturity**	**Legal Maturity**	**Rating (DBRS / Moody's)**
	Senior Warehouse	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	N / A
	Senior Term Notes	$[ ] mm	[ ]%	[ ]	[ ]	AAA / Aa2
	Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
	Jr. Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
Issuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager					
Financial Services Manager	Ontario Power Generation, Inc.					
Servicer	Independent Electricity System Operator					
Guarantor	Province of Ontario					
Provincial Rate Authority	Ontario Energy Board					
Source of Repayment	• Moratorium Period: Statutorily mandated remittances from IESO • Post Moratorium Period: Non-bypassable charge from residential and commercial customers in Ontario, related collections and reserve accounts					
Amortization	Sinking fund with bullet maturity					
Payment Frequency	Semi-annual					
Interest	Fixed rate					
Senior Note Credit Enhancements	• Semi-annual True-up • Reserve Account (Senior Notes) • Subordination					
Reserve Account	[ ]					
True-up	Calculated on a semi-annual basis post-moratorium period					
Subordination	Subordinated and Jr. Subordinated Notes will be retained by OPG					
Additional Issuance	Master trust allows for the issuance of additional notes subject to Rating Agency Condition					

VII. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• There may be pressure on a future government to adjust certain aspects of the repayment requirements	• Change of Law Protection Agreement in favour of lenders / investors
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• 6-month reference period • True up mechanism • Any shortfall in collections are recoverable from all Specified Consumers
Defaults (IESO & LDCs)	• During the Moratorium Period, the Trust is dependent on the IESO to pay carrying costs • Receipt of CEAs dependent on the performance of LDCs and IESO	• IESO has a very strong credit profile and very low losses • IESO to provide a letter of credit/other security for the obligation of non-rated or below investment grade rated LDCs • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	• 20-year repayment period allows for gradual rate increases • Max CEAs as a percent of the total is forecast to be ~10%

VIII. Investment Highlights

Investment Highlights

- Strong provincial support through the Change of Law Protection Agreement
- Irrevocable & non-bypassable rate payer charge
- Full cross-collateralization; collection shortfalls allocated among all Specified Consumers
- Enhanced true-up mechanism
- Credit enhancement for senior debt provided via subordinated debt
- Experienced operating agents (OPG, IESO, and LDCs)
- Strong service territory
- No large user industrial risk exposure

From:	Wagner, Ryan
To:	Brett Kichiy; ""John Lee"; ""Ken Ryfa"; Linda Smith; Mike Manning; "Sheen.liu@opg.com"; Gadi Mayman; "j.hahnparker@opg.com"; Kevin Shvarts; "ken.hartwick@opg.com"; Ricky Lai; "MAHMOOD Irma -FINANCE"
Cc:	Williams, Grant; Schauffert-Tam, Susan; Ruta, Olivier
Subject:	FHP BMO 2018.02.21
Date:	Wednesday, February 21, 2018 9:47:51 AM
Attachments:	FHP_BMO_20180221.pdf FHP_BMO_20180221.xlsx

Please see our pricing input for FHP attached.

Let us know any questions.

Thank you,

Ryan Wagner, CFA, MFE

Associate

Investment Grade Origination

BMO Capital Markets

100 King Street West, 3rd Floor Podium

Toronto, ON M5X 1H3

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Bank Name	Bank of Montreal
Date	21-Feb-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.45%	2.46%	2.36%	2.31%	2.09%	1.89%	-3bps	-3bps	-2bps	-2bps	3bps	4bps
Curve Adjustment (bp)	0.0	0.3	5.4	1.6	3.1	5.1	0bps	0bps	0bps	0bps	0bps	-1bps
Spread to GoC Curve (bp)	**97**	**95**	**93**	**82**	**56**	**40**	0bps	-1bps	-2bps	-1bps	0bps	1bps
Re-Offered Yield	3.42%	3.41%	3.34%	3.15%	2.68%	2.34%	-3bps	-4bps	-4bps	-3bps	2bps	5bps
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9						
All-in Yield	**3.45%**	**3.44%**	**3.37%**	**3.20%**	**2.75%**	**2.41%**	-3bps	-4bps	-4bps	-3bps	2bps	5bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	73	73	72	61	40	26	1bps	1bps	1bps	1bps	-1bps	-1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					82						1bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					74	59					1bps	2bps
MBS - BAML NHA MBS (AAA/AAA)					61	44					1bps	2bps
CMBs: (AAA/Aaa/AAA)			40.5	35.5	28	17.5			2bps	2bps	1bps	3bps
PSP Investments (AAA/Aaa/AAA)				66	44	28				0bps	-1bps	-1bps
CPP Investment Board (AAA/Aaa/AAA)	86			66	44	28	0bps			0bps	-1bps	-1bps
BMO (Senior) (A+/A1/AA)	113			88	74	62	0bps			0bps	1bps	2bps
Nav Canada (sub) (AA-/Aa2/AAL)	92			78	55	44	2bps			0bps	-1bps	-1bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.45%	2.46%	2.36%	2.31%	2.09%	1.89%	-3bps	-3bps	-2bps	-2bps	3bps	4bps
Curve Adjustment (bp)	0.0	0.3	5.4	1.6	3.1	5.1	0bps	0bps	0bps	0bps	0bps	-1bps
Spread to GoC Curve (bp)	**137**	**135**	**132**	**112**	**81**	**65**	0bps	-1bps	-2bps	-1bps	0bps	1bps
Re-Offered Yield	3.82%	3.81%	3.73%	3.45%	2.93%	2.59%	-3bps	-4bps	-4bps	-3bps	2bps	5bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.85%**	**3.85%**	**3.77%**	**3.50%**	**3.00%**	**2.66%**	-3bps	-4bps	-4bps	-3bps	2bps	5bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73	73	72	61	40	26	1bps	1bps	1bps	1bps	-1bps	-1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						79						2bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						94						2bps
BMO (Senior) (A+/A1/AA)	113			88	74	62	0bps			0bps	1bps	2bps
Nav Canada (sub) (AA-/Aa2/AAL)	92			78	55	44	2bps			0bps	-1bps	-1bps
City of Toronto (AA / Aa1 / AA)	96	96	94.5	78	55	39	0bps	1bps	1bps	0bps	-1bps	-1bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.45%	2.46%	2.36%	2.31%	2.09%	1.89%	-3bps	-3bps	-2bps	-2bps	3bps	4bps
Curve Adjustment (bp)	0.0	0.3	5.4	1.6	3.1	5.1	0bps	0bps	0bps	0bps	0bps	-1bps
Spread to GoC Curve (bp)	**212**	**209**	**200**	**162**	**125**	**110**	0bps	-1bps	-2bps	-1bps	-1bps	1bps
Re-Offered Yield	4.57%	4.55%	4.41%	3.95%	3.37%	3.04%	-3bps	-4bps	-4bps	-3bps	1bps	5bps
Commission (bp)	2.9	3.7	3.5	4.8	7.5	6.9						
All-in Yield	**4.60%**	**4.59%**	**4.45%**	**4.00%**	**3.44%**	**3.11%**	-3bps	-4bps	-4bps	-3bps	1bps	5bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73	73	72	61	40	26	1bps	1bps	1bps	1bps	-1bps	-1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					147						1bps	
ABS - BMO Fortified Sub A Rated Tranche					129						1bps	
Hydro One (A/A3/AH)	128			85	62	47	-2bps			0bps	-1bps	-3bps
OPG (BBB+/-/AL)	163			115	92	77	-2bps			0bps	-1bps	-3bps

Generic Corporate Credit Spreads AA	95			86	65		1bps			0bps	1bps	
Generic Corporate Credit Spreads A	153			114	82		2bps			0bps	1bps	
Generic Corporate Credit Spreads BBB	227			169	117		1bps			2bps	1bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	21-Feb-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
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Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.45%	2.46%	2.36%	2.31%	2.09%	1.89%	-3bps	-3bps	-2bps	-2bps	3bps	4bps
Curve Adjustment (bp)	0.0	0.3	5.4	1.6	3.1	5.1	0bps	0bps	0bps	0bps	0bps	-1bps
Spread to GoC Curve (bp)	**97**	**95**	**93**	**82**	**56**	**40**	0bps	-1bps	-2bps	-1bps	0bps	1bps
Re-Offered Yield	3.42%	3.41%	3.34%	3.15%	2.68%	2.34%	-3bps	-4bps	-4bps	-3bps	2bps	5bps
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9						
All-in Yield	**3.45%**	**3.44%**	**3.37%**	**3.20%**	**2.75%**	**2.41%**	-3bps	-4bps	-4bps	-3bps	2bps	5bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
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Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
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PSP Investments (AAA/Aaa/AAA)				66	44	28				0bps	-1bps	-1bps
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BMO (Senior) (A+/A1/AA)	113			88	74	62	0bps			0bps	1bps	2bps
Nav Canada (sub) (AA-/Aa2/AAL)	92			78	55	44	2bps			0bps	-1bps	-1bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
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Benchmark Yield	2.45%	2.46%	2.36%	2.31%	2.09%	1.89%	-3bps	-3bps	-2bps	-2bps	3bps	4bps
Curve Adjustment (bp)	0.0	0.3	5.4	1.6	3.1	5.1	0bps	0bps	0bps	0bps	0bps	-1bps
Spread to GoC Curve (bp)	**137**	**135**	**132**	**112**	**81**	**65**	0bps	-1bps	-2bps	-1bps	0bps	1bps
Re-Offered Yield	3.82%	3.81%	3.73%	3.45%	2.93%	2.59%	-3bps	-4bps	-4bps	-3bps	2bps	5bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.85%**	**3.85%**	**3.77%**	**3.50%**	**3.00%**	**2.66%**	-3bps	-4bps	-4bps	-3bps	2bps	5bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	73	72	61	40	26	1bps	1bps	1bps	1bps	-1bps	-1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						79						2bps
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Nav Canada (sub) (AA-/Aa2/AAL)	92			78	55	44	2bps			0bps	-1bps	-1bps
City of Toronto (AA / Aa1 / AA)	96	96	94.5	78	55	39	0bps	1bps	1bps	0bps	-1bps	-1bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
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Curve Adjustment (bp)	0.0	0.3	5.4	1.6	3.1	5.1	0bps	0bps	0bps	0bps	0bps	-1bps
Spread to GoC Curve (bp)	**212**	**209**	**200**	**162**	**125**	**110**	0bps	-1bps	-2bps	-1bps	-1bps	1bps
Re-Offered Yield	4.57%	4.55%	4.41%	3.95%	3.37%	3.04%	-3bps	-4bps	-4bps	-3bps	1bps	5bps
Commission (bp)	2.9	3.7	3.5	4.8	7.5	6.9						
All-in Yield	**4.60%**	**4.59%**	**4.45%**	**4.00%**	**3.44%**	**3.11%**	-3bps	-4bps	-4bps	-3bps	1bps	5bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	73	72	61	40	26	1bps	1bps	1bps	1bps	-1bps	-1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					147						1bps	
ABS - BMO Fortified Sub A Rated Tranche					129						1bps	
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Generic Corporate Credit Spreads AA	95			86	65		1bps			0bps	1bps	
Generic Corporate Credit Spreads A	153			114	82		2bps			0bps	1bps	
Generic Corporate Credit Spreads BBB	227			169	117		1bps			2bps	1bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

From:	Anna Strathy
To:	Mike Manning; Ken Kandeepan; Ronald Kwan; Gadi Mayman
Subject:	FHP Closing Documents
Date:	Friday, February 02, 2018 9:11:29 AM
Attachments:	1. Fair Hydro Closing Agenda.pdf

Good morning,

Closing documents for the Change of Law Process Agreement have been received from Torys on USB. I've confirmed with Malle that no action is required – these documents are for our review/future reference.

There are about 110 documents included on the USB, which Greg has uploaded to a temporary file on my hard drive. I'm attaching the "table of contents" that was included on the USB so that you may review and let me know if there's anything in particular you'd like to review immediately. In the meantime, I will set up a shared folder so that everyone here can access and review the files at their leisure.

Where might be the best place to save these files permanently? With Documentation? Or Risk?

Anna

Anna Strathy
Special Policy Advisor to CEO
Ontario Financing Authority
1 Dundas Street West, 14th Floor
416.325.8032 | anna.strathy@ofina.on.ca

FAIR HYDRO TRUST

WAREHOUSE FACILITY

CLOSING AGENDA

DATE:	Warehouse Pre-Closing:	December 20, 2017
	Warehouse Closing:	December 21, 2017
PLACE:	Torys LLP 79 Wellington St. West 33rd Floor Toronto, ON M5K 1N2	
PARTIES:		
Issuer:	Fair Hydro Trust ("**Issuer**")	
	Represented by:	Manager
Issuer Trustee:	Computershare Trust Company of Canada ("**Issuer Trustee**")	
	Represented by:	Mircho Mirchev
Manager:	Ontario Power Generation Inc. ("**OPG**")	
	Represented by:	John Lee Ken Ryfa Leslie Wong Lubna Ladak May Laureta Lapira
Indenture Trustee:	BNY Trust Company of Canada ("**Indenture Trustee**")	
	Represented by:	Geralyn Krowles Pamela Lively Ahmad Adam Eleonore Morris
Funding Agents:	Canadian Imperial Bank of Commerce ("**CIBC**")	
	Represented by:	Sunil Adalja Andrew Maciel Donnie Persaud
	Royal Bank of Canada ("**RBC**" and, together with CIBC, the "**Funding Agents**")	
	Represented by:	Ian Benaiah Brent Taylor
Non-Conduit Purchaser(s)	Goldman Sachs Bank USA ("**Goldman Sachs**")	
	Represented by:	Katrina Niehaus Brian Delaney Robbin Conner

Administrative Agent:	Royal Bank of Canada ("**Administrative Agent**") Represented by:	Ian Benaiah Brent Taylor
Transferor and Servicer:	The Independent Electricity System Operation (the "**IESO**") Represented by:	Kim Marshall Michael Boll
The Province:	Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the "**Province**") Represented by:	Gadi Mayman Malle Hanslep
Issuer Counsel:	Torys LLP ("**Torys**") Represented by:	Krista Hill Michael Feldman Rima Ramchandani Nina Mansoori Yinka Olusoga Melissa Prado Brett Saulnier Mitchell Dost
Agents' Counsel:	Osler, Hoskin & Harcourt LLP ("**Osler**") Represented by:	Rocco Sebastiano Peter Milligan Rick Fullerton Michael Innes Amelia Miao Kate Royer
IESO Counsel:	Stikeman Elliott LLP ("**Stikeman**") Represented by:	Peter Hamilton Glenn Zacher
Province Counsel:	Blake, Cassels & Graydon LLP ("**Blakes**") Represented by:	Stephen Ashbourne

Defined Terms

Capitalized terms used and not otherwise defined in this closing agenda will have the meanings attributed to such terms in the FHPA and the related regulations or the Master Trust Indenture, as applicable.

"**Change of Law Process Agreement**" means the change of law process agreement between OPG and the Province dated as of December 21, 2017;

"**FHPA**" means the *Ontario Fair Hydro Plan Act, 2017*;

"**HW**" means Hunton & Williams LLP;

"**IESO Portal Agreement**" means the program agreement between IESO and the Issuer to allow the Issuer to access the IESO's online portal;

"**Master Trust Indenture**" means the master trust indenture dated as of December 21, 2017 between the Issuer and the Indenture Trustee;

"**OPG Unitholder**" means FHP2017 Inc., a wholly-owned subsidiary of OPG;

"**OPPSA**" means the *Personal Property Security Act* (Ontario);

"**Series 2017-1 Junior Subordinated Notes (Warehouse)**" means C$156,862,745.10 aggregate principal amount of Floating Rate Variable Funding Junior Subordinated Notes, Series 2017-1;

"**Series 2017-1 Senior Notes (Warehouse)**" means C$800,000,000 aggregate principal amount of Floating Rate Variable Funding Senior Notes, Series 2017-1;

"**Series 2017-1 Subordinated Notes (Warehouse)**" means C$611,764,705.88 aggregate principal amount of Floating Rate Variable Funding Subordinated Notes, Series 2017-1;

"**Warehouse Debt Engagement Letter**" means the engagement letter between the Issuer, OPG and the Agents in respect of the Series 2017-1 Senior Notes (Warehouse);

"**Warehouse Junior Subordinated Supplemental Indenture**" means the Warehouse Junior Subordinated Series 2017-1 Supplemental Indenture between, *inter alios*, the Issuer, the Indenture Trustee and OPG;

"**Warehouse Notes**" means, collectively, the Series 2017-1 Senior Notes (Warehouse), the Series 2017-1 Subordinated Notes (Warehouse) and the Series 2017-1 Junior Subordinated Notes (Warehouse);

"**Warehouse Senior Supplemental Indenture**" means the Warehouse Senior Series 2017-1 Supplemental Indenture between, *inter alios*, the Issuer, the Indenture Trustee and the Administrative Agent; and

"**Warehouse Subordinated Supplemental Indenture**" means the Warehouse Subordinated Series 2017-1 Supplemental Indenture between, *inter alios*, the Issuer, the Indenture Trustee and OPG.

Pre-Closing

All deliveries called for below shall be made at the Warehouse Pre-Closing to be held at 1 p.m. on December 20, 2017 at the offices of Torys.

Escrow Agreement

The documents listed below are to be tabled and held in escrow until the parties have agreed that such documents are satisfactory and that all acts to be performed at the Warehouse Closing have been satisfactorily performed. When all of the parties are satisfied with the documentation, each of the parties will indicate its agreement that the escrow be terminated, whereupon each of the documents so tabled will be released from escrow to the party or parties entitled thereto and the Warehouse Closing will terminate.

NO.	DOCUMENT	RESPONSIBILITY	SIGNATORIES	STATUS
I.	**PROGRAM DELIVERABLES**			
A.	**Legislation, Regulations and Related Deliverables**			
1.	FHPA	Province	-	Complete
2.	Regulations under the FHPA (the "**Regulations**")	Province	-	Complete
3.	Letter from Minister of Energy to Financial Services Manager regarding Fair Allocation Amount pursuant to section 20(4) of the FHPA	Province	-	Complete
4.	Letter from OPG to the Minister of Energy enclosing the Financing Plan and providing notice of Initial Protection Agreement Maximum (as defined in the Change of Law Process Agreement)	OPG	-	Complete
B.	**Preliminary Matters**			
5.	Incorporation and formation of the OPG Unitholder	OPG	-	Complete
6.	Indenture Trustee to open the following accounts in its name with an Eligible Institution: (a) Collection Account (b) Principal Accumulation Account (c) Interest Accumulation Account (d) Program Cash Reserve Account (e) Refinancing Account (f) IESO Cash Reserve Account	OPG	-	Complete
7.	Delivery by the Issuer to the Indenture Trustee of any agreements creating Obligations Secured (other than Issuer Funding Obligations) per section 5.03(a) of the Master Trust Indenture	OPG	-	N/A
8.	Confirm that all agreements delivered in item 7 above contain the language required per section 5.03(c) of the Master Trust Indenture	OPG	-	N/A
9.	KYC for Indenture Trustee	OPG	-	Complete
10.	KYC for Issuer Trustee	OPG	-	Complete
11.	Articles of amendment of OPG (to create Class A shares issuable to the Province under the Master Share Subscription Agreement)	OPG	☒ OPG	Complete
C.	**Establishment of Trust**			
12.	Declaration of Trust	Torys	☒ Issuer Trustee	Complete

NO.	DOCUMENT	RESPONSIBILITY	SIGNATORIES	STATUS
13.	Issuer Trustee contributes $10.00 as trust property	Issuer Trustee	-	Complete
14.	Subscription by FHP2017 Inc. for 1,000,000 units of the Trust	Torys	☒ FHP2017 Inc.	Complete
15.	Subscription by Indenture Trustee for 1 unit of the Trust	Torys	☒ Indenture Trustee	Complete
16.	Issuance of units of the Issuer to FHP2017 Inc. (1,000,000 units) and to Indenture Trustee (1 unit)	OPG	-	Complete
17.	Receipt from FHP2017 Inc. for 1,000,000 units of the Trust	FHP2017 Inc.	☒ FHP2017 Inc.	Complete
18.	Receipt from BNY to the Trust for the unit certificate representing 1 unit of the Trust	Torys	☒ Indenture Trustee	Complete
19.	Payment by OPG of $10,000.01 to the Collection Account (representing the subscription price for the units referred to in items 14 and 15)	OPG	-	Complete
D.	**Program Agreements and Agreements Ancillary Thereto**			
20.	Management Agreement (a) Exhibit A – Form of Annual Compliance Certificate (b) Exhibit B – Form of Monthly Portfolio Report	Torys / Osler	☒ Issuer ☒ OPG	Complete
21.	OPG Indemnity Agreement in favour of Indenture Trustee	Torys	☒ OPG	Complete
22.	Master Trust Indenture (a) Exhibit 1 – Form of Payment Instructions (b) Exhibit 2 – Form of Refinancing Notice (c) Exhibit 3 – Form of Specified Creditor List (d) Exhibit 4 – Form of Request for Specified Credit Information (e) Exhibit 5 – Form of Cancellation Notice	Torys / Osler	☒ Issuer ☒ Indenture Trustee	Complete
23.	Master Transfer and Servicing Agreement (a) Exhibit A – Form of Transfer Notice (b) Exhibit B – Form of Monthly Carrying Costs Statement	Torys / Osler / Stikeman	☒ Issuer ☒ IESO	Complete
24.	IESO Indemnity Agreement in favour of Indenture Trustee	Torys / Osler / Stikeman	☒ IESO ☒ Indenture Trustee	Complete
25.	IESO Security Agreement	Torys / Osler / Stikeman	☒ Issuer ☒ IESO	Complete

NO.	DOCUMENT	RESPONSIBILITY	SIGNATORIES	STATUS
26.	Change of Law Protection Agreement	Torys / Osler / Blakes	☒ Province ☒ OPG ☒ Issuer ☒ Indenture Trustee	Complete
27.	Change of Law Process Agreement	Torys / Osler / Blakes	☒ Province ☒ OPG	Complete
28.	IESO Portal Agreement	Torys / Stikeman	☒ Issuer ☒ IESO	Complete
29.	Specified Creditor List	OPG	-	N/A
30.	Incumbency certificate of the Manager in favour of the Indenture Trustee	OPG	☒ OPG	Complete
E.	**OPPSA Registrations**			
31.	OPPSA Verification Statement regarding security interest against IESO in favour of Issuer	Torys	-	Complete
32.	OPPSA Verification Statement regarding security interest against Issuer in favour of Indenture Trustee	Torys	-	Complete
F.	**Searches**			
33.	Bank Act, Execution, Insolvency and OPPSA searches against the Issuer	Torys	-	Complete
34.	Bank Act, Execution, Insolvency and OPPSA searches against IESO	Torys	-	Complete

NO.	DOCUMENT	RESPONSIBILITY	SIGNATORIES	STATUS
II.	**WAREHOUSE FUNDING**			
A.	**Series 2017-1 Senior Notes (Warehouse)**			
	Debt Documents			
35.	Warehouse Debt Engagement Letter	OPG / Agents	☒ OPG ☒ Agents	Complete
36.	Warehouse Senior Supplemental Indenture	Torys / Osler	☒ Issuer ☒ Indenture Trustee ☒ Administrative Agent	Complete
37.	Fee Letter for Series 2017-1 Senior Notes (Warehouse)	Osler	☒ OPG	Complete
38.	Mandate Letter	Osler	☒ OPG	Complete
39.	Side letter between OPG and Goldman Sachs Bank USA and certificate in support of legal opinion	HW	☒ OPG	Complete
40.	Letter from DBRS under s. 4.2(e) of the Warehouse Senior Supplemental Indenture	Torys	☒ DBRS	Complete
41.	Letter from Moody's under s. 4.2(e) of the Warehouse Senior Supplemental Indenture	Torys	☒ Moody's	Complete
42.	Notice to the Indenture Trustee, DBRS and Moody's re: incurrence of Funding Obligations per section 5.01(a) of the Master Trust Indenture	Torys	☒ Issuer	Complete (See items 68 & 90)
43.	Initial Purchase Notice to the Administrative Agent per section 3.3(a)(i**)** of the Warehouse Senior Supplemental Indenture	Osler	☒ Issuer	Complete
	Change of Law Certificates			
44.	Certificate of the CFO and Treasurer of OPG per section 4.02 of the Change of Law Protection Agreement and section 5.01(e) of the Master Trust Indenture	Torys	☒ Issuer	Complete (See items 70 & 92)
45.	Process Certificate of OPG per section 3.01 of the Change of Law Process Agreement to be delivered no more than five business days prior to the incurrence of debt	Torys	☒ OPG	Complete (See items 71 & 93)

NO.	DOCUMENT	RESPONSIBILITY	SIGNATORIES	STATUS
	Officer's Certificates			
	Issuer and OPG			
46.	Certificate of an officer of OPG, in its capacity as Manager of the Issuer, per section 4.1(c)(i) of the Warehouse Senior Supplemental Indenture	Torys	☒ Issuer	Complete
47.	Certificate of an officer of OPG, in its capacity as Manager of the Issuer, per section 4.1(c)(vii) of the Warehouse Senior Supplemental Indenture	Torys	☒ Issuer	Complete
48.	Certificate of an officer of OPG, in its capacity as Manager of the Issuer, per sections 5.01(b),(c),(g),(i),(j) and (k) of the Master Trust Indenture	Torys	☒ Issuer	Complete (See items 73 & 95)
49.	Certificate of an officer of OPG, in its capacity as Manager of the Issuer, as to certain factual matters and having attached/certified the names, offices and the specimen signatures of the persons signing the Warehouse Notes and the Program Agreements to which it is a party	Torys	☒ OPG	Complete (See items 74 & 96)
50.	Certificate of an officer of OPG as to certain factual matters and having attached/certified: (a) the articles and by-laws of OPG; (b) resolutions of the board of directors of OPG authorizing the execution of the Program Agreements; and (c) the names, offices and the specimen signatures of the persons signing the Program Agreements to which it is a party	Torys	☒ OPG	Complete (See items 75 & 97)
51.	Certificate of Status of OPG	Torys	-	Complete (See items 76 & 98)
	Indenture Trustee			
52.	Certified copies of by-laws and resolutions of the Indenture Trustee with respect to signing and certifying authority, together with specimen signatures	Indenture Trustee	☒ Indenture Trustee	Complete (See items 77 & 99)
53.	Certificate of Confirmation issued by the Office of the Superintendent of Financial Institutions (Canada) with respect to the Indenture Trustee	Torys	-	Complete (See items 78 & 100)
	Issuer Trustee			

NO.	DOCUMENT	RESPONSIBILITY	SIGNATORIES	STATUS
54.	Certified copies of incorporating documents, by-laws and resolutions of the Issuer Trustee with respect to signing and certifying authority, together with specimen signatures	Torys	☒ Issuer Trustee	Complete (See items 79 & 101)
55.	Certificate of an officer of the Issuer Trustee, in its capacity as trustee of the Issuer, as to certain factual matters	Torys	☒ Issuer Trustee	Complete (See items 80 & 102)
56.	Certificate of Status of the Issuer Trustee	Torys		Complete
57.	Certificate of Confirmation issued by the Office of the Superintendent of Financial Institutions (Canada) with respect to the Issuer Trustee	Torys	-	Complete (See items 81 & 103)
	IESO			
58.	Certificate of an officer of IESO as to certain factual matters and having attached: (a) the by-laws of IESO; (b) resolutions of the board of directors of IESO authorizing the execution of the Program Agreements to which it is a party; and (c) the names, offices and the specimen signatures of the persons signing the Program Agreements to which it is a party	IESO / Stikeman / Torys	☒ IESO	Complete (See items 82, 104 & 114)
	Opinions			
59.	Opinion of Torys in respect of each of the Issuer and OPG regarding (a) non-consolidation and (b) the Program Agreements to which the Issuer is a party and the delivery of the Series 2017-1 Senior Notes (Warehouse) pursuant to the Warehouse Senior Supplemental Indenture	Torys	☒ Torys	Complete (See items 83 & 105)
60.	Opinion of HW	HW	☒ HW	Complete
61.	Opinion of Stikeman in respect of the Master Transfer and Servicing Agreement, MTSA Acknowledgement, IESO Security Agreement and the Investment Asset pursuant to the Warehouse Senior Supplemental Indenture	Stikeman	☒ Stikeman	Complete (See items 84& 106)
62.	Opinion of Blakes in respect of the FHPA, Change of Law Protection Agreement and Change of Law Process Agreement and pursuant to the Warehouse Senior Supplemental Indenture	Blakes	☒ Blakes	Complete (See items 85 & 107)

NO.	DOCUMENT	RESPONSIBILITY	SIGNATORIES	STATUS
	Delivery of Series 2017-1 Senior Notes (Warehouse)			
63.	Issuer Certificate to the Indenture Trustee regarding certification and delivery of the Series 2017-1 Senior Notes (Warehouse)	Torys	☒ Issuer	Complete (See items 86 & 108)
64.	Certificate(s) representing the Series 2017-1 Senior Notes (Warehouse) registered in the name of: (a) Canadian Imperial Bank of Commerce (b) Royal Bank of Canada (c) Goldman Sachs Bank USA	Osler	☒ Issuer ☒ Indenture Trustee	Complete
65.	Receipt of Osler to Torys for the certificates in item 64	Torys	☒ Osler	Complete
66.	Receipt of Administrative Agent for the certificates in item 64	Osler	☒ Administrative Agent	Complete
B.	**Series 2017-1 Subordinated Notes (Warehouse)**			
	Debt Documents			
67.	Warehouse Subordinated Supplemental Indenture	Torys / Osler	☒ Issuer ☒ Indenture Trustee ☒ OPG	Complete
68.	Notice to the Indenture Trustee, DBRS and Moody's re: incurrence of Funding Obligations per section 5.01(a) of the Master Trust Indenture	Torys	☒ Issuer	See item 42
69.	Initial Purchase Notice to OPG per section 3.3(a)(i) of the Warehouse Subordinated Supplemental Indenture	Osler	☒ Issuer	Complete
	Change of Law Certificates			
70.	Certificate of the CFO and Treasurer pursuant to section 4.02 of the Change of Law Protection Agreement and section 5.01(e) of the Master Trust Indenture	Torys	☒ OPG	See item 44
71.	Process Certificate of OPG pursuant to section 3.01 of the Change of Law Process Agreement to be delivered no more than five business days prior to the incurrence of debt.	Torys	☒ OPG	See item 45
	Officer's Certificates			
	Issuer and OPG			
72.	Certificate of an officer of OPG, in its capacity as Manager of the Issuer, per section 4.1(c)(vii) of the Warehouse Subordinated Supplemental Indenture	Torys	☒ OPG	Complete (See item 94)

NO.	DOCUMENT	RESPONSIBILITY	SIGNATORIES	STATUS
73.	Certificate of an officer of OPG, in its capacity as Manager of the Issuer, per sections 5.01(b),(c),(g), (i),(j) and (k) of the Master Trust Indenture	Torys	☒ OPG	See item 48
74.	Certificate of an officer of OPG, in its capacity as Manager of the Issuer, as to certain factual matters and having attached/certified the names, offices and the specimen signatures of the persons signing the Warehouse Notes and the Program Agreements to which it is a party	Torys	☒ OPG	See item 49
75.	Certificate of an officer of OPG as to certain factual matters and having attached: (a) the articles and by-laws of OPG; (b) resolutions of the board of directors of OPG authorizing the execution of the Program Agreements to which it is a party; and (c) the names, offices and the specimen signatures of the persons signing the Program Agreements to which it is a party	Torys	☒ OPG	See item 50
76.	Certificate of Status of OPG	Torys	-	See item 51
	Indenture Trustee			
77.	Certified copies of by-laws and resolutions of the Indenture Trustee with respect to signing and certifying authority, together with specimen signatures	Indenture Trustee	☒ Indenture Trustee	See item 52
78.	Certificate of Confirmation issued by the Office of the Superintendent of Financial Institutions (Canada) with respect to the Indenture Trustee	Torys	-	See item 53
	Issuer Trustee			
79.	Certified copies of incorporating documents, by-laws and resolutions of the Issuer Trustee with respect to signing and certifying authority, together with specimen signatures	Torys	☒ Issuer Trustee	See item 54
80.	Certificate of an officer of the Issuer Trustee, in its capacity as trustee of the issuer, as to certain factual matters	Torys	☒ Issuer Trustee	See item 55
81.	Certificate of Confirmation issued by the Office of the Superintendent of Financial Institutions (Canada) with respect to the Issuer Trustee	Torys	-	See item 57
	IESO			

NO.	DOCUMENT	RESPONSIBILITY	SIGNATORIES	STATUS
82.	Certificate of an officer of IESO as to certain factual matters and having attached: (a) the by-laws of IESO; (b) resolutions of the board of directors of IESO authorizing the execution of the Program Agreements to which it is a party; and (c) the names, offices and the specimen signatures of the persons signing the Program Agreements to which it is a party	IESO / Stikeman / Torys	☒ IESO	See item 58
	Opinions			
83.	Opinion of Torys in respect of each of the Issuer and OPG regarding (a) non-consolidation and (b) the Program Agreements to which the Issuer is a party and the delivery of the Series 2017-1 Subordinated Notes (Warehouse) pursuant to the Warehouse Subordinated Supplemental Indenture	Torys	☒ Torys	See item 59
84.	Opinion of Stikeman in respect of the Master Transfer and Servicing Agreement, MTSA Acknowledgement, IESO Security Agreement and the Investment Asset pursuant to the Warehouse Subordinated Supplemental Indenture	Stikeman	☒ Torys	See item 61
85.	Opinion of Blakes in respect of the FHPA, Change of Law Protection Agreement and Change of Law Process Agreement and pursuant to the Warehouse Subordinated Supplemental Indenture	Blakes	☒ Blakes	See items 62
	Delivery of Series 2017-1 Subordinated Notes (Warehouse)			
86.	Issuer Certificate to the Indenture Trustee regarding certification and delivery of the Series 2017-1 Subordinated Notes (Warehouse)	Torys	☒ Issuer	See item 63
87.	Certificate representing the Series 2017-1 Subordinated Notes (Warehouse) registered in the name of OPG	Torys	☒ Issuer ☒ Indenture Trustee	Complete
88.	Receipt of OPG for the certificate in item 87	Torys	☒ OPG	Complete (See item 110)
C.	**Series 2017-1 Junior Subordinated Notes (Warehouse)**			
	Debt Documents			
89.	Warehouse Junior Subordinated Supplemental Indenture	Torys / Osler	☒ Issuer ☒ Indenture Trustee ☒ OPG	Complete

NO.	DOCUMENT	RESPONSIBILITY	SIGNATORIES	STATUS
90.	Notice to the Indenture Trustee, DBRS and Moody's re: incurrence of Funding Obligations per section 5.01(a) of the Master Trust Indenture	Torys	☒ Issuer	See item 42
91.	Initial Purchase Notice to OPG per section 3.3(a)(i) of the Warehouse Junior Subordinated Supplemental Indenture	Osler	☒ Issuer	Complete
	Change of Law Certificates			
92.	Certificate of the CFO and Treasurer of OPG per section 4.02 of the Change of Law Protection Agreement and section 5.01(e) of the Master Trust Indenture to be delivered five business days prior to the incurrence of debt	Torys	☒ OPG	See item 44
93.	Process Certificate of OPG pursuant to section 3.01 of the Change of Law Process Agreement to be delivered no more than five business days prior to the incurrence of debt	Torys	☒ OPG	See item 45
	Officer's Certificates			
	Issuer and OPG			
94.	Certificate of an officer of OPG, in its capacity as Manager of the Issuer, per section 4.1(c)(vii) of the Warehouse Junior Subordinated Supplemental Indenture	Torys	☒ OPG	See item 72
95.	Certificate of an officer of OPG, in its capacity as Manager of the Issuer, per sections 5.01(b),(c),(g), (i),(j) and (k) of the Master Trust Indenture	Torys	☒ OPG	See item 48
96.	Certificate of an officer of OPG, in its capacity as Manager of the Issuer, as to certain factual matters and having attached/certified the names, offices and the specimen signatures of the persons signing the Warehouse Notes and the Program Agreements to which it is a party	Torys	☒ OPG	See item 49
97.	Certificate of an officer of OPG as to certain factual matters and having attached: (a) the articles and by-laws of OPG; (b) resolutions of the board of directors of OPG authorizing the execution of the Program Agreements to which it is a party; and (c) the names, offices and the specimen signatures of the persons signing the Program Agreements to which it is a party	Torys	☒ OPG	See item 50
98.	Certificate of Status of OPG	Torys	-	See item 51

NO.	DOCUMENT	RESPONSIBILITY	SIGNATORIES	STATUS
	Indenture Trustee			
99.	Certified copies of by-laws and resolutions of the Indenture Trustee with respect to signing and certifying authority, together with specimen signatures	Indenture Trustee	☒ Indenture Trustee	See item 52
100.	Certificate of Confirmation issued by the Office of the Superintendent of Financial Institutions (Canada) with respect to the Indenture Trustee	Torys	-	See item 53
	Issuer Trustee			
101.	Certified copies of incorporating documents, by-laws and resolutions of the Issuer Trustee with respect to signing and certifying authority, together with specimen signatures	Torys	☒ Issuer Trustee	See item 54
102.	Certificate of an officer of the Issuer Trustee, in its capacity as trustee of the issuer, as to certain factual matters	Torys	☒ Issuer Trustee	See item 55
103.	Certificate of Confirmation issued by the Office of the Superintendent of Financial Institutions (Canada) with respect to the Issuer Trustee	Torys	-	See item 57
	IESO			
104.	Certificate of an officer of IESO as to certain factual matters and having attached: (a) the by-laws of IESO; (b) resolutions of the board of directors of IESO authorizing the execution of the Program Agreements to which it is a party; and (c) the names, offices and the specimen signatures of the persons signing the Program Agreements to which it is a party	IESO / Stikeman	☒ IESO	See item 58
	Opinions			
105.	Opinion of Torys in respect of each of the Issuer and OPG regarding (a) non-consolidation and (b) the Program Agreements to which the Issuer is a party and the delivery of the Series 2017-1 Junior Subordinated Notes (Warehouse) pursuant to the Warehouse Junior Subordinated Supplemental Indenture	Torys	☒ Torys	See item 59
106.	Opinion of Stikeman in respect of the Master Transfer and Servicing Agreement, MTSA Acknowledgement, IESO Security Agreement and the Investment Asset pursuant to the Warehouse Junior Subordinated Supplemental Indenture	Stikeman	☒ Stikeman	See item 61

NO.	DOCUMENT	RESPONSIBILITY	SIGNATORIES	STATUS
107.	Opinion of Blakes in respect of the FHPA, Change of Law Protection Agreement and Change of Law Process Agreement and pursuant to the Warehouse Junior Subordinated Supplemental Indenture	Blakes	☒ Blakes	See items 62
	Delivery of Series 2017-1 Junior Subordinated Notes (Warehouse)			
108.	Issuer Certificate to the Indenture Trustee regarding certification and delivery of the Series 2017-1 Junior Subordinated Notes (Warehouse)	Torys	☒ Issuer	See item 63
109.	Certificate(s) representing the Series 2017-1 Junior Subordinated Notes (Warehouse) registered in the name of OPG	Osler	☒ Issuer ☒ Indenture Trustee	Complete
110.	Receipt of OPG for the certificate in item 109	Torys	☒ OPG	See item 88
D.	**Payment of Carrying Costs and Purchase of Investment Interest**			
111.	Carrying Costs Statement	OPG	☒ OPG	Complete
112.	Transfer Notice	IESO / OPG	☒ IESO ☒ Issuer	Complete
113.	Letter from bank holding the Collection Account verifying the account number and beneficiary of the account	OPG	☒ Indenture Trustee	Complete
114.	Certificate of an officer of IESO as to certain factual matters and having attached: (a) the by-laws of IESO; (b) resolutions of the board of directors of IESO authorizing the execution of the Program Agreements to which it is a party; and (c) the names, offices and the specimen signatures of the persons signing the Program Agreements to which it is a party	IESO / Stikeman / Torys	☒ IESO	See item 58
115.	Certificate of an officer of IESO pursuant to section 2.2(b) of the Master Transfer and Servicing Agreement	Stikeman / Torys	☒ IESO	Complete
E.	**Payment Mechanics**			
116.	Wire transfer of $6,000,000, representing payment of December 2017 carrying costs from IESO to the Collection Account	IESO	-	Complete
117.	Global direction and receipt	Torys	☒ Issuer ☒ Admin Agent ☒ Funding Agent ☒ OPG ☒ IESO	Complete

NO.	DOCUMENT	RESPONSIBILITY	SIGNATORIES	STATUS
118.	Wire transfer of $117,900,000, representing payment of the proceeds of the issuance of junior subordinated warehouse notes from OPG to IESO	OPG	-	Complete
119.	Wire transfer of $459,810,000, representing payment of the proceeds of the issuance of junior subordinated warehouse notes from OPG to IESO	OPG	-	Complete
120.	Wire transfer(s) totaling $1,600,000, representing payment of the closing fees in connection with the issuance of senior warehouse notes from the Collection Account to CIBC, RBC and Goldman Sachs	BNY (Paying Agent)	-	Complete
121.	Wire transfer of $ 244,274,062.50, representing partial payment of the proceeds of the issuance of senior warehouse notes from CIBC to IESO	CIBC	-	Complete
122.	Wire transfer of $ 244,274,062.50, representing partial payment of the proceeds of the issuance of senior warehouse notes from RBC to IESO	RBC	-	Complete
123.	Wire transfer of 112,741,875, representing partial payment of the proceeds of the issuance of senior warehouse notes from Goldman Sachs to IESO	GS	-	Complete
IV.	**POST-CLOSING MATTERS**			
124.	Deliver closing book USB to Blakes and the Province and Osler and the Agents	Torys	-	Complete

From:	LADAK Lubna -TREASURY
To:	Mike Manning
Cc:	LIU Sheen -TREASURY
Subject:	FHP Sub Pricing
Date:	Thursday, April 19, 2018 6:09:48 PM
Attachments:	Summary April 19 2018.xlsx

Hello Mike,

I hope you're doing well. As you know we completed the 2nd senior bond issuance for the FHT today ($400M at 3.52% for 20 years). Attached is pricing for the subdebt, based on quotes from banks this afternoon. Please take a look and let me know if you have any questions.

I'll send the information to you more formally tomorrow, along with a letter.

Lubna Ladak | VP Treasury - FHP| Ontario Power Generation

700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189

lubna.ladak@opg.com

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FHP 20 Yr Issuance Rates (Due May 15, 2038)

Senior Debt Pricing Date 19-Apr-18

New Issue Spreads	Senior	Sub Indicative	Jr. Sub Indicative
*Benchmark Canada Bond Maturity	01-Jun-37	01-Jun-37	01-Jun-37
Benchmark Yield	2.444%	2.444%	2.444%
Curve Adjustment (bp)	0.6	0.6	0.6
Spread to GoC Curve (bp)	107.0	138.4	176.4
Adjusted Spread to GoC Curve (bp)	107.6	139.0	177.0
Spread difference vs Senior (bp)		**31.4**	**69.4**
Coupon rate	**3.520%**	**3.834%**	**4.214%**

Notes:

*Benchmark bond has a maturity date of June 1, 2037 and coupon of 5%

1. For Sub and Jr. Sub Debt, benchmark yield & curve adjustment are based on senior debt pricing on April 19, 2018
2. For Sub and Jr. Sub Debt, spreads are calculated as the average of dealers quotes, excluding high and low

Dealer Quotes

Dealers Indicative Spreads (bps)	BNS	NB	CIBC	RBC	BMO	TD	GS	average excl high/low
Sub Spread vs Senior	35	25	27	30	39	30	35	31.4
Jr. Sub Spread vs Senior	73	55	54	64	110	60	95	69.4

From: Ricky Lai
To: Mike Manning
Cc: James Devine; Carlos Yep
Subject: FHP spreads
Date: Wednesday, May 16, 2018 8:09:31 AM
Attachments: Fair Hydro price indications May 14 2018.xlsx

Good morning, please find attached this week's FHP spreads.
Ricky

FAIR HYDRO SPREADS

Week of May 14, 2018

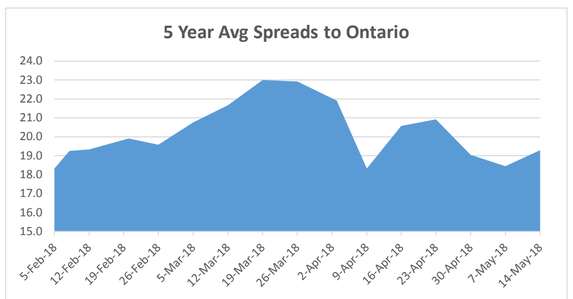
Senior Note

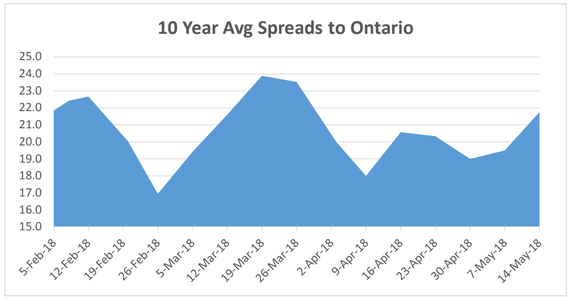
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
35.3	29.8	24.9	21.8	19.3	20.7

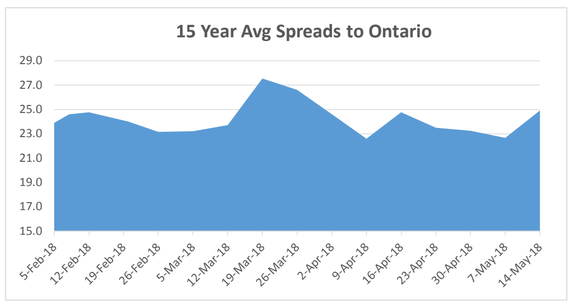
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
111.5	105.8	97.5	86.0	61.8	47.4
Last Week's	112.3	106.7	98.8	87.3	63.2	49.2
Change	-0.8	-0.8	-1.3	-1.3	-1.4	-1.8

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*TD*	*GS*	*CIBC*	*TD*
	102.0	101.0	93.0	82.0	56.0	41.0
Maximum	*GS*	*GS*	*GS*	*RBC*	*RBC*	*RBC*
	127.0	117.0	102.0	88.0	67.0	51.0







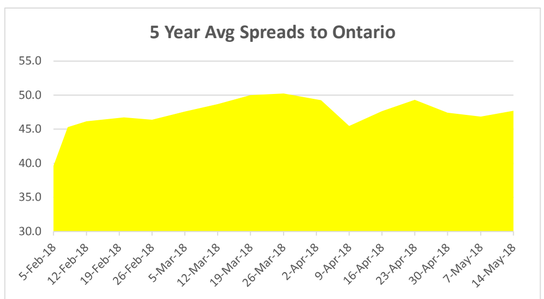
Sub Note

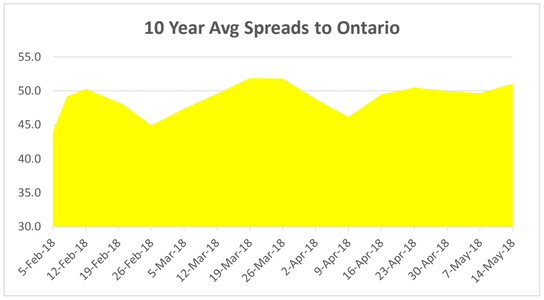
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
66.3	60.8	55.8	51.1	47.7	49.1

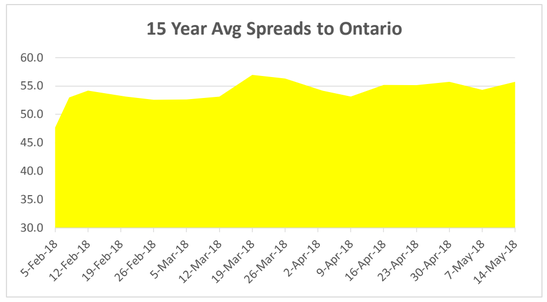
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
142.5	136.8	128.3	115.3	90.2	75.8
Last Week's	144.9	139.3	130.5	117.5	91.6	77.6
Change	-2.4	-2.5	-2.2	-2.2	-1.4	-1.8

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*BMO*	*TD*	*GS*	*CIBC*	*TD*
	139.0	133.0	123.0	112.0	83.0	71.0
Maximum	*GS*	*GS*	*BMO*	*RBC*	*RBC*	*RBC*
	152.0	142.0	133.0	118.0	97.0	81.0







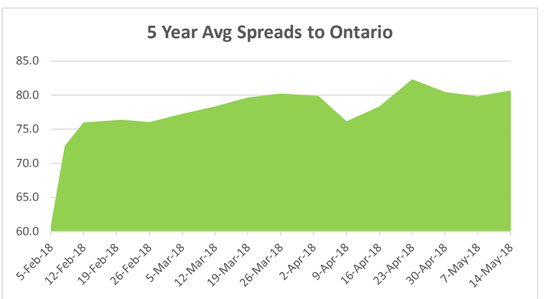
Junior Sub Note

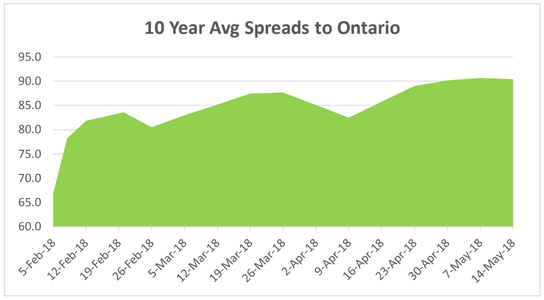
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
111.0	104.9	97.9	90.4	80.7	82.3

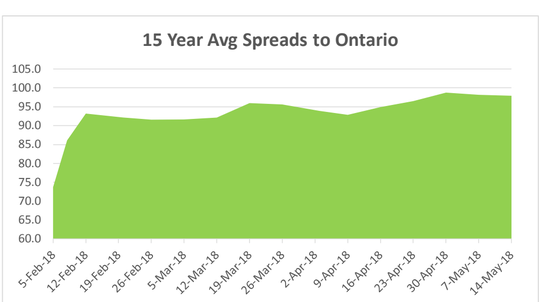
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
187.2	181.0	170.5	154.7	123.2	109.0
Last Week's	191.3	185.2	174.3	158.5	124.6	110.8
Change	-4.1	-4.2	-3.8	-3.8	-1.4	-1.8

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*TD*	*CIBC*	*CIBC*	*TD*
	166.0	162.0	153.0	141.0	110.0	101.0
Maximum	*GS*	*BMO*	*BMO*	*GS*	*BMO*	*BMO*
	217.0	211.0	200.0	177.0	133.0	117.0







FAIR HYDRO SPREADS

Week of May 14, 2018

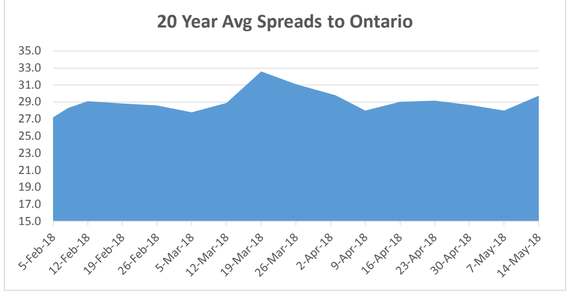
Senior Note

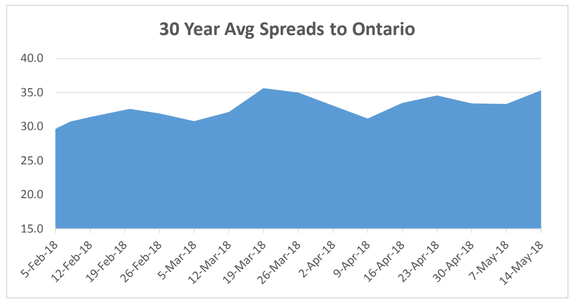
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
35.3	29.8	24.9	21.8	19.3	20.7

Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
111.5	105.8	97.5	86.0	61.8	47.4
Last Week's	112.3	106.7	98.8	87.3	63.2	49.2
Change	-0.8	-0.8	-1.3	-1.3	-1.4	-1.8

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*TD*	*GS*	*CIBC*	*TD*
	102.0	101.0	93.0	82.0	56.0	41.0
Maximum	*GS*	*GS*	*GS*	*RBC*	*RBC*	*RBC*
	127.0	117.0	102.0	88.0	67.0	51.0





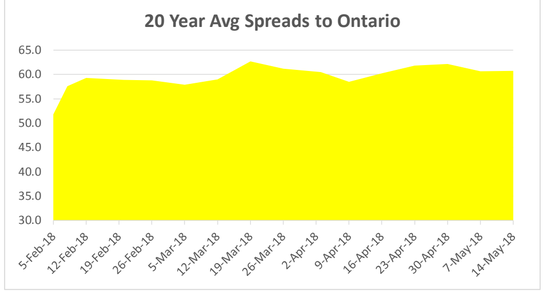
Sub Note

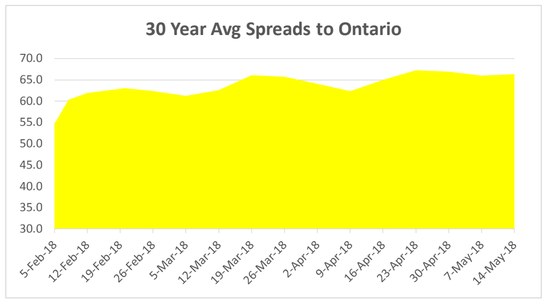
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
66.3	60.8	55.8	51.1	47.7	49.1

Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
142.5	136.8	128.3	115.3	90.2	75.8
Last Week's	144.9	139.3	130.5	117.5	91.6	77.6
Change	-2.4	-2.5	-2.2	-2.2	-1.4	-1.8

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*BMO*	*TD*	*GS*	*CIBC*	*TD*
	139.0	133.0	123.0	112.0	83.0	71.0
Maximum	*GS*	*GS*	*BMO*	*RBC*	*RBC*	*RBC*
	152.0	142.0	133.0	118.0	97.0	81.0





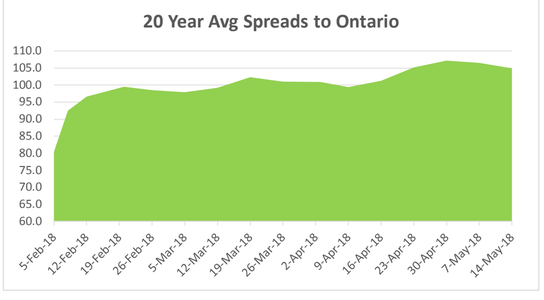
Junior Sub Note

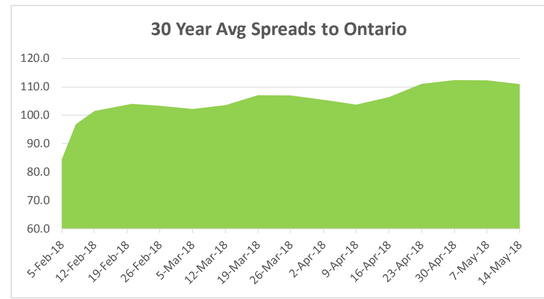
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
111.0	104.9	97.9	90.4	80.7	82.3

Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
187.2	181.0	170.5	154.7	123.2	109.0
Last Week's	191.3	185.2	174.3	158.5	124.6	110.8
Change	-4.1	-4.2	-3.8	-3.8	-1.4	-1.8

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*TD*	*CIBC*	*CIBC*	*TD*
	166.0	162.0	153.0	141.0	110.0	101.0
Maximum	*GS*	*BMO*	*BMO*	*GS*	*BMO*	*BMO*
	217.0	211.0	200.0	177.0	133.0	117.0





Indicative New Issue Spreads

Week of May 14, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	5.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.52%	2.53%	2.50%	2.48%	2.30%	2.06%	2.45%	2.46%	2.45%	2.42%	2.36%	2.24%	2.52%	2.53%	2.52%	2.48%			2.43%	2.44%
Curve Adjustment (bp)	0.0	0.2	2.0	1.0	2.1	9.6	0.0	0.1	(0.0)	(0.0)	(0.1)	2.3	0.0	0.6	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	102	101	95	85	64	47	112	108	100	87	56	49	127	117	102	82.0				
Re-Offered Yield	3.54%	3.54%	3.47%	3.34%	2.96%	2.63%	3.57%	3.54%	3.45%	3.29%	2.92%	2.76%	3.79%	3.70%	3.54%	3.30%			3.55%	3.48%
Commission (bp)	2.7	3.4	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.56%**	**3.57%**	**3.50%**	**3.38%**	**3.04%**	**2.70%**	**3.60%**	**3.57%**	**3.48%**	**3.31%**	**2.94%**	**2.77%**	**3.80%**	**3.73%**	**3.57%**	**3.35%**			**3.58%**	**3.52%**
All-in Spread to GoC Curve (bp)	**104.67**	**104.45**	**98.38**	**89.66**	**71.47**	**53.89**	**114.74**	**110.73**	**102.43**	**89.12**	**57.77**	**50.24**	**128.67**	**119.50**	**105.33**	**87.00**			**2.73**	**3.50**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	76	76	75	65	42	26	76	76	72	64	43	28	76	76	72	65			76	77

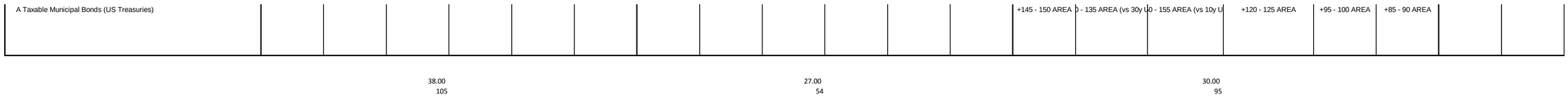
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							168	--	--	120	79	63								
Toronto Hydro Corporation (A/-/A)							130	--	--	93	65	55								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	103	0	0	88	63	50														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			135	129
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			118	112
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			140	133
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	86	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	80	66														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	65	51														
CMBs: (AAA/Aaa/AAA)	0	0	42	37	29	17														
PSP Investments (AAA/Aaa/AAA)	0	0	0	73	48	31														
CPP Investment Board (AAA/Aaa/AAA)	93	0	0	73	48	31														
BMO (Senior) (A+/A1/AA)	118	0	0	93	80	67														
Nova Scotia Power (BBB+ / - / A(l))							147	--	--	107	76	61								
FortisAlberta (A- / Baa1 / A(l))							134	--	--	97	69	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							243	--	--	180	125	101								
Bruce Power (BBB / Baa2 / BBB)							212	--	--	150	104	--								
City of Toronto (- / Aa1 / AA)							98	97	--	81	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																80 bps AREA				
AAA Taxable Municipal Bonds (US Treasuries)													+100 AREA	- 90 AREA (vs 30y U	5-110 AREA (vs 10y U	+75-80 AREA	+65 - 70 AREA	+55 - 60 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.52%	2.53%	2.50%	2.48%	2.30%	2.06%	2.45%	2.46%	2.45%	2.42%	2.36%	2.24%	2.52%	2.53%	2.52%	2.48%			2.43%	2.44%
Curve Adjustment (bp)	0.0	0.2	2.0	1.0	2.1	9.6	0.0	0.1	(0.0)	(0.0)	(0.1)	2.3	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	141	140	133	114	89	72	139	135	127	114	83	76	152	142	132	112				
Re-Offered Yield	3.93%	3.93%	3.85%	3.63%	3.21%	2.88%	3.84%	3.81%	3.72%	3.56%	3.19%	3.03%	4.04%	3.95%	3.84%	3.60%			3.82%	3.75%
Commission (bp)	2.8	3.6	3.5	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.95%**	**3.97%**	**3.88%**	**3.67%**	**3.29%**	**2.95%**	**3.87%**	**3.84%**	**3.75%**	**3.58%**	**3.21%**	**3.04%**	**4.05%**	**3.98%**	**3.84%**	**3.65%**			**3.85%**	**3.79%**
All-in Spread to GoC Curve (bp)	**143.80**	**143.56**	**136.47**	**118.72**	**96.51**	**78.91**	**141.74**	**137.73**	**129.43**	**116.12**	**84.77**	**77.24**	**153.67**	**144.50**	**135.33**	**117.00**			**2.73**	**3.50**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			130	124
NAV Canada (AA-, AA low)																			100	97
GTAA (Aa3, A+)																			110	106
Hydro One (A3/A/A high)																			135	129
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	86														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	101														
BMO (Senior) (A+/A1/AA)	118	0	0	93	80	67														
Nav Canada (sub) (AA-/Aa2/AAL)	103	0	0	88	63	50														
City of Toronto (AA / Aa1 / AA)	97	96	95	81	57	40														
Bank ABS (AAA / - / AAA)							--	--	--	--	80	70								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	93	80								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	47	35								
AA CMBS (USD Swaps)																115 - 125 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+120 - 125 AREA	105 AREA (vs 30y US	5 - 130 AREA (vs 10y U	+100 - 105 AREA	+75 - 80 AREA	+60 - 65 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.52%	2.53%	2.50%	2.48%	2.30%	2.06%	2.45%	2.46%	2.45%	2.42%	2.36%	2.24%	2.52%	2.53%	2.52%	2.48%			2.43%	2.44%
Curve Adjustment (bp)	0.0	0.2	2.0	1.0	2.1	9.6	0.0	0.1	(0.0)	(0.0)	(0.1)	2.3	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	215	211	200	164	133	117	166	162	154	141	110	103	217	207	197	177				
Re-Offered Yield	4.67%	4.64%	4.52%	4.13%	3.65%	3.33%	4.11%	4.08%	3.99%	3.83%	3.46%	3.30%	4.69%	4.60%	4.49%	4.25%			4.15%	4.08%
Commission (bp)	2.9	3.7	3.6	4.8	7.6	6.9	2.7	2.7	2.4	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.70%**	**4.68%**	**4.55%**	**4.17%**	**3.73%**	**3.40%**	**4.14%**	**4.11%**	**4.02%**	**3.85%**	**3.48%**	**3.31%**	**4.70%**	**4.63%**	**4.49%**	**4.30%**			**4.18%**	**4.12%**
All-in Spread to GoC Curve (bp)	**217.90**	**214.68**	**203.57**	**168.80**	**140.58**	**123.94**	**168.74**	**164.73**	**156.43**	**143.12**	**111.77**	**104.24**	**218.67**	**209.50**	**200.33**	**182.00**			**2.73**	**3.50**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			155.0	149.0
Highway 407 (A, A)																			130.0	124.0
Enbridge Gas Distribution (A-, A)																			135.0	129.8
Hydro One (A3/A/A high)																			135.0	129.0
Schedule 1 Bank ABS (A)																			195.0	188.3
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	151.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	133.0	-														
Hydro One (A/A3/AH)	137.0	-	-	99.0	74.0	59.0														
OPG (BBB+/-/AL)	166.0	-	-	119.0	94.0	79.0														
10-year A CMBS (USD Swaps)																160 - 170 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+145 - 150 AREA
0 - 135 AREA (vs 30y U
0 - 155 AREA (vs 10y U
+120 - 125 AREA
+95 - 100 AREA
+85 - 90 AREA
38.00
105
27.00
54
30.00
95

Indicative New Issue Spreads
Week of May 14, 2018

NBF *NBF* *NBF* NBF

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	NBF Current			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.43%	2.40%	2.24%	2.10%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.40%	3.27%	2.89%	2.62%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.44%**	**3.32%**	**2.97%**	**2.71%**
All-in Spread to GoC Curve (bp)	**3.87**	**4.73**	**7.58**	**8.73**

Primary Comparable (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	64	42	26

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	112	95	80	70
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	95	80	65	57
Schedule I Bank ABS (Aaa ; AAA ; AAA)	114	95	80	70
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.43%	2.40%	2.24%	2.10%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.65%	3.50%	3.10%	2.83%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.69%**	**3.55%**	**3.18%**	**2.92%**
All-in Spread to GoC Curve (bp)	**3.87**	**4.73**	**7.58**	**8.73**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
RBC Sr-Sub.				
Highway 407 (A, A)	107	90	65	55
NAV Canada (AA-, AA low)	89	80	55	45
GTAA (Aa3, A+)	96	85	60	50
Hydro One (A3/A/A high)	112	95	70	60
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.43%	2.40%	2.24%	2.10%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.95%	3.72%	3.29%	3.02%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.99%**	**3.77%**	**3.37%**	**3.11%**
All-in Spread to GoC Curve (bp)	**3.87**	**4.73**	**7.58**	**8.73**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	132.0	115.0	90.0	75.0
Highway 407 (A, A)	107.0	90.0	65.0	55.0
Enbridge Gas Distribution (A-, A)	114.9	100.0	75.0	60.0
Hydro One (A3/A/A high)	112.0	95.0	70.0	60.0
Schedule 1 Bank ABS (A)	169.1	150.0	135.0	120.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

-

0

Indicative New Issue Spreads
Week of May 14, 2018

	RBC	RBC	RBC	*RBC*	*RBC*	RBC	Scotia	Scotia	Scotia	*Scotia*	*Scotia*	Scotia	TD	TD	TD	*TD*	*TD*	TD
	RBC						Scotia						TD					
Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Current						Current					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.48%	2.49%	2.47%	2.45%	2.29%	2.13%	2.52%	2.52%	2.50%	2.49%	2.31%	2.04%	2.45%	2.47%	2.43%	2.41%	2.27%	2.09%
Curve Adjustment (bp)	0.0	0.2	1.3	0.9	2.0	2.3	0.0	0.3	0.0	(0.0)	2.2	2.4	0.0	0.2	1.9	1.0	0.0	2.3
Spread to GoC Curve (bp)	111	103	96	88.00	67	51	106	103	99	88	66	49	111	103	93	86	56	41
Re-Offered Yield	3.59%	3.52%	3.45%	3.33%	2.98%	2.66%	3.58%	3.56%	3.49%	3.37%	2.99%	2.55%	3.56%	3.50%	3.38%	3.28%	2.83%	2.53%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	2.4	3.2	3.6	4.6	7.7	8.7	2.4	3.2	3.6	4.5	7.5	8.7
All-in Yield	**3.62%**	**3.56%**	**3.49%**	**3.38%**	**3.06%**	**2.75%**	**3.60%**	**3.59%**	**3.53%**	**3.41%**	**3.07%**	**2.64%**	**3.59%**	**3.53%**	**3.41%**	**3.32%**	**2.91%**	**2.61%**
All-in Spread to GoC Curve (bp)	**113.74**	**106.52**	**99.88**	**92.75**	**74.60**	**59.74**	**108.39**	**106.21**	**102.63**	**92.55**	**73.74**	**57.67**	**113.37**	**106.19**	**96.61**	**90.54**	**63.46**	**49.66**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	75	65	41	26	78	77	72	65	44	27	76	76	70	64	44	28

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	37	28	16												
City of Toronto (AA/Aa1/AA)	100	99	92	82	57	41												
Hydro One Inc. (A(H)/A3/A)	135	n/a	n/a	99	71	61							136	126	103	95	73	60
Ontario Power Generation Inc. (A(low)/-/BBB+)	155	n/a	n/a	117	82	72	165	0	0	120	95	81						
Toronto Hydro Corporation (A/-/A)	130	n/a	n/a	95	64	54												
Canadian National Railway Co (A/A2/A)	131	n/a	n/a	93	71	61												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	110	n/a	n/a	87	63	53												
NAV Canada (AA(low)/Aa2/AA-)	101	n/a	n/a	85	62	52												
OPB Finance Trust (AA+/-/AA(H))													108	98	93	84	61	43
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	82	67	54
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							82	0	0	66	45	32						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							128	0	0	98	85	75						
Golden Credit Card Trust							0	0	0	98	82	72						
Master Credit Card Trust							0	0	0	98	82	72						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	01-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.48%	2.49%	2.47%	2.45%	2.29%	2.13%	2.52%	2.52%	2.50%	2.49%	2.31%	2.04%	2.45%	2.47%	2.43%	2.41%	2.27%	2.09%
Curve Adjustment (bp)	0.0	0.2	1.3	0.9	2.0	2.3	0.0	0.3	0.0	(0.0)	2.2	2.4	0.0	0.2	1.9	1.0	0.0	2.3
Spread to GoC Curve (bp)	141	133	126	118	97	81	141	138	129	118	96	79	141	133	123	116	86	71
Re-Offered Yield	3.89%	3.82%	3.75%	3.63%	3.28%	2.96%	3.93%	3.91%	3.79%	3.67%	3.29%	2.85%	3.86%	3.80%	3.68%	3.58%	3.13%	2.83%
Commission (bp)	2.8	3.6	4.0	4.8	7.7	8.8	2.4	3.2	3.6	4.6	7.7	8.7	2.4	3.2	3.6	4.5	7.5	8.7
All-in Yield	**3.92%**	**3.86%**	**3.79%**	**3.68%**	**3.36%**	**3.05%**	**3.95%**	**3.94%**	**3.83%**	**3.71%**	**3.37%**	**2.94%**	**3.89%**	**3.83%**	**3.71%**	**3.62%**	**3.21%**	**2.91%**
All-in Spread to GoC Curve (bp)	**143.85**	**136.61**	**129.96**	**122.82**	**104.66**	**89.78**	**143.39**	**141.21**	**132.63**	**122.55**	**103.74**	**87.67**	**143.37**	**136.19**	**126.61**	**120.54**	**93.46**	**79.66**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	n/a	n/a	n/a	80	60	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.48%	2.49%	2.47%	2.45%	2.29%	2.13%	2.52%	2.52%	2.50%	2.49%	2.31%	2.04%	2.45%	2.47%	2.43%	2.41%	2.27%	2.09%
Curve Adjustment (bp)	0.0	0.2	1.3	0.9	2.0	2.3	0.0	0.3	0.0	(0.0)	2.2	2.4	0.0	0.2	1.9	1.0	0.0	2.3
Spread to GoC Curve (bp)	175	167	160	152	131	115	179	176	159	148	126	109	171	163	153	146	116	101
Re-Offered Yield	4.23%	4.16%	4.09%	3.97%	3.62%	3.30%	4.32%	4.31%	4.09%	3.99%	3.61%	3.30%	4.16%	4.10%	3.98%	3.88%	3.43%	3.13%
Commission (bp)	3.0	3.7	4.1	4.9	7.7	8.8	2.4	3.2	3.6	4.6	7.7	8.7	2.4	3.2	3.6	4.5	7.5	8.7
All-in Yield	**4.26%**	**4.20%**	**4.13%**	**4.02%**	**3.70%**	**3.39%**	**4.34%**	**4.34%**	**4.13%**	**4.03%**	**3.69%**	**3.39%**	**4.19%**	**4.13%**	**4.01%**	**3.92%**	**3.51%**	**3.21%**
All-in Spread to GoC Curve (bp)	**177.97**	**170.72**	**164.05**	**156.90**	**138.73**	**123.83**	**181.39**	**179.21**	**162.63**	**152.55**	**133.74**	**117.67**	**173.37**	**166.19**	**156.61**	**150.54**	**123.46**	**109.66**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			30.00 64					30.00 60						30.00 60				

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	24.0
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2
12-Mar-18	21.7	21.6	23.7
19-Mar-18	23.0	23.9	27.5
26-Mar-18	22.9	23.5	26.6
3-Apr-18	21.9	20.0	24.3
9-Apr-18	18.3	18.0	22.6
16-Apr-18	20.6	20.6	24.8
23-Apr-18	20.9	20.3	23.5
30-Apr-18	19.1	19.0	23.3
7-May-18	18.5	19.5	22.7
14-May-18	19.3	21.8	24.9

		Fair Hydro Spread to GOC			
20 Year	**30 Year**	**5 Year**	**10 Year**	**15 Year**	**20 Year**
27.2	29.7	56.8	80.6	91.2	
28.3	30.8	59.3	81.4	92.0	
29.1	31.4	61.0	83.7	94.5	
28.8	32.6	59.8	82.1	94.1	
28.6	31.9	59.4	82.1	94.0	
27.8	30.8	63.4	84.9	96.7	
28.9	32.2	63.8	85.3	97.0	
32.6	35.7	63.7	86.6	97.4	
31.1	35.0	65.8	88.6	99.4	
29.8	32.8	68.0	90.6	102.5	
28.0	31.2	68.4	90.7	103.0	
29.0	33.5	66.2	88.5	100.8	107.2
29.2	34.6	64.6	86.5	98.0	106.2
28.7	33.4	64.3	87.3	98.8	106.8
28.0	33.3	63.2	87.3	98.8	106.7
29.8	35.3	61.8	86.0	97.5	105.8

	Ontario Spread to GOC				
30 Year	**5 Year**	**10 Year**	**15 Year**	**20 Year**	**30 Year**
99.1	38.5	58.8	67.3		69.4
100.4	40.1	59.0	67.4		69.7
103.6	41.7	61.0	69.7		72.2
104.8	39.8	62.0	70.4		72.2
104.6	39.8	65.1	70.8		72.7
107.1	42.7	65.5	73.5		76.3
107.9	42.2	63.7	73.3		75.8
108.6	40.7	62.7	69.9		72.9
110.6	42.8	65.0	72.8		75.5
113.0	46.1	70.6	78.2		80.2
113.4	50.1	72.8	80.4		82.3
111.5	45.6	67.9	76.0	78.2	78.0
111.5	43.7	66.2	74.5	77.0	76.9
112.4	45.3	68.3	75.6	78.2	79.0
112.3	44.8	67.8	76.2	78.7	78.9
111.5	42.5	64.3	72.6	76.1	76.2

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6
12-Mar-18	48.7	49.6	53.1
19-Mar-18	50.0	51.9	57.0
26-Mar-18	50.3	51.8	56.3
3-Apr-18	49.3	48.4	54.2
9-Apr-18	45.5	46.2	53.2
16-Apr-18	47.7	49.5	55.2
23-Apr-18	49.3	50.5	55.2
30-Apr-18	47.5	50.0	55.8
7-May-18	46.9	49.7	54.3
14-May-18	47.7	51.1	55.8

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
51.8	54.7	78.2	102.8	115.0	
57.6	60.3	85.4	108.2	120.4	
59.3	61.9	87.8	111.3	123.9	
58.9	63.0	86.6	110.1	123.6	
58.8	62.4	86.3	110.1	123.4	
57.9	61.2	90.3	112.9	126.1	
59.0	62.6	90.8	113.3	126.4	
62.7	66.1	90.7	114.6	126.8	
61.2	65.7	93.1	116.8	129.1	
60.5	63.8	95.3	119.0	132.3	
58.5	62.3	95.6	119.0	132.7	
60.2	65.0	93.3	117.4	131.2	138.4
61.8	67.3	93.0	116.7	129.7	138.8
62.2	66.9	92.7	118.3	131.3	140.3
60.7	66.0	91.6	117.5	130.5	139.3
60.8	66.3	90.2	115.3	128.3	136.8

30 Year	Ontario Spread to GOC 5 Year	10 Year	15 Year	20 Year	30 Year
124.1	38.5	58.8	67.3		69.4
130.0	40.1	59.0	67.4		69.7
134.1	41.7	61.0	69.7		72.2
135.2	39.8	62.0	70.4		72.2
135.1	39.8	65.1	70.8		72.7
137.6	42.7	65.5	73.5		76.3
138.3	42.2	63.7	73.3		75.8
139.0	40.7	62.7	69.9		72.9
141.3	42.8	65.0	72.8		75.5
144.0	46.1	70.6	78.2		80.2
144.3	50.1	72.8	79.5		81.9
143.0	45.6	67.9	76.0	78.2	78.0
144.2	43.7	66.2	74.5	77.0	76.9
145.9	45.3	68.3	75.6	78.2	79.0
144.9	44.8	67.8	76.2	78.7	78.9
142.5	42.5	64.3	72.6	76.1	76.2

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6
12-Mar-18	78.3	85.2	92.1
19-Mar-18	79.7	87.5	96.0
26-Mar-18	80.3	87.7	95.6
3-Apr-18	79.9	84.7	93.9
9-Apr-18	76.2	82.5	92.9
16-Apr-18	78.3	85.8	94.9
23-Apr-18	82.3	89.0	96.5
30-Apr-18	80.5	90.2	98.8
7-May-18	79.9	90.7	98.2
14-May-18	80.7	90.4	97.9

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
80.4	84.5	99.3	125.6	141.0	
92.5	96.8	112.7	137.3	153.5	
96.6	101.5	117.7	142.8	162.9	
99.5	104.0	116.3	145.6	162.6	
98.5	103.4	115.9	145.6	162.4	
97.9	102.2	119.9	148.5	165.1	
99.2	103.6	120.5	148.9	165.4	
102.3	107.1	120.3	150.1	165.8	
101.0	107.0	123.1	152.7	168.4	
100.9	105.3	126.0	155.3	172.1	
99.4	103.8	126.3	155.3	172.4	
101.2	106.4	123.9	153.7	170.9	179.4
105.2	111.1	126.0	155.2	171.0	182.2
107.2	112.4	125.7	158.5	174.3	185.3
106.5	112.3	124.6	158.5	174.3	185.2
104.9	111.0	123.2	154.7	170.5	181.0

30 Year	Ontario Spread to GOC 5 Year	10 Year	15 Year	20 year	30 Year
153.9	38.5	58.8	67.3		69.4
166.5	40.1	59.0	67.4		69.7
173.7	41.7	61.0	69.7		72.2
176.2	39.8	62.0	70.4		72.2
176.1	39.8	65.1	70.8		72.7
178.6	42.7	65.5	73.5		76.3
179.3	42.2	63.7	73.3		75.8
180.0	40.7	62.7	69.9		72.9
182.6	42.8	65.0	72.8		75.5
185.4	46.1	70.6	78.2		80.2
185.7	50.1	72.8	79.5		81.9
184.4	45.6	67.9	76.0	78.2	78.0
188.0	43.7	66.2	74.5	77.0	76.9
191.4	45.3	68.3	75.6	78.2	79.0
191.3	44.8	67.8	76.2	78.7	78.9
187.2	42.5	64.3	72.6	76.1	76.2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.52%	2.53%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**102**	**101**
Re-Offered Yield	3.54%	3.54%
Commission (bp)	2.7	3.4
All-in Yield	**3.56%**	**3.57%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	76	76

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	93	
BMO (Senior) (A+/A1/AA)	118	
Nav Canada (sub) (AA-/Aa2/AAL)	103	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.52%	2.53%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**141**	**140**
Re-Offered Yield	3.93%	3.93%
Commission (bp)	2.8	3.6
All-in Yield	**3.95%**	**3.97%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	118	
Nav Canada (sub) (AA-/Aa2/AAL)	103	
City of Toronto (AA / Aa1 / AA)	97	96

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.52%	2.53%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**215**	**211**
Re-Offered Yield	4.67%	4.64%
Commission (bp)	2.9	3.7
All-in Yield	**4.70%**	**4.68%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	137	
OPG (BBB+/-/AL)	166	

Generic Corporate Credit Spreads AA	104	
Generic Corporate Credit Spreads A	160	
Generic Corporate Credit Spreads BBB	233	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.50%	2.48%	2.30%	2.06%	9bps	11bps	13bps	14bps	13bps
2.0	1.0	2.1	9.6	0bps	0bps	-1bps	0bps	0bps
95	**85**	**64**	**47**	-1bps	-1bps	0bps	0bps	0bps
3.47%	3.34%	2.96%	2.63%	8bps	10bps	13bps	14bps	14bps
3.4	4.7	7.5	6.9					
3.50%	**3.38%**	**3.04%**	**2.70%**	8bps	10bps	13bps	14bps	14bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
74.5	64.5	41.5	26	-4bps	-4bps	-4bps	-3bps	-3bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
		86						0bps
		80	66					0bps
		65	51					0bps
42	37	29	16.5			-1bps	-1bps	0bps
	73	48	31				0bps	0bps
	73	48	31	0bps			0bps	0bps
	93	80	67	0bps			0bps	0bps
	88	63	50	-1bps			3bps	3bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.50%	2.48%	2.30%	2.06%	9bps	11bps	13bps	14bps	13bps
2.0	1.0	2.1	9.6	0bps	0bps	-1bps	0bps	0bps
133	**114**	**89**	**72**	-1bps	-1bps	0bps	0bps	0bps
3.85%	3.63%	3.21%	2.88%	8bps	10bps	13bps	14bps	14bps
3.5	4.7	7.5	6.9					
3.88%	**3.67%**	**3.29%**	**2.95%**	8bps	10bps	13bps	14bps	14bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
75	65	42	26	-4bps	-4bps	-4bps	-3bps	-3bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			86					
			101					
	93	80	67	0bps			0bps	0bps
	88	63	50	-1bps			3bps	3bps
94.5	81	56.5	39.5	-3bps	-3bps	-3bps	-4bps	-3bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.50%	2.48%	2.30%	2.06%	9bps	11bps	13bps	14bps	13bps
2.0	1.0	2.1	9.6	0bps	0bps	-1bps	0bps	0bps
200	**164**	**133**	**117**	-1bps	-1bps	0bps	0bps	0bps
4.52%	4.13%	3.65%	3.33%	8bps	10bps	13bps	14bps	14bps
3.6	4.8	7.6	6.9					
4.55%	**4.17%**	**3.73%**	**3.40%**	8bps	10bps	13bps	14bps	14bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
75	65	42	26	-4bps	-4bps	-4bps	-3bps	-3bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		151						0bps
		133						0bps
	99	74	59	1bps			1bps	1bps
	119	94	79	1bps			1bps	1bps

	91	72		0bps			-1bps	-1bps
	120	90		0bps			0bps	0bps
	178	124		-1bps			0bps	0bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
15-May-18

3-year
9bps 1bps -1bps 9bps
9bps

3-year
-2bps

3-year
0bps 0bps -1bps 0bps 0bps -1bps 1bps

3-year
9bps 1bps -1bps 9bps
9bps

3-year
-2bps

3-year
0bps
0bps
-1bps
1bps
-2bps

3-year
9bps
1bps
-1bps
9bps
9bps

3-year
-2bps

3-year
-1bps
-1bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**112**
Re-Offered Yield	3.57%
Commission (bp)	2.7
All-in Yield	**3.60%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	168
Toronto Hydro (A / - / A)	130
Nova Scotia Power (BBB+ / - / A(l))	147
FortisAlberta (A- / Baa1 / A(l))	134
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	243
Bruce Power (BBB / Baa2 / BBB)	212
City of Toronto (- / Aa1 / AA)	98

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**139**
Re-Offered Yield	3.84%
Commission (bp)	2.7
All-in Yield	**3.87%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**166**
Re-Offered Yield	4.11%
Commission (bp)	2.7
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.46%	2.45%	2.42%	2.36%	2.24%	0.04%	0.05%	0.08%	0.09%	0.09%
0.1	(0.0)	(0.0)	(0.1)	2.3	0.0	(0.0)	0.0	0.0	0.1
108	**100**	**87**	**56**	**49**	-1	-1	-1	1	-3
3.54%	3.45%	3.29%	2.92%	2.76%	0.03%	0.04%	0.07%	0.10%	0.06%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
3.57%	**3.48%**	**3.31%**	**2.94%**	**2.77%**	**0.03%**	**0.04%**	**0.07%**	**0.10%**	**0.06%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
76	72	64	43	28	-3	-3	-3	-4	-3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	120	79	63	0	--	--	0	0
--	--	93	65	55	0	--	--	0	(2)
--	--	107	76	61	0	--	--	0	0
--	--	97	69	--	0	--	--	0	0
--	--	180	125	101	3	--	--	3	3
--	--	150	104	--	0	--	--	0	0
97	--	81	--	--	(3)	(2)	--	2	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.46%	2.45%	2.42%	2.36%	2.24%	0.04%	0.05%	0.08%	0.09%	0.09%
0.1	(0.0)	(0.0)	(0.1)	2.3	0	(0)	0	0	0
135	**127**	**114**	**83**	**76**	(1)	(1)	(1)	1	(3)
3.81%	3.72%	3.56%	3.19%	3.03%	0.03%	0.04%	0.07%	0.10%	0.06%
2.7	2.4	2.1	1.8	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.84%	**3.75%**	**3.58%**	**3.21%**	**3.04%**	**0.03%**	**0.04%**	**0.07%**	**0.10%**	**0.06%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
76	72	64	43	28	(3)	(3)	(3)	(4)	(3)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
--	--	--	80	70	--	--	--	--	-2
--	--	--	93	80	--	--	--	--	1
--	--	--	47	35	--	--	--	--	0

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.46%	2.45%	2.42%	2.36%	2.24%	0.04%	0.05%	0.08%	0.09%	0.09%
0.1	(0.0)	(0.0)	(0.1)	2.3	0	(0)	0	0	0
162	**154**	**141**	**110**	**103**	(1)	(1)	(1)	1	(3)
4.08%	3.99%	3.83%	3.46%	3.30%	0.03%	0.04%	0.07%	0.10%	0.06%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
4.11%	**4.02%**	**3.85%**	**3.48%**	**3.31%**	**0.03%**	**0.04%**	**0.07%**	**0.10%**	**0.06%**

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
76	72	64	43	28	(3)	(3)	(3)	(4)	(3)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

CIBC
5/14/2018

3-year
-
-
0.09%
0.3
-3
0.06%
-
0.06%

3-year
-3

3-year
0
(1)
0
--
2
--
--

3-year
-
-
0.09%
0
(3)
0.06%
0.00%
0.06%

3-year
(3)

3-year
0
1
-1

3-year
-
-
0.09%
0
(3)
0.06%
-
0.06%

3-year
(3)

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	5.000%
Benchmark Yield	2.517%	2.533%
Curve Adjustment (bp)	0.000%	0.006%
Spread to GoC Curve (bp)	**1.270%**	**1.170%**
Re-Offered Yield	3.787%	3.703%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.80%**	**3.73%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.7600%**	**0.75900%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+100 AREA	- 90 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.517%	2.533%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.520%**	**1.420%**
Re-Offered Yield	4.037%	3.953%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.05%**	**3.98%**

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.7600%**	**0.75900%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+120 - 125 AREA	05 AREA (vs 30y US

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.517%	2.533%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**2.170%**	**2.070%**
Re-Offered Yield	4.687%	4.603%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.70%**	**4.63%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.7600%**	**0.75900%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+145 - 150 AREA	- 135 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.518%	2.478%			
0.049%	0.008%			
1.0200%	**0.820%**			
3.538%	3.298%			
0.033%	0.050%			
3.57%	**3.35%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.71500%	**0.65000%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-110 AREA (vs 10y	80 bps AREA +75-80 AREA	+65 - 70 AREA	+55 - 60 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.518%	2.478%			
0.049%	0.008%			
1.320%	**1.120%**			
3.838%	3.598%			
0.033%	0.050%			
3.84%	**3.65%**			

Current				

15-year	10-year	5-year	3-year	30-year
0.71500%	**0.65000%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 130 AREA (vs 10y	115 - 125 bps AREA +100 - 105 AREA	+75 - 80 AREA	+60 - 65 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.518%	2.478%			
0.049%	0.008%			
1.9700%	**1.770%**			
4.488%	4.248%			
0.033%	0.050%			
4.49%	**4.30%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.71500%	**0.65000%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 155 AREA (vs 10y	160 - 170 bps AREA +120 - 125 AREA	+95 - 100 AREA	+85 - 90 AREA	+0 bps

Bank Name	GS
Date	5/15/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	-10 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week

20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	-10 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	-30 bps +0 bps	+0 bps	+0 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.43%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	112
Re-Offered Yield	3.55%
Commission (bp)	2.7
All-in Yield	**3.58%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140
FHT Series 2018-1	

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.43%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	139
Re-Offered Yield	3.82%
Commission (bp)	2.7
All-in Yield	**3.85%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	130
NAV Canada (AA-, AA low)	100
GTAA (Aa3, A+)	110
Hydro One (A3/A/A high)	135

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.43%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	172
Re-Offered Yield	4.15%
Commission (bp)	2.7
All-in Yield	**4.18%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	155
Highway 407 (A, A)	130
Enbridge Gas Distribution (A-, A)	135
Hydro One (A3/A/A high)	135
Schedule 1 Bank ABS (A)	195

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.44%	2.43%	2.40%	2.24%
0.0	0.0	0.0	0.0
104	97	87	65
3.48%	3.40%	3.27%	2.89%
3.5	3.9	4.7	7.6
3.52%	**3.44%**	**3.32%**	**2.97%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	72	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
129	112	95	80
112	95	80	65
133	114	95	80
	93		
100			

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.44%	2.43%	2.40%	2.24%
0.0	0.0	0.0	0.0
131	122	110	86
3.75%	3.65%	3.50%	3.10%
3.5	3.9	4.7	7.6
3.79%	**3.69%**	**3.55%**	**3.18%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	72	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
124	107	90	65
97	89	80	55
106	96	85	60
129	112	95	70

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.44%	2.43%	2.40%	2.24%
0.0	0.0	0.0	0.0
164	152	132	105
4.08%	3.95%	3.72%	3.29%
3.5	3.9	4.7	7.6
4.12%	**3.99%**	**3.77%**	**3.37%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	72	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
149	132	115	90
124	107	90	65
130	115	100	75
129	112	95	70
188	169	150	135

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.10%	0.02%	0.03%	0.05%
0.0	0.0	0.0	0.0
52	-1	-1	-2
2.62%	0.01%	0.02%	0.03%
8.7	0.0	0.0	0.0
2.71%	**0.01%**	**0.02%**	**0.03%**

			Week
3-year	**30-year**	**20-year**	**15-year**
25.5	-4	-2	-4

			Week
3-year	**30-year**	**20-year**	**15-year**
70	0	0	0
57	0	0	0
70	-5	-5	-5
	0	0	-2
	0	-1	0

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
2.10%	0.02%	0.03%	0.05%
0.0	0.0	0.0	0.0
73	-1	-1	-2
2.83%	0.01%	0.02%	0.03%
8.7	0.0	0.0	0.0
2.92%	**0.01%**	**0.02%**	**0.03%**

			Week
3-year	**30-year**	**20-year**	**15-year**
26	-4	-2	-4

			Week
3-year	**30-year**	**20-year**	**15-year**
55	0	0	0
45	0	0	0
50	0	0	0
60	0	0	0

	Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.10%	0.02%	0.03%	0.05%
0.0	0.0	0.0	0.0
92	-1	-1	-2
3.02%	0.01%	0.02%	0.03%
8.7	0.0	0.0	0.0
3.11%	**0.01%**	**0.02%**	**0.03%**

	Week
3-year	**30-year**	**20-year**	**15-year**
26	-4	-2	-4

	Week
3-year	**30-year**	**20-year**	**15-year**
75	0	0	0
55	0	0	0
60	0	0	0
60	0	0	0
120	-5	-5	-5

Bank Name	National Bank of Canada
Date	5/14/2018

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.07%	0.07%	0.06%
0.0	0.0	0.0
-1	0	0
0.06%	0.07%	0.06%
0.0	0.0	0.0
0.06%	**0.07%**	**0.06%**

over Week		
10-year	**5-year**	**3-year**
-4	-1.5	-3

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
-5	0	0
0	0	0
0	0	0

over Week		
10-year	**5-year**	**3-year**
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.07%	0.07%	0.06%
0.0	0.0	0.0
-1	0	0
0.06%	0.07%	0.06%
0.0	0.0	0.0
0.06%	**0.07%**	**0.06%**

over Week		
10-year	**5-year**	**3-year**
-4	-2	-3

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
0	0	0
0	0	0

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.07%	0.07%	0.06%
0.0	0.0	0.0
-1	0	0
0.06%	0.07%	0.06%
0.0	0.0	0.0
0.06%	**0.07%**	**0.06%**

over Week		
10-year	**5-year**	**3-year**
-4	-2	-3

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
0	0	0
0	0	0
-5	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.48%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**111**
Re-Offered Yield	3.59%
Commission (bp)	2.7
All-in Yield	**3.62%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**76**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**100**
Hydro One Inc. (A(H)/A3/A)	**135**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**155**
Toronto Hydro Corporation (A/-/A)	**130**
Canadian National Railway Co (A/A2/A)	**131**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**110**
NAV Canada (AA(low)/Aa2/AA-)	**101**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.48%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**141**
Re-Offered Yield	3.89%
Commission (bp)	2.8
All-in Yield	**3.92%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.48%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**175**
Re-Offered Yield	4.23%
Commission (bp)	3.0
All-in Yield	**4.26%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

The indicative price is provided by way of example only, and is not intended to replace or supplant advice of your aud EVENT SHALL RBC OR ITS AGENTS OR OFFICERS BE LIABLE FOR ANY DAMAGES WHATSOEVER (INCLUDI the indicative price is adequate or appropriate for your purposes.

The information provided in this valuation (the “Information”) (i) is intended for your information only and is not to be d the fullest extent permissible by law, shall have no liability whatsoever to you or any other person or party for any loss

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.49%	**2.47%**	**2.45%**	**2.29%**
0.2	**1.3**	**0.9**	**2.0**
103	**96**	**88**	**67**
3.52%	3.45%	3.33%	2.98%
3.5	3.9	4.7	7.6
3.56%	**3.49%**	**3.38%**	**3.06%**

Current			
20-year	**15-year**	**10-year**	**5-year**
76	**75**	**65**	**41**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**37**	**28**
99	**92**	**82**	**57**
n/a	**n/a**	**99**	**71**
n/a	**n/a**	**117**	**82**
n/a	**n/a**	**95**	**64**
n/a	**n/a**	**93**	**71**
n/a	**n/a**	**87**	**63**
n/a	**n/a**	**85**	**62**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.49%	2.47%	2.45%	2.29%
0.2	1.3	0.9	2.0
133	**126**	**118**	**97**
3.82%	3.75%	3.63%	3.28%
3.6	4.0	4.8	7.7
3.86%	**3.79%**	**3.68%**	**3.36%**

Current			
20-year	**15-year**	**10-year**	**5-year**
76	75	65	41

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**80**	**60**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.49%	2.47%	2.45%	2.29%
0.2	1.3	0.9	2.0
167	**160**	**152**	**131**
4.16%	4.09%	3.97%	3.62%
3.7	4.1	4.9	7.7
4.20%	**4.13%**	**4.02%**	**3.70%**

Current			
20-year	**15-year**	**10-year**	**5-year**
76	75	65	41

Current			
20-year	**15-year**	**10-year**	**5-year**

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name
Date

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.13%	6.6	8.4	12.9	12.5	14.1
2.3	-	-0.2	-1.6	-	0.2
51	-	-	-	-	-
2.66%	6.6	8.2	11.3	12.5	14.3
8.7	0.0	0.0	0.0	0.0	0.0
2.75%	6.6	8.2	11.3	12.5	14.4

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
26	-3.0	-3.0	-3.5	-3.5	-4.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
16				-3.0	-1.0
41	-2.5	-3.0	-3.5	-3.0	-4.5
61	-1.0			-	-
72	3.0			5.0	3.0
54	2.0			-	-
61	1.0			-	-
53	-2.0			-	-
52	1.0			-	-

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.13%					
2.3					
81	-	-	-	-	-
2.96%	6.6	8.2	11.3	12.5	14.3
8.8	0.02	0.03	0.03	0.03	0.03
3.05%	6.6	8.2	11.3	12.5	14.4

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
26	-3.0	-3.0	-3.5	-3.5	-4.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				-	-2.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
2.13%					
2.3					
115	-	-	-	-	-
3.30%	6.6	8.2	11.3	12.5	14.3
8.8	0.02	0.03	0.03	0.03	0.03
3.39%	6.6	8.2	11.3	12.5	14.4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
26	-3.0	-3.0	-3.5	-3.5	-4.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does n
dify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not comm

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nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

RBC
15-May-18

	3-year
	10.6
	0.4
	-
	11.0
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	11.0

	3-year
	-4.0

	3-year
	-1.5
	-3.5
	-
	3.0
	-
	-
	-
	-

	3-year
	-
	11.0
	0.02
	11.0

	3-year
	-4.0

	3-year

3-year
-
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3-year
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3-year

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icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.52%	2.52%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**+106**	**+103**
Re-Offered Yield	3.58%	3.56%
Commission (bp)	2.4	3.2
All-in Yield	**3.60%**	**3.59%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	165	
CPP	82	
BNS - Denior Deposit Notes	128	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.52%	2.52%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**+141**	**+138**
Re-Offered Yield	3.93%	3.91%
Commission (bp)	2.4	3.2
All-in Yield	3.95%	3.94%

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.52%	2.52%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**+179**	**+176**
Re-Offered Yield	4.32%	4.31%
Commission (bp)	2.4	3.2
All-in Yield	**4.34%**	**4.34%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.50%	2.49%	2.31%	2.04%	0.09%
0.0	(0.0)	2.2	2.4	0
+99	**+88**	**+66**	**+49**	-1
3.49%	3.37%	2.99%	2.55%	0.08%
3.6	4.6	7.7	8.7	0
3.53%	**3.41%**	**3.07%**	**2.64%**	**0.08%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
72	65	44	27	-1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	120	95	81	0
	66	45	32	0
	98	85	75	(1)
	98	82	72	
	98	82	72	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.50%	2.49%	2.31%	2.04%	0.09%
0.0	(0.0)	2.2	2.4	0
+129	**+118**	**+96**	**+79**	-1
3.79%	3.67%	3.29%	2.85%	0.08%
3.6	4.6	7.7	8.7	0
3.83%	3.71%	3.37%	2.94%	**0.08%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
72	65	44	27	-1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	98	82	72	
	98	82	72	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.50%	2.49%	2.31%	2.04%	0.09%
0.0	(0.0)	2.2	2.4	0
+159	**+148**	**+126**	**+109**	-1
4.09%	3.99%	3.61%	3.30%	0.09%
3.6	4.6	7.7	8.7	0
4.13%	**4.03%**	**3.69%**	**3.39%**	**0.09%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
72	65	44	27	-1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	98	82	72	
	98	82	72	

Bank Name	BNS
Date	5/15/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.10%	0.11%	0.13%	0.14%	0.00%
0	0	0	0	1
-1	0	-2	-2	-3
0.09%	0.11%	0.11%	0.12%	-0.02%
0	0	0	0	0
0.09%	**0.10%**	**0.11%**	**0.12%**	**-0.03%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-1	-4	-3	0	-2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		0	0	0
		(4)	(1)	1
		(1)	1	1
		1	1	1
		1	1	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.10%	0.11%	0.13%	0.14%	0.00%
0	0	0	0	1
-1	0	-2	-2	-3
0.09%	0.11%	0.11%	0.12%	-0.02%
0	0	0	0	0
0.09%	**0.10%**	**0.11%**	**0.12%**	**-0.03%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-1	-4	-3	0	-2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		1	1	1
		1	1	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.10%	0.11%	0.13%	0.14%	0.00%
0	0	0	0	1
-1	0	-2	-2	-3
0.11%	0.11%	0.13%	0.14%	0.13%
0	0	0	0	0
0.11%	**0.10%**	**0.13%**	**0.14%**	**0.13%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-1	-4	-3	0	-2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		1	1	1
		1	1	1

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.45%	2.47%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**111**	**103**
Re-Offered Yield	3.56%	3.50%
Commission (bp)	2.4	3.2
All-in Yield	**3.59%**	**3.53%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	108	98
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	136	126

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.45%	2.47%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**141**	**133**
Re-Offered Yield	3.86%	3.80%
Commission (bp)	2.4	3.2
All-in Yield	**3.89%**	**3.83%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.45%	2.47%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**171**	**163**
Re-Offered Yield	4.16%	4.10%
Commission (bp)	2.4	3.2
All-in Yield	**4.19%**	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.43%	2.41%	2.27%	2.09%	0.043%
1.9	1.0	0.0	2.3	-
93	**86**	**56**	**41**	-2
3.38%	3.28%	2.83%	2.53%	0.02%
3.6	4.5	7.5	8.7	-
3.41%	**3.32%**	**2.91%**	**2.61%**	**0.03%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70	64	44	28	(3.0)

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
93	84	61	43	(5)
N/A	82	67	54	N/A
103	95	73	60	-

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.43%	2.41%	2.27%	2.09%	0.043%
1.9	1.0	0.0	2.3	-
123	**116**	**86**	**71**	-2
3.68%	3.58%	3.13%	2.83%	0.02%
3.6	4.5	7.5	8.7	-
3.71%	**3.62%**	**3.21%**	**2.91%**	**0.03%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**

70	64	44	28	(3.0)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.43%	2.41%	2.27%	2.09%	0.043%
1.9	1.0	0.0	2.3	-
153	**146**	**116**	**101**	-2
3.98%	3.88%	3.43%	3.13%	0.02%
3.6	4.5	7.5	8.7	-
4.01%	**3.92%**	**3.51%**	**3.21%**	**0.03%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70	64	44	28	(3.0)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	5/14/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.068%	0.089%	0.089%	0.102%	0.073%
-	-	-	-	-
-2	-2	-2	-2	-2
0.04%	0.06%	0.07%	0.08%	0.06%
-	-	-	-	-
0.04%	**0.05%**	**0.07%**	**0.08%**	**0.06%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
(3.0)	(4.0)	(4.0)	(2.0)	(3.0)

20-year	**15-year**	**10-year**	**5-year**	**3-year**
(5)	-5	(4)	(4)	-3
N/A	N/A	(1)	(1)	-1
-	1	1	-	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.068%	0.089%	0.089%	0.102%	0.073%
-	-	-	-	-
-2	-2	-2	-2	-2
0.04%	0.06%	0.07%	0.08%	0.06%
-	-	-	-	-
0.04%	**0.05%**	**0.07%**	**0.08%**	**0.06%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**

(3.0)	(4.0)	(4.0)	(2.0)	(3.0)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.068%	0.089%	0.089%	0.102%	0.073%
-	-	-	-	-
-2	-2	-2	-2	-2
0.04%	0.06%	0.07%	0.08%	0.06%
-	-	-	-	-
0.04%	**0.05%**	**0.07%**	**0.08%**	**0.06%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
(3.0)	(4.0)	(4.0)	(2.0)	(3.0)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	Ricky Lai
To:	Mike Manning
Cc:	James Devine; Carlos Yep
Subject:	FHP spreads
Date:	Thursday, February 22, 2018 12:52:02 PM
Attachments:	Fair Hydro price indications Feb 20 2018.xlsx

Please find attached the latest FHP spreads. GS had sent an revised update at 12:42pm today.
Thanks.
Ricky

FAIR HYDRO SPREADS

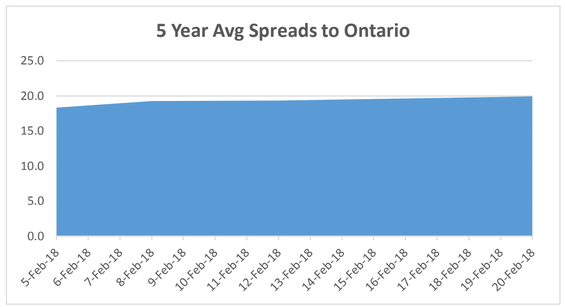
Senior Note

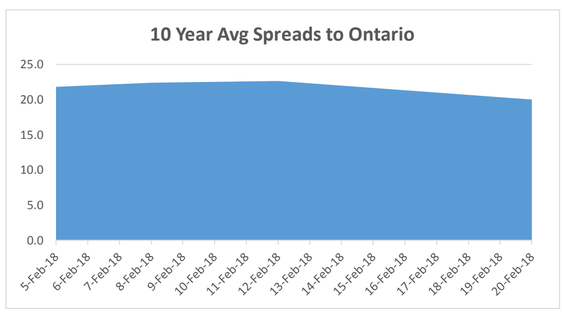
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
32.6	28.8	23.7	20.0	19.9	20.0

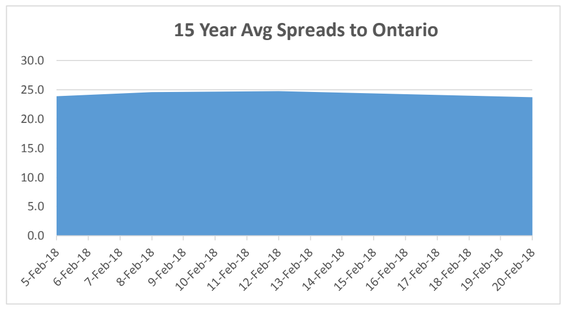
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
104.8	100.8	94.1	82.1	59.8	46.2
103.6	101.0	94.5	83.7	61.0	46.5
1.2	-0.2	-0.4	-1.6	-1.3	-0.3

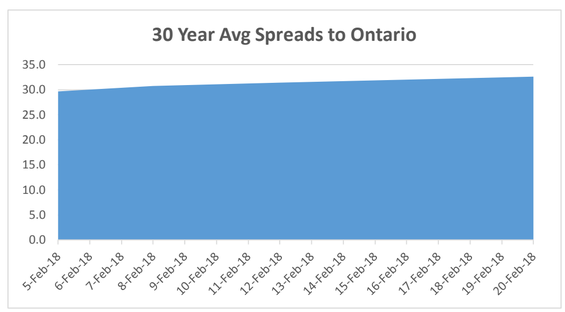
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*GS*	*GS*	*BMO*	*BMO*
	95.0	95.0	91.9	71.9	56.0	40.0
Maximum	*TD*	*CIBC*	*NBF*	*TD*	*Scotia*	*RBC*
	115.0	106.0	96.0	90.0	64.5	50.0









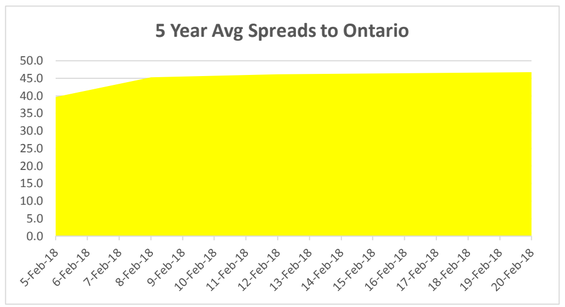
Sub Note

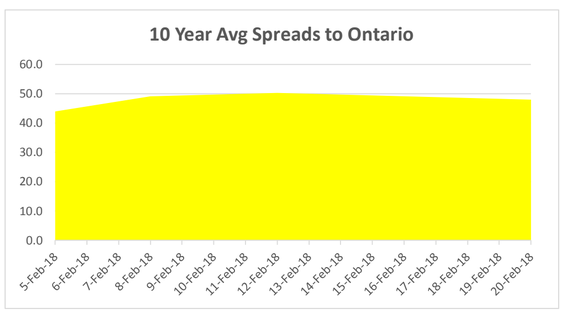
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
63.0	58.9	53.2	48.0	46.8	46.7

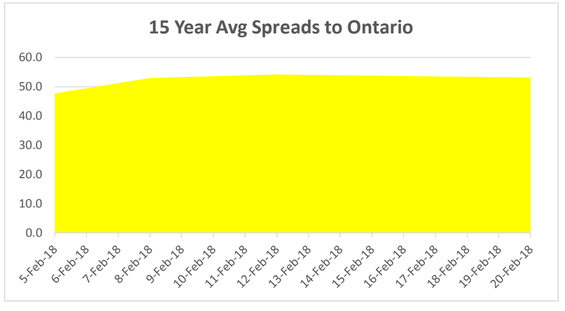
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
135.2	130.9	123.6	110.1	86.6	72.8
134.1	131.2	123.9	111.3	87.8	73.2
1.1	-0.3	-0.4	-1.3	-1.3	-0.3

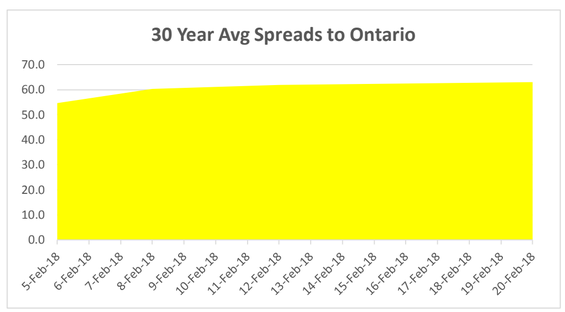
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*RBC*	*CIBC*	*GS*	*BMO*	*BMO*
	123.0	123.0	120.0	101.9	81.0	65.0
Maximum	*TD*	*BMO*	*BMO*	*CIBC*	*Scotia*	*Scotia*
	145.0	135.0	132.0	120.0	94.5	79.0









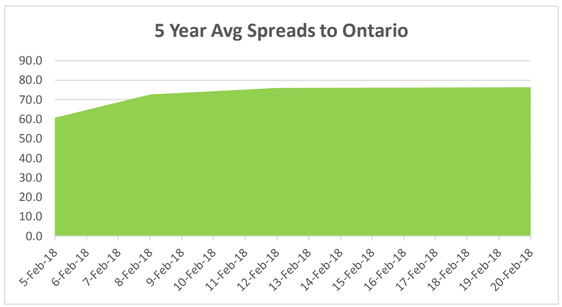
Junior Sub Note

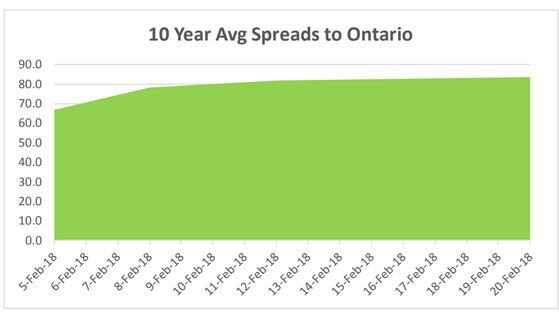
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
104.0	99.5	92.2	83.6	76.4	76.7

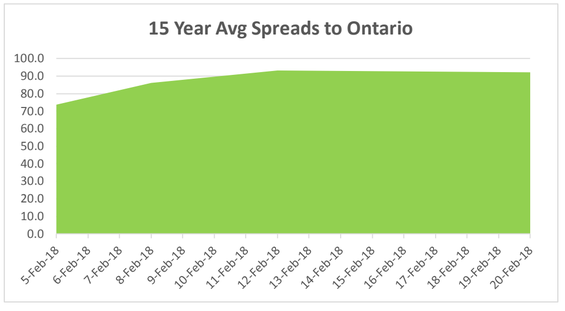
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
176.2	171.5	162.6	145.6	116.3	102.8
171.9	168.5	162.9	142.8	117.7	103.2
4.3	3.0	-0.4	2.8	-1.4	-0.3

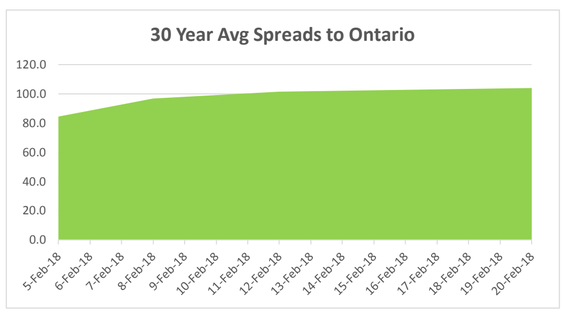
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*CIBC*	*CIBC*	*BMO*	*NBF*	*NBF*
	155.0	154.0	145.0	125.0	99.0	87.0
Maximum	*BMO*	*BMO*	*BMO*	*BMO*	*BMO*	*BMO*
	212.0	209.0	200.0	162.0	125.0	110.0









Indicative New Issue Spreads
Week of Feb 20, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN28			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.75%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.45%	2.46%	2.36%	2.31%	2.09%	1.89%	2.48%	2.49%	2.44%	2.33%	2.20%	2.13%	2.45%	2.47%	2.44%	2.35%			2.48%	2.49%
Curve Adjustment (bp)	0.0	0.3	5.4	1.6	3.1	5.1	0.0	0.1	(0.3)	1.7	3.9	(0.1)	0.0	2.4	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	97	95	93	82	56	40	106	104	95	82	56	46	112	102	92	72			109	106
Re-Offered Yield	3.42%	3.41%	3.34%	3.15%	2.68%	2.34%	3.54%	3.53%	3.38%	3.17%	2.80%	2.59%	3.57%	3.49%	3.36%	3.07%			3.57%	3.55%
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.45%**	**3.44%**	**3.37%**	**3.20%**	**2.75%**	**2.41%**	**3.57%**	**3.56%**	**3.41%**	**3.19%**	**2.82%**	**2.60%**	**3.58%**	**3.51%**	**3.39%**	**3.12%**			**3.60%**	**3.59%**
All-in Spread to GoC Curve (bp)	**99.63**	**98.41**	**96.36**	**86.62**	**63.43**	**46.86**	**108.70**	**106.70**	**97.40**	**84.10**	**57.70**	**47.20**	**113.57**	**104.40**	**95.23**	**76.90**			**111.74**	**109.52**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	73	73	72	61	40	26	73	71	69	62	40	27	72	71	72	63			73	72

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							160	--	--	115	76	62								
Toronto Hydro Corporation (A/-/A)							123	--	--	85	60	50								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	92	0	0	78	55	44														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			130	124
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			113	107
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			135	130
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	82	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	74	59														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	61	44														
CMBs: (AAA/Aaa/AAA)	0	0	41	36	28	18														
PSP Investments (AAA/Aaa/AAA)	0	0	0	66	44	28														
CPP Investment Board (AAA/Aaa/AAA)	86	0	0	66	44	28														
BMO (Senior) (A+/A1/AA)	113	0	0	88	74	62														
Nova Scotia Power (BBB+ / - / A(l))							138	--	--	96	69	56								
FortisAlberta (A- / Baa1 / A(l))							127	--	--	91	65	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							225	--	--	165	115	90								
Bruce Power (BBB / Baa2 / BBB)							199	--	--	140	96	--								
City of Toronto (- / Aa1 / AA)							94	92	--	76	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																65 bps area				
AAA Taxable Municipal Bonds (US Treasuries)													+85 AREA	0-75 AREA (vs 30y US	5-100 AREA (vs 10y US	+65-70 AREA	+45-50 AREA	+35-40 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN28			01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.45%	2.46%	2.36%	2.31%	2.09%	1.89%	2.49%	2.50%	2.45%	2.35%	2.20%	2.07%	2.45%	2.47%	2.44%	2.35%			2.48%	2.49%
Curve Adjustment (bp)	0.0	0.3	5.4	1.6	3.1	5.1	0.0	0.1	(0.3)	1.5	4.9	3.5	0.0	2.4	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	137	135	132	112	81	65	131	129	120	107	81	71	142	132	122	102			134	131
Re-Offered Yield	3.82%	3.81%	3.73%	3.45%	2.93%	2.59%	3.80%	3.79%	3.65%	3.43%	3.06%	2.81%	3.87%	3.79%	3.66%	3.37%			3.82%	3.80%
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.85%**	**3.85%**	**3.77%**	**3.50%**	**3.00%**	**2.66%**	**3.83%**	**3.81%**	**3.67%**	**3.45%**	**3.07%**	**2.83%**	**3.88%**	**3.81%**	**3.66%**	**3.42%**			**3.85%**	**3.84%**
All-in Spread to GoC Curve (bp)	**139.76**	**138.53**	**135.44**	**116.68**	**88.47**	**71.88**	**133.74**	**131.73**	**122.42**	**109.09**	**82.74**	**72.20**	**143.57**	**134.40**	**125.23**	**106.90**			**136.74**	**134.52**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			125	118
NAV Canada (AA-, AA low)																			90	88
GTAA (Aa3, A+)																			90	88
Hydro One (A3/A/A high)																			130	123
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	79														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	94														
BMO (Senior) (A+/A1/AA)	113	0	0	88	74	62														
Nav Canada (sub) (AA-/Aa2/AAL)	92	0	0	78	55	44														
City of Toronto (AA / Aa1 / AA)	96	96	95	78	55	39														
Bank ABS (AAA / - / AAA)							--	--	--	--	73	63								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	88	76								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	55	45								
AA CMBS (USD Swaps)																100 - 110 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+95-100 AREA	0-80 AREA (vs 30y US	5-110 AREA (vs 10y U	+80-85 AREA	+55-60 AREA	+45-40 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	-	1-Jun-27	01-Jun-24	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN28			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.75%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.45%	2.46%	2.36%	2.31%	2.09%	1.89%	2.48%	2.49%	2.44%	2.33%	2.20%	2.13%	2.45%	2.47%	2.44%	2.35%			2.48%	2.49%
Curve Adjustment (bp)	0.0	0.3	5.4	1.6	3.1	5.1	0.0	0.1	(0.3)	1.7	3.9	(0.1)	0.0	2.4	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	212	209	200	162	125	110	156	154	145	132	106	96	202	192	182	162			164	161
Re-Offered Yield	4.57%	4.55%	4.41%	3.95%	3.37%	3.04%	4.04%	4.03%	3.88%	3.67%	3.30%	3.09%	4.47%	4.39%	4.26%	3.97%			4.12%	4.10%
Commission (bp)	2.9	3.7	3.5	4.8	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.60%**	**4.59%**	**4.45%**	**4.00%**	**3.44%**	**3.11%**	**4.07%**	**4.06%**	**3.91%**	**3.69%**	**3.32%**	**3.10%**	**4.48%**	**4.41%**	**4.26%**	**4.02%**			**4.15%**	**4.14%**
All-in Spread to GoC Curve (bp)	**214.87**	**212.65**	**203.54**	**166.76**	**132.53**	**116.92**	**158.70**	**156.70**	**147.40**	**134.10**	**107.70**	**97.20**	**203.57**	**194.40**	**185.23**	**166.90**			**166.74**	**164.52**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			155.0	149.0
Highway 407 (A, A)																			125.0	118.3
Enbridge Gas Distribution (A-, A)																			130.0	124.0
Hydro One (A3/A/A high)																			130.0	123.3
Schedule 1 Bank ABS (A)																			190.0	185.0
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	147.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	129.0	-														
Hydro One (A/A3/AH)	128.0	-	-	85.0	62.0	47.0														
OPG (BBB+/-/AL)	163.0	-	-	115.0	92.0	77.0														
10-year A CMBS (USD Swaps)																150 bps AREA				
A Taxable Municipal Bonds (US Treasuries)													+120-125 AREA	5-110 AREA (vs 30y U	30-135 AREA (vs 10y US	+100-105 AREA	+75-80 AREA	+65-70 AREA		


25.00
50
39.00
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Indicative New Issue Spreads
Week of Feb 20, 2018

NBF *NBF* *NBF* NBF

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	NBF			
	Current			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.44%	2.36%	2.13%	1.95%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	96	80	59	47
Re-Offered Yield	3.40%	3.16%	2.72%	2.42%
Commission (bp)	3.9	4.7	7.5	8.7
All-in Yield	**3.44%**	**3.21%**	**2.80%**	**2.51%**
All-in Spread to GoC Curve (bp)	**99.87**	**84.71**	**66.55**	**55.70**

Primary Comparable (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	61	40	26

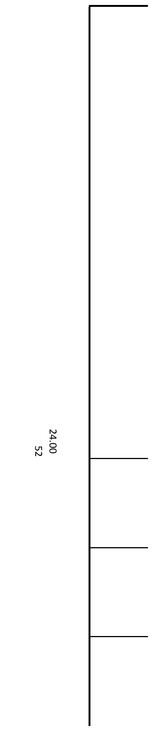
Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	107	90	70	60
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	90	75	55	47
Schedule I Bank ABS (Aaa ; AAA ; AAA)	113	90	75	65
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.44%	2.36%	2.13%	1.95%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	120	103	82	69
Re-Offered Yield	3.64%	3.39%	2.95%	2.64%
Commission (bp)	3.9	4.7	7.5	8.7
All-in Yield	**3.68%**	**3.44%**	**3.03%**	**2.73%**
All-in Spread to GoC Curve (bp)	**123.87**	**107.71**	**89.55**	**77.70**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
RBC Sr-Sub.				
Highway 407 (A, A)	99	80	60	50
NAV Canada (AA-, AA low)	81	75	55	45
GTAA (Aa3, A+)	81	75	55	45
Hydro One (A3/A/A high)	104	85	60	50
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.44%	2.36%	2.13%	1.95%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	148	125	99	87
Re-Offered Yield	3.92%	3.61%	3.12%	2.82%
Commission (bp)	3.9	4.7	7.5	8.7
All-in Yield	**3.96%**	**3.66%**	**3.20%**	**2.91%**
All-in Spread to GoC Curve (bp)	**151.87**	**129.71**	**106.55**	**95.70**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	132.0	115.0	85.0	70.0
Highway 407 (A, A)	99.1	80.0	60.0	50.0
Enbridge Gas Distribution (A-, A)	107.0	90.0	65.0	55.0
Hydro One (A3/A/A high)	104.1	85.0	60.0	50.0
Schedule 1 Bank ABS (A)	168.0	145.0	130.0	115.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				
A Taxable Municipal Bonds (US Treasuries)				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Indicative New Issue Spreads
Week of Feb 20, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	RBC	RBC	RBC	*RBC*	*RBC*	RBC	Scotia	Scotia	Scotia	*Scotia*	*Scotia*	Scotia	TD	TD	TD	*TD*	*TD*	TD
	RBC						Scotia						TD					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%
Benchmark Yield	2.48%	2.49%	2.39%	2.34%	2.10%	1.90%	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	2.46%	2.47%	2.37%	2.32%	2.12%	1.89%
Curve Adjustment (bp)	0.0	0.3	5.1	1.6	3.5	5.2	0.0	0.2	(0.3)	1.3	3.5	6.7	0.0	0.3	4.9	1.6	0.0	5.0
Spread to GoC Curve (bp)	95	95	95	85	63	50	100	99	93	84	65	49	115	105	95	90	60	45
Re-Offered Yield	3.43%	3.44%	3.39%	3.21%	2.76%	2.45%	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	3.61%	3.52%	3.36%	3.24%	2.72%	2.39%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	2.4	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.46%**	**3.48%**	**3.42%**	**3.25%**	**2.84%**	**2.54%**	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**3.63%**	**3.55%**	**3.40%**	**3.28%**	**2.80%**	**2.48%**
All-in Spread to GoC Curve (bp)	**97.69**	**98.49**	**98.86**	**89.72**	**70.56**	**58.71**	**101.89**	**101.71**	**96.62**	**88.04**	**71.94**	**57.64**	**117.37**	**108.19**	**98.60**	**94.52**	**67.43**	**53.63**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	72	72	62	40	27	70	72	70	61	39	26	73	73	69	64	40	26

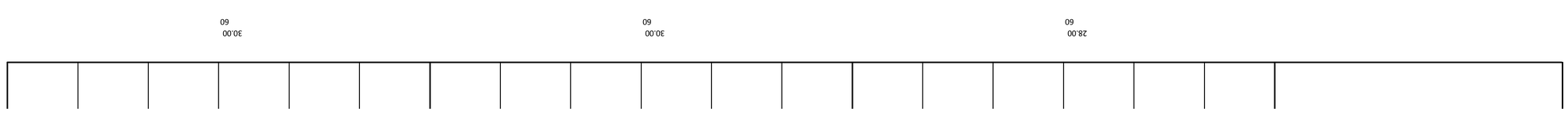
Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	37	28	18												
City of Toronto (AA/Aa1/AA)	98	98	93	82	56	42												
Hydro One Inc. (A(H)/A3/A)	128	n/a	n/a	89	60	52							127	117	93	85	63	50
Ontario Power Generation Inc. (A(low)/-/BBB+)	153	n/a	n/a	111	82	73	155	0	0	110	85	73						
Toronto Hydro Corporation (A/-/A)	121	n/a	n/a	85	57	50												
Canadian National Railway Co (A/A2/A)	123	n/a	n/a	85	64	56												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	93	n/a	n/a	76	55	45												
NAV Canada (AA(low)/Aa2/AA-)	93	n/a	n/a	78	58	50												
OPB Finance Trust (AA+/-/AA(H))													111	101	96	87	57	42
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	75	61	48
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							74	0	0	63	45	29						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							121	0	0	91	75	62						
Golden Credit Card Trust							0	0	0	88	71	58						
Master Credit Card Trust							0	0	0	88	71	58						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%
Benchmark Yield	2.48%	2.49%	2.39%	2.34%	2.10%	1.90%	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	2.46%	2.47%	2.37%	2.32%	2.12%	1.89%
Curve Adjustment (bp)	0.0	0.3	5.1	1.6	3.5	5.2	0.0	0.2	(0.3)	1.3	3.5	6.7	0.0	0.3	4.7	1.7	0.0	5.0
Spread to GoC Curve (bp)	123	123	123	113	91	78	135	132	123	114	95	79	145	135	125	120	90	75
Re-Offered Yield	3.71%	3.72%	3.67%	3.49%	3.04%	2.73%	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	3.91%	3.82%	3.66%	3.54%	3.02%	2.69%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.7	2.4	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.74%**	**3.76%**	**3.71%**	**3.53%**	**3.12%**	**2.82%**	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**3.93%**	**3.85%**	**3.70%**	**3.58%**	**3.10%**	**2.78%**
All-in Spread to GoC Curve (bp)	**125.79**	**126.58**	**126.94**	**117.78**	**98.61**	**86.75**	**136.89**	**134.71**	**126.62**	**118.04**	**101.94**	**87.64**	**147.37**	**138.19**	**128.60**	**124.52**	**97.43**	**83.63**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	68	44	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%
Benchmark Yield	2.48%	2.49%	2.39%	2.34%	2.10%	1.90%	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	2.46%	2.47%	2.37%	2.32%	2.12%	1.89%
Curve Adjustment (bp)	0.0	0.3	5.1	1.6	3.5	5.2	0.0	0.2	(0.3)	1.3	3.5	6.7	0.0	0.3	4.7	1.7	0.0	5.0
Spread to GoC Curve (bp)	155	155	155	145	123	110	170	165	153	144	125	109	175	165	155	150	120	105
Re-Offered Yield	4.03%	4.04%	3.99%	3.81%	3.36%	3.05%	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	4.21%	4.12%	3.96%	3.84%	3.32%	2.99%
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	2.4	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.06%**	**4.08%**	**4.03%**	**3.85%**	**3.44%**	**3.14%**	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**4.23%**	**4.15%**	**4.00%**	**3.88%**	**3.40%**	**3.08%**
All-in Spread to GoC Curve (bp)	**157.90**	**158.68**	**159.03**	**149.86**	**130.68**	**118.80**	**171.89**	**167.71**	**156.62**	**148.04**	**131.94**	**117.64**	**177.37**	**168.19**	**158.60**	**154.52**	**127.43**	**113.63**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		
A Taxable Municipal Bonds (US Treasuries)																		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28.00
60

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	23.7

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	**5 Year**	**10 Year**	**15 Year**	**30 Year**	**5 Year**
29.7	56.8	80.6	91.2	99.1	38.5
30.8	59.3	81.4	92.0	100.4	40.1
31.4	61.0	83.7	94.5	103.6	41.7
32.6	59.8	82.1	94.1	104.8	39.8

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	**5 Year**	**10 Year**	**15 Year**	**30 Year**	**5 Year**
54.7	78.2	102.8	115.0	124.1	38.5
60.3	85.4	108.2	120.4	130.0	40.1
61.9	87.8	111.3	123.9	134.1	41.7
63.0	86.6	110.1	123.6	135.2	39.8

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	**5 Year**	**10 Year**	**15 Year**	**30 Year**	**5 Year**
84.5	99.3	125.6	141.0	153.9	38.5
96.8	112.7	137.3	153.5	166.5	40.1
101.5	117.7	142.8	162.9	173.7	41.7
104.0	116.3	145.6	162.6	176.2	39.8

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.45%	2.46%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**97**	**95**
Re-Offered Yield	3.42%	3.41%
Commission (bp)	2.6	3.4
All-in Yield	**3.45%**	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	73	73

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	86	
BMO (Senior) (A+/A1/AA)	113	
Nav Canada (sub) (AA-/Aa2/AAL)	92	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.45%	2.46%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**137**	**135**
Re-Offered Yield	3.82%	3.81%
Commission (bp)	2.8	3.5
All-in Yield	**3.85%**	**3.85%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	73	73

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	113	
Nav Canada (sub) (AA-/Aa2/AAL)	92	
City of Toronto (AA / Aa1 / AA)	96	96

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.45%	2.46%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**212**	**209**
Re-Offered Yield	4.57%	4.55%
Commission (bp)	2.9	3.7
All-in Yield	**4.60%**	**4.59%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	73	73

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	128	
OPG (BBB+/-/AL)	163	

Generic Corporate Credit Spreads AA	95	
Generic Corporate Credit Spreads A	153	
Generic Corporate Credit Spreads BBB	227	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.36%	2.31%	2.09%	1.89%	-3bps	-3bps	-2bps	-2bps	3bps
5.4	1.6	3.1	5.1	0bps	0bps	0bps	0bps	0bps
93	**82**	**56**	**40**	0bps	-1bps	-2bps	-1bps	0bps
3.34%	3.15%	2.68%	2.34%	-3bps	-4bps	-4bps	-3bps	2bps
3.4	4.6	7.4	6.9					
3.37%	**3.20%**	**2.75%**	**2.41%**	-3bps	-4bps	-4bps	-3bps	2bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
72	61	40	26	1bps	1bps	1bps	1bps	-1bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
		82						1bps
		74	59					1bps
		61	44					1bps
40.5	35.5	28	17.5			2bps	2bps	1bps
	66	44	28				0bps	-1bps
	66	44	28	0bps			0bps	-1bps
	88	74	62	0bps			0bps	1bps
	78	55	44	2bps			0bps	-1bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.36%	2.31%	2.09%	1.89%	-3bps	-3bps	-2bps	-2bps	3bps
5.4	1.6	3.1	5.1	0bps	0bps	0bps	0bps	0bps
132	**112**	**81**	**65**	0bps	-1bps	-2bps	-1bps	0bps
3.73%	3.45%	2.93%	2.59%	-3bps	-4bps	-4bps	-3bps	2bps
3.4	4.7	7.5	6.9					
3.77%	**3.50%**	**3.00%**	**2.66%**	-3bps	-4bps	-4bps	-3bps	2bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
72	61	40	26	1bps	1bps	1bps	1bps	-1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			79					
			94					
	88	74	62	0bps			0bps	1bps
	78	55	44	2bps			0bps	-1bps
94.5	78	55	39	0bps	1bps	1bps	0bps	-1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.36%	2.31%	2.09%	1.89%	-3bps	-3bps	-2bps	-2bps	3bps
5.4	1.6	3.1	5.1	0bps	0bps	0bps	0bps	0bps
200	**162**	**125**	**110**	0bps	-1bps	-2bps	-1bps	-1bps
4.41%	3.95%	3.37%	3.04%	-3bps	-4bps	-4bps	-3bps	1bps
3.5	4.8	7.5	6.9					
4.45%	**4.00%**	**3.44%**	**3.11%**	-3bps	-4bps	-4bps	-3bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
72	61	40	26	1bps	1bps	1bps	1bps	-1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		147						1bps
		129						1bps
	85	62	47	-2bps			0bps	-1bps
	115	92	77	-2bps			0bps	-1bps

	86	65		1bps			0bps	1bps
	114	82		2bps			0bps	1bps
	169	117		1bps			2bps	1bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
21-Feb-18

3-year
4bps
-1bps
1bps
5bps
5bps

3-year
-1bps

3-year
2bps
2bps
3bps
-1bps
-1bps
2bps
-1bps

3-year
4bps
-1bps
1bps
5bps
5bps

3-year
-1bps

3-year
2bps
2bps
2bps
-1bps
-1bps

3-year
4bps
-1bps
1bps
5bps
5bps

3-year
-1bps

3-year
-3bps
-3bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.48%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**106**
Re-Offered Yield	3.54%
Commission (bp)	2.7
All-in Yield	**3.57%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	160
Toronto Hydro (A / - / A)	123
Nova Scotia Power (BBB+ / - / A(l))	138
FortisAlberta (A- / Baa1 / A(l))	127
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	225
Bruce Power (BBB / Baa2 / BBB)	199
City of Toronto (- / Aa1 / AA)	94

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.49%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**131**
Re-Offered Yield	3.80%
Commission (bp)	2.7
All-in Yield	**3.83%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.48%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**156**
Re-Offered Yield	4.04%
Commission (bp)	2.7
All-in Yield	**4.07%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

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Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Mar-23	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.75%	-	-	-	-	-
2.49%	2.44%	2.33%	2.20%	2.13%	-0.01%	-0.01%	-0.01%	-0.02%	0.00%
0.1	(0.3)	1.7	3.9	(0.1)	0.0	0.0	0.0	0.2	(1.0)
104	**95**	**82**	**56**	**46**	0	0	0	0	0
3.53%	3.38%	3.17%	2.80%	2.59%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
2.7	2.4	2.1	1.7	1.2					
3.56%	**3.41%**	**3.19%**	**2.82%**	**2.60%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
71	69	62	40	27	(1)	0	0	0	(1)

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	115	76	62	1	--	--	1	--
--	--	85	60	50	(3)	--	--	2	2
--	--	96	69	56	1	--	--	2	2
--	--	91	65	--	(1)	--	--	2	2
--	--	165	115	90	2	--	--	--	--
--	--	140	96	--	2	--	--	--	--
92	--	76	--	--	(4)	(4)	--	(4)	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-
2.50%	2.45%	2.35%	2.20%	2.07%	-0.01%	-0.01%	-0.01%	-0.02%	0.00%
0.1	(0.3)	1.5	4.9	3.5	0	0	0	0	(1)
129	**120**	**107**	**81**	**71**	0	0	0	0	0
3.79%	3.65%	3.43%	3.06%	2.81%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.81%	**3.67%**	**3.45%**	**3.07%**	**2.83%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
71	69	62	40	27	(1)	0	0	0	(1)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
--	--	--	73	63	--	--	--	--	--
--	--	--	88	76	--	--	--	--	--
--	--	--	55	45	--	--	--	--	--

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-37	.	1-Jun-27	01-Jun-24	01-Mar-23	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.75%	-	-	-	-	-
2.49%	2.44%	2.33%	2.20%	2.13%	-0.01%	-0.01%	-0.01%	-0.02%	0.00%
0.1	(0.3)	1.7	3.9	(0.1)	0	0	0	0	(1)
154	**145**	**132**	**106**	**96**	0	0	0	0	0
4.03%	3.88%	3.67%	3.30%	3.09%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
2.7	2.4	2.1	1.7	1.2		-		-	-
4.06%	**3.91%**	**3.69%**	**3.32%**	**3.10%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
71	69	62	40	27	(1)	0	0	0	(1)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

CIBC
2/20/2018

3-year
-
-
0.06%
(3.6)
0
0.02%
-
0.02%

3-year
0

3-year
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2
2
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3-year
-
-
0.06%
(4)
0
0.02%
-
0.02%

3-year
0

3-year
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3-year
-
-
0.06%
(4)
0
0.02%
-
0.02%

3-year
0

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.448%	2.467%
Curve Adjustment (bp)	0.000%	0.024%
Spread to GoC Curve (bp)	**1.119%**	**1.019%**
Re-Offered Yield	3.567%	3.486%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.58%**	**3.51%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.721%**	**0.714%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+85 AREA	-75 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.448%	2.467%
Curve Adjustment (bp)	0.000%	0.024%
Spread to GoC Curve (bp)	**1.419%**	**1.319%**
Re-Offered Yield	3.867%	3.786%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.88%**	**3.81%**

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.721%**	**0.714%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+95-100 AREA	-80 AREA (vs 30y U

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.448%	2.467%
Curve Adjustment (bp)	0.000%	0.024%
Spread to GoC Curve (bp)	**2.019%**	**1.919%**
Re-Offered Yield	4.467%	4.386%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.48%**	**4.41%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.721%**	**0.714%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+120-125 AREA	-110 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN28			
5.750%	2.000%			
2.438%	2.346%			
0.049%	0.008%			
0.919%	**0.719%**			
3.357%	3.065%			
0.033%	0.050%			
3.39%	**3.12%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.718%	**0.632%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
·100 AREA (vs 10y U	65 bps area +65-70 AREA	+45-50 AREA	+35-40 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN28			
5.750%	2.000%			
2.438%	2.346%			
0.049%	0.008%			
1.219%	**1.019%**			
3.657%	3.365%			
0.033%	0.050%			
3.66%	**3.42%**			

Current	

15-year	10-year	5-year	3-year	30-year
0.718%	**0.632%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-110 AREA (vs 10y	100 - 110 bps AREA +80-85 AREA	+55-60 AREA	+45-40 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN28			
5.750%	2.000%			
2.438%	2.346%			
0.049%	0.008%			
1.819%	**1.619%**			
4.257%	3.965%			
0.033%	0.050%			
4.26%	**4.02%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.718%	**0.632%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-135 AREA (vs 10y	150 bps AREA +100-105 AREA	+75-80 AREA	+65-70 AREA	+0 bps

Bank Name	GS
Date	2/15/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week

20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.48%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	109
Re-Offered Yield	3.57%
Commission (bp)	2.7
All-in Yield	**3.60%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	130
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	113
Schedule I Bank ABS (Aaa ; AAA ; AAA)	135

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.48%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	134
Re-Offered Yield	3.82%
Commission (bp)	2.7
All-in Yield	**3.85%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	125
NAV Canada (AA-, AA low)	90
GTAA (Aa3, A+)	90
Hydro One (A3/A/A high)	130

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.48%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	164
Re-Offered Yield	4.12%
Commission (bp)	2.7
All-in Yield	**4.15%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	155
Highway 407 (A, A)	125
Enbridge Gas Distribution (A-, A)	130
Hydro One (A3/A/A high)	130
Schedule 1 Bank ABS (A)	190

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.49%	2.44%	2.36%	2.13%
0.0	0.0	0.0	0.0
106	96	80	59
3.55%	3.40%	3.16%	2.72%
3.5	3.9	4.7	7.5
3.59%	**3.44%**	**3.21%**	**2.80%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	70	61	40

Current			
20-year	**15-year**	**10-year**	**5-year**
124	107	90	70
107	90	75	55
130	113	90	75

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.49%	2.44%	2.36%	2.13%
0.0	0.0	0.0	0.0
131	120	103	82
3.80%	3.64%	3.39%	2.95%
3.5	3.9	4.7	7.5
3.84%	**3.68%**	**3.44%**	**3.03%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	70	61	40

Current			
20-year	**15-year**	**10-year**	**5-year**
118	99	80	60
88	81	75	55
88	81	75	55
123	104	85	60

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.49%	2.44%	2.36%	2.13%
0.0	0.0	0.0	0.0
161	148	125	99
4.10%	3.92%	3.61%	3.12%
3.5	3.9	4.7	7.5
4.14%	**3.96%**	**3.66%**	**3.20%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	70	61	40

Current			
20-year	**15-year**	**10-year**	**5-year**
149	132	115	85
118	99	80	60
124	107	90	65
123	104	85	60
185	168	145	130

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.95%	0.00%	0.01%	0.01%
0.0	0.0	0.0	0.0
47	1	1	0
2.42%	0.01%	0.02%	0.01%
8.7	0.0	0.0	0.0
2.51%	**0.01%**	**0.02%**	**0.01%**

			Week
3-year	**30-year**	**20-year**	**15-year**
25.5	1	-1	-1

			Week
3-year	**30-year**	**20-year**	**15-year**
60	5	5	5
47	5	5	5
65	5	5	5

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
1.95%	0.00%	0.01%	0.01%
0.0	0.0	0.0	0.0
69	1	1	0
2.64%	0.01%	0.02%	0.01%
8.7	0.0	0.0	0.0
2.73%	**0.01%**	**0.02%**	**0.01%**

			Week
3-year	**30-year**	**20-year**	**15-year**
26	1	-1	-1

			Week
3-year	**30-year**	**20-year**	**15-year**
50	0	0	0
45	0	0	0
45	0	1	3
50	0	0	0

	Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.95%	0.00%	0.01%	0.01%
0.0	0.0	0.0	0.0
87	1	1	0
2.82%	0.01%	0.02%	0.01%
8.7	0.0	0.0	0.0
2.91%	**0.01%**	**0.02%**	**0.01%**

	Week
3-year	**30-year**	**20-year**	**15-year**
26	1	-1	-1

	Week
3-year	**30-year**	**20-year**	**15-year**
70	5	5	5
50	0	0	0
55	0	0	0
50	0	0	0
115	0	0	0

Bank Name	National Bank of Canada
Date	2/20/2018

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.02%	0.04%	0.05%
0.0	0.0	0.0
0	-1	0
0.02%	0.03%	0.05%
0.0	0.0	0.0
0.02%	**0.03%**	**0.05%**

over Week		
10-year	**5-year**	**3-year**
1	0	-0.5

over Week		
10-year	**5-year**	**3-year**
5	5	5
5	5	5
5	5	5

over Week		
10-year	**5-year**	**3-year**
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.02%	0.04%	0.05%
0.0	0.0	0.0
0	-1	0
0.02%	0.03%	0.05%
0.0	0.0	0.0
0.02%	**0.03%**	**0.05%**

over Week		
10-year	**5-year**	**3-year**
1	0	-1

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
5	5	5
0	0	0

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.02%	0.04%	0.05%
0.0	0.0	0.0
0	-1	0
0.02%	0.03%	0.05%
0.0	0.0	0.0
0.02%	**0.03%**	**0.05%**

over Week		
10-year	**5-year**	**3-year**
1	0	-1

over Week		
10-year	**5-year**	**3-year**
5	0	0
0	0	0
0	0	0
0	0	0
0	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.48%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**95**
Re-Offered Yield	3.43%
Commission (bp)	2.7
All-in Yield	**3.46%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**72**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**98**
Hydro One Inc. (A(H)/A3/A)	**128**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**153**
Toronto Hydro Corporation (A/-/A)	**121**
Canadian National Railway Co (A/A2/A)	**123**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**93**
NAV Canada (AA(low)/Aa2/AA-)	**93**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.48%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**123**
Re-Offered Yield	3.71%
Commission (bp)	2.8
All-in Yield	**3.74%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	72

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.48%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**155**
Re-Offered Yield	4.03%
Commission (bp)	2.9
All-in Yield	**4.06%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	72

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.49%	**2.39%**	**2.34%**	**2.10%**
0.3	**5.1**	**1.6**	**3.5**
95	**95**	**85**	**63**
3.44%	3.39%	3.21%	2.76%
3.5	3.9	4.7	7.6
3.48%	**3.42%**	**3.25%**	**2.84%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	**72**	**62**	**40**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**37**	**28**
98	**93**	**82**	**56**
n/a	**n/a**	**89**	**60**
n/a	**n/a**	**111**	**82**
n/a	**n/a**	**85**	**57**
n/a	**n/a**	**85**	**64**
n/a	**n/a**	**76**	**55**
n/a	**n/a**	**78**	**58**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.49%	2.39%	2.34%	2.10%
0.3	5.1	1.6	3.5
123	**123**	**113**	**91**
3.72%	3.67%	3.49%	3.04%
3.6	3.9	4.8	7.6
3.76%	**3.71%**	**3.53%**	**3.12%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	72	62	40

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**68**	**44**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.49%	2.39%	2.34%	2.10%
0.3	5.1	1.6	3.5
155	**155**	**145**	**123**
4.04%	3.99%	3.81%	3.36%
3.7	4.0	4.9	7.7
4.08%	**4.03%**	**3.85%**	**3.44%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	72	62	40

Current			
20-year	**15-year**	**10-year**	**5-year**

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Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Sep-20					
0.75%					
1.90%	0.9	1.1	1.6	1.7	4.2
5.2	-	0.1	-0.5	-	0.1
50	-1.0	-2.5	-0.5	1.5	-6.5
2.45%	-0.1	-1.3	0.6	3.2	-2.2
8.7	-0.0	-0.0	0.0	0.0	-0.0
2.54%	-0.1	-1.3	0.6	3.2	-2.2

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
27	-0.5	-1.5	-	2.5	-5.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
18				1.0	-0.5
42	3.0	0.5	1.0	0.5	-
52	-1.0			-1.0	-
73	2.0			2.0	-
50	-1.0			-	-
56	2.0			1.0	2.0
45	3.0			3.0	3.0
50	3.0			2.0	2.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Sep-20					
0.75%					
1.90%					
5.2					
78	-1.0	-2.5	-0.5	1.5	-6.5
2.73%	-0.1	-1.3	0.6	3.2	-2.2
8.7	-0.00	-0.00	0.00	0.01	-0.00
2.82%	-0.1	-1.3	0.6	3.2	-2.2

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
27	-0.5	-1.5	-	2.5	-5.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				-	1.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Sep-20					
0.75%					
1.90%					
5.2					
110	-1.0	-2.5	-0.5	1.5	-6.5
3.05%	-0.1	-1.3	0.6	3.2	-2.2
8.8	-0.00	-0.00	0.00	0.01	-0.00
3.14%	-0.1	-1.3	0.6	3.2	-2.2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	-0.5	-1.5	-	2.5	-5.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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RBC
20-Feb-18

3-year
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-3.0
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Information and, to

icative New Issue Spreads - Senior Notes (AAA/A		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.51%	2.51%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+100**	**+99**
Re-Offered Yield	3.50%	3.50%
Commission (bp)	2	3
All-in Yield	**3.53%**	**3.53%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	155	
CPP	74	
BNS - Denior Deposit Notes	121	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.51%	2.51%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+135**	**+132**
Re-Offered Yield	3.85%	3.83%
Commission (bp)	2	3
All-in Yield	**3.88%**	**3.86%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.51%	2.51%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+170**	**+165**
Re-Offered Yield	4.20%	4.16%
Commission (bp)	2	3
All-in Yield	**4.23%**	**4.19%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.48%	2.40%	2.15%	1.93%	0.03%
(0.3)	1.3	3.5	6.7	0
+93	**+84**	**+65**	**+49**	-1
3.41%	3.25%	2.83%	2.49%	0.02%
4	5	7	9	0
3.44%	**3.30%**	**2.91%**	**2.57%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70	61	39	26	-2

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	110	85	73	0
	63	45	29	0
	91	75	62	0
	88	71	58	0
	88	71	58	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.48%	2.40%	2.15%	1.93%	0.03%
(0.3)	1.3	3.5	6.7	0
+123	**+114**	**+95**	**+79**	-1
3.71%	3.55%	3.13%	2.79%	0.02%
4	5	7	9	0
3.74%	**3.60%**	**3.21%**	**2.87%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70	61	39	26	-2

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	88	71	58	0
	88	71	58	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.48%	2.40%	2.15%	1.93%	0.03%
(0.3)	1.3	3.5	6.7	0
+153	**+144**	**+125**	**+109**	-1
4.01%	3.85%	3.43%	3.09%	0.02%
4	5	7	9	0
4.04%	**3.90%**	**3.51%**	**3.17%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70	61	39	26	-2

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	88	71	58	0
	88	71	58	0

Bank Name	BNS
Date	2/20/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.03%	0.05%	0.08%	0.10%	0.08%
0	0	0	0	1
-1	-1	-1	-1	-1
0.02%	0.04%	0.06%	0.09%	0.08%
0	0	0	0	0
0.02%	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1	1	0	-2	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0
0	0	0	0	0
0	0	0	1	1
0	0	-1	-2	-2
0	0	-1	-2	-2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.03%	0.05%	0.08%	0.10%	0.08%
0	0	0	0	1
-1	-1	-1	-1	-1
0.02%	0.04%	0.06%	0.09%	0.08%
0	0	0	0	0
0.02%	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1	1	0	-2	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	-1	-2	-2
0	0	-1	-2	-2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.03%	0.05%	0.08%	0.10%	0.08%
0	0	0	0	1
-1	-1	-1	-1	-1
0.02%	0.04%	0.06%	0.09%	0.08%
0	0	0	0	0
0.02%	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1	1	0	-2	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	-1	-2	-2
0	0	-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.46%	2.47%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**115**	**105**
Re-Offered Yield	3.61%	3.52%
Commission (bp)	2.4	3.2
All-in Yield	**3.63%**	**3.55%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	73

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	111	101
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	127	117

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.46%	2.47%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**145**	**135**
Re-Offered Yield	3.91%	3.82%
Commission (bp)	2.4	3.2
All-in Yield	**3.93%**	**3.85%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	73	73

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.46%	2.47%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**175**	**165**
Re-Offered Yield	4.21%	4.12%
Commission (bp)	2.4	3.2
All-in Yield	**4.23%**	**4.15%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	73

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20	-
5.75%	1.00%	1.75%	0.75%	-
2.37%	2.32%	2.12%	1.89%	-0.018%
4.9	1.6	0.0	5.0	-
95	**90**	**60**	**45**	1
3.36%	3.24%	2.72%	2.39%	-0.01%
3.6	4.5	7.4	8.6	-
3.40%	**3.28%**	**2.80%**	**2.48%**	**-0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
68.5	64	40	26	1.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
96	87	57	42	1
N/A	75	61	48	N/A
93	85	63	50	-

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20	-
5.75%	1.00%	1.75%	0.75%	-
2.37%	2.32%	2.12%	1.89%	-0.018%
4.7	1.7	0.0	5.0	-
125	**120**	**90**	**75**	1
3.66%	3.54%	3.02%	2.69%	-0.01%
3.6	4.5	7.4	8.6	-
3.70%	**3.58%**	**3.10%**	**2.78%**	**-0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

69	64	40	26	1.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20	-
5.75%	1.00%	1.75%	0.75%	-
2.37%	2.32%	2.12%	1.89%	-0.018%
4.7	1.7	0.0	5.0	-
155	**150**	**120**	**105**	1
3.96%	3.84%	3.32%	2.99%	-0.01%
3.6	4.5	7.4	8.6	-
4.00%	**3.88%**	**3.40%**	**3.08%**	**-0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
69	64	40	26	1.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	2/20/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.021%	-0.008%	-0.007%	0.015%	0.043%
-	-	-	-	-
1	1	1	1	1
-0.01%	-0.01%	0.00%	0.02%	0.05%
-	-	-	-	-
-0.01%	**-0.01%**	**0.00%**	**0.03%**	**0.05%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1.0	1.0	1.0	(4.0)	(6.0)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1	1	1	1	1
N/A	N/A	-	-	-1
-	-	-	-	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.021%	-0.008%	-0.007%	0.015%	0.043%
-	-	-	-	-
1	1	1	1	1
-0.01%	-0.01%	0.00%	0.02%	0.05%
-	-	-	-	-
-0.01%	**-0.01%**	**0.00%**	**0.03%**	**0.05%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

1.0	1.0	1.0	(4.0)	(6.0)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.021%	-0.008%	-0.007%	0.015%	0.043%
-	-	-	-	-
1	1	1	1	1
-0.01%	-0.01%	0.00%	0.02%	0.05%
-	-	-	-	-
-0.01%	**-0.01%**	**0.00%**	**0.03%**	**0.05%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1.0	1.0	1.0	(4.0)	(6.0)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	Ricky Lai
To:	Mike Manning
Cc:	James Devine; Carlos Yep
Subject:	FHP spreads
Date:	Tuesday, February 20, 2018 11:38:09 AM
Attachments:	Fair Hydro price indications Feb 12 2018.xlsx

Please find the latest FHP spreads from all the dealers including GS.

I have made a couple of changes from the last file format:

- Added a chart for the 15 year term
- Show spreads to GoC instead of All-in spreads to GoC (which includes commissions). This should be more relevant for FHP.

Please let me know if you have any comments.

Thanks.

Ricky

FAIR HYDRO SPREADS

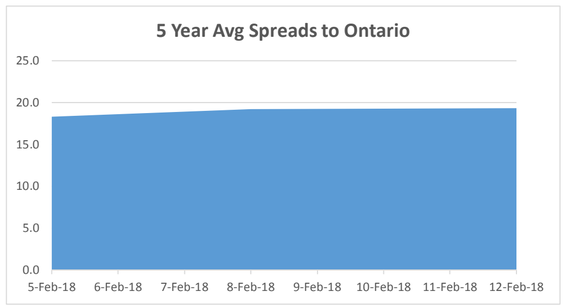
Senior Note

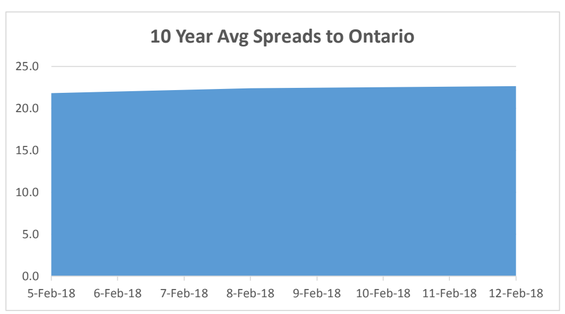
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
31.4	29.1	24.8	22.7	19.3	18.8

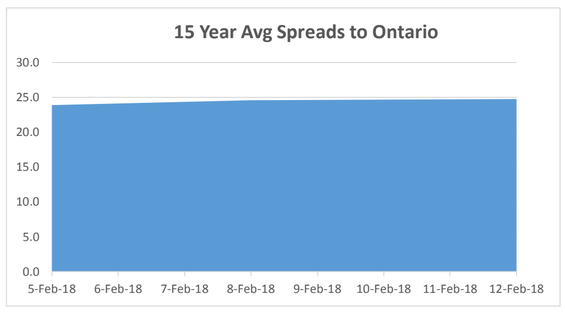
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
103.6	101.0	94.5	83.7	61.0	46.5
100.4	98.1	92.0	81.4	59.3	43.3
3.2	2.9	2.5	2.3	1.7	3.2

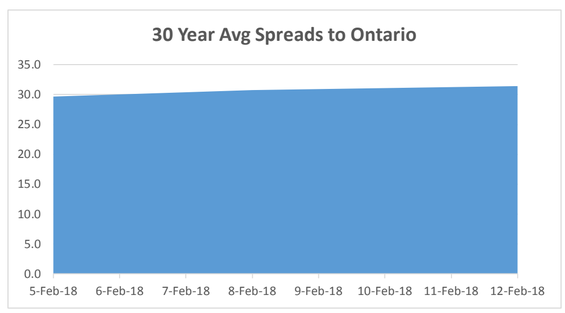
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*GS*	*NBF*	*BMO*	*BMO*
	96.0	96.0	91.9	80.0	56.0	39.0
Maximum	*TD*	*NBF*	*BMO*	*TD*	*RBC*	*RBC*
	114.0	105.0	96.0	89.0	69.5	53.0









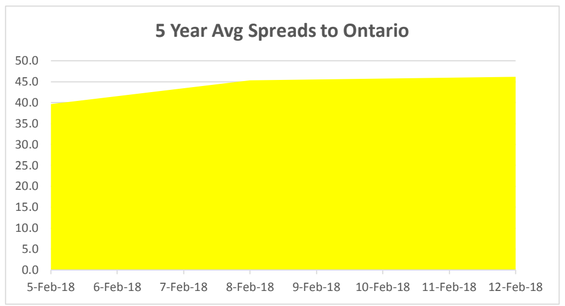
Sub Note

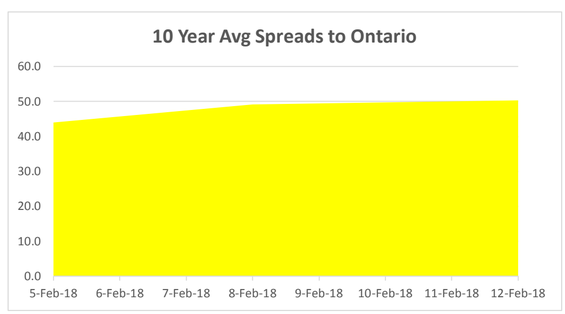
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
61.9	59.3	54.2	50.3	46.2	45.4

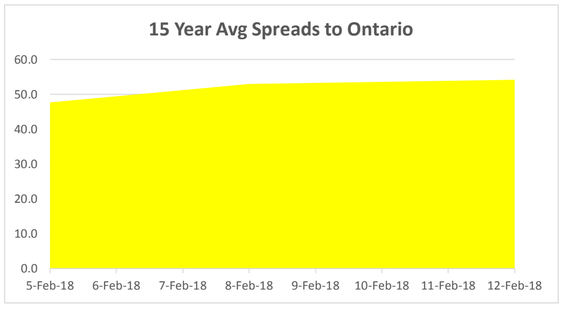
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
134.1	131.2	123.9	111.3	87.8	73.2
130.0	127.3	120.4	108.2	85.4	69.3
4.1	3.8	3.5	3.2	2.4	3.9

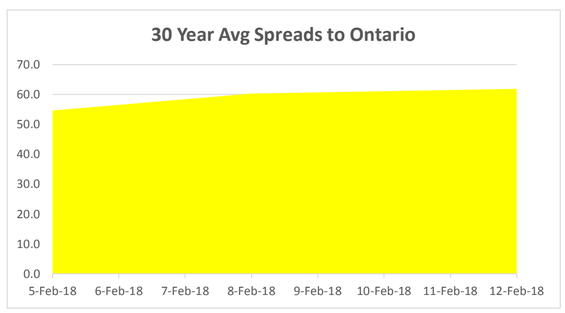
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*RBC*	*CIBC*	*NBF*	*BMO*	*BMO*
	124.0	125.5	120.0	103.0	81.0	64.0
Maximum	*TD*	*BMO*	*BMO*	*TD*	*RBC*	*BMO*
	144.0	136.0	134.0	119.0	97.5	81.0









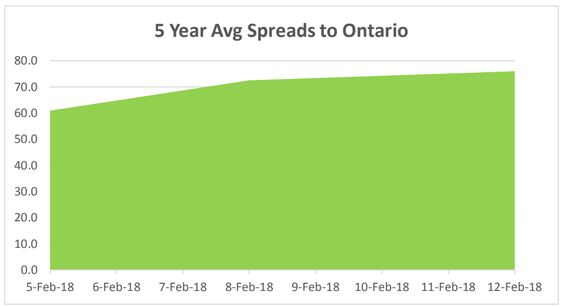
Junior Sub Note

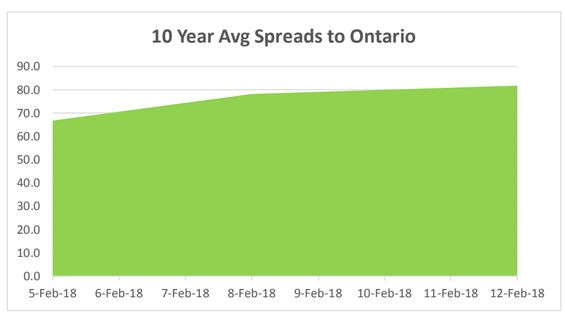
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
99.8	96.6	93.2	81.8	76.0	75.4

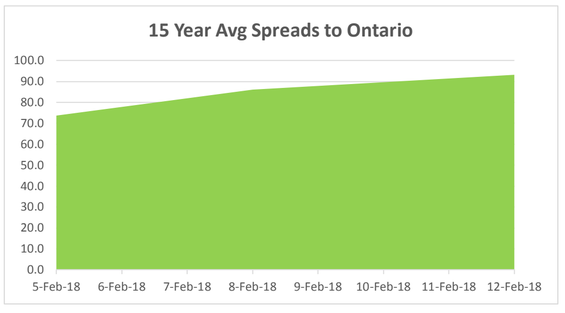
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
171.9	168.5	162.9	142.8	117.7	103.2
165.4	165.6	157.0	141.5	119.2	103.8
6.5	2.9	5.9	1.3	-1.6	-0.6

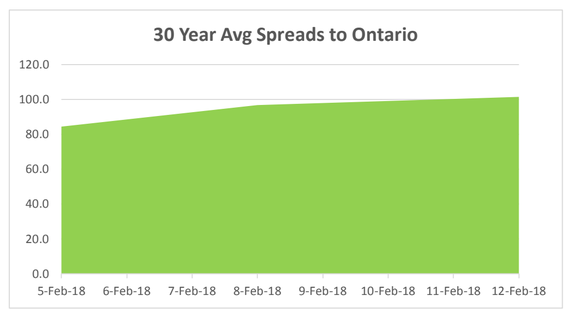
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*
	156.0	154.0	145.0	132.0	106.0	96.0
Maximum	*BMO*	*BMO*	*BMO*	*BMO*	*RBC*	*RBC*
	212.0	210.0	202.0	163.0	129.5	113.0









Indicative New Issue Spreads
Week of Feb 12, 2018

	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Current								Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Sep-22			1JUN29 and 1JUN33				01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%			5.75%				2.75%	5.00%
Benchmark Yield	2.48%	2.49%	2.38%	2.33%	2.06%	1.85%	2.49%	2.50%	2.45%	2.35%	2.20%	2.07%			2.44%				2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2	5.6	1.6	3.4	5.7	0.0	0.1	(0.3)	1.5	4.9	3.5			4.9				0.0	0.0
Spread to GoC Curve (bp)	97	96	95	83	56	39	106	104	95	82	56	46			92				108	105
Re-Offered Yield	3.45%	3.45%	3.38%	3.18%	2.65%	2.29%	3.55%	3.54%	3.40%	3.18%	2.81%	2.56%			3.36%				3.56%	3.53%
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.7	1.2			50.0				2.7	3.5
All-in Yield	**3.48%**	**3.48%**	**3.41%**	**3.22%**	**2.73%**	**2.36%**	**3.58%**	**3.56%**	**3.42%**	**3.20%**	**2.82%**	**2.58%**			**3.36%**				**3.59%**	**3.57%**
All-in Spread to GoC Curve (bp)	**99.64**	**99.42**	**98.36**	**87.63**	**63.42**	**45.86**	**108.74**	**106.73**	**97.42**	**84.09**	**57.74**	**47.20**			**141.90**				**110.73**	**108.52**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72	71	61	41	27	73	71	69	62	40	27			69				72	73

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							159	--	--	114	76	62								
Toronto Hydro Corporation (A/-/A)							126	--	--	83	58	48								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	90	0	0	78	56	45														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			130	124
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			113	107
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			135	130
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	81	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	73	57														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	60	42														
CMBs: (AAA/Aaa/AAA)	0	0	39	34	27	15														
PSP Investments (AAA/Aaa/AAA)	0	0	0	66	45	29														
CPP Investment Board (AAA/Aaa/AAA)	86	0	0	66	45	29														
BMO (Senior) (A+/A1/AA)	113	0	0	88	73	60														
Nova Scotia Power (BBB+ / - / A(l))							137	--	--	94	67	54								
FortisAlberta (A- / Baa1 / A(l))							128	--	--	89	63	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							223	--	--	165	115	90								
Bruce Power (BBB / Baa2 / BBB)							197	--	--	140	96	--								
City of Toronto (- / Aa1 / AA)							98	96	--	80	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																65 bps area				
AAA Taxable Municipal Bonds (US Treasuries)													+85 AREA	75 AREA (vs 30y U	5-100 AREA (vs 10y US	+65-70 AREA	+45-50 AREA	+35-40 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22			1JUN29 and 1JUN33				01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%			5.75%				2.75%	5.00%
Benchmark Yield	2.48%	2.49%	2.38%	2.33%	2.06%	1.85%	2.49%	2.50%	2.45%	2.35%	2.20%	2.07%			2.44%				2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2	5.6	1.6	3.4	5.7	0.0	0.1	(0.3)	1.5	4.9	3.5			4.9				0.0	0.0
Spread to GoC Curve (bp)	137	136	134	113	81	64	131	129	120	107	81	71			122				133	130
Re-Offered Yield	3.85%	3.85%	3.77%	3.48%	2.90%	2.54%	3.80%	3.79%	3.65%	3.43%	3.06%	2.81%			3.66%				3.81%	3.78%
Commission (bp)	2.8	3.5	3.5	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2			50.0				2.7	3.5
All-in Yield	**3.88%**	**3.89%**	**3.81%**	**3.52%**	**2.98%**	**2.61%**	**3.83%**	**3.81%**	**3.67%**	**3.45%**	**3.07%**	**2.83%**			**3.66%**				**3.84%**	**3.82%**
All-in Spread to GoC Curve (bp)	**139.77**	**139.54**	**137.45**	**117.69**	**88.46**	**70.88**	**133.74**	**131.73**	**122.42**	**109.09**	**82.74**	**72.20**			**171.90**				**135.73**	**133.52**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			125	118
NAV Canada (AA-, AA low)																			90	88
GTAA (Aa3, A+)																			90	87
Hydro One (A3/A/A high)																			130	123
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	77														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	92														
BMO (Senior) (A+/A1/AA)	113	0	0	88	73	60														
Nav Canada (sub) (AA-/Aa2/AAL)	90	0	0	78	56	45														
City of Toronto (AA / Aa1 / AA)	96	95	94	78	56	40														
Bank ABS (AAA / - / AAA)							--	--	--	--	73	63								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	88	76								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	55	45								
AA CMBS (USD Swaps)																100 - 110 bps				
AA Taxable Municipal Bonds (US Treasuries)													+95-100 AREA	-80 AREA (vs 30y US	-110 AREA (vs 10y U	+80-85 AREA	+55-60 AREA	+45-40 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	-	1-Jun-27	01-Jun-24	01-Sep-22			1JUN29 and 1JUN33				01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%			5.75%				2.75%	5.00%
Benchmark Yield	2.48%	2.49%	2.38%	2.33%	2.06%	1.85%	2.49%	2.50%	2.45%	2.35%	2.20%	2.07%			2.44%				2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2	5.6	1.6	3.4	5.7	0.0	0.1	(0.3)	1.5	4.9	3.5			4.9				0.0	0.0
Spread to GoC Curve (bp)	212	210	202	163	126	109	156	154	145	132	106	96			182				163	160
Re-Offered Yield	4.60%	4.59%	4.45%	3.98%	3.35%	2.99%	4.05%	4.04%	3.90%	3.68%	3.31%	3.06%			4.26%				4.11%	4.08%
Commission (bp)	2.9	3.7	3.6	4.8	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2			50.0				2.7	3.5
All-in Yield	**4.63%**	**4.63%**	**4.49%**	**4.02%**	**3.43%**	**3.06%**	**4.08%**	**4.06%**	**3.92%**	**3.70%**	**3.32%**	**3.08%**			**4.26%**				**4.14%**	**4.12%**
All-in Spread to GoC Curve (bp)	**214.88**	**213.66**	**205.55**	**167.77**	**133.53**	**115.91**	**158.74**	**156.73**	**147.42**	**134.09**	**107.74**	**97.20**			**231.90**				**165.73**	**163.52**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			150.0	144.0
Highway 407 (A, A)																			125.0	118.3
Enbridge Gas Distribution (A-, A)																			130.0	124.0
Hydro One (A3/A/A high)																			130.0	123.3
Schedule 1 Bank ABS (A)																			190.0	185.0
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	146.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	128.0	-														
Hydro One (A/A3/AH)	130.0	-	-	85.0	63.0	50.0														
OPG (BBB+/-/AL)	165.0	-	-	115.0	93.0	80.0														
10-year A CMBS (USD Swaps)																150 bps				
A Taxable Municipal Bonds (US Treasuries)													+120-125 AREA	-110 AREA (vs 30y	30-135 AREA (vs 10y US	+100-105 AREA	+75-80 AREA	+65-70 AREA		


25.00
50
39.00
107

Indicative New Issue Spreads
Week of Feb 12, 2018

NBF *NBF* *NBF* NBF

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	NBF			
	Current			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.43%	2.34%	2.09%	1.90%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	96	80	60	47
Re-Offered Yield	3.39%	3.14%	2.69%	2.37%
Commission (bp)	3.9	4.7	7.5	8.7
All-in Yield	**3.43%**	**3.19%**	**2.77%**	**2.46%**
All-in Spread to GoC Curve (bp)	**99.86**	**84.70**	**67.54**	**55.70**

Primary Comparable (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	71	60	40	26

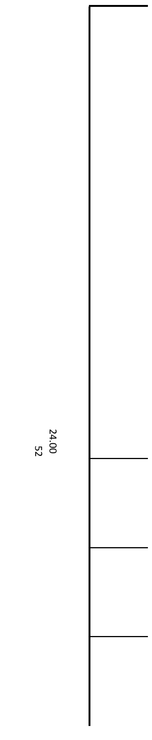
Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	107	90	70	60
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	90	75	55	47
Schedule I Bank ABS (Aaa ; AAA ; AAA)	113	90	75	65
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.43%	2.34%	2.09%	1.90%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	120	103	83	69
Re-Offered Yield	3.63%	3.37%	2.92%	2.59%
Commission (bp)	3.9	4.7	7.5	8.7
All-in Yield	**3.67%**	**3.42%**	**3.00%**	**2.68%**
All-in Spread to GoC Curve (bp)	**123.86**	**107.70**	**90.54**	**77.70**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
RBC Sr-Sub.				
Highway 407 (A, A)	99	80	60	50
NAV Canada (AA-, AA low)	81	75	55	45
GTAA (Aa3, A+)	79	70	50	40
Hydro One (A3/A/A high)	104	85	60	50
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.43%	2.34%	2.09%	1.90%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	148	125	100	87
Re-Offered Yield	3.91%	3.59%	3.09%	2.77%
Commission (bp)	3.9	4.7	7.5	8.7
All-in Yield	**3.95%**	**3.64%**	**3.17%**	**2.86%**
All-in Spread to GoC Curve (bp)	**151.86**	**129.70**	**107.54**	**95.70**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	127.0	110.0	85.0	70.0
Highway 407 (A, A)	99.1	80.0	60.0	50.0
Enbridge Gas Distribution (A-, A)	107.0	90.0	65.0	55.0
Hydro One (A3/A/A high)	104.1	85.0	60.0	50.0
Schedule 1 Bank ABS (A)	168.0	145.0	130.0	115.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				
A Taxable Municipal Bonds (US Treasuries)				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52

Indicative New Issue Spreads
Week of Feb 12, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	RBC	RBC	RBC	*RBC*	*RBC*	RBC	Scotia	Scotia	Scotia	*Scotia*	*Scotia*	Scotia	TD	TD	TD	*TD*	*TD*	TD
	RBC						Scotia						TD					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	30-Nov-44	31-May-33	31-May-25	31-May-23	31-Aug-18	31-Aug-16
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.47%	2.48%	2.37%	2.32%	2.06%	1.85%	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	2.48%	2.49%	2.37%	2.33%	2.06%	1.85%
Curve Adjustment (bp)	0.0	0.2	5.6	1.6	3.4	5.5	0.0	0.2	(0.4)	1.7	3.5	5.5	0.0	0.2	6.0	1.6	3.4	5.7
Spread to GoC Curve (bp)	96	98	96	84	70	53	101	100	94	85	66	50	114	104	94	89	59	44
Re-Offered Yield	3.43%	3.46%	3.38%	3.17%	2.79%	2.43%	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	3.62%	3.53%	3.37%	3.23%	2.68%	2.35%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	2.4	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.46%**	**3.49%**	**3.42%**	**3.22%**	**2.86%**	**2.52%**	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**3.64%**	**3.56%**	**3.41%**	**3.28%**	**2.75%**	**2.43%**
All-in Spread to GoC Curve (bp)	**98.69**	**100.99**	**99.36**	**88.21**	**77.06**	**61.70**	**102.88**	**102.70**	**97.61**	**89.02**	**72.92**	**58.63**	**116.38**	**107.20**	**97.61**	**93.52**	**66.42**	**52.63**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	74	72	60	46	29	72	71	69	61	41	26	72	72	68	63	44	32

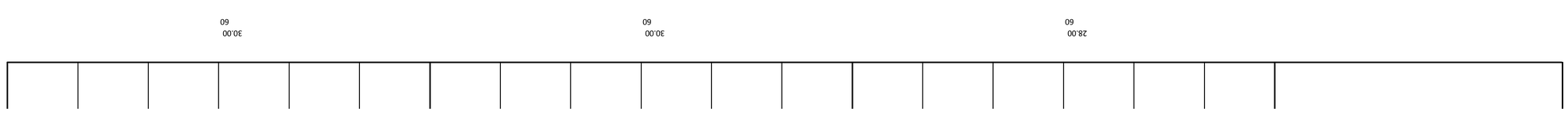
Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	36	29	16												
City of Toronto (AA/Aa1/AA)	95	97	92	81	56	42												
Hydro One Inc. (A(H)/A3/A)	129	n/a	n/a	90	60	52							127	117	93	85	63	50
Ontario Power Generation Inc. (A(low)/-/BBB+)	151	n/a	n/a	109	82	73	155	0	0	110	85	73						
Toronto Hydro Corporation (A/-/A)	122	n/a	n/a	85	57	50												
Canadian National Railway Co (A/A2/A)	121	n/a	n/a	84	62	54												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	90	n/a	n/a	73	52	41												
NAV Canada (AA(low)/Aa2/AA-)	90	n/a	n/a	76	56	47												
OPB Finance Trust (AA+/-/AA(H))													110	100	95	86	56	41
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	75	61	49
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							74	0	0	63	45	29						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							121	0	0	91	74	61						
Golden Credit Card Trust							0	0	0	89	73	60						
Master Credit Card Trust							0	0	0	89	73	60						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	30-Nov-44	31-May-33	31-May-25	31-May-23	31-Aug-18	31-Aug-16
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.47%	2.48%	2.37%	2.32%	2.06%	1.85%	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	2.48%	2.49%	2.37%	2.33%	2.06%	1.85%
Curve Adjustment (bp)	0.0	0.2	5.6	1.6	3.4	5.5	0.0	0.2	(0.4)	1.7	3.5	5.5	0.0	0.2	6.0	1.6	3.4	5.7
Spread to GoC Curve (bp)	124	126	124	112	98	81	136	133	124	115	96	80	144	134	124	119	89	74
Re-Offered Yield	3.71%	3.74%	3.66%	3.45%	3.07%	2.71%	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	3.92%	3.83%	3.67%	3.53%	2.98%	2.65%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.7	2.4	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.74%**	**3.77%**	**3.70%**	**3.50%**	**3.14%**	**2.80%**	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**3.94%**	**3.86%**	**3.71%**	**3.58%**	**3.05%**	**2.73%**
All-in Spread to GoC Curve (bp)	**126.79**	**129.08**	**127.44**	**116.28**	**105.12**	**89.75**	**137.88**	**135.70**	**127.61**	**119.02**	**102.92**	**88.63**	**146.38**	**137.20**	**127.61**	**123.52**	**96.42**	**82.63**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	68	43	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	30-Nov-44	31-May-33	31-May-25	31-May-23	31-Aug-18	31-Aug-16
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.47%	2.48%	2.37%	2.32%	2.06%	1.85%	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	2.48%	2.49%	2.37%	2.33%	2.06%	1.85%
Curve Adjustment (bp)	0.0	0.2	5.6	1.6	3.4	5.5	0.0	0.2	(0.4)	1.7	3.5	5.5	0.0	0.2	6.0	1.6	3.4	5.7
Spread to GoC Curve (bp)	156	158	156	144	130	113	171	166	154	145	126	110	174	164	154	149	119	104
Re-Offered Yield	4.03%	4.06%	3.98%	3.77%	3.39%	3.03%	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	4.22%	4.13%	3.97%	3.83%	3.28%	2.95%
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	2.4	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.06%**	**4.09%**	**4.02%**	**3.82%**	**3.46%**	**3.12%**	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**4.24%**	**4.16%**	**4.01%**	**3.88%**	**3.35%**	**3.03%**
All-in Spread to GoC Curve (bp)	**158.90**	**161.19**	**159.52**	**148.35**	**137.18**	**121.79**	**172.88**	**168.70**	**157.61**	**149.02**	**132.92**	**118.63**	**176.38**	**167.20**	**157.61**	**153.52**	**126.42**	**112.63**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		
A Taxable Municipal Bonds (US Treasuries)																		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28.00
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	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	**5 Year**	**10 Year**	**15 Year**	**30 Year**	**5 Year**
29.7	56.8	80.6	91.2	99.1	38.5
30.8	59.3	81.4	92.0	100.4	40.1
31.4	61.0	83.7	94.5	103.6	41.7

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	**5 Year**	**10 Year**	**15 Year**	**30 Year**	**5 Year**
54.7	78.2	102.8	115.0	124.1	38.5
60.3	85.4	108.2	120.4	130.0	40.1
61.9	87.8	111.3	123.9	134.1	41.7

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	**5 Year**	**10 Year**	**15 Year**	**30 Year**	**5 Year**
84.5	99.3	125.6	141.0	153.9	38.5
96.8	112.7	137.3	153.5	166.5	40.1
101.5	117.7	142.8	162.9	173.7	41.7

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.49%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**97**	**96**
Re-Offered Yield	3.45%	3.45%
Commission (bp)	2.6	3.4
All-in Yield	**3.48%**	**3.48%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	73	72

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	86	
BMO (Senior) (A+/A1/AA)	113	
Nav Canada (sub) (AA-/Aa2/AAL)	90	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.49%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**137**	**136**
Re-Offered Yield	3.85%	3.85%
Commission (bp)	2.8	3.5
All-in Yield	**3.88%**	**3.89%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	113	
Nav Canada (sub) (AA-/Aa2/AAL)	90	
City of Toronto (AA / Aa1 / AA)	96	95

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.49%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**212**	**210**
Re-Offered Yield	4.60%	4.59%
Commission (bp)	2.9	3.7
All-in Yield	**4.63%**	**4.63%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	130	
OPG (BBB+/-/AL)	165	

Generic Corporate Credit Spreads AA	94	
Generic Corporate Credit Spreads A	151	
Generic Corporate Credit Spreads BBB	226	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.38%	2.33%	2.06%	1.85%	1bps	1bps	-3bps	-4bps	-8bps
5.6	1.6	3.4	5.7	0bps	0bps	2bps	1bps	0bps
95	**83**	**56**	**39**	5bps	5bps	5bps	6bps	4bps
3.38%	3.18%	2.65%	2.29%	6bps	6bps	4bps	2bps	-3bps
3.4	4.6	7.4	6.9					
3.41%	**3.22%**	**2.73%**	**2.36%**	6bps	6bps	4bps	2bps	-4bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
71	60.5	40.5	26.5	3bps	3bps	3bps	3bps	1bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
		81						6bps
		73	57					6bps
		60	42					6bps
39	34	27	15			-1bps	-1bps	2bps
	66	45	29				2bps	2bps
	66	45	29	2bps			2bps	2bps
	88	73	60	6bps			6bps	4bps
	78	56	45	6bps			4bps	4bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.38%	2.33%	2.06%	1.85%	1bps	1bps	-3bps	-4bps	-8bps
5.6	1.6	3.4	5.7	0bps	0bps	2bps	1bps	0bps
134	**113**	**81**	**64**	5bps	5bps	5bps	6bps	4bps
3.77%	3.48%	2.90%	2.54%	6bps	6bps	4bps	2bps	-3bps
3.5	4.7	7.5	6.9					
3.81%	**3.52%**	**2.98%**	**2.61%**	6bps	6bps	4bps	2bps	-4bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
71	61	41	27	3bps	3bps	3bps	3bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			77					
			92					
	88	73	60	6bps			6bps	4bps
	78	56	45	6bps			4bps	4bps
94	78	55.5	39.5	3bps	2bps	3bps	3bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.38%	2.33%	2.06%	1.85%	1bps	1bps	-3bps	-4bps	-8bps
5.6	1.6	3.4	5.7	0bps	0bps	2bps	1bps	0bps
202	**163**	**126**	**109**	5bps	5bps	5bps	6bps	4bps
4.45%	3.98%	3.35%	2.99%	6bps	6bps	4bps	2bps	-3bps
3.6	4.8	7.5	6.9					
4.49%	**4.02%**	**3.43%**	**3.06%**	6bps	6bps	4bps	2bps	-4bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
71	61	41	27	3bps	3bps	3bps	3bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		146						6bps
		128						6bps
	85	63	50	7bps			4bps	4bps
	115	93	80	7bps			4bps	4bps

	86	64		6bps			4bps	4bps
	114	81		5bps			5bps	5bps
	167	116		8bps			7bps	6bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
13-Feb-18

3-year
-7bps 0bps 4bps -3bps
-3bps

3-year
1bps

3-year
4bps 4bps 1bps 3bps 3bps 4bps 0bps

3-year
-7bps 0bps 4bps -3bps
-3bps

3-year
1bps

3-year
4bps
4bps
4bps
0bps
1bps

3-year
-7bps
0bps
4bps
-3bps
-3bps

3-year
1bps

3-year
3bps
3bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.49%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**106**
Re-Offered Yield	3.55%
Commission (bp)	2.7
All-in Yield	**3.58%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	159
Toronto Hydro (A / - / A)	126
Nova Scotia Power (BBB+ / - / A(l))	137
FortisAlberta (A- / Baa1 / A(l))	128
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	223
Bruce Power (BBB / Baa2 / BBB)	197
City of Toronto (- / Aa1 / AA)	98

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.49%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**131**
Re-Offered Yield	3.80%
Commission (bp)	2.7
All-in Yield	**3.83%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.49%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**156**
Re-Offered Yield	4.05%
Commission (bp)	2.7
All-in Yield	**4.08%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-
2.50%	2.45%	2.35%	2.20%	2.07%	-0.02%	-0.02%	-0.02%	-0.06%	-0.07%
0.1	(0.3)	1.5	4.9	3.5	0.0	0.0	0.0	0.3	0.2
104	**95**	**82**	**56**	**46**	6	4	3	1	-2
3.54%	3.40%	3.18%	2.81%	2.56%	0.04%	0.02%	0.01%	-0.04%	-0.09%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.56%	**3.42%**	**3.20%**	**2.82%**	**2.58%**	**0.04%**	**0.02%**	**0.01%**	**-0.04%**	**-0.09%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
71	69	62	40	27	3	1	1	4	2

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	114	76	62	9	--	--	8	6
--	--	83	58	48	8	--	--	2	2
--	--	94	67	54	6	--	--	2	2
--	--	89	63	--	7	--	--	3	2
--	--	165	115	90	8	--	--	7	6
--	--	140	96	--	7	--	--	7	7
96	--	80	--	--	4	3	--	4	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-
2.50%	2.45%	2.35%	2.20%	2.07%	-0.02%	-0.02%	-0.02%	-0.06%	-0.07%
0.1	(0.3)	1.5	4.9	3.5	-	0.0	0.0	0.3	0.2
129	**120**	**107**	**81**	**71**	6	4	3	1	-2
3.79%	3.65%	3.43%	3.06%	2.81%	0.04%	0.02%	0.01%	-0.04%	-0.09%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.81%	**3.67%**	**3.45%**	**3.07%**	**2.83%**	**0.04%**	**0.02%**	**0.01%**	**-0.04%**	**-0.09%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
71	69	62	40	27	3	1	1	4	2

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	--	73	63	--	--	--	--	5
--	--	--	88	76	--	--	--	--	5
--	--	--	55	45	--	--	--	--	4

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-37	.	1-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-
2.50%	2.45%	2.35%	2.20%	2.07%	-0.02%	-0.02%	-0.02%	-0.06%	-0.07%
0.1	(0.3)	1.5	4.9	3.5	-	0.0	0.0	0.3	0.2
154	**145**	**132**	**106**	**96**	6	4	3	1	-2
4.04%	3.90%	3.68%	3.31%	3.06%	0.04%	0.02%	0.01%	-0.04%	-0.09%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
4.06%	**3.92%**	**3.70%**	**3.32%**	**3.08%**	**0.04%**	**0.02%**	**0.01%**	**-0.04%**	**-0.09%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
71	69	62	40	27	3	1	1	4	2

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year

CIBC
2/12/2018

3-year
-
-
-0.08%
0.0
1
-0.07%
-
-0.07%

3-year
2

3-year
6
2
2
--
7
--
--

3-year
-
-
-0.08%
0.0
1
-0.07%
-
-0.07%

3-year
2

3-year
5
5
4

3-year
-
-
-0.08%
0.0
1
-0.07%
-
-0.07%

3-year
2

3-year

	30-year	20-year
Benchmark Canada Bond Maturity		
Benchmark Canada Bond Coupon		
Benchmark Yield		
Curve Adjustment (bp)		
Spread to GoC Curve (bp)		
Re-Offered Yield		
Commission (bp)		
All-in Yield		

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))		

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+85 AREA	-75 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity		
Benchmark Canada Bond Coupon		
Benchmark Yield		
Curve Adjustment (bp)		
Spread to GoC Curve (bp)		
Re-Offered Yield		
Commission (bp)		
All-in Yield		

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))		

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	30-year	20-year
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+95-100 AREA	-80 AREA (vs 30y U

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	30-year	20-year
Benchmark Canada Bond Maturity		
Benchmark Canada Bond Coupon		
Benchmark Yield		
Curve Adjustment (bp)		
Spread to GoC Curve (bp)		
Re-Offered Yield		
Commission (bp)		
All-in Yield		

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))		

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	30-year	20-year
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+120-125 AREA	-110 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33 5.750% 2.438% 0.049% **0.919%** 3.357% 0.500%				
3.36%				

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.690%				

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
·100 AREA (vs 10y U	65 bps area +65-70 AREA	+45-50 AREA	+35-40 AREA	+5 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33 5.750% 2.438% 0.049% **1.21900%** 3.657% 0.500%				
3.66%				

Current				

15-year	10-year	5-year	3-year	30-year
0.690%				

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-110 AREA (vs 10y	100 - 110 bps +80-85 AREA	+55-60 AREA	+45-40 AREA	+5 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33 5.750% 2.438% 0.049% **1.819%** 4.257% 0.500%				
4.26%				

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.690%				

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-135 AREA (vs 10y	150 bps +100-105 AREA	+75-80 AREA	+65-70 AREA	+5 bps

Bank Name	GS
Date	

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+5 bps	+0 bps +5 bps	+5 bps	+5 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week

20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+5 bps	+0 bps +5 bps	+5 bps	+5 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+5 bps	+0 bps +5 bps	+5 bps	+5 bps

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.48%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	108
Re-Offered Yield	3.56%
Commission (bp)	2.7
All-in Yield	**3.59%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	72

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	130
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	113
Schedule I Bank ABS (Aaa ; AAA ; AAA)	135

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.48%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	133
Re-Offered Yield	3.81%
Commission (bp)	2.7
All-in Yield	**3.84%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	72

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	125
NAV Canada (AA-, AA low)	90
GTAA (Aa3, A+)	90
Hydro One (A3/A/A high)	130

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.48%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	163
Re-Offered Yield	4.11%
Commission (bp)	2.7
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	72

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	150
Highway 407 (A, A)	125
Enbridge Gas Distribution (A-, A)	130
Hydro One (A3/A/A high)	130
Schedule 1 Bank ABS (A)	190

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.48%	2.43%	2.34%	2.09%
0.0	0.0	0.0	0.0
105	96	80	60
3.53%	3.39%	3.14%	2.69%
3.5	3.9	4.7	7.5
3.57%	**3.43%**	**3.19%**	**2.77%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	71	60	40

Current			
20-year	**15-year**	**10-year**	**5-year**
124	107	90	70
107	90	75	55
130	113	90	75

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.48%	2.43%	2.34%	2.09%
0.0	0.0	0.0	0.0
130	120	103	83
3.78%	3.63%	3.37%	2.92%
3.5	3.9	4.7	7.5
3.82%	**3.67%**	**3.42%**	**3.00%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	71	60	40

Current			
20-year	**15-year**	**10-year**	**5-year**
118	99	80	60
88	81	75	55
87	79	70	50
123	104	85	60

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.48%	2.43%	2.34%	2.09%
0.0	0.0	0.0	0.0
160	148	125	100
4.08%	3.91%	3.59%	3.09%
3.5	3.9	4.7	7.5
4.12%	**3.95%**	**3.64%**	**3.17%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	71	60	40

Current			
20-year	**15-year**	**10-year**	**5-year**
144	127	110	85
118	99	80	60
124	107	90	65
123	104	85	60
185	168	145	130

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.90%	0.03%	0.03%	0.02%
0.0	0.0	0.0	0.0
47	3	3	3
2.37%	0.06%	0.06%	0.05%
8.7	0.0	0.0	0.0
2.46%	**0.06%**	**0.06%**	**0.05%**

			Week
3-year	**30-year**	**20-year**	**15-year**
26	3	3	3.5

			Week
3-year	**30-year**	**20-year**	**15-year**
60	5	5	5
47	5	5	5
65	5	5	5

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
1.90%	0.03%	0.03%	0.02%
0.0	0.0	0.0	0.0
69	3	3	3
2.59%	0.06%	0.06%	0.05%
8.7	0.0	0.0	0.0
2.68%	**0.06%**	**0.06%**	**0.05%**

			Week
3-year	**30-year**	**20-year**	**15-year**
26	3	3	4

			Week
3-year	**30-year**	**20-year**	**15-year**
50	5	5	5
45	5	5	5
40	5	4	2
50	5	5	5

	Week

3-year	30-year	20-year	15-year
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.90%	0.03%	0.03%	0.02%
0.0	0.0	0.0	0.0
87	3	3	3
2.77%	0.06%	0.06%	0.05%
8.7	0.0	0.0	0.0
2.86%	**0.06%**	**0.06%**	**0.05%**

	Week

3-year	30-year	20-year	15-year
26	3	3	4

	Week

3-year	30-year	20-year	15-year
70	5	5	5
50	5	5	5
55	10	10	10
50	5	5	5
115	5	5	5

Bank Name	National Bank of Canada
Date	2/12/2018

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.03%	-0.07%	-0.07%
0.0	0.0	0.0
2	2	2
-0.01%	-0.05%	-0.05%
0.0	0.0	0.0
-0.01%	**-0.05%**	**-0.05%**

over Week		
10-year	**5-year**	**3-year**
1.5	1.5	0

over Week		
10-year	**5-year**	**3-year**
5	5	5
5	5	5
5	5	5

over Week		
10-year	**5-year**	**3-year**
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.03%	-0.07%	-0.07%
0.0	0.0	0.0
2	2	2
-0.01%	-0.05%	-0.05%
0.0	0.0	0.0
-0.01%	**-0.05%**	**-0.05%**

over Week		
10-year	**5-year**	**3-year**
2	2	0

over Week		
10-year	**5-year**	**3-year**
5	5	5
5	5	5
0	0	0
5	0	0

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.03%	-0.07%	-0.07%
0.0	0.0	0.0
2	2	2
-0.01%	-0.05%	-0.05%
0.0	0.0	0.0
-0.01%	**-0.05%**	**-0.05%**

over Week		
10-year	**5-year**	**3-year**
2	2	0

over Week		
10-year	**5-year**	**3-year**
5	5	5
5	5	5
10	5	5
5	0	0
5	5	5

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.47%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**96**
Re-Offered Yield	3.43%
Commission (bp)	2.7
All-in Yield	**3.46%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**72**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**95**
Hydro One Inc. (A(H)/A3/A)	**129**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**151**
Toronto Hydro Corporation (A/-/A)	**122**
Canadian National Railway Co (A/A2/A)	**121**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**90**
NAV Canada (AA(low)/Aa2/AA-)	**90**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.47%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**124**
Re-Offered Yield	3.71%
Commission (bp)	2.8
All-in Yield	**3.74%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	72

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.47%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**156**
Re-Offered Yield	4.03%
Commission (bp)	2.9
All-in Yield	**4.06%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	72

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

The indicative price is provided by way of example only, and is not intended to replace or supplant advice of your aud EVENT SHALL RBC OR ITS AGENTS OR OFFICERS BE LIABLE FOR ANY DAMAGES WHATSOEVER (INCLUDI the indicative price is adequate or appropriate for your purposes.

The information provided in this valuation (the “Information”) (i) is intended for your information only and is not to be d the fullest extent permissible by law, shall have no liability whatsoever to you or any other person or party for any loss

-- Confidential --

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.48%	**2.37%**	**2.32%**	**2.06%**
0.2	**5.6**	**1.6**	**3.4**
98	**96**	**84**	**70**
3.46%	3.38%	3.17%	2.79%
3.5	3.9	4.7	7.6
3.49%	**3.42%**	**3.22%**	**2.86%**

Current			
20-year	**15-year**	**10-year**	**5-year**
74	**72**	**60**	**46**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**36**	**29**
97	**92**	**81**	**56**
n/a	**n/a**	**90**	**60**
n/a	**n/a**	**109**	**82**
n/a	**n/a**	**85**	**57**
n/a	**n/a**	**84**	**62**
n/a	**n/a**	**73**	**52**
n/a	**n/a**	**76**	**56**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.48%	2.37%	2.32%	2.06%
0.2	5.6	1.6	3.4
126	**124**	**112**	**98**
3.74%	3.66%	3.45%	3.07%
3.6	3.9	4.8	7.6
3.77%	**3.70%**	**3.50%**	**3.14%**

Current			
20-year	**15-year**	**10-year**	**5-year**
74	72	60	46

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**68**	**43**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.48%	2.37%	2.32%	2.06%
0.2	5.6	1.6	3.4
158	**156**	**144**	**130**
4.06%	3.98%	3.77%	3.39%
3.7	4.0	4.9	7.7
4.09%	**4.02%**	**3.82%**	**3.46%**

Current			
20-year	**15-year**	**10-year**	**5-year**
74	72	60	46

Current			
20-year	**15-year**	**10-year**	**5-year**

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o any other existing or future transactions between you and RBC. The indicative price does not in any way amend, mo

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NG, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS, BUSINESS INTERRUPTION, LOSS OF INFORM

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name
Date

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Sep-20					
0.75%					
1.85%	-2.4	-2.3	-6.6	-7.3	-8.2
5.5	-	-	2.3	0.3	-0.1
53	2.0	2.5	3.5	1.5	1.5
2.43%	-0.4	0.2	-0.8	-5.5	-6.8
8.7	-0.0	0.0	-0.0	-0.0	-0.0
2.52%	-0.4	0.2	-0.8	-5.5	-6.8

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
29	2.0	3.0	3.5	1.5	2.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
16				-	1.0
42	0.5	1.5	-2.0	-5.0	-
52	4.0			7.0	2.0
73	3.0			3.0	3.0
50	4.0			5.0	2.0
54	2.0			2.0	2.0
41	4.0			3.0	3.0
47	4.0			2.0	1.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Sep-20					
0.75%					
1.85%					
5.5					
81	5.0	5.5	6.5	4.5	4.5
2.71%	2.6	3.2	2.2	-2.5	-3.8
8.7	0.01	0.01	0.01	-0.01	-0.01
2.80%	2.6	3.2	2.2	-2.5	-3.8

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
29	2.0	3.0	3.5	1.5	2.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				17.0	10.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Sep-20					
0.75%					
1.85%					
5.5					
113	17.0	17.5	18.5	16.5	16.5
3.03%	14.6	15.2	14.2	9.5	8.2
8.8	0.05	0.05	0.04	0.02	0.02
3.12%	14.7	15.2	14.2	9.5	8.2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
29	2.0	3.0	3.5	1.5	2.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

fer, or an indication of RBC's willingness to make such an offer at any time. As a general matter, and particularly in times of distressed markets
e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does n
dify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not comm

y at RBC by using the indicative price. The indicative price is provided without any warranty, express or implied, as to its legal effect or complet
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nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

RBC
13-Feb-18

	3-year
	-7.2
	-1.1
	8.0
	-0.3
	-0.0
	-0.3

	3-year
	8.5

	3-year
	0.5
	1.0
	2.0
	3.0
	-
	2.0
	2.0
	1.0

	3-year
	11.0
	2.7
	0.00
	2.7

	3-year
	8.5

	3-year

3-year
23.0
14.7
0.02
14.7

3-year
8.5

3-year

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icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+101**	**+100**
Re-Offered Yield	3.48%	3.48%
Commission (bp)	2.4	3.2
All-in Yield	**3.51%**	**3.51%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	155	
CPP	74	
BNS - Denior Deposit Notes	121	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+136**	**+133**
Re-Offered Yield	3.83%	3.81%
Commission (bp)	2.4	3.2
All-in Yield	**3.86%**	**3.84%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+171**	**+166**
Re-Offered Yield	4.18%	4.14%
Commission (bp)	2.4	3.2
All-in Yield	**4.21%**	**4.17%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.43%	2.33%	2.06%	1.85%	0.00%
(0.4)	1.7	3.5	5.5	0
+94	**+85**	**+66**	**+50**	2
3.37%	3.19%	2.74%	2.40%	0.02%
3.6	4.5	7.4	8.6	-1
3.40%	**3.23%**	**2.82%**	**2.49%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
69	61	41	26	4

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	110	85	73	5
	63	45	29	3
	91	74	61	4
	89	73	60	0
	89	73	60	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.43%	2.33%	2.06%	1.85%	0.00%
(0.4)	1.7	3.5	5.5	0
+124	**+115**	**+96**	**+80**	2
3.67%	3.49%	3.04%	2.70%	0.02%
3.6	4.5	7.4	8.6	-1
3.70%	**3.53%**	**3.12%**	**2.79%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
69	61	41	26	4

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	89	73	60	0
	89	73	60	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.43%	2.33%	2.06%	1.85%	0.00%
(0.4)	1.7	3.5	5.5	0
+154	**+145**	**+126**	**+110**	2
3.97%	3.79%	3.34%	3.00%	0.02%
3.6	4.5	7.4	8.6	-1
4.00%	**3.83%**	**3.42%**	**3.09%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
69	61	41	26	4

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	89	73	60	0
	89	73	60	0

Bank Name	BNS
Date	2/13/2018

Week over Week				
20-year	15-year	10-year	5-year	3-year
0.01%	-0.01%	-0.06%	-0.08%	-0.06%
0	0	1	0	-1
2	2	2	2	2
0.03%	0.01%	-0.03%	-0.06%	-0.05%
0	0	0	0	0
0.03%	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Week over Week				
20-year	15-year	10-year	5-year	3-year
2	2	2	2	0

Week over Week				
20-year	15-year	10-year	5-year	3-year
0	0	5	6	7
0	0	2	2	3
0	0	4	4	4
0	0	8	8	8
0	0	8	8	8

Week over Week				
20-year	15-year	10-year	5-year	3-year
0.01%	-0.01%	-0.06%	-0.08%	-0.06%
0	0	1	0	-1
2	2	2	2	2
0.03%	0.01%	-0.03%	-0.06%	-0.05%
0	0	0	0	0
0.03%	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Week over Week				
20-year	15-year	10-year	5-year	3-year
2	2	2	2	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	8	8	8
0	0	8	8	8

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.01%	-0.01%	-0.06%	-0.08%	-0.06%
0	0	1	0	-1
2	2	2	2	2
0.03%	0.01%	-0.03%	-0.06%	-0.05%
0	0	0	0	0
0.03%	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	2	2	2	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	8	8	8
0	0	8	8	8

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.49%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**114**	**104**
Re-Offered Yield	3.62%	3.53%
Commission (bp)	2.4	3.2
All-in Yield	**3.64%**	**3.56%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	72

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	110	100
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	127	117

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.49%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**144**	**134**
Re-Offered Yield	3.92%	3.83%
Commission (bp)	2.4	3.2
All-in Yield	**3.94%**	**3.86%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	72	72

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.49%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**174**	**164**
Re-Offered Yield	4.22%	4.13%
Commission (bp)	2.4	3.2
All-in Yield	**4.24%**	**4.16%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	72

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-Aug-18	31-Aug-16	-
5.75%	1.00%	1.00%	0.75%	-
2.37%	2.33%	2.06%	1.85%	-0.025%
6.0	1.6	3.4	5.7	-
94	**89**	**59**	**44**	2
3.37%	3.23%	2.68%	2.35%	-0.01%
3.6	4.5	7.4	8.6	-
3.41%	**3.28%**	**2.75%**	**2.43%**	**-0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
67.5	63	44	32	2.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
95	86	56	41	1
N/A	75	61	49	N/A
93	85	63	50	3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-Aug-18	31-Aug-16	-
5.75%	1.00%	1.00%	0.75%	-
2.37%	2.33%	2.06%	1.85%	-0.025%
6.0	1.6	3.4	5.7	-
124	**119**	**89**	**74**	4.5
3.67%	3.53%	2.98%	2.65%	0.02%
3.6	4.5	7.4	8.6	-
3.71%	**3.58%**	**3.05%**	**2.73%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

68	63	44	32	2.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-Aug-18	31-Aug-16	-
5.75%	1.00%	1.00%	0.75%	-
2.37%	2.33%	2.06%	1.85%	-0.025%
6.0	1.6	3.4	5.7	-
154	**149**	**119**	**104**	7
3.97%	3.83%	3.28%	2.95%	0.04%
3.6	4.5	7.4	8.6	-
4.01%	**3.88%**	**3.35%**	**3.03%**	**0.04%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
68	63	44	32	2.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	2/13/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.020%	-0.056%	-0.067%	-0.091%	-0.073%
-	-	-	-	-
2	2	2	2	2
0.00%	-0.02%	-0.04%	-0.07%	-0.07%
-	-	-	-	-
0.00%	**-0.02%**	**-0.04%**	**-0.07%**	**-0.07%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2.0	2.0	2.0	1.0	(2.0)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1	1	1	1	0
N/A	N/A	5	6	5
3	-	-	-	2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.020%	-0.056%	-0.067%	-0.091%	-0.073%
-	-	-	-	-
4.5	4.5	4.5	4.5	4.5
0.02%	0.01%	-0.02%	-0.05%	-0.04%
-	-	-	-	-
0.02%	**0.01%**	**-0.02%**	**-0.05%**	**-0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

2.0	2.0	2.0	1.0	(2.0)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.020%	-0.056%	-0.067%	-0.091%	-0.073%
-	-	-	-	-
7	7	7	7	7
0.05%	0.03%	0.01%	-0.02%	-0.02%
-	-	-	-	-
0.05%	**0.03%**	**0.01%**	**-0.02%**	**-0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2.0	2.0	2.0	1.0	(2.0)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From: Ricky Lai
To: Mike Manning
Cc: James Devine; Carlos Yep
Subject: FHP spreads
Date: Wednesday, May 09, 2018 8:08:54 AM
Attachments: Fair Hydro price indications May 7 2018.xlsx

Good morning, please find attached this week's FHP spreads.
Ricky

FAIR HYDRO SPREADS

Week of May 7, 2018

Senior Note

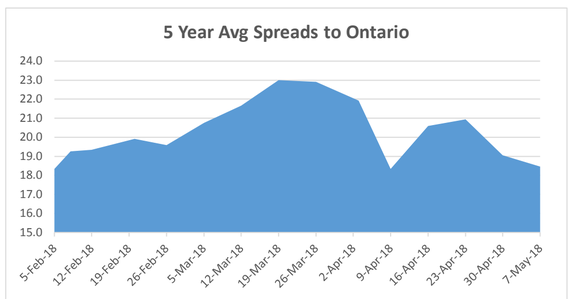
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
33.3	28.0	22.7	19.5	18.5	19.7

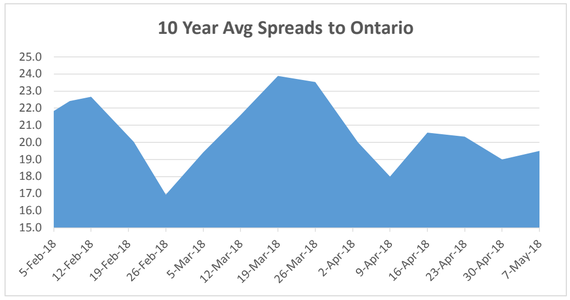
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
112.3	106.7	98.8	87.3	63.2	49.2
112.4	106.8	98.8	87.3	64.3	49.6
-0.2	-0.2	0.0	0.0	-1.1	-0.4

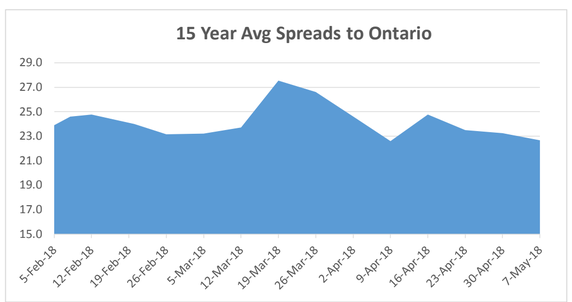
Last Week's
Change

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*BMO*	*BMO*	*TD*	*TD*
	103.0	102.0	95.0	85.0	58.0	43.0
Maximum	*GS*	*GS*	*GS*	*Scotia*	*Scotia*	*CIBC*
	127.0	117.0	107.0	90.0	68.0	52.0







Sub Note

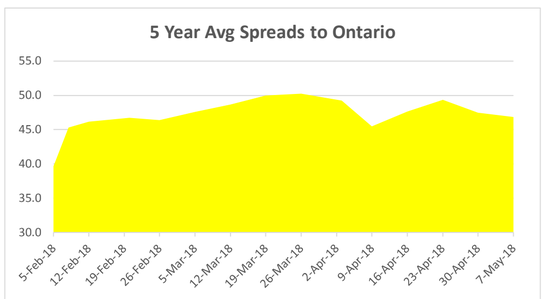
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
66.0	60.7	54.3	49.7	46.9	48.1

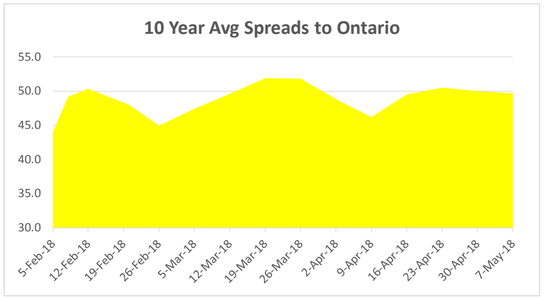
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
144.9	139.3	130.5	117.5	91.6	77.6
145.9	140.3	131.3	118.3	92.7	78.0
-1.0	-1.0	-0.8	-0.8	-1.1	-0.4

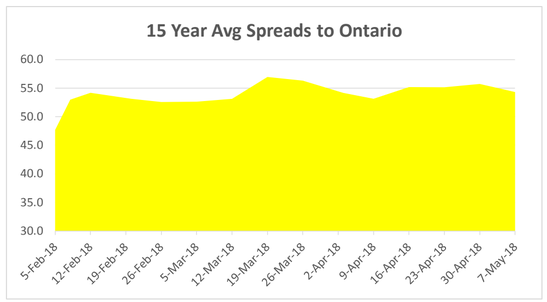
Last Week's
Change

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*BMO*	*TD*	*CIBC*	*CIBC*	*BMO*
	139.5	133.0	125.0	113.0	86.0	73.0
Maximum	*GS*	*GS*	*BMO*	*GS*	*Scotia*	*Scotia*
	162.0	152.0	142.0	122.0	98.0	82.0







Junior Sub Note

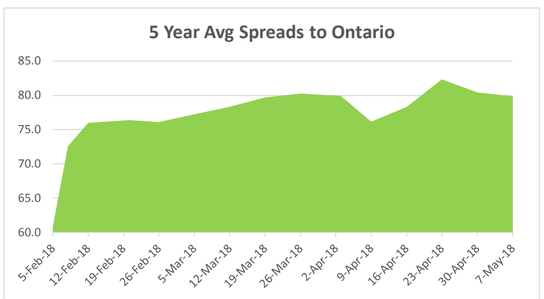
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
112.3	106.5	98.2	90.7	79.9	81.3

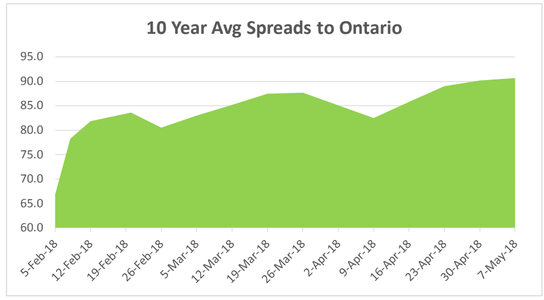
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
191.3	185.2	174.3	158.5	124.6	110.8
191.4	185.3	174.3	158.5	125.7	111.2
-0.2	-0.2	0.0	0.0	-1.1	-0.4

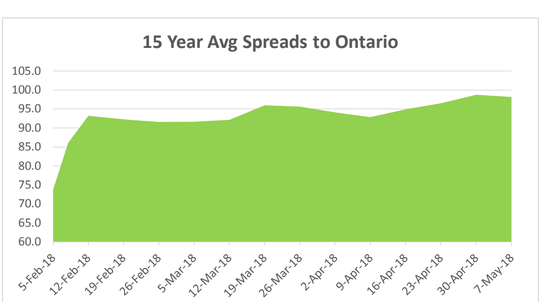
Last Week's
Change

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*TD*
	166.5	163.0	155.0	140.0	113.0	103.0
Maximum	*GS*	*GS*	*GS*	*GS*	*BMO*	*BMO*
	237.0	227.0	217.0	197.0	133.0	118.0







FAIR HYDRO SPREADS

Week of May 7, 2018

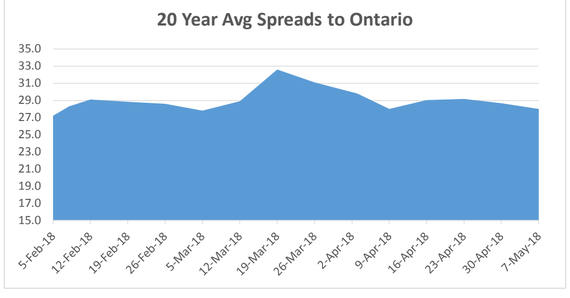
Senior Note

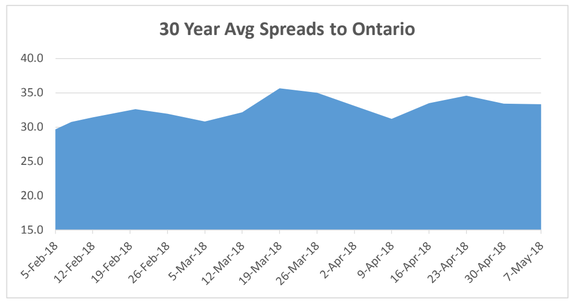
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
33.3	28.0	22.7	19.5	18.5	19.7

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	112.3	106.7	98.8	87.3	63.2	49.2
Last Week's	112.4	106.8	98.8	87.3	64.3	49.6
Change	-0.2	-0.2	0.0	0.0	-1.1	-0.4

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*BMO*	*BMO*	*TD*	*TD*
	103.0	102.0	95.0	85.0	58.0	43.0
Maximum	*GS*	*GS*	*GS*	*Scotia*	*Scotia*	*CIBC*
	127.0	117.0	107.0	90.0	68.0	52.0





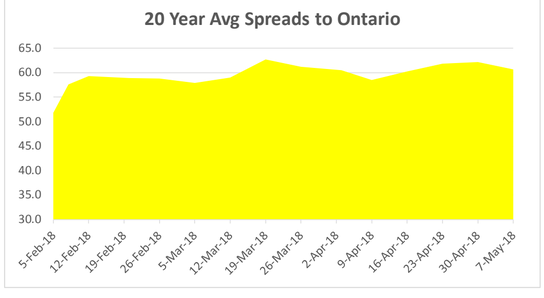
Sub Note

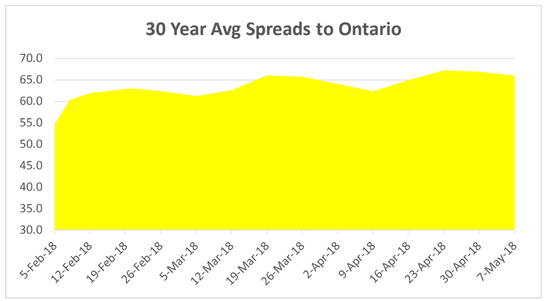
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
66.0	60.7	54.3	49.7	46.9	48.1

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	144.9	139.3	130.5	117.5	91.6	77.6
Last Week's	145.9	140.3	131.3	118.3	92.7	78.0
Change	-1.0	-1.0	-0.8	-0.8	-1.1	-0.4

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*BMO*	*TD*	*CIBC*	*CIBC*	*BMO*
	139.5	133.0	125.0	113.0	86.0	73.0
Maximum	*GS*	*GS*	*BMO*	*GS*	*Scotia*	*Scotia*
	162.0	152.0	142.0	122.0	98.0	82.0





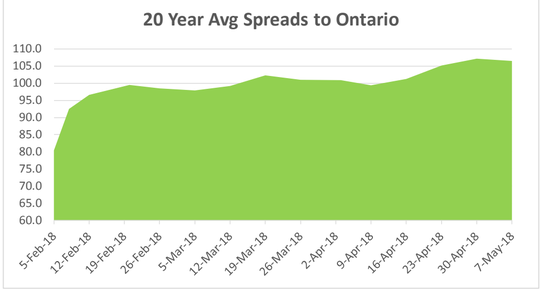
Junior Sub Note

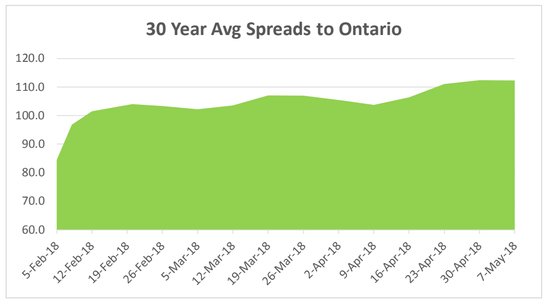
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
112.3	106.5	98.2	90.7	79.9	81.3

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	191.3	185.2	174.3	158.5	124.6	110.8
Last Week's	191.4	185.3	174.3	158.5	125.7	111.2
Change	-0.2	-0.2	0.0	0.0	-1.1	-0.4

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*TD*
	166.5	163.0	155.0	140.0	113.0	103.0
Maximum	*GS*	*GS*	*GS*	*GS*	*BMO*	*BMO*
	237.0	227.0	217.0	197.0	133.0	118.0





Indicative New Issue Spreads
Week of May 7, 2018

	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	5.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.42%	2.42%	2.36%	2.34%	2.17%	1.97%	2.42%	2.41%	2.38%	2.33%	2.27%	2.16%	2.42%	2.42%	2.39%	2.34%			2.41%	2.41%
Curve Adjustment (bp)	0.0	0.4	2.7	1.1	1.9	8.4	0.0	0.1	(0.1)	(0.1)	(0.2)	2.0	0.0	0.6	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	103	102	95	85	64	48	113	109	101	86	59	52	127	117	107	87.0				
Re-Offered Yield	3.45%	3.45%	3.34%	3.20%	2.83%	2.53%	3.54%	3.50%	3.39%	3.19%	2.86%	2.70%	3.69%	3.59%	3.46%	3.21%			3.54%	3.46%
Commission (bp)	2.6	3.4	3.4	4.6	7.5	6.9	2.7	2.7	2.4	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.48%**	**3.48%**	**3.37%**	**3.25%**	**2.90%**	**2.60%**	**3.57%**	**3.53%**	**3.41%**	**3.21%**	**2.88%**	**2.71%**	**3.70%**	**3.61%**	**3.49%**	**3.26%**			**3.57%**	**3.49%**
All-in Spread to GoC Curve (bp)	**105.64**	**105.42**	**98.36**	**89.63**	**71.45**	**54.88**	**115.23**	**111.72**	**103.41**	**88.09**	**60.75**	**53.23**	**128.67**	**119.50**	**110.33**	**92.00**			**2.73**	**3.50**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	80	79	78	68	44	28	79	79	75	68	46	31	78	82	73	67			79	79

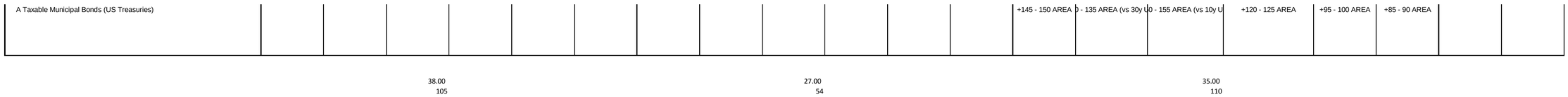
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							168	--	--	120	79	63								
Toronto Hydro Corporation (A/-/A)							130	--	--	93	67	56								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	104	0	0	85	60	49														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			135	129
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			118	112
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			145	138
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	86	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	80	66														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	65	51														
CMBs: (AAA/Aaa/AAA)	0	0	43	38	29	17														
PSP Investments (AAA/Aaa/AAA)	0	0	0	73	48	31														
CPP Investment Board (AAA/Aaa/AAA)	93	0	0	73	48	31														
BMO (Senior) (A+/A1/AA)	118	0	0	93	80	68														
Nova Scotia Power (BBB+ / - / A(l))							147	--	--	107	76	61								
FortisAlberta (A- / Baa1 / A(l))							134	--	--	97	69	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							240	--	--	177	122	99								
Bruce Power (BBB / Baa2 / BBB)							212	--	--	150	104	--								
City of Toronto (- / Aa1 / AA)							101	99	--	79	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																90 bps AREA				
AAA Taxable Municipal Bonds (US Treasuries)													+100 AREA	- 90 AREA (vs 30y U	5-110 AREA (vs 10y U	+75-80 AREA	+65 - 70 AREA	+55 - 60 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.42%	2.42%	2.36%	2.34%	2.17%	1.97%	2.42%	2.41%	2.38%	2.33%	2.27%	2.16%	2.42%	2.42%	2.39%	2.34%			2.41%	2.41%
Curve Adjustment (bp)	0.0	0.4	2.7	1.1	1.9	8.4	0.0	0.1	(0.1)	(0.1)	(0.1)	2.0	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	142	141	133	114	89	73	140	136	128	113	86	79	162	152	142	122				
Re-Offered Yield	3.84%	3.84%	3.72%	3.49%	3.08%	2.78%	3.81%	3.77%	3.66%	3.46%	3.13%	2.97%	4.04%	3.94%	3.81%	3.56%			3.81%	3.73%
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.87%**	**3.87%**	**3.75%**	**3.54%**	**3.15%**	**2.85%**	**3.84%**	**3.80%**	**3.68%**	**3.48%**	**3.15%**	**2.98%**	**4.05%**	**3.96%**	**3.81%**	**3.61%**			**3.84%**	**3.76%**
All-in Spread to GoC Curve (bp)	**144.77**	**144.54**	**136.44**	**118.69**	**96.49**	**79.90**	**142.23**	**138.72**	**130.41**	**115.09**	**87.75**	**80.23**	**163.67**	**154.50**	**145.33**	**127.00**			**2.73**	**3.50**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			130	124
NAV Canada (AA-, AA low)																			100	97
GTAA (Aa3, A+)																			110	106
Hydro One (A3/A/A high)																			135	129
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	86														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	101														
BMO (Senior) (A+/A1/AA)	118	0	0	93	80	68														
Nav Canada (sub) (AA-/Aa2/AAL)	104	0	0	85	60	49														
City of Toronto (AA / Aa1 / AA)	100	99	98	85	60	42														
Bank ABS (AAA / - / AAA)							--	--	--	--	82	70								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	92	79								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	47	36								
AA CMBS (USD Swaps)																125 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+120 - 125 AREA	105 AREA (vs 30y US	5 - 130 AREA (vs 10y U	+100 - 105 AREA	+75 - 80 AREA	+60 - 65 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.42%	2.42%	2.36%	2.34%	2.17%	1.97%	2.42%	2.41%	2.38%	2.33%	2.27%	2.16%	2.42%	2.42%	2.39%	2.34%			2.41%	2.41%
Curve Adjustment (bp)	0.0	0.4	2.7	1.1	1.9	8.4	0.0	0.1	(0.1)	(0.1)	(0.2)	2.0	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	216	212	200	164	133	118	167	163	155	140	113	106	237	227	217	197				
Re-Offered Yield	4.58%	4.55%	4.39%	3.99%	3.52%	3.23%	4.08%	4.04%	3.93%	3.73%	3.40%	3.24%	4.79%	4.69%	4.56%	4.31%			4.14%	4.06%
Commission (bp)	2.9	3.7	3.5	4.8	7.6	6.9	2.7	2.7	2.4	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.61%**	**4.58%**	**4.42%**	**4.04%**	**3.59%**	**3.30%**	**4.11%**	**4.07%**	**3.95%**	**3.75%**	**3.42%**	**3.25%**	**4.80%**	**4.71%**	**4.56%**	**4.36%**			**4.17%**	**4.09%**
All-in Spread to GoC Curve (bp)	**218.87**	**215.65**	**203.54**	**168.77**	**140.55**	**124.93**	**169.23**	**165.72**	**157.41**	**142.09**	**114.75**	**107.23**	**238.67**	**229.50**	**220.33**	**202.00**			**2.73**	**3.50**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			155.0	149.0
Highway 407 (A, A)																			130.0	124.0
Enbridge Gas Distribution (A-, A)																			135.0	129.8
Hydro One (A3/A/A high)																			135.0	129.0
Schedule 1 Bank ABS (A)																			200.0	193.3
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	151.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	133.0	-														
Hydro One (A/A3/AH)	136.0	-	-	98.0	73.0	60.0														
OPG (BBB+/-/AL)	165.0	-	-	118.0	93.0	80.0														
10-year A CMBS (USD Swaps)																200 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+145 - 150 AREA
0 - 135 AREA (vs 30y U
0 - 155 AREA (vs 10y U
+120 - 125 AREA
+95 - 100 AREA
+85 - 90 AREA
38.00
105
27.00
54
35.00
110

Indicative New Issue Spreads

Week of May 7, 2018

	NBF	*NBF*	*NBF*	NBF
	NBF			
Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**			
	15-year	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.38%	2.33%	2.17%	2.04%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.37%	3.21%	2.82%	2.56%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.41%**	**3.26%**	**2.90%**	**2.65%**
All-in Spread to GoC Curve (bp)	**3.86**	**4.72**	**7.57**	**8.72**

Primary Comparable (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	68	44	29

Other Comparables (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	**112**	**95**	**80**	**70**
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	**95**	**80**	**65**	**57**
Schedule I Bank ABS (Aaa ; AAA ; AAA)	**119**	**100**	**80**	**70**
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**NBF**			
	15-year	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.38%	2.33%	2.17%	2.04%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.62%	3.44%	3.03%	2.77%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.66%**	**3.49%**	**3.11%**	**2.86%**
All-in Spread to GoC Curve (bp)	**3.86**	**4.72**	**7.57**	**8.72**

Other Comparables (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.				
Highway 407 (A, A)	**107**	**90**	**65**	**55**
NAV Canada (AA-, AA low)	**89**	**80**	**55**	**45**
GTAA (Aa3, A+)	**96**	**85**	**60**	**50**
Hydro One (A3/A/A high)	**112**	**95**	**70**	**60**
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**NBF**			
	15-year	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.38%	2.33%	2.17%	2.04%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.92%	3.66%	3.22%	2.96%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.96%**	**3.71%**	**3.30%**	**3.05%**
All-in Spread to GoC Curve (bp)	**3.86**	**4.72**	**7.57**	**8.72**

Other Comparables (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	132.0	115.0	90.0	75.0
Highway 407 (A, A)	107.0	90.0	65.0	55.0
Enbridge Gas Distribution (A-, A)	114.9	100.0	75.0	60.0
Hydro One (A3/A/A high)	112.0	95.0	70.0	60.0
Schedule 1 Bank ABS (A)	174.1	155.0	135.0	120.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

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0

Indicative New Issue Spreads
Week of May 7, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	RBC	RBC	RBC	*RBC*	*RBC*	RBC	Scotia	Scotia	Scotia	*Scotia*	*Scotia*	Scotia	TD	TD	TD	*TD*	*TD*	TD
	RBC						Scotia						TD					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.41%	2.41%	2.35%	2.32%	2.15%	2.02%	2.43%	2.42%	2.40%	2.36%	2.17%	2.04%	2.41%	2.40%	2.34%	2.32%	2.17%	2.02%
Curve Adjustment (bp)	0.0	0.4	2.9	0.9	1.8	1.9	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0.0	0.4	3.1	1.1	0.0	2.0
Spread to GoC Curve (bp)	111	103	96	88.00	67	51	107	104	99	90	68	52	113	105	95	88	58	43
Re-Offered Yield	3.52%	3.44%	3.33%	3.21%	2.84%	2.55%	3.50%	3.47%	3.39%	3.26%	2.87%	2.58%	3.54%	3.46%	3.32%	3.21%	2.75%	2.47%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	2.8	3.2	3.9	4.8	7.6	8.8	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.55%**	**3.48%**	**3.37%**	**3.26%**	**2.92%**	**2.64%**	**3.52%**	**3.50%**	**3.43%**	**3.30%**	**2.95%**	**2.66%**	**3.56%**	**3.49%**	**3.36%**	**3.25%**	**2.83%**	**2.55%**
All-in Spread to GoC Curve (bp)	**113.72**	**106.49**	**99.85**	**92.72**	**74.57**	**59.72**	**109.79**	**107.18**	**102.89**	**94.75**	**75.62**	**60.76**	**115.36**	**108.17**	**98.59**	**92.52**	**65.44**	**51.65**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	79	79	68	46	30	79	78	76	68	44	29	79	79	74	68	46	31

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	40	29	18												
City of Toronto (AA/Aa1/AA)	102	102	96	85	61	44												
Hydro One Inc. (A(H)/A3/A)	136	n/a	n/a	99	71	61							136	126	102	94	73	60
Ontario Power Generation Inc. (A(low)/-/BBB+)	152	n/a	n/a	112	79	69	165	0	0	120	95	81						
Toronto Hydro Corporation (A/-/A)	128	n/a	n/a	95	64	54												
Canadian National Railway Co (A/A2/A)	130	n/a	n/a	93	71	61												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	112	n/a	n/a	87	63	53												
NAV Canada (AA(low)/Aa2/AA-)	100	n/a	n/a	85	62	52												
OPB Finance Trust (AA+/-/AA(H))													113	103	98	88	65	46
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	83	68	55
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							82	0	0	70	46	31						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							129	0	0	99	84	74						
Golden Credit Card Trust							0	0	0	97	81	71						
Master Credit Card Trust							0	0	0	97	81	71						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	01-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.41%	2.41%	2.35%	2.32%	2.15%	2.02%	2.43%	2.42%	2.40%	2.36%	2.17%	2.04%	2.41%	2.40%	2.34%	2.32%	2.17%	2.02%
Curve Adjustment (bp)	0.0	0.4	2.9	0.9	1.8	1.9	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0.0	0.4	3.0	1.2	0.0	2.0
Spread to GoC Curve (bp)	141	133	126	118	97	81	142	139	129	120	98	82	143	135	125	118	88	73
Re-Offered Yield	3.82%	3.74%	3.63%	3.51%	3.14%	2.85%	3.85%	3.82%	3.69%	3.56%	3.17%	2.88%	3.84%	3.76%	3.62%	3.51%	3.05%	2.77%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	2.8	3.2	3.9	4.8	7.6	8.8	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.85%**	**3.78%**	**3.67%**	**3.56%**	**3.22%**	**2.94%**	**3.87%**	**3.85%**	**3.73%**	**3.60%**	**3.25%**	**2.96%**	**3.86%**	**3.79%**	**3.66%**	**3.55%**	**3.13%**	**2.85%**
All-in Spread to GoC Curve (bp)	**143.83**	**136.59**	**129.93**	**122.79**	**104.63**	**89.77**	**144.79**	**142.18**	**132.89**	**124.75**	**105.62**	**90.76**	**145.36**	**138.17**	**128.59**	**122.52**	**95.44**	**81.65**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	80	62	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.41%	2.41%	2.35%	2.32%	2.15%	2.02%	2.43%	2.42%	2.40%	2.35%	2.17%	2.04%	2.41%	2.40%	2.34%	2.32%	2.17%	2.02%
Curve Adjustment (bp)	0.0	0.4	2.9	0.9	1.8	1.9	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0.0	0.4	3.0	1.2	0.0	2.1
Spread to GoC Curve (bp)	175	167	160	152	131	115	180	177	159	150	128	112	173	165	155	148	118	103
Re-Offered Yield	4.16%	4.08%	3.97%	3.85%	3.48%	3.19%	4.23%	4.20%	3.99%	3.85%	3.47%	3.18%	4.14%	4.06%	3.92%	3.81%	3.35%	3.07%
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	2.8	3.2	3.9	4.8	7.6	8.8	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.19%**	**4.12%**	**4.01%**	**3.90%**	**3.56%**	**3.28%**	**4.25%**	**4.23%**	**4.03%**	**3.90%**	**3.55%**	**3.26%**	**4.16%**	**4.09%**	**3.96%**	**3.85%**	**3.43%**	**3.15%**
All-in Spread to GoC Curve (bp)	**177.94**	**170.69**	**164.02**	**156.87**	**138.70**	**123.82**	**182.79**	**180.18**	**162.89**	**154.75**	**135.62**	**120.76**	**175.36**	**168.17**	**158.59**	**152.52**	**125.44**	**111.65**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			30.00 64					30.00 60						30.00 60				

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	24.0
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2
12-Mar-18	21.7	21.6	23.7
19-Mar-18	23.0	23.9	27.5
26-Mar-18	22.9	23.5	26.6
3-Apr-18	21.9	20.0	24.3
9-Apr-18	18.3	18.0	22.6
16-Apr-18	20.6	20.6	24.8
23-Apr-18	20.9	20.3	23.5
30-Apr-18	19.1	19.0	23.3
7-May-18	18.5	19.5	22.7

		Fair Hydro Spread to GOC			
20 Year	**30 Year**	**5 Year**	**10 Year**	**15 Year**	**20 Year**
27.2	29.7	56.8	80.6	91.2	
28.3	30.8	59.3	81.4	92.0	
29.1	31.4	61.0	83.7	94.5	
28.8	32.6	59.8	82.1	94.1	
28.6	31.9	59.4	82.1	94.0	
27.8	30.8	63.4	84.9	96.7	
28.9	32.2	63.8	85.3	97.0	
32.6	35.7	63.7	86.6	97.4	
31.1	35.0	65.8	88.6	99.4	
29.8	32.8	68.0	90.6	102.5	
28.0	31.2	68.4	90.7	103.0	
29.0	33.5	66.2	88.5	100.8	107.2
29.2	34.6	64.6	86.5	98.0	106.2
28.7	33.4	64.3	87.3	98.8	106.8
28.0	33.3	63.2	87.3	98.8	106.7

30 Year	Ontario Spread to GOC 5 Year	10 Year	15 Year	20 Year	30 Year
99.1	38.5	58.8	67.3		69.4
100.4	40.1	59.0	67.4		69.7
103.6	41.7	61.0	69.7		72.2
104.8	39.8	62.0	70.4		72.2
104.6	39.8	65.1	70.8		72.7
107.1	42.7	65.5	73.5		76.3
107.9	42.2	63.7	73.3		75.8
108.6	40.7	62.7	69.9		72.9
110.6	42.8	65.0	72.8		75.5
113.0	46.1	70.6	78.2		80.2
113.4	50.1	72.8	80.4		82.3
111.5	45.6	67.9	76.0	78.2	78.0
111.5	43.7	66.2	74.5	77.0	76.9
112.4	45.3	68.3	75.6	78.2	79.0
112.3	44.8	67.8	76.2	78.7	78.9

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6
12-Mar-18	48.7	49.6	53.1
19-Mar-18	50.0	51.9	57.0
26-Mar-18	50.3	51.8	56.3
3-Apr-18	49.3	48.4	54.2
9-Apr-18	45.5	46.2	53.2
16-Apr-18	47.7	49.5	55.2
23-Apr-18	49.3	50.5	55.2
30-Apr-18	47.5	50.0	55.8
7-May-18	46.9	49.7	54.3

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
51.8	54.7	78.2	102.8	115.0	
57.6	60.3	85.4	108.2	120.4	
59.3	61.9	87.8	111.3	123.9	
58.9	63.0	86.6	110.1	123.6	
58.8	62.4	86.3	110.1	123.4	
57.9	61.2	90.3	112.9	126.1	
59.0	62.6	90.8	113.3	126.4	
62.7	66.1	90.7	114.6	126.8	
61.2	65.7	93.1	116.8	129.1	
60.5	63.8	95.3	119.0	132.3	
58.5	62.3	95.6	119.0	132.7	
60.2	65.0	93.3	117.4	131.2	138.4
61.8	67.3	93.0	116.7	129.7	138.8
62.2	66.9	92.7	118.3	131.3	140.3
60.7	66.0	91.6	117.5	130.5	139.3

30 Year	Ontario Spread to GOC 5 Year	10 Year	15 Year	20 Year	30 Year
124.1	38.5	58.8	67.3		69.4
130.0	40.1	59.0	67.4		69.7
134.1	41.7	61.0	69.7		72.2
135.2	39.8	62.0	70.4		72.2
135.1	39.8	65.1	70.8		72.7
137.6	42.7	65.5	73.5		76.3
138.3	42.2	63.7	73.3		75.8
139.0	40.7	62.7	69.9		72.9
141.3	42.8	65.0	72.8		75.5
144.0	46.1	70.6	78.2		80.2
144.3	50.1	72.8	79.5		81.9
143.0	45.6	67.9	76.0	78.2	78.0
144.2	43.7	66.2	74.5	77.0	76.9
145.9	45.3	68.3	75.6	78.2	79.0
144.9	44.8	67.8	76.2	78.7	78.9

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6
12-Mar-18	78.3	85.2	92.1
19-Mar-18	79.7	87.5	96.0
26-Mar-18	80.3	87.7	95.6
3-Apr-18	79.9	84.7	93.9
9-Apr-18	76.2	82.5	92.9
16-Apr-18	78.3	85.8	94.9
23-Apr-18	82.3	89.0	96.5
30-Apr-18	80.5	90.2	98.8
7-May-18	79.9	90.7	98.2

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
80.4	84.5	99.3	125.6	141.0	
92.5	96.8	112.7	137.3	153.5	
96.6	101.5	117.7	142.8	162.9	
99.5	104.0	116.3	145.6	162.6	
98.5	103.4	115.9	145.6	162.4	
97.9	102.2	119.9	148.5	165.1	
99.2	103.6	120.5	148.9	165.4	
102.3	107.1	120.3	150.1	165.8	
101.0	107.0	123.1	152.7	168.4	
100.9	105.3	126.0	155.3	172.1	
99.4	103.8	126.3	155.3	172.4	
101.2	106.4	123.9	153.7	170.9	179.4
105.2	111.1	126.0	155.2	171.0	182.2
107.2	112.4	125.7	158.5	174.3	185.3
106.5	112.3	124.6	158.5	174.3	185.2

	Ontario Spread to GOC				
30 Year	**5 Year**	**10 Year**	**15 Year**	**20 year**	**30 Year**
153.9	38.5	58.8	67.3		69.4
166.5	40.1	59.0	67.4		69.7
173.7	41.7	61.0	69.7		72.2
176.2	39.8	62.0	70.4		72.2
176.1	39.8	65.1	70.8		72.7
178.6	42.7	65.5	73.5		76.3
179.3	42.2	63.7	73.3		75.8
180.0	40.7	62.7	69.9		72.9
182.6	42.8	65.0	72.8		75.5
185.4	46.1	70.6	78.2		80.2
185.7	50.1	72.8	79.5		81.9
184.4	45.6	67.9	76.0	78.2	78.0
188.0	43.7	66.2	74.5	77.0	76.9
191.4	45.3	68.3	75.6	78.2	79.0
191.3	44.8	67.8	76.2	78.7	78.9

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.42%	2.42%
Curve Adjustment (bp)	0.0	0.4
Spread to GoC Curve (bp)	**103**	**102**
Re-Offered Yield	3.45%	3.45%
Commission (bp)	2.6	3.4
All-in Yield	**3.48%**	**3.48%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	80	79

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	93	
BMO (Senior) (A+/A1/AA)	118	
Nav Canada (sub) (AA-/Aa2/AAL)	104	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.42%	2.42%
Curve Adjustment (bp)	0.0	0.4
Spread to GoC Curve (bp)	**142**	**141**
Re-Offered Yield	3.84%	3.84%
Commission (bp)	2.8	3.5
All-in Yield	**3.87%**	**3.87%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	80	79

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	118	
Nav Canada (sub) (AA-/Aa2/AAL)	104	
City of Toronto (AA / Aa1 / AA)	100	99

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.42%	2.42%
Curve Adjustment (bp)	0.0	0.4
Spread to GoC Curve (bp)	**216**	**212**
Re-Offered Yield	4.58%	4.55%
Commission (bp)	2.9	3.7
All-in Yield	**4.61%**	**4.58%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	80	79

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	136	
OPG (BBB+/-/AL)	165	

Generic Corporate Credit Spreads AA	104	
Generic Corporate Credit Spreads A	160	
Generic Corporate Credit Spreads BBB	234	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
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				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.36%	2.34%	2.17%	1.97%	1bps	1bps	1bps	2bps	1bps
2.7	1.1	1.9	8.4	0bps	0bps	0bps	0bps	0bps
95	**85**	**64**	**48**	-2bps	-2bps	-1bps	-1bps	-1bps
3.34%	3.20%	2.83%	2.53%	-1bps	-1bps	0bps	1bps	0bps
3.4	4.6	7.5	6.9					
3.37%	**3.25%**	**2.90%**	**2.60%**	-1bps	-1bps	0bps	1bps	0bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
78	67.5	44	28	0bps	0bps	0bps	-2bps	-1bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
		86						3bps
		80	66					3bps
		65	51					3bps
43	38	29	17			-2bps	-2bps	-2bps
	73	48	31				3bps	2bps
	73	48	31	3bps			3bps	2bps
	93	80	68	3bps			3bps	3bps
	85	60	49	-4bps			0bps	0bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.36%	2.34%	2.17%	1.97%	1bps	1bps	1bps	2bps	1bps
2.7	1.1	1.9	8.4	0bps	0bps	0bps	0bps	0bps
133	**114**	**89**	**73**	-2bps	-2bps	-1bps	-1bps	-1bps
3.72%	3.49%	3.08%	2.78%	-1bps	-1bps	0bps	1bps	0bps
3.4	4.7	7.5	6.9					
3.75%	**3.54%**	**3.15%**	**2.85%**	-1bps	-1bps	0bps	1bps	0bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
78	68	44	28	0bps	0bps	0bps	-2bps	-1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			86					
			101					
	93	80	68	3bps			3bps	3bps
	85	60	49	-4bps			0bps	0bps
97.5	84.5	59.5	41.5	0bps	0bps	0bps	-2bps	-1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.36%	2.34%	2.17%	1.97%	1bps	1bps	1bps	2bps	1bps
2.7	1.1	1.9	8.4	0bps	0bps	0bps	0bps	0bps
200	**164**	**133**	**118**	-2bps	-2bps	-1bps	-1bps	-1bps
4.39%	3.99%	3.52%	3.23%	-1bps	-1bps	0bps	1bps	0bps
3.5	4.8	7.6	6.9					
4.42%	**4.04%**	**3.59%**	**3.30%**	-1bps	-1bps	0bps	1bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	68	44	28	0bps	0bps	0bps	-2bps	-1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		151						3bps
		133						3bps
	98	73	60	0bps			0bps	0bps
	118	93	80	-1bps			-1bps	1bps

	92	73		2bps			1bps	1bps
	120	90		2bps			1bps	1bps
	178	124		2bps			2bps	1bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
9-May-18

3-year
1bps
1bps
-1bps
1bps
1bps

3-year
-1bps

3-year
3bps
3bps
0bps
1bps
1bps
3bps
1bps

3-year
1bps
1bps
-1bps
1bps
1bps

3-year
-1bps

3-year
3bps
3bps
3bps
1bps
-1bps

3-year
1bps
1bps
-1bps
1bps
1bps

3-year
-1bps

3-year
2bps
3bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**113**
Re-Offered Yield	3.54%
Commission (bp)	2.7
All-in Yield	**3.57%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	168
Toronto Hydro (A / - / A)	130
Nova Scotia Power (BBB+ / - / A(l))	147
FortisAlberta (A- / Baa1 / A(l))	134
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	240
Bruce Power (BBB / Baa2 / BBB)	212
City of Toronto (- / Aa1 / AA)	101

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**140**
Re-Offered Yield	3.81%
Commission (bp)	2.7
All-in Yield	**3.84%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**167**
Re-Offered Yield	4.08%
Commission (bp)	2.7
All-in Yield	**4.11%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

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Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.41%	2.38%	2.33%	2.27%	2.16%	0.03%	0.03%	0.03%	0.04%	0.04%
0.1	(0.1)	(0.1)	(0.2)	2.0	0.0	(0.1)	0.0	0.1	0.1
109	**101**	**86**	**59**	**52**	0	1	0	0	-1
3.50%	3.39%	3.19%	2.86%	2.70%	0.03%	0.04%	0.03%	0.04%	0.03%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
3.53%	**3.41%**	**3.21%**	**2.88%**	**2.71%**	**0.03%**	**0.04%**	**0.03%**	**0.04%**	**0.03%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
79	75	68	46	31	0	1	0	0	-1

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	120	79	63	6	--	--	4	1
--	--	93	67	56	0	--	--	3	2
--	--	107	76	61	2	--	--	6	1
--	--	97	69	--	1	--	--	5	2
--	--	177	122	99	5	--	--	5	2
--	--	150	104	--	0	--	--	1	0
99	--	79	--	--	0	0	--	0	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.41%	2.38%	2.33%	2.27%	2.16%	0.03%	0.03%	0.03%	0.04%	0.04%
0.1	(0.1)	(0.1)	(0.2)	2.0	0	(0)	0	0	0
136	**128**	**113**	**86**	**79**	0	1	0	0	(1)
3.77%	3.66%	3.46%	3.13%	2.97%	0.03%	0.04%	0.03%	0.04%	0.03%
2.7	2.4	2.1	1.8	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.80%	**3.68%**	**3.48%**	**3.15%**	**2.98%**	**0.03%**	**0.04%**	**0.03%**	**0.04%**	**0.03%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
79	75	68	46	31	0	1	0	0	(1)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
--	--	--	82	70	--	--	--	--	3
--	--	--	92	79	--	--	--	--	1
--	--	--	47	36	--	--	--	--	0

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.41%	2.38%	2.33%	2.27%	2.16%	0.03%	0.03%	0.03%	0.04%	0.04%
0.1	(0.1)	(0.1)	(0.2)	2.0	0	(0)	0	0	0
163	**155**	**140**	**113**	**106**	0	1	0	0	(1)
4.04%	3.93%	3.73%	3.40%	3.24%	0.03%	0.04%	0.03%	0.04%	0.03%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
4.07%	**3.95%**	**3.75%**	**3.42%**	**3.25%**	**0.03%**	**0.04%**	**0.03%**	**0.04%**	**0.03%**

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
79	75	68	46	31	0	1	0	0	(1)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

CIBC
5/7/2018

3-year
-
-
0.04%
0.1
4
0.08%
-
0.08%

3-year
4

3-year
1
1
1
--
0
--
--

3-year
-
-
0.04%
0
4
0.08%
0.00%
0.08%

3-year
4

3-year
3
1
0

3-year
-
-
0.04%
0
4
0.08%
-
0.08%

3-year
4

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	5.000%
Benchmark Yield	2.417%	2.419%
Curve Adjustment (bp)	0.000%	0.006%
Spread to GoC Curve (bp)	**1.270%**	**1.170%**
Re-Offered Yield	3.687%	3.589%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.70%**	**3.61%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.7810%**	**0.81800%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+100 AREA	- 90 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.417%	2.419%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.620%**	**1.520%**
Re-Offered Yield	4.037%	3.939%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.05%**	**3.96%**

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.7810%**	**0.81800%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+120 - 125 AREA	05 AREA (vs 30y US

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.417%	2.419%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**2.370%**	**2.270%**
Re-Offered Yield	4.787%	4.689%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.80%**	**4.71%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.7810%**	**0.81800%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+145 - 150 AREA	- 135 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.389%	2.337%			
0.049%	0.008%			
1.0700%	**0.870%**			
3.459%	3.207%			
0.033%	0.050%			
3.49%	**3.26%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.73300%	**0.67200%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-110 AREA (vs 10y	90 bps AREA +75-80 AREA	+65 - 70 AREA	+55 - 60 AREA	+5 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.389%	2.337%			
0.049%	0.008%			
1.420%	**1.220%**			
3.809%	3.557%			
0.033%	0.050%			
3.81%	**3.61%**			

Current	

15-year	10-year	5-year	3-year	30-year
0.73300%	**0.67200%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 130 AREA (vs 10y	125 bps AREA +100 - 105 AREA	+75 - 80 AREA	+60 - 65 AREA	+5 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.389%	2.337%			
0.049%	0.008%			
2.1700%	**1.970%**			
4.559%	4.307%			
0.033%	0.050%			
4.56%	**4.36%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.73300%	**0.67200%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 155 AREA (vs 10y	200 bps AREA +120 - 125 AREA	+95 - 100 AREA	+85 - 90 AREA	+5 bps

Bank Name	GS
Date	5/8/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Versus 4.19.19 Template				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week

20-year	15-year	10-year	5-year	3-year

Versus 4.19.19 Template				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+0 bps	-5 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Versus 4.19.19 Template				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+0 bps	+20 bps +0 bps	+0 bps	+0 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	113
Re-Offered Yield	3.54%
Commission (bp)	2.7
All-in Yield	**3.57%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118
Schedule I Bank ABS (Aaa ; AAA ; AAA)	145
FHT Series 2018-1	

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	140
Re-Offered Yield	3.81%
Commission (bp)	2.7
All-in Yield	**3.84%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	130
NAV Canada (AA-, AA low)	100
GTAA (Aa3, A+)	110
Hydro One (A3/A/A high)	135

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	173
Re-Offered Yield	4.14%
Commission (bp)	2.7
All-in Yield	**4.17%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	155
Highway 407 (A, A)	130
Enbridge Gas Distribution (A-, A)	135
Hydro One (A3/A/A high)	135
Schedule 1 Bank ABS (A)	200

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.41%	2.38%	2.33%	2.17%
0.0	0.0	0.0	0.0
105	99	88	65
3.46%	3.37%	3.21%	2.82%
3.5	3.9	4.7	7.6
3.49%	**3.41%**	**3.26%**	**2.90%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	76	68	43.5

Current			
20-year	**15-year**	**10-year**	**5-year**
129	112	95	80
112	95	80	65
138	119	100	80
	95		
101			

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.41%	2.38%	2.33%	2.17%
0.0	0.0	0.0	0.0
132	124	111	86
3.73%	3.62%	3.44%	3.03%
3.5	3.9	4.7	7.6
3.76%	**3.66%**	**3.49%**	**3.11%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	76	68	44

Current			
20-year	**15-year**	**10-year**	**5-year**
124	107	90	65
97	89	80	55
106	96	85	60
129	112	95	70

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.41%	2.38%	2.33%	2.17%
0.0	0.0	0.0	0.0
165	154	133	105
4.06%	3.92%	3.66%	3.22%
3.5	3.9	4.7	7.6
4.09%	**3.96%**	**3.71%**	**3.30%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	76	68	44

Current			
20-year	**15-year**	**10-year**	**5-year**
149	132	115	90
124	107	90	65
130	115	100	75
129	112	95	70
193	174	155	135

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.04%	0.00%	0.00%	0.01%
0.0	0.0	0.0	0.0
52	0	0	0
2.56%	0.00%	0.00%	0.01%
8.7	0.0	0.0	0.0
2.65%	**0.00%**	**0.00%**	**0.01%**

			Week
3-year	**30-year**	**20-year**	**15-year**
28.5	1	1	0.5

			Week
3-year	**30-year**	**20-year**	**15-year**
70	0	0	0
57	0	0	0
70	5	5	5
	0	0	-2
	0	-3	0

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
2.04%	0.00%	0.00%	0.01%
0.0	0.0	0.0	0.0
73	0	0	0
2.77%	0.00%	0.00%	0.01%
8.7	0.0	0.0	0.0
2.86%	**0.00%**	**0.00%**	**0.01%**

			Week
3-year	**30-year**	**20-year**	**15-year**
29	1	1	1

			Week
3-year	**30-year**	**20-year**	**15-year**
55	0	1	3
45	0	0	0
50	5	5	5
60	5	5	5

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.04%	0.00%	0.00%	0.01%
0.0	0.0	0.0	0.0
92	0	0	0
2.96%	0.00%	0.00%	0.01%
8.7	0.0	0.0	0.0
3.05%	**0.00%**	**0.00%**	**0.01%**

			Week
3-year	**30-year**	**20-year**	**15-year**
29	1	1	1

			Week
3-year	**30-year**	**20-year**	**15-year**
75	5	4	2
55	0	1	3
60	5	5	5
60	5	5	5
120	5	5	5

Bank Name	National Bank of Canada
Date	5/7/2018

over Week

10-year	5-year	3-year
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.01%	0.02%	0.02%
0.0	0.0	0.0
0	0	0
0.01%	0.02%	0.02%
0.0	0.0	0.0
0.01%	**0.02%**	**0.02%**

over Week

10-year	5-year	3-year
-0.5	-1	0

over Week

10-year	5-year	3-year
0	5	5
0	5	5
5	5	5
0	0	0
0	0	0

over Week

10-year	5-year	3-year
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.01%	0.02%	0.02%
0.0	0.0	0.0
0	0	0
0.01%	0.02%	0.02%
0.0	0.0	0.0
0.01%	**0.02%**	**0.02%**

over Week

10-year	5-year	3-year
-1	-1	0

over Week

10-year	5-year	3-year
5	0	0
0	0	0
5	0	0
5	0	5

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.01%	0.02%	0.02%
0.0	0.0	0.0
0	0	0
0.01%	0.02%	0.02%
0.0	0.0	0.0
0.01%	**0.02%**	**0.02%**

over Week		
10-year	**5-year**	**3-year**
-1	-1	0

over Week		
10-year	**5-year**	**3-year**
0	0	0
5	0	0
5	0	0
5	0	5
5	5	5

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.41%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**111**
Re-Offered Yield	3.52%
Commission (bp)	2.7
All-in Yield	**3.55%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**79**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**102**
Hydro One Inc. (A(H)/A3/A)	**136**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**152**
Toronto Hydro Corporation (A/-/A)	**128**
Canadian National Railway Co (A/A2/A)	**130**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**112**
NAV Canada (AA(low)/Aa2/AA-)	**100**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**141**
Re-Offered Yield	3.82%
Commission (bp)	2.8
All-in Yield	**3.85%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**175**
Re-Offered Yield	4.16%
Commission (bp)	2.9
All-in Yield	**4.19%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

The indicative price is provided by way of example only, and is not intended to replace or supplant advice of your aud EVENT SHALL RBC OR ITS AGENTS OR OFFICERS BE LIABLE FOR ANY DAMAGES WHATSOEVER (INCLUDI the indicative price is adequate or appropriate for your purposes.

The information provided in this valuation (the “Information”) (i) is intended for your information only and is not to be d the fullest extent permissible by law, shall have no liability whatsoever to you or any other person or party for any loss

-- Confidential --

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.41%	**2.35%**	**2.32%**	**2.15%**
0.4	**2.9**	**0.9**	**1.8**
103	**96**	**88**	**67**
3.44%	3.33%	3.21%	2.84%
3.5	3.8	4.7	7.6
3.48%	**3.37%**	**3.26%**	**2.92%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	**79**	**68**	**46**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**40**	**29**
102	**96**	**85**	**61**
n/a	**n/a**	**99**	**71**
n/a	**n/a**	**112**	**79**
n/a	**n/a**	**95**	**64**
n/a	**n/a**	**93**	**71**
n/a	**n/a**	**87**	**63**
n/a	**n/a**	**85**	**62**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.41%	2.35%	2.32%	2.15%
0.4	2.9	0.9	1.8
133	**126**	**118**	**97**
3.74%	3.63%	3.51%	3.14%
3.6	3.9	4.8	7.6
3.78%	**3.67%**	**3.56%**	**3.22%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	79	68	46

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**80**	**62**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.41%	2.35%	2.32%	2.15%
0.4	2.9	0.9	1.8
167	**160**	**152**	**131**
4.08%	3.97%	3.85%	3.48%
3.7	4.0	4.9	7.7
4.12%	**4.01%**	**3.90%**	**3.56%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	79	68	46

Current			
20-year	**15-year**	**10-year**	**5-year**

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o any other existing or future transactions between you and RBC. The indicative price does not in any way amend, mo

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.02%	1.4	2.3	2.2	3.3	3.0
1.9	-	-0.1	0.2	-0.5	-
51	-2.0	-2.0	-2.0	-2.0	-2.0
2.55%	-0.6	0.2	0.4	0.8	1.0
8.7	-0.0	0.0	0.0	0.0	0.0
2.64%	-0.6	0.2	0.4	0.8	1.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
30	-2.5	-	1.0	-1.5	0.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
18				2.5	-0.5
44	1.0	1.5	0.5	-	0.5
61	3.0			2.0	2.0
69	2.0			2.0	2.0
54	2.0			2.0	1.0
61	1.0			1.0	1.0
53	5.0			2.0	1.0
52	5.0			3.0	2.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.02%					
1.9					
81	-2.0	-2.0	-2.0	-2.0	-2.0
2.85%	-0.6	0.2	0.4	0.8	1.0
8.8	-0.00	0.00	0.00	0.00	0.00
2.94%	-0.6	0.2	0.4	0.8	1.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
30	-2.5	-	1.0	-1.5	0.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				-	-1.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
2.02%					
1.9					
115	-2.0	-2.0	-2.0	-2.0	-2.0
3.19%	-0.6	0.2	0.4	0.8	1.0
8.8	-0.00	0.00	0.00	0.00	0.00
3.28%	-0.6	0.2	0.4	0.8	1.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
30	-2.5	-	1.0	-1.5	0.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does n
dify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not comm

y at RBC by using the indicative price. The indicative price is provided without any warranty, express or implied, as to its legal effect or complet
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nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

RBC
08-May-18

	3-year
	3.1
	0.1
	-2.0
	1.2
	0.0
	1.2

	3-year
	1.5

	3-year
	1.0
	1.0
	2.0
	-1.0
	1.0
	1.0
	1.0
	2.0

	3-year
	-2.0
	1.2
	0.00
	1.2

	3-year
	1.5

	3-year

3-year
-2.0
1.2
0.00
1.2

3-year
1.5

3-year

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Information and, to

icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.43%	2.42%
Curve Adjustment (bp)	0.0	0.4
Spread to GoC Curve (bp)	**+107**	**+104**
Re-Offered Yield	3.50%	3.47%
Commission (bp)	2.8	3.2
All-in Yield	**3.52%**	**3.50%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	78

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	165	
CPP	82	
BNS - Denior Deposit Notes	129	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.43%	2.42%
Curve Adjustment (bp)	0.0	0.4
Spread to GoC Curve (bp)	**+142**	**+139**
Re-Offered Yield	3.85%	3.82%
Commission (bp)	2.8	3.2
All-in Yield	**3.87%**	**3.85%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	78

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.43%	2.42%
Curve Adjustment (bp)	0.0	0.4
Spread to GoC Curve (bp)	**+180**	**+177**
Re-Offered Yield	4.23%	4.20%
Commission (bp)	2.8	3.2
All-in Yield	**4.25%**	**4.23%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	78

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.40%	2.36%	2.17%	2.04%	0.01%
(0.0)	(0.1)	2.1	1.8	0
+99	**+90**	**+68**	**+52**	0
3.39%	3.26%	2.87%	2.58%	0.01%
3.9	4.8	7.6	8.8	0
3.43%	**3.30%**	**2.95%**	**2.66%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
76	68	44	29	2

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	120	95	81	2
	70	46	31	0
	99	84	74	1
	97	81	71	
	97	81	71	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.40%	2.36%	2.17%	2.04%	0.01%
(0.0)	(0.1)	2.1	1.8	0
+129	**+120**	**+98**	**+82**	0
3.69%	3.56%	3.17%	2.88%	0.01%
3.9	4.8	7.6	8.8	0
3.73%	**3.60%**	**3.25%**	**2.96%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
76	68	44	29	2

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	97	81	71	
	97	81	71	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.40%	2.35%	2.17%	2.04%	0.01%
(0.0)	(0.1)	2.1	1.8	0
+159	**+150**	**+128**	**+112**	0
3.99%	3.85%	3.47%	3.18%	0.01%
3.9	4.8	7.6	8.8	0
4.03%	**3.90%**	**3.55%**	**3.26%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
76	68	44	29	2

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	97	81	71	
	97	81	71	

Bank Name	BNS
Date	5/8/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.02%	0.03%	0.03%	0.02%	0.02%
0	0	0	0	0
-1	0	0	0	-1
0.01%	0.03%	0.03%	0.03%	0.01%
0	0	0	0	0
0.01%	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1	2	1	0	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		2	2	2
		0	0	0
		1	2	2
		2	2	2
		2	2	2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.02%	0.03%	0.03%	0.02%	0.02%
0	0	0	0	0
-1	0	0	0	-1
0.01%	0.03%	0.03%	0.03%	0.01%
0	0	0	0	0
0.01%	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1	2	1	0	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		2	2	2
		2	2	2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.02%	0.03%	0.03%	0.02%	0.02%
0	0	0	0	0
-1	0	0	0	-1
0.01%	0.03%	0.03%	0.03%	0.01%
0	0	0	0	0
0.01%	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1	2	1	0	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		2	2	2
		2	2	2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.41%	2.40%
Curve Adjustment (bp)	0.0	0.4
Spread to GoC Curve (bp)	**113**	**105**
Re-Offered Yield	3.54%	3.46%
Commission (bp)	2.4	3.2
All-in Yield	**3.56%**	**3.49%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	113	103
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	136	126

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.41%	2.40%
Curve Adjustment (bp)	0.0	0.4
Spread to GoC Curve (bp)	**143**	**135**
Re-Offered Yield	3.84%	3.76%
Commission (bp)	2.4	3.2
All-in Yield	**3.86%**	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	79	79

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.41%	2.40%
Curve Adjustment (bp)	0.0	0.4
Spread to GoC Curve (bp)	**173**	**165**
Re-Offered Yield	4.14%	4.06%
Commission (bp)	2.4	3.2
All-in Yield	**4.16%**	**4.09%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.34%	2.32%	2.17%	2.02%	0.010%
3.1	1.1	0.0	2.0	-
95	**88**	**58**	**43**	-2
3.32%	3.21%	2.75%	2.47%	-0.01%
3.6	4.5	7.4	8.6	-
3.36%	**3.25%**	**2.83%**	**2.55%**	**-0.01%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
73.5	68	46	31	0.0

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
98	88	65	46	-
N/A	83	68	55	N/A
102	94	73	60	2

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.34%	2.32%	2.17%	2.02%	0.010%
3.0	1.2	0.0	2.0	-
125	**118**	**88**	**73**	-2
3.62%	3.51%	3.05%	2.77%	-0.01%
3.6	4.5	7.4	8.6	-
3.66%	**3.55%**	**3.13%**	**2.85%**	**-0.01%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**

74	68	46	31	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.34%	2.32%	2.17%	2.02%	0.010%
3.0	1.2	0.0	2.1	-
155	**148**	**118**	**103**	-2
3.92%	3.81%	3.35%	3.07%	-0.01%
3.6	4.5	7.4	8.6	-
3.96%	**3.85%**	**3.43%**	**3.15%**	**-0.01%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
74	68	46	31	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	5/7/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.015%	0.016%	0.026%	0.031%	0.027%
-	-	-	-	-
-2	-2	-2	-2	-2
-0.01%	0.00%	0.00%	0.01%	0.01%
-	-	-	-	-
-0.01%	**0.00%**	**0.00%**	**0.01%**	**0.01%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.0	0.0	0.0	(1.0)	0.0

20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	0	-	-	0
N/A	N/A	-	2	5
2	-	-	-	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.015%	0.017%	0.026%	0.030%	0.027%
-	-	-	-	-
-2	-2	-2	-2	-2
-0.01%	0.00%	0.00%	0.01%	0.01%
-	-	-	-	-
-0.01%	**0.00%**	**0.00%**	**0.01%**	**0.01%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**

0.0	0.0	0.0	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.015%	0.017%	0.026%	0.029%	0.026%
-	-	-	-	-
-2	-2	-2	-2	-2
-0.01%	0.00%	0.00%	0.01%	0.01%
-	-	-	-	-
-0.01%	**0.00%**	**0.00%**	**0.01%**	**0.01%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.0	0.0	0.0	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From: Ricky Lai
To: Mike Manning
Cc: James Devine; Carlos Yep
Subject: FHP spreads
Date: Wednesday, May 02, 2018 8:10:06 AM
Attachments: Fair Hydro price indications April 30 2018.xlsx

Good morning, please find attached this week's FHP spreads.
Ricky

FAIR HYDRO SPREADS

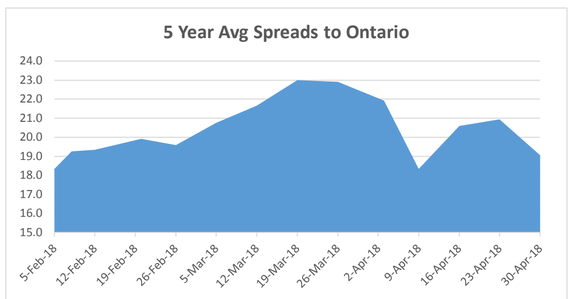
Week of April 30, 2018

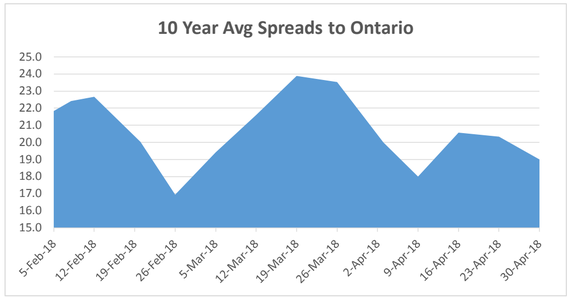
Senior Note

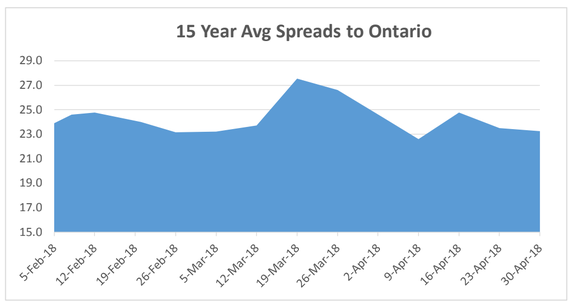
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
33.4	28.7	23.3	19.0	19.1	20.9

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	112.4	106.8	98.8	87.3	64.3	49.6
Last Week's	111.5	106.2	98.0	86.5	64.6	49.8
Change	0.9	0.7	0.8	0.8	-0.3	-0.2

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*BMO*	*GS*	*CIBC*	*TD*
	105.0	104.0	96.0	82.0	59.5	45.0
Maximum	*GS*	*GS*	*GS*	*RBC*	*RBC*	*RBC*
	122.0	112.0	102.0	90.0	69.0	53.0





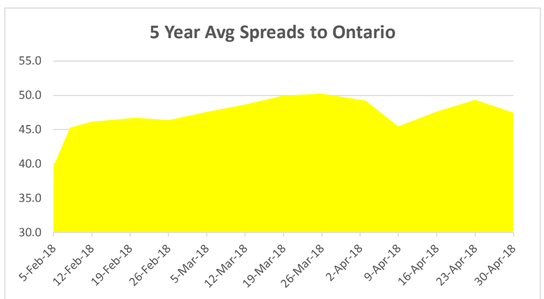


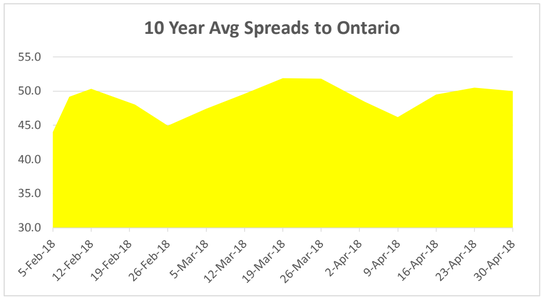
Sub Note

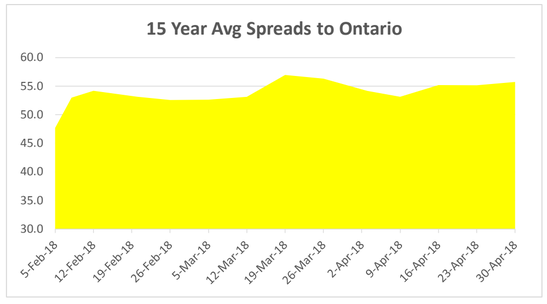
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
66.9	62.2	55.8	50.0	47.5	49.3

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	145.9	140.3	131.3	118.3	92.7	78.0
Last Week's	144.2	138.8	129.7	116.7	93.0	78.2
Change	1.8	1.5	1.7	1.7	-0.3	-0.2

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*TD*	*CIBC*	*CIBC*	*BMO*
	139.5	135.0	127.0	113.0	86.5	74.0
Maximum	*GS*	*GS*	*GS*	*GS*	*RBC*	*RBC*
	162.0	152.0	142.0	122.0	99.0	83.0





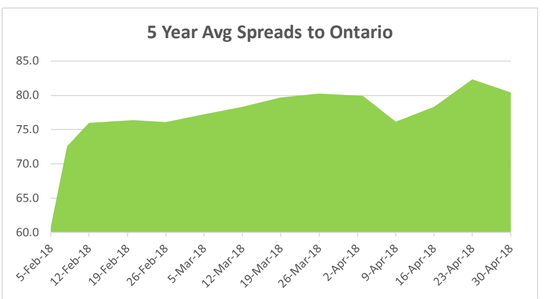


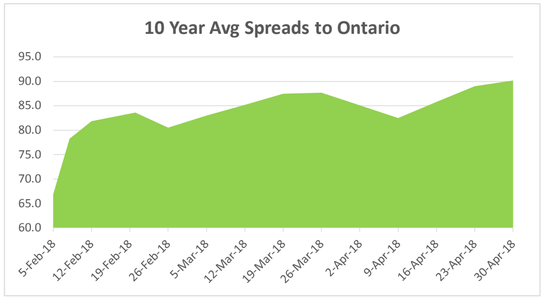
Junior Sub Note

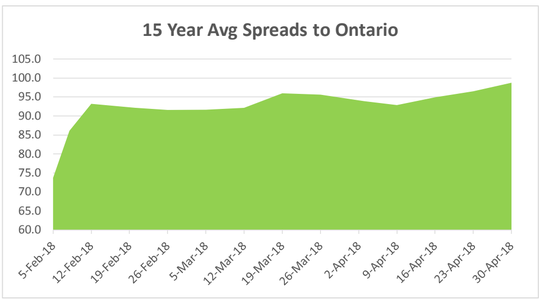
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
112.4	107.2	98.8	90.2	80.5	82.5

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	191.4	185.3	174.3	158.5	125.7	111.2
Last Week's	188.0	182.2	171.0	155.2	126.0	111.4
Change	3.4	3.2	3.3	3.3	-0.3	-0.2

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*
	166.5	162.0	155.0	140.0	113.5	102.0
Maximum	*GS*	*GS*	*GS*	*GS*	*BMO*	*BMO*
	232.0	222.0	212.0	192.0	134.0	119.0







FAIR HYDRO SPREADS

Week of April 30, 2018

Senior Note

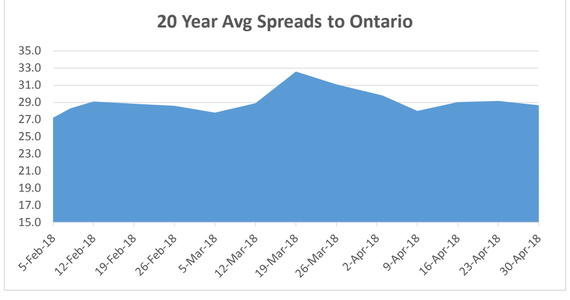
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
33.4	28.7	23.3	19.0	19.1	20.9

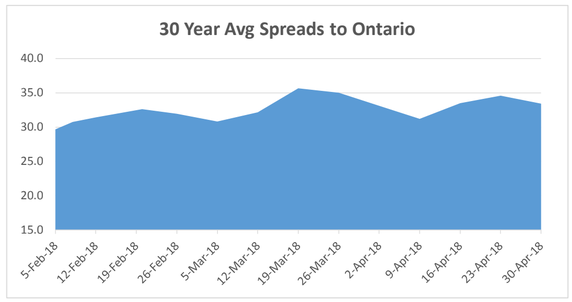
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
112.4	106.8	98.8	87.3	64.3	49.6
111.5	106.2	98.0	86.5	64.6	49.8
0.9	0.7	0.8	0.8	-0.3	-0.2

Last Week's
Change

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*BMO*	*GS*	*CIBC*	*TD*
	105.0	104.0	96.0	82.0	59.5	45.0
Maximum	*GS*	*GS*	*GS*	*RBC*	*RBC*	*RBC*
	122.0	112.0	102.0	90.0	69.0	53.0





Sub Note

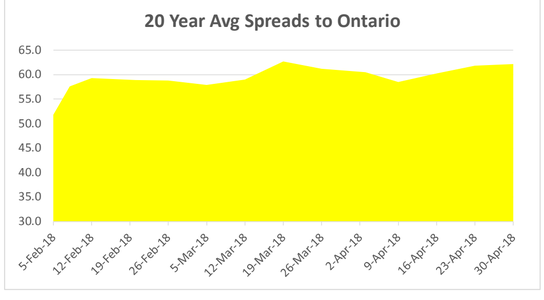
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
66.9	62.2	55.8	50.0	47.5	49.3

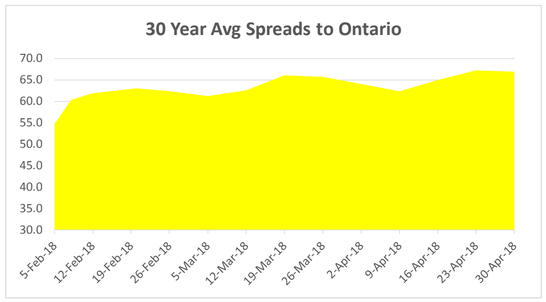
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
145.9	140.3	131.3	118.3	92.7	78.0
144.2	138.8	129.7	116.7	93.0	78.2
1.8	1.5	1.7	1.7	-0.3	-0.2

Last Week's
Change

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*TD*	*CIBC*	*CIBC*	*BMO*
	139.5	135.0	127.0	113.0	86.5	74.0
Maximum	*GS*	*GS*	*GS*	*GS*	*RBC*	*RBC*
	162.0	152.0	142.0	122.0	99.0	83.0





Junior Sub Note

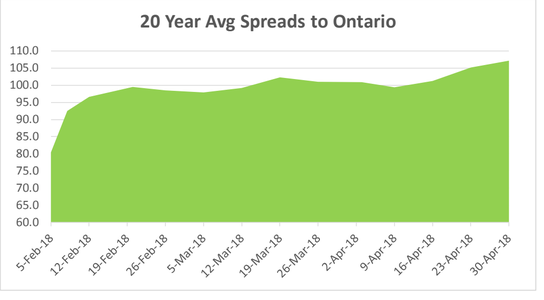
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
112.4	107.2	98.8	90.2	80.5	82.5

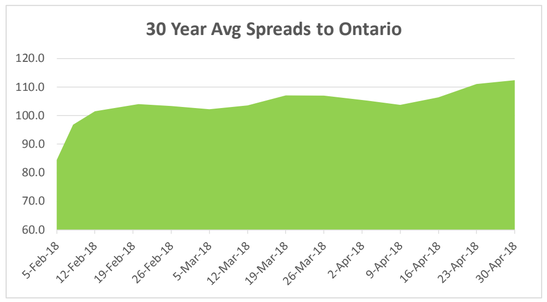
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
191.4	185.3	174.3	158.5	125.7	111.2
188.0	182.2	171.0	155.2	126.0	111.4
3.4	3.2	3.3	3.3	-0.3	-0.2

Last Week's
Change

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*
	166.5	162.0	155.0	140.0	113.5	102.0
Maximum	*GS*	*GS*	*GS*	*GS*	*BMO*	*BMO*
	232.0	222.0	212.0	192.0	134.0	119.0





Indicative New Issue Spreads
Week of April 30, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	5.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.42%	2.41%	2.35%	2.32%	2.16%	1.96%	2.39%	2.38%	2.35%	2.30%	2.23%	2.12%	2.41%	2.40%	2.37%	2.35%			2.41%	2.41%
Curve Adjustment (bp)	0.0	0.5	2.6	1.6	1.8	7.9	0.0	0.2	(0.1)	(0.1)	(0.3)	1.9	0.0	0.6	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	105	104	96	86	65	49	113	108	101	86	60	48	122	112	102	82.0				
Re-Offered Yield	3.47%	3.45%	3.34%	3.19%	2.82%	2.53%	3.51%	3.46%	3.36%	3.16%	2.82%	2.61%	3.63%	3.52%	3.39%	3.17%			3.54%	3.46%
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.49%**	**3.49%**	**3.37%**	**3.24%**	**2.90%**	**2.60%**	**3.54%**	**3.49%**	**3.38%**	**3.18%**	**2.84%**	**2.63%**	**3.64%**	**3.55%**	**3.42%**	**3.22%**			**3.57%**	**3.49%**
All-in Spread to GoC Curve (bp)	**107.65**	**107.42**	**99.36**	**90.63**	**72.45**	**55.88**	**115.22**	**110.70**	**103.40**	**88.08**	**61.25**	**49.21**	**123.67**	**114.50**	**105.33**	**87.00**			**2.73**	**3.50**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	80	79	78	69	45	29	79	78	75	68	47	27	77	81	71	63			79	78

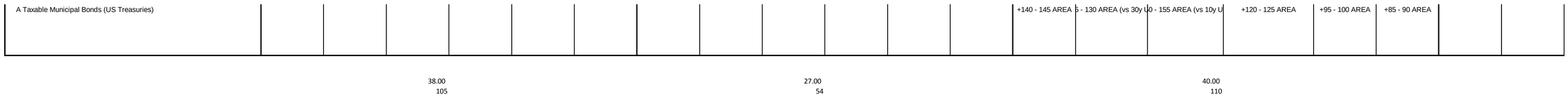
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							162	--	--	116	78	62								
Toronto Hydro Corporation (A/-/A)							130	--	--	90	65	55								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	108	0	0	85	60	48														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			135	129
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			118	112
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			140	133
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	83	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	77	63														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	62	48														
CMBs: (AAA/Aaa/AAA)	0	0	45	40	31	17														
PSP Investments (AAA/Aaa/AAA)	0	0	0	70	46	30														
CPP Investment Board (AAA/Aaa/AAA)	90	0	0	70	46	30														
BMO (Senior) (A+/A1/AA)	115	0	0	90	77	65														
Nova Scotia Power (BBB+ / - / A(l))							145	--	--	101	75	60								
FortisAlberta (A- / Baa1 / A(l))							133	--	--	92	67	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							235	--	--	172	120	99								
Bruce Power (BBB / Baa2 / BBB)							212	--	--	149	104	--								
City of Toronto (- / Aa1 / AA)							101	99	--	79	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																90 bps area				
AAA Taxable Municipal Bonds (US Treasuries)													+95 AREA	0-85 AREA (vs 30y U	95-110 AREA (vs 10y U	+75-80 AREA	+65 - 70 AREA	+55 - 60 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.42%	2.41%	2.35%	2.32%	2.16%	1.96%	2.39%	2.38%	2.35%	2.30%	2.23%	2.12%	2.41%	2.40%	2.37%	2.35%			2.41%	2.41%
Curve Adjustment (bp)	0.0	0.5	2.6	1.6	1.8	7.9	0.0	0.2	(0.1)	(0.1)	(0.3)	1.9	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	144	143	134	115	90	74	140	135	128	113	87	75	162	152	142	122				
Re-Offered Yield	3.86%	3.84%	3.72%	3.48%	3.07%	2.78%	3.78%	3.73%	3.63%	3.43%	3.09%	2.88%	4.03%	3.92%	3.79%	3.57%			3.81%	3.73%
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.89%**	**3.88%**	**3.75%**	**3.53%**	**3.15%**	**2.85%**	**3.81%**	**3.76%**	**3.65%**	**3.45%**	**3.11%**	**2.90%**	**4.04%**	**3.95%**	**3.79%**	**3.62%**			**3.84%**	**3.76%**
All-in Spread to GoC Curve (bp)	**146.77**	**146.54**	**137.44**	**119.69**	**97.49**	**80.90**	**142.22**	**137.70**	**130.40**	**115.08**	**88.25**	**76.21**	**163.67**	**154.50**	**145.33**	**127.00**			**2.73**	**3.50**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			130	123
NAV Canada (AA-, AA low)																			100	97
GTAA (Aa3, A+)																			105	101
Hydro One (A3/A/A high)																			130	124
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	83														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	98														
BMO (Senior) (A+/A1/AA)	115	0	0	90	77	65														
Nav Canada (sub) (AA-/Aa2/AAL)	108	0	0	85	60	48														
City of Toronto (AA / Aa1 / AA)	100	99	98	86	61	43														
Bank ABS (AAA / - / AAA)							--	--	--	--	79	67								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	91	78								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	47	36								
AA CMBS (USD Swaps)																130 - 135 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+115 - 120 AREA	100 AREA (vs 30y US	5 - 130 AREA (vs 10y U	+100 - 105 AREA	+75 - 80 AREA	+60 - 65 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.42%	2.41%	2.35%	2.32%	2.16%	1.96%	2.39%	2.38%	2.35%	2.30%	2.23%	2.12%	2.41%	2.40%	2.37%	2.35%			2.41%	2.41%
Curve Adjustment (bp)	0.0	0.5	2.6	1.6	1.8	7.9	0.0	0.2	(0.1)	(0.1)	(0.3)	1.9	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	218	214	201	165	134	119	167	162	155	140	114	102	232	222	212	192				
Re-Offered Yield	4.60%	4.55%	4.39%	3.98%	3.51%	3.23%	4.05%	4.00%	3.90%	3.70%	3.36%	3.15%	4.73%	4.62%	4.49%	4.27%			4.14%	4.06%
Commission (bp)	2.9	3.7	3.5	4.8	7.6	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.63%**	**4.59%**	**4.42%**	**4.03%**	**3.59%**	**3.30%**	**4.08%**	**4.03%**	**3.92%**	**3.72%**	**3.38%**	**3.17%**	**4.74%**	**4.65%**	**4.49%**	**4.32%**			**4.17%**	**4.09%**
All-in Spread to GoC Curve (bp)	**220.88**	**217.66**	**204.54**	**169.77**	**141.55**	**125.93**	**169.22**	**164.70**	**157.40**	**142.08**	**115.25**	**103.21**	**233.67**	**224.50**	**215.33**	**197.00**			**2.73**	**3.50**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			150.0	144.8
Highway 407 (A, A)																			130.0	123.3
Enbridge Gas Distribution (A-, A)																			130.0	124.8
Hydro One (A3/A/A high)																			130.0	124.0
Schedule 1 Bank ABS (A)																			195.0	188.3
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	148.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	130.0	-														
Hydro One (A/A3/AH)	136.0	-	-	98.0	73.0	58.0														
OPG (BBB+/-/AL)	166.0	-	-	119.0	92.0	77.0														
10-year A CMBS (USD Swaps)																180 -190 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+140 - 145 AREA
5 - 130 AREA (vs 30y U
0 - 155 AREA (vs 10y U
+120 - 125 AREA
+95 - 100 AREA
+85 - 90 AREA
38.00
105
27.00
54
40.00
110

Indicative New Issue Spreads
Week of April 30, 2018

NBF *NBF* *NBF* NBF

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	NBF			
	Current			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.37%	2.32%	2.15%	2.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.36%	3.20%	2.80%	2.54%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.40%**	**3.25%**	**2.88%**	**2.63%**
All-in Spread to GoC Curve (bp)	**3.85**	**4.72**	**7.57**	**8.72**

Primary Comparable (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76	69	45	29

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	112	95	75	65
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	95	80	60	52
Schedule I Bank ABS (Aaa ; AAA ; AAA)	114	95	75	65
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.37%	2.32%	2.15%	2.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.61%	3.43%	3.01%	2.75%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.65%**	**3.48%**	**3.09%**	**2.84%**
All-in Spread to GoC Curve (bp)	**3.85**	**4.72**	**7.57**	**8.72**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
RBC Sr-Sub.				
Highway 407 (A, A)	104	85	65	55
NAV Canada (AA-, AA low)	89	80	55	45
GTAA (Aa3, A+)	91	80	60	50
Hydro One (A3/A/A high)	107	90	70	55
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.37%	2.32%	2.15%	2.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.91%	3.65%	3.20%	2.94%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.95%**	**3.70%**	**3.28%**	**3.03%**
All-in Spread to GoC Curve (bp)	**3.85**	**4.72**	**7.57**	**8.72**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	129.9	115.0	90.0	75.0
Highway 407 (A, A)	104.1	85.0	65.0	55.0
Enbridge Gas Distribution (A-, A)	109.9	95.0	75.0	60.0
Hydro One (A3/A/A high)	107.0	90.0	70.0	55.0
Schedule 1 Bank ABS (A)	169.1	150.0	130.0	115.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

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0

Indicative New Issue Spreads
Week of April 30, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	RBC	RBC	RBC	RBC	RBC	RBC	Scotia	Scotia	Scotia	Scotia	Scotia	Scotia	TD	TD	TD	TD	TD	TD
	RBC						Scotia						TD					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.40%	2.39%	2.32%	2.29%	2.12%	1.99%	2.42%	2.40%	2.37%	2.33%	2.15%	2.02%	2.40%	2.39%	2.32%	2.29%	2.14%	1.99%
Curve Adjustment (bp)	0.0	0.5	2.7	1.4	1.8	1.8	0.0	0.5	(0.0)	(0.1)	1.8	1.6	0.0	0.5	2.7	1.6	0.0	2.0
Spread to GoC Curve (bp)	113	105	98	90.00	69	53	107	105	99	90	68	53	115	107	97	90	60	45
Re-Offered Yield	3.53%	3.44%	3.33%	3.20%	2.83%	2.54%	3.49%	3.46%	3.36%	3.23%	2.85%	2.57%	3.55%	3.46%	3.32%	3.20%	2.74%	2.46%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	2.4	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.56%**	**3.48%**	**3.37%**	**3.25%**	**2.91%**	**2.63%**	**3.51%**	**3.49%**	**3.40%**	**3.27%**	**2.92%**	**2.65%**	**3.57%**	**3.50%**	**3.36%**	**3.25%**	**2.82%**	**2.55%**
All-in Spread to GoC Curve (bp)	**115.72**	**108.49**	**101.85**	**94.72**	**76.57**	**61.72**	**109.36**	**108.17**	**102.59**	**94.52**	**75.44**	**61.65**	**117.35**	**110.17**	**100.59**	**94.51**	**67.43**	**53.64**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	81	79	78	70	45	29	78	77	74	67	44	28	79	79	74	68	47	31

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	38	29	17												
City of Toronto (AA/Aa1/AA)	101	101	95	85	61	43												
Hydro One Inc. (A(H)/A3/A)	133	n/a	n/a	97	69	59							134	124	102	94	73	60
Ontario Power Generation Inc. (A(low)/-/BBB+)	150	n/a	n/a	110	77	70	163	0	0	118	93	79						
Toronto Hydro Corporation (A/-/A)	126	n/a	n/a	93	63	53												
Canadian National Railway Co (A/A2/A)	129	n/a	n/a	92	70	60												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	107	n/a	n/a	85	62	52												
NAV Canada (AA(low)/Aa2/AA-)	95	n/a	n/a	82	60	50												
OPB Finance Trust (AA+/-/AA(H))													113	103	98	88	65	46
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	83	66	50
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							82	0	0	70	46	31						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							128	0	0	98	82	72						
Golden Credit Card Trust							0	0	0	95	79	69						
Master Credit Card Trust							0	0	0	95	79	69						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	01-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.40%	2.39%	2.32%	2.29%	2.12%	1.99%	2.42%	2.40%	2.37%	2.33%	2.15%	2.02%	2.40%	2.39%	2.32%	2.29%	2.14%	1.99%
Curve Adjustment (bp)	0.0	0.5	2.7	1.4	1.8	1.8	0.0	0.5	(0.0)	(0.1)	1.8	1.6	0.0	0.5	2.7	1.6	0.0	2.0
Spread to GoC Curve (bp)	143	135	128	120	99	83	142	140	129	120	98	83	145	137	127	120	90	75
Re-Offered Yield	3.83%	3.74%	3.63%	3.50%	3.13%	2.84%	3.84%	3.81%	3.66%	3.53%	3.15%	2.87%	3.85%	3.76%	3.62%	3.50%	3.04%	2.76%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	2.4	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.86%**	**3.78%**	**3.67%**	**3.55%**	**3.21%**	**2.93%**	**3.86%**	**3.84%**	**3.70%**	**3.57%**	**3.22%**	**2.95%**	**3.87%**	**3.80%**	**3.66%**	**3.55%**	**3.12%**	**2.85%**
All-in Spread to GoC Curve (bp)	**145.83**	**138.58**	**131.93**	**124.79**	**106.63**	**91.77**	**144.36**	**143.17**	**132.59**	**124.52**	**105.44**	**91.65**	**147.35**	**140.17**	**130.59**	**124.51**	**97.43**	**83.64**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	80	63	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.40%	2.39%	2.32%	2.29%	2.12%	1.99%	2.42%	2.40%	2.37%	2.33%	2.15%	2.02%	2.40%	2.39%	2.32%	2.29%	2.14%	1.99%
Curve Adjustment (bp)	0.0	0.5	2.7	1.4	1.8	1.8	0.0	0.5	(0.0)	(0.1)	1.8	1.6	0.0	0.5	2.7	1.6	0.0	2.0
Spread to GoC Curve (bp)	177	169	162	154	133	117	180	178	159	150	128	113	175	167	157	150	120	105
Re-Offered Yield	4.17%	4.08%	3.97%	3.84%	3.47%	3.18%	4.22%	4.19%	3.96%	3.83%	3.45%	3.17%	4.15%	4.06%	3.92%	3.80%	3.34%	3.06%
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	2.4	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.20%**	**4.12%**	**4.01%**	**3.89%**	**3.55%**	**3.27%**	**4.24%**	**4.22%**	**4.00%**	**3.87%**	**3.52%**	**3.25%**	**4.17%**	**4.10%**	**3.96%**	**3.85%**	**3.42%**	**3.15%**
All-in Spread to GoC Curve (bp)	**179.95**	**172.69**	**166.02**	**158.87**	**140.70**	**125.82**	**182.36**	**181.17**	**162.59**	**154.52**	**135.44**	**121.65**	**177.35**	**170.17**	**160.59**	**154.51**	**127.43**	**113.64**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			30.00 64					30.00 60						30.00 60				

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	24.0
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2
12-Mar-18	21.7	21.6	23.7
19-Mar-18	23.0	23.9	27.5
26-Mar-18	22.9	23.5	26.6
3-Apr-18	21.9	20.0	24.3
9-Apr-18	18.3	18.0	22.6
16-Apr-18	20.6	20.6	24.8
23-Apr-18	20.9	20.3	23.5
30-Apr-18	19.1	19.0	23.3

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
27.2	29.7	56.8	80.6	91.2	
28.3	30.8	59.3	81.4	92.0	
29.1	31.4	61.0	83.7	94.5	
28.8	32.6	59.8	82.1	94.1	
28.6	31.9	59.4	82.1	94.0	
27.8	30.8	63.4	84.9	96.7	
28.9	32.2	63.8	85.3	97.0	
32.6	35.7	63.7	86.6	97.4	
31.1	35.0	65.8	88.6	99.4	
29.8	32.8	68.0	90.6	102.5	
28.0	31.2	68.4	90.7	103.0	
29.0	33.5	66.2	88.5	100.8	107.2
29.2	34.6	64.6	86.5	98.0	106.2
28.7	33.4	64.3	87.3	98.8	106.8

	Ontario Spread to GOC				
30 Year	**5 Year**	**10 Year**	**15 Year**	**20 Year**	**30 Year**
99.1	38.5	58.8	67.3		69.4
100.4	40.1	59.0	67.4		69.7
103.6	41.7	61.0	69.7		72.2
104.8	39.8	62.0	70.4		72.2
104.6	39.8	65.1	70.8		72.7
107.1	42.7	65.5	73.5		76.3
107.9	42.2	63.7	73.3		75.8
108.6	40.7	62.7	69.9		72.9
110.6	42.8	65.0	72.8		75.5
113.0	46.1	70.6	78.2		80.2
113.4	50.1	72.8	80.4		82.3
111.5	45.6	67.9	76.0	78.2	78.0
111.5	43.7	66.2	74.5	77.0	76.9
112.4	45.3	68.3	75.6	78.2	79.0

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6
12-Mar-18	48.7	49.6	53.1
19-Mar-18	50.0	51.9	57.0
26-Mar-18	50.3	51.8	56.3
3-Apr-18	49.3	48.4	54.2
9-Apr-18	45.5	46.2	53.2
16-Apr-18	47.7	49.5	55.2
23-Apr-18	49.3	50.5	55.2
30-Apr-18	47.5	50.0	55.8

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
51.8	54.7	78.2	102.8	115.0	
57.6	60.3	85.4	108.2	120.4	
59.3	61.9	87.8	111.3	123.9	
58.9	63.0	86.6	110.1	123.6	
58.8	62.4	86.3	110.1	123.4	
57.9	61.2	90.3	112.9	126.1	
59.0	62.6	90.8	113.3	126.4	
62.7	66.1	90.7	114.6	126.8	
61.2	65.7	93.1	116.8	129.1	
60.5	63.8	95.3	119.0	132.3	
58.5	62.3	95.6	119.0	132.7	
60.2	65.0	93.3	117.4	131.2	138.4
61.8	67.3	93.0	116.7	129.7	138.8
62.2	66.9	92.7	118.3	131.3	140.3

30 Year	Ontario Spread to GOC 5 Year	10 Year	15 Year	20 Year	30 Year
124.1	38.5	58.8	67.3		69.4
130.0	40.1	59.0	67.4		69.7
134.1	41.7	61.0	69.7		72.2
135.2	39.8	62.0	70.4		72.2
135.1	39.8	65.1	70.8		72.7
137.6	42.7	65.5	73.5		76.3
138.3	42.2	63.7	73.3		75.8
139.0	40.7	62.7	69.9		72.9
141.3	42.8	65.0	72.8		75.5
144.0	46.1	70.6	78.2		80.2
144.3	50.1	72.8	79.5		81.9
143.0	45.6	67.9	76.0	78.2	78.0
144.2	43.7	66.2	74.5	77.0	76.9
145.9	45.3	68.3	75.6	78.2	79.0

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6
12-Mar-18	78.3	85.2	92.1
19-Mar-18	79.7	87.5	96.0
26-Mar-18	80.3	87.7	95.6
3-Apr-18	79.9	84.7	93.9
9-Apr-18	76.2	82.5	92.9
16-Apr-18	78.3	85.8	94.9
23-Apr-18	82.3	89.0	96.5
30-Apr-18	80.5	90.2	98.8

		Fair Hydro Spread to GOC			
20 Year	**30 Year**	**5 Year**	**10 Year**	**15 Year**	**20 Year**
80.4	84.5	99.3	125.6	141.0	
92.5	96.8	112.7	137.3	153.5	
96.6	101.5	117.7	142.8	162.9	
99.5	104.0	116.3	145.6	162.6	
98.5	103.4	115.9	145.6	162.4	
97.9	102.2	119.9	148.5	165.1	
99.2	103.6	120.5	148.9	165.4	
102.3	107.1	120.3	150.1	165.8	
101.0	107.0	123.1	152.7	168.4	
100.9	105.3	126.0	155.3	172.1	
99.4	103.8	126.3	155.3	172.4	
101.2	106.4	123.9	153.7	170.9	179.4
105.2	111.1	126.0	155.2	171.0	182.2
107.2	112.4	125.7	158.5	174.3	185.3

	Ontario Spread to GOC				
30 Year	5 Year	10 Year	15 Year	20 year	30 Year
153.9	38.5	58.8	67.3		69.4
166.5	40.1	59.0	67.4		69.7
173.7	41.7	61.0	69.7		72.2
176.2	39.8	62.0	70.4		72.2
176.1	39.8	65.1	70.8		72.7
178.6	42.7	65.5	73.5		76.3
179.3	42.2	63.7	73.3		75.8
180.0	40.7	62.7	69.9		72.9
182.6	42.8	65.0	72.8		75.5
185.4	46.1	70.6	78.2		80.2
185.7	50.1	72.8	79.5		81.9
184.4	45.6	67.9	76.0	78.2	78.0
188.0	43.7	66.2	74.5	77.0	76.9
191.4	45.3	68.3	75.6	78.2	79.0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.42%	2.41%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**105**	**104**
Re-Offered Yield	3.47%	3.45%
Commission (bp)	2.6	3.4
All-in Yield	**3.49%**	**3.49%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	80	79

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	90	
BMO (Senior) (A+/A1/AA)	115	
Nav Canada (sub) (AA-/Aa2/AAL)	108	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.42%	2.41%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**144**	**143**
Re-Offered Yield	3.86%	3.84%
Commission (bp)	2.8	3.5
All-in Yield	**3.89%**	**3.88%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	80	79

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	115	
Nav Canada (sub) (AA-/Aa2/AAL)	108	
City of Toronto (AA / Aa1 / AA)	100	99

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.42%	2.41%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**218**	**214**
Re-Offered Yield	4.60%	4.55%
Commission (bp)	2.9	3.7
All-in Yield	**4.63%**	**4.59%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	80	79

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	136	
OPG (BBB+/-/AL)	166	

Generic Corporate Credit Spreads AA	102	
Generic Corporate Credit Spreads A	158	
Generic Corporate Credit Spreads BBB	232	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.35%	2.32%	2.16%	1.96%	-2bps	-2bps	-4bps	-4bps	-2bps
2.6	1.6	1.8	7.9	0bps	0bps	1bps	0bps	0bps
96	**86**	**65**	**49**	2bps	2bps	1bps	0bps	0bps
3.34%	3.19%	2.82%	2.53%	0bps	0bps	-3bps	-4bps	-2bps
3.4	4.6	7.4	6.9					
3.37%	**3.24%**	**2.90%**	**2.60%**	0bps	0bps	-3bps	-4bps	-2bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
78	69	45	29	3bps	3bps	3bps	3bps	1bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
		83						-4bps
		77	63					-4bps
		62	48					-4bps
45	40	30.5	17			3bps	3bps	3bps
	70	46	30				2bps	1bps
	70	46	30	2bps			2bps	1bps
	90	77	65	-3bps			-3bps	-4bps
	85	60	48	9bps			6bps	6bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.35%	2.32%	2.16%	1.96%	-2bps	-2bps	-4bps	-4bps	-2bps
2.6	1.6	1.8	7.9	0bps	0bps	1bps	0bps	0bps
134	**115**	**90**	**74**	2bps	2bps	1bps	0bps	0bps
3.72%	3.48%	3.07%	2.78%	0bps	0bps	-3bps	-4bps	-2bps
3.4	4.7	7.5	6.9					
3.75%	**3.53%**	**3.15%**	**2.85%**	0bps	0bps	-3bps	-4bps	-2bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
78	69	45	29	3bps	3bps	3bps	3bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			83					
			98					
	90	77	65	-3bps			-3bps	-4bps
	85	60	48	9bps			6bps	6bps
97.5	86	60.5	42.5	2bps	2bps	3bps	3bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.35%	2.32%	2.16%	1.96%	-2bps	-2bps	-4bps	-4bps	-2bps
2.6	1.6	1.8	7.9	0bps	0bps	1bps	0bps	0bps
201	**165**	**134**	**119**	2bps	2bps	1bps	0bps	0bps
4.39%	3.98%	3.51%	3.23%	0bps	0bps	-3bps	-4bps	-2bps
3.5	4.8	7.6	6.9					
4.42%	**4.03%**	**3.59%**	**3.30%**	0bps	0bps	-3bps	-4bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	69	45	29	3bps	3bps	3bps	3bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		148						-4bps
		130						-4bps
	98	73	58	1bps			1bps	1bps
	119	92	77	3bps			3bps	1bps

	91	72		1bps			1bps	2bps
	119	89		0bps			1bps	2bps
	176	123		1bps			0bps	1bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
1-May-18

3-year
0bps 0bps 0bps 0bps
0bps

3-year
1bps

3-year
-3bps -3bps 1bps 0bps 0bps -3bps 1bps

3-year
0bps 0bps 0bps 0bps
0bps

3-year
1bps

3-year
-3bps
-3bps
-3bps
1bps
1bps

3-year
0bps
0bps
0bps
0bps
0bps

3-year
1bps

3-year
1bps
1bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**113**
Re-Offered Yield	3.51%
Commission (bp)	2.7
All-in Yield	**3.54%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	162
Toronto Hydro (A / - / A)	130
Nova Scotia Power (BBB+ / - / A(l))	145
FortisAlberta (A- / Baa1 / A(l))	133
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	235
Bruce Power (BBB / Baa2 / BBB)	212
City of Toronto (- / Aa1 / AA)	101

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**140**
Re-Offered Yield	3.78%
Commission (bp)	2.7
All-in Yield	**3.81%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**167**
Re-Offered Yield	4.05%
Commission (bp)	2.7
All-in Yield	**4.08%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

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Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.38%	2.35%	2.30%	2.23%	2.12%	-0.06%	-0.06%	-0.07%	-0.07%	-0.08%
0.2	(0.1)	(0.1)	(0.3)	1.9	0.0	0.0	(0.0)	0.0	0.2
108	**101**	**86**	**60**	**48**	1	1	1	4	1
3.46%	3.36%	3.16%	2.82%	2.61%	-0.06%	-0.05%	-0.06%	-0.03%	-0.07%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.49%	**3.38%**	**3.18%**	**2.84%**	**2.63%**	**-0.06%**	**-0.05%**	**-0.06%**	**-0.03%**	**-0.07%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
78	75	68	47	27	3	1	1	2	3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	116	78	62	(1)	--	--	(1)	(1)
--	--	90	65	55	1	--	--	(2)	(3)
--	--	101	75	60	0	--	--	(2)	(2)
--	--	92	67	--	(2)	--	--	(2)	(2)
--	--	172	120	99	(5)	--	--	(4)	(4)
--	--	149	104	--	1	--	--	(3)	(7)
99	--	79	--	--	2	0	--	(1)	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.38%	2.35%	2.30%	2.23%	2.12%	-0.06%	-0.06%	-0.07%	-0.07%	-0.08%
0.2	(0.1)	(0.1)	(0.3)	1.9	0	0	(0)	0	0
135	**128**	**113**	**87**	**75**	1	1	1	4	1
3.73%	3.63%	3.43%	3.09%	2.88%	-0.06%	-0.05%	-0.06%	-0.03%	-0.07%
2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.76%	**3.65%**	**3.45%**	**3.11%**	**2.90%**	**-0.06%**	**-0.05%**	**-0.06%**	**-0.03%**	**-0.07%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
78	75	68	47	27	3	1	1	2	3

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
--	--	--	79	67	--	--	--	--	-1
--	--	--	91	78	--	--	--	--	1
--	--	--	47	36	--	--	--	--	0

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.38%	2.35%	2.30%	2.23%	2.12%	-0.06%	-0.06%	-0.07%	-0.07%	-0.08%
0.2	(0.1)	(0.1)	(0.3)	1.9	0	0	(0)	0	0
162	**155**	**140**	**114**	**102**	1	1	1	4	1
4.00%	3.90%	3.70%	3.36%	3.15%	-0.06%	-0.05%	-0.06%	-0.03%	-0.07%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
4.03%	**3.92%**	**3.72%**	**3.38%**	**3.17%**	**-0.06%**	**-0.05%**	**-0.06%**	**-0.03%**	**-0.07%**

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	75	68	47	27	3	1	1	2	3

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

CIBC
4/30/2018

3-year
-
-
-0.06%
0.0
1
-0.05%
-
-0.05%

3-year
0

3-year
(1)
(1)
(2)
--
(4)
--
--

3-year
-
-
-0.06%
(0)
1
-0.05%
0.00%
-0.05%

3-year
0

3-year
1
1
0

3-year
-
-
-0.06%
(0)
1
-0.05%
-
-0.05%

3-year
0

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	5.000%
Benchmark Yield	2.406%	2.404%
Curve Adjustment (bp)	0.000%	0.006%
Spread to GoC Curve (bp)	**1.220%**	**1.120%**
Re-Offered Yield	3.626%	3.524%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.64%**	**3.55%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.7730%**	**0.81275%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+95 AREA	-85 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.406%	2.404%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.620%**	**1.520%**
Re-Offered Yield	4.026%	3.924%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.04%**	**3.95%**

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.7730%**	**0.81275%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+115 - 120 AREA	00 AREA (vs 30y US

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.406%	2.404%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**2.320%**	**2.220%**
Re-Offered Yield	4.726%	4.624%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.74%**	**4.65%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.7730%**	**0.81275%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+140 - 145 AREA	- 130 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.370%	2.345%			
0.049%	0.008%			
1.0200%	**0.820%**			
3.390%	3.165%			
0.033%	0.050%			
3.42%	**3.22%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.70800%	**0.62800%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-110 AREA (vs 10y	90 bps area +75-80 AREA	+65 - 70 AREA	+55 - 60 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.370%	2.345%			
0.049%	0.008%			
1.420%	**1.220%**			
3.790%	3.565%			
0.033%	0.050%			
3.79%	**3.62%**			

Current				

15-year	10-year	5-year	3-year	30-year
0.70800%	**0.62800%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 130 AREA (vs 10y	130 - 135 bps AREA +100 - 105 AREA	+75 - 80 AREA	+60 - 65 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.370%	2.345%			
0.049%	0.008%			
2.1200%	**1.920%**			
4.490%	4.265%			
0.033%	0.050%			
4.49%	**4.32%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.70800%	**0.62800%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 155 AREA (vs 10y	180 -190 bps AREA +120 - 125 AREA	+95 - 100 AREA	+85 - 90 AREA	+0 bps

Bank Name	GS
Date	4/24/2018

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	15-year	10-year	5-year	3-year

Versus 4.19.19 Template				
20-year	15-year	10-year	5-year	3-year
+0 bps	+0 bps	+5 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week

20-year	15-year	10-year	5-year	3-year

Versus 4.19.19 Template				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+10 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Versus 4.19.19 Template				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+20 bps +0 bps	+0 bps	+0 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	113
Re-Offered Yield	3.54%
Commission (bp)	2.7
All-in Yield	**3.57%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140
FHT Series 2018-1	

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	140
Re-Offered Yield	3.81%
Commission (bp)	2.7
All-in Yield	**3.84%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	130
NAV Canada (AA-, AA low)	100
GTAA (Aa3, A+)	105
Hydro One (A3/A/A high)	130

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	173
Re-Offered Yield	4.14%
Commission (bp)	2.7
All-in Yield	**4.17%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	150
Highway 407 (A, A)	130
Enbridge Gas Distribution (A-, A)	130
Hydro One (A3/A/A high)	130
Schedule 1 Bank ABS (A)	195

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.41%	2.37%	2.32%	2.15%
0.0	0.0	0.0	0.0
105	99	88	65
3.46%	3.36%	3.20%	2.80%
3.5	3.9	4.7	7.6
3.49%	**3.40%**	**3.25%**	**2.88%**

Current			
20-year	**15-year**	**10-year**	**5-year**
78	75.5	68.5	44.5

Current			
20-year	**15-year**	**10-year**	**5-year**
129	112	95	75
112	95	80	60
133	114	95	75
	97		
104			

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.41%	2.37%	2.32%	2.15%
0.0	0.0	0.0	0.0
132	124	111	86
3.73%	3.61%	3.43%	3.01%
3.5	3.9	4.7	7.6
3.76%	**3.65%**	**3.48%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
78	76	69	45

Current			
20-year	**15-year**	**10-year**	**5-year**
123	104	85	65
97	89	80	55
101	91	80	60
124	107	90	70

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.41%	2.37%	2.32%	2.15%
0.0	0.0	0.0	0.0
165	154	133	105
4.06%	3.91%	3.65%	3.20%
3.5	3.9	4.7	7.6
4.09%	**3.95%**	**3.70%**	**3.28%**

Current			
20-year	**15-year**	**10-year**	**5-year**
78	76	69	45

Current			
20-year	**15-year**	**10-year**	**5-year**
145	130	115	90
123	104	85	65
125	110	95	75
124	107	90	70
188	169	150	130

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.02%	0.01%	0.02%	0.02%
0.0	0.0	0.0	0.0
52	-2	-2	-4
2.54%	-0.01%	0.00%	-0.02%
8.7	0.0	0.0	0.0
2.63%	**-0.01%**	**0.00%**	**-0.02%**

			Week
3-year	**30-year**	**20-year**	**15-year**
28.5	1	-1	-0.5

			Week
3-year	**30-year**	**20-year**	**15-year**
65	-5	-5	-5
52	-5	-5	-5
65	-5	-5	-5
	0	0	-3
	0	-3	0

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
2.02%	0.01%	0.02%	0.02%
0.0	0.0	0.0	0.0
73	0	0	-2
2.75%	0.01%	0.02%	0.00%
8.7	0.0	0.0	0.0
2.84%	**0.01%**	**0.02%**	**0.00%**

			Week
3-year	**30-year**	**20-year**	**15-year**
29	1	-1	-1

			Week
3-year	**30-year**	**20-year**	**15-year**
55	0	0	0
45	0	0	0
50	5	4	2
55	-5	-5	-5

	Week

3-year	30-year	20-year	15-year
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.02%	0.01%	0.02%	0.02%
0.0	0.0	0.0	0.0
92	3	3	-2
2.94%	0.04%	0.05%	0.00%
8.7	0.0	0.0	0.0
3.03%	**0.04%**	**0.05%**	**0.00%**

	Week

3-year	30-year	20-year	15-year
29	1	-1	-1

	Week

3-year	30-year	20-year	15-year
75	-5	-4	-2
55	0	0	0
60	0	0	0
55	-5	-5	-5
115	-5	-5	-5

Bank Name	National Bank of Canada
Date	4/30/2018

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.02%	0.01%	0.00%
0.0	0.0	0.0
-2	-2	0
0.00%	-0.01%	0.00%
0.0	0.0	0.0
0.00%	**-0.01%**	**0.00%**

over Week		
10-year	**5-year**	**3-year**
2	0.5	0.5

over Week		
10-year	**5-year**	**3-year**
-5	-5	-5
-5	-5	-5
-5	-5	-5
0	0	0
0	0	0

over Week		
10-year	**5-year**	**3-year**
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.02%	0.01%	0.00%
0.0	0.0	0.0
-1	-2	0
0.01%	-0.01%	0.00%
0.0	0.0	0.0
0.01%	**-0.01%**	**0.00%**

over Week		
10-year	**5-year**	**3-year**
2	1	1

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
0	5	5
-5	0	-5

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.02%	0.01%	0.00%
0.0	0.0	0.0
-2	-2	0
0.00%	-0.01%	0.00%
0.0	0.0	0.0
0.00%	**-0.01%**	**0.00%**

over Week		
10-year	**5-year**	**3-year**
2	1	1

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
0	0	0
-5	0	-5
-5	-5	-5

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.40%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**113**
Re-Offered Yield	3.53%
Commission (bp)	2.7
All-in Yield	**3.56%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**81**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**101**
Hydro One Inc. (A(H)/A3/A)	**133**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**150**
Toronto Hydro Corporation (A/-/A)	**126**
Canadian National Railway Co (A/A2/A)	**129**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**107**
NAV Canada (AA(low)/Aa2/AA-)	**95**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.40%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**143**
Re-Offered Yield	3.83%
Commission (bp)	2.8
All-in Yield	**3.86%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	81

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.40%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**177**
Re-Offered Yield	4.17%
Commission (bp)	2.9
All-in Yield	**4.20%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	81

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.39%	**2.32%**	**2.29%**	**2.12%**
0.5	**2.7**	**1.4**	**1.8**
105	**98**	**90**	**69**
3.44%	3.33%	3.20%	2.83%
3.5	3.8	4.7	7.6
3.48%	**3.37%**	**3.25%**	**2.91%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	**78**	**70**	**45**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**38**	**29**
101	**95**	**85**	**61**
n/a	**n/a**	**97**	**69**
n/a	**n/a**	**110**	**77**
n/a	**n/a**	**93**	**63**
n/a	**n/a**	**92**	**70**
n/a	**n/a**	**85**	**62**
n/a	**n/a**	**82**	**60**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.39%	2.32%	2.29%	2.12%
0.5	2.7	1.4	1.8
135	**128**	**120**	**99**
3.74%	3.63%	3.50%	3.13%
3.6	3.9	4.8	7.6
3.78%	**3.67%**	**3.55%**	**3.21%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	78	70	45

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**80**	**63**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.39%	2.32%	2.29%	2.12%
0.5	2.7	1.4	1.8
169	**162**	**154**	**133**
4.08%	3.97%	3.84%	3.47%
3.7	4.0	4.9	7.7
4.12%	**4.01%**	**3.89%**	**3.55%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	78	70	45

Current			
20-year	**15-year**	**10-year**	**5-year**

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o any other existing or future transactions between you and RBC. The indicative price does not in any way amend, mo

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name
Date

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.99%	-4.8	-4.9	-7.1	-7.0	-5.6
1.8	-	-	2.5	1.2	1.6
53	-	-2.0	-2.0	-2.0	-
2.54%	-4.8	-6.9	-6.6	-7.8	-4.0
8.7	-0.0	-0.0	-0.0	-0.0	-0.0
2.63%	-4.8	-6.9	-6.6	-7.8	-4.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
29	3.0	1.5	1.0	3.0	1.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
17				2.0	1.5
43	-	1.0	2.0	0.5	-0.5
59	-4.0			-1.0	1.0
70	-8.0			-7.0	-6.0
53	-1.0			-1.0	1.0
60	-			-	-
52	8.0			4.0	2.0
50	-1.0			1.0	-

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.99%					
1.8					
83	-	-2.0	-2.0	-2.0	-
2.84%	-4.8	-6.9	-6.6	-7.8	-4.0
8.8	-0.02	-0.02	-0.02	-0.02	-0.01
2.93%	-4.8	-6.9	-6.6	-7.8	-4.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
29	3.0	1.5	1.0	3.0	1.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				-1.0	2.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.99%					
1.8					
117	-	-2.0	-2.0	-2.0	-
3.18%	-4.8	-6.9	-6.6	-7.8	-4.0
8.8	-0.02	-0.02	-0.02	-0.02	-0.01
3.27%	-4.8	-6.9	-6.6	-7.8	-4.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
29	3.0	1.5	1.0	3.0	1.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does n
dify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not comm

y at RBC by using the indicative price. The indicative price is provided without any warranty, express or implied, as to its legal effect or complet
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RBC
01-May-18

3-year
-3.0
1.6
-
-1.4
-0.0
-1.4

3-year
1.0

3-year
0.5
-0.5
1.0
-3.0
1.0
-1.0
2.0
-

3-year
-
-1.4
-0.00
-1.4

3-year
1.0

3-year

3-year
-
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icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.42%	2.40%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**+107**	**+105**
Re-Offered Yield	3.49%	3.46%
Commission (bp)	2.4	3.2
All-in Yield	**3.51%**	**3.49%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	163	
CPP	82	
BNS - Denior Deposit Notes	128	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.42%	2.40%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**+142**	**+140**
Re-Offered Yield	3.84%	3.81%
Commission (bp)	2.4	3.2
All-in Yield	**3.86%**	**3.84%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.42%	2.40%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**+180**	**+178**
Re-Offered Yield	4.22%	4.19%
Commission (bp)	2.4	3.2
All-in Yield	**4.24%**	**4.22%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.37%	2.33%	2.15%	2.02%	-0.03%
(0.0)	(0.1)	1.8	1.6	0
+99	**+90**	**+68**	**+53**	-2
3.36%	3.23%	2.85%	2.57%	-0.05%
3.6	4.5	7.4	8.6	0
3.40%	**3.27%**	**2.92%**	**2.65%**	**-0.05%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
74	67	44	28	3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	118	93	79	0
	70	46	31	0
	98	82	72	0
	95	79	69	
	95	79	69	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.37%	2.33%	2.15%	2.02%	-0.03%
(0.0)	(0.1)	1.8	1.6	0
+129	**+120**	**+98**	**+83**	-2
3.66%	3.53%	3.15%	2.87%	-0.05%
3.6	4.5	7.4	8.6	0
3.70%	**3.57%**	**3.22%**	**2.95%**	**-0.05%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
74	67	44	28	3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	95	79	69	
	95	79	69	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.37%	2.33%	2.15%	2.02%	-0.03%
(0.0)	(0.1)	1.8	1.6	0
+159	**+150**	**+128**	**+113**	-2
3.96%	3.83%	3.45%	3.17%	-0.05%
3.6	4.5	7.4	8.6	0
4.00%	**3.87%**	**3.52%**	**3.25%**	**-0.05%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
74	67	44	28	3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	95	79	69	
	95	79	69	

Bank Name	BNS
Date	5/1/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.02%	-0.03%	-0.02%	-0.02%	0.00%
0	0	-2	0	0
-2	0	-2	-2	-2
-0.05%	-0.03%	-0.06%	-0.04%	-0.02%
0	0	0	0	0
-0.05%	**-0.03%**	**-0.06%**	**-0.04%**	**-0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	2	4	2	2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		0	0	0
		(2)	(3)	(1)
		0	0	0
		0	0	0
		0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.02%	-0.03%	-0.02%	-0.02%	0.00%
0	0	-2	0	0
-2	0	-2	-2	-2
-0.05%	-0.03%	-0.06%	-0.04%	-0.02%
0	0	0	0	0
-0.05%	**-0.03%**	**-0.06%**	**-0.04%**	**-0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	2	4	2	2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		0	0	0
		0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.02%	-0.03%	-0.02%	-0.02%	0.00%
0	0	-2	0	0
-2	0	-2	-2	-2
-0.05%	-0.03%	-0.06%	-0.04%	-0.02%
0	0	0	0	0
-0.05%	**-0.03%**	**-0.06%**	**-0.04%**	**-0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	2	4	2	2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		0	0	0
		0	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.39%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**115**	**107**
Re-Offered Yield	3.55%	3.46%
Commission (bp)	2.4	3.2
All-in Yield	**3.57%**	**3.50%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	113	103
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	134	124

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.39%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**145**	**137**
Re-Offered Yield	3.85%	3.76%
Commission (bp)	2.4	3.2
All-in Yield	**3.87%**	**3.80%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	79	79

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.39%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**175**	**167**
Re-Offered Yield	4.15%	4.06%
Commission (bp)	2.4	3.2
All-in Yield	**4.17%**	**4.10%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.32%	2.29%	2.14%	1.99%	-0.051%
2.7	1.6	0.0	2.0	-
97	**90**	**60**	**45**	0
3.32%	3.20%	2.74%	2.46%	-0.05%
3.6	4.5	7.4	8.6	-
3.36%	**3.25%**	**2.82%**	**2.55%**	**-0.05%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
73.5	68	47	31	1.0

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
98	88	65	46	6
N/A	83	66	50	N/A
102	94	73	60	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.32%	2.29%	2.14%	1.99%	-0.051%
2.7	1.6	0.0	2.0	-
127	**120**	**90**	**75**	0
3.62%	3.50%	3.04%	2.76%	-0.05%
3.6	4.5	7.4	8.6	-
3.66%	**3.55%**	**3.12%**	**2.85%**	**-0.05%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**

74	68	47	31	1.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.32%	2.29%	2.14%	1.99%	-0.051%
2.7	1.6	0.0	2.0	-
157	**150**	**120**	**105**	0
3.92%	3.80%	3.34%	3.06%	-0.05%
3.6	4.5	7.4	8.6	-
3.96%	**3.85%**	**3.42%**	**3.15%**	**-0.05%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
74	68	47	31	1.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	4/30/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.051%	-0.065%	-0.065%	-0.062%	-0.033%
-	-	-	-	-
0	0	0	0	0
-0.05%	-0.06%	-0.06%	-0.06%	-0.03%
-	-	-	-	-
-0.05%	**-0.06%**	**-0.06%**	**-0.06%**	**-0.03%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
1.0	0.5	0.0	2.0	1.0

20-year	**15-year**	**10-year**	**5-year**	**3-year**
6	6	-	-	2
N/A	N/A	1	2	1
1	2	2	1	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.051%	-0.065%	-0.065%	-0.062%	-0.033%
-	-	-	-	-
0	0	0	0	0
-0.05%	-0.06%	-0.06%	-0.06%	-0.03%
-	-	-	-	-
-0.05%	**-0.06%**	**-0.06%**	**-0.06%**	**-0.03%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**

1.0	0.5	0.0	2.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.051%	-0.065%	-0.065%	-0.062%	-0.033%
-	-	-	-	-
0	0	0	0	0
-0.05%	-0.06%	-0.06%	-0.06%	-0.03%
-	-	-	-	-
-0.05%	**-0.06%**	**-0.06%**	**-0.06%**	**-0.03%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
1.0	0.5	0.0	2.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	Ricky Lai
To:	Mike Manning
Cc:	James Devine; Carlos Yep
Subject:	FHP spreads
Date:	Thursday, April 26, 2018 10:02:30 AM
Attachments:	Fair Hydro price indications April 23 2018.xlsx

Good morning,

Please find this week's FHP spreads. NB did not have an update for this week.

Thanks.

Ricky

FAIR HYDRO SPREADS

Week of April 23, 2018

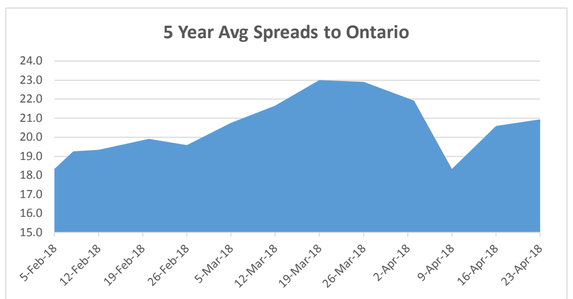
Senior Note

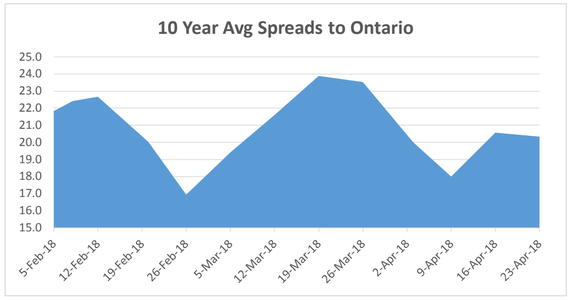
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
34.6	29.2	23.5	20.3	20.9	21.9

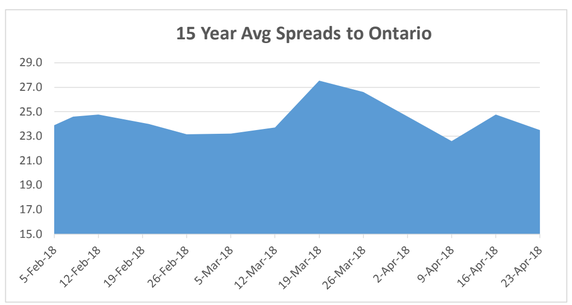
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
111.5	106.2	98.0	86.5	64.6	49.8
Last Week's	113.4	110.1	103.0	90.7	68.4	52.5
Change	-1.9	-3.9	-5.0	-4.2	-3.8	-2.7

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*BMO*	*GS*	*CIBC*	*TD*
	103.0	102.0	95.0	77.0	59.0	45.0
Maximum	*GS*	*CIBC*	*CIBC*	*RBC*	*Scotia*	*Scotia*
	117.0	107.0	100.0	92.0	70.0	55.0







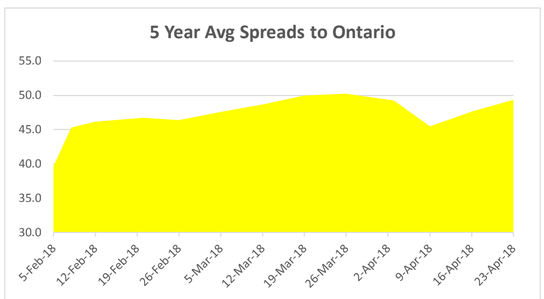
Sub Note

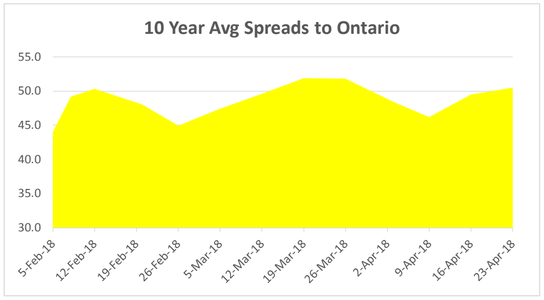
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
67.3	61.8	55.2	50.5	49.3	50.3

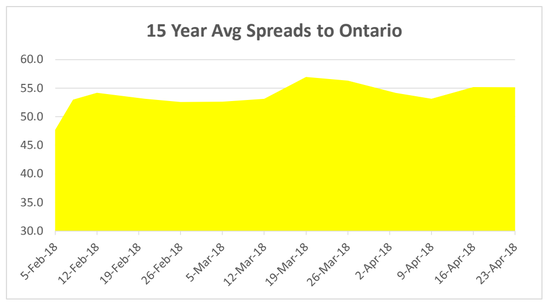
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
144.2	138.8	129.7	116.7	93.0	78.2
Last Week's	144.3	140.6	132.7	119.0	95.6	79.7
Change	-0.1	-1.8	-3.0	-2.3	-2.6	-1.5

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*BMO*
	139.0	134.0	127.0	109.0	86.0	74.0
Maximum	*GS*	*BMO*	*BMO*	*RBC*	*Scotia*	*Scotia*
	152.0	142.0	133.0	122.0	100.0	85.0







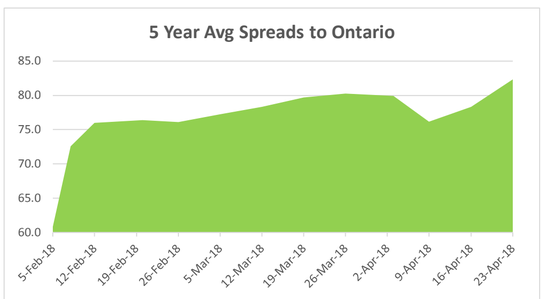
Junior Sub Note

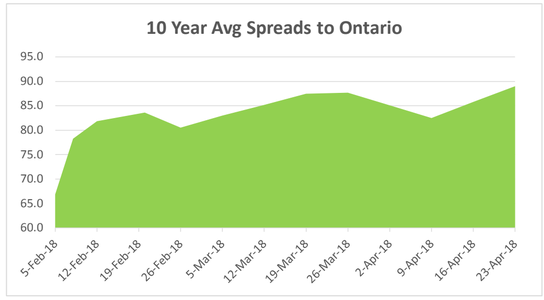
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
111.1	105.2	96.5	89.0	82.3	83.5

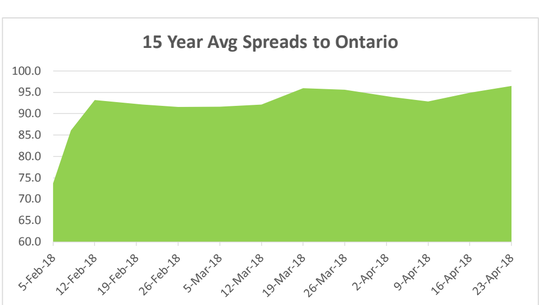
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
188.0	182.2	171.0	155.2	126.0	111.4
Last Week's	185.7	181.6	172.4	155.3	126.3	110.5
Change	2.3	0.5	-1.4	-0.1	-0.3	0.9

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*
	166.0	161.0	154.0	136.0	113.0	101.0
Maximum	*BMO*	*BMO*	*BMO*	*GS*	*BMO*	*BMO*
	216.0	212.0	200.0	172.0	134.0	119.0







FAIR HYDRO SPREADS

Week of April 23, 2018

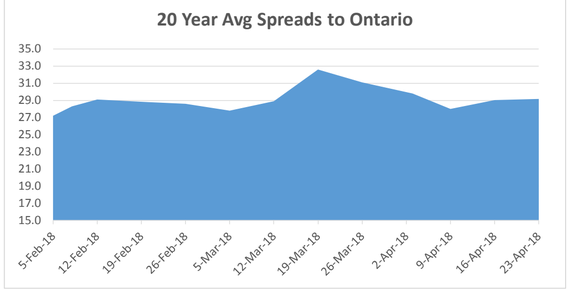
Senior Note

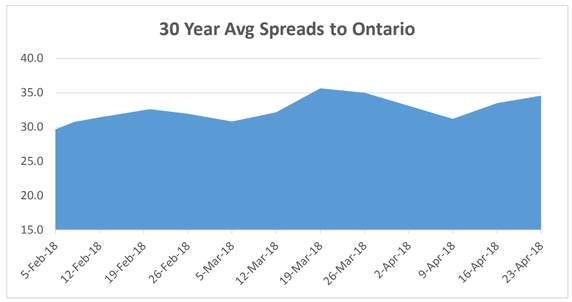
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
34.6	29.2	23.5	20.3	20.9	21.9

Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
111.5	106.2	98.0	86.5	64.6	49.8
Last Week's	113.4	110.1	103.0	90.7	68.4	52.5
Change	-1.9	-3.9	-5.0	-4.2	-3.8	-2.7

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*BMO*	*GS*	*CIBC*	*TD*
	103.0	102.0	95.0	77.0	59.0	45.0
Maximum	*GS*	*CIBC*	*CIBC*	*RBC*	*Scotia*	*Scotia*
	117.0	107.0	100.0	92.0	70.0	55.0





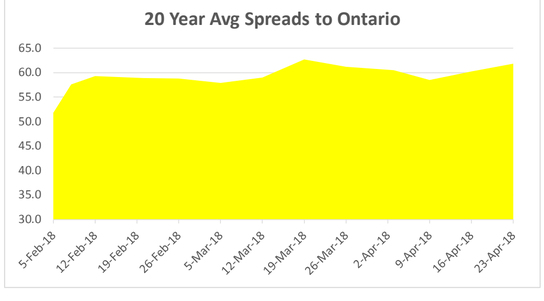
Sub Note

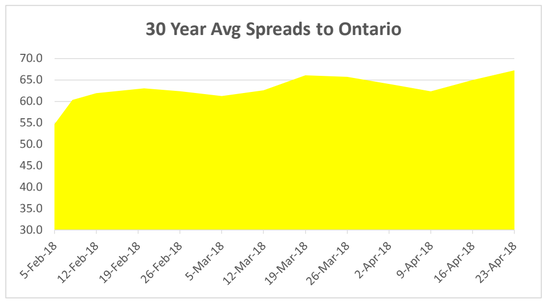
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
67.3	61.8	55.2	50.5	49.3	50.3

Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
144.2	138.8	129.7	116.7	93.0	78.2
Last Week's	144.3	140.6	132.7	119.0	95.6	79.7
Change	-0.1	-1.8	-3.0	-2.3	-2.6	-1.5

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*BMO*
	139.0	134.0	127.0	109.0	86.0	74.0
Maximum	*GS*	*BMO*	*BMO*	*RBC*	*Scotia*	*Scotia*
	152.0	142.0	133.0	122.0	100.0	85.0





Junior Sub Note

Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
111.1	105.2	96.5	89.0	82.3	83.5

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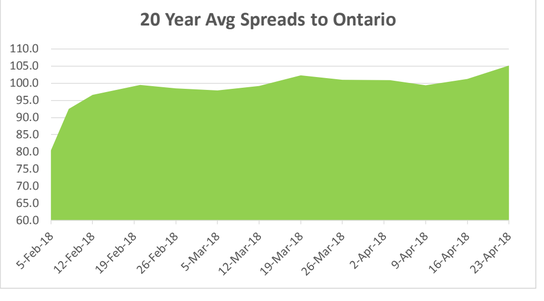
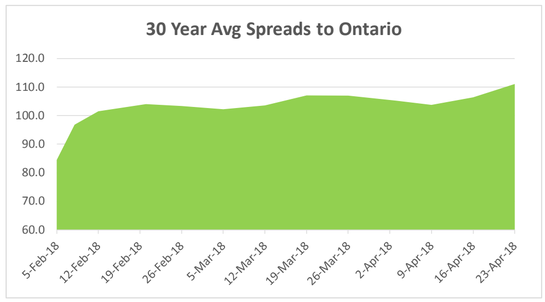
Last Week's	185.7	181.6	172.4	155.3	126.3	110.5
Change	2.3	0.5	-1.4	-0.1	-0.3	0.9

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*
	166.0	161.0	154.0	136.0	113.0	101.0
Maximum	*BMO*	*BMO*	*BMO*	*GS*	*BMO*	*BMO*
	216.0	212.0	200.0	172.0	134.0	119.0





Indicative New Issue Spreads
Week of April 23, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	5.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.44%	2.43%	2.40%	2.36%	2.18%	1.96%	2.45%	2.44%	2.42%	2.37%	2.31%	2.18%	2.43%	2.43%	2.39%	2.34%			2.40%	2.39%
Curve Adjustment (bp)	0.0	0.5	2.0	1.7	1.9	7.5	0.0	0.2	(0.1)	(0.1)	(0.5)	1.9	0.0	0.6	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	103	102	95	86	65	49	112	107	100	82	59	47	117	107	97	77.0				
Re-Offered Yield	3.47%	3.46%	3.36%	3.23%	2.84%	2.53%	3.57%	3.51%	3.42%	3.19%	2.90%	2.67%	3.60%	3.50%	3.36%	3.11%			3.55%	3.46%
Commission (bp)	2.6	3.4	3.4	4.6	7.5	6.9	2.7	2.7	2.4	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.50%**	**3.49%**	**3.40%**	**3.28%**	**2.92%**	**2.59%**	**3.60%**	**3.54%**	**3.44%**	**3.21%**	**2.92%**	**2.68%**	**3.62%**	**3.52%**	**3.40%**	**3.16%**			**3.58%**	**3.49%**
All-in Spread to GoC Curve (bp)	**105.65**	**105.42**	**98.36**	**90.64**	**72.45**	**55.88**	**114.74**	**109.72**	**102.42**	**84.09**	**60.76**	**48.22**	**118.67**	**109.50**	**100.33**	**82.00**			**2.73**	**3.50**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	67	44	29	76	77	74	66	44	27	76	81	73	67			78	79

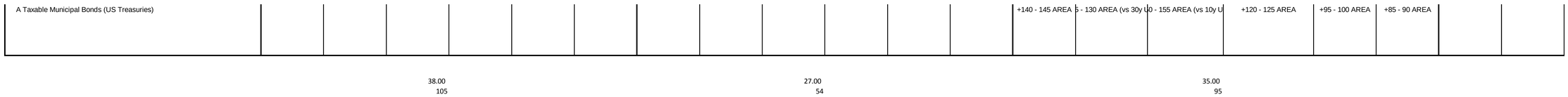
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							163	--	--	117	79	63								
Toronto Hydro Corporation (A/-/A)							129	--	--	92	68	56								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	99	0	0	79	54	47														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			140	134
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			123	117
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			145	138
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	87	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	81	66														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	66	51														
CMBs: (AAA/Aaa/AAA)	0	0	42	37	28	17														
PSP Investments (AAA/Aaa/AAA)	0	0	0	68	45	30														
CPP Investment Board (AAA/Aaa/AAA)	88	0	0	68	45	30														
BMO (Senior) (A+/A1/AA)	118	0	0	93	81	68														
Nova Scotia Power (BBB+ / - / A(l))							145	--	--	103	77	62								
FortisAlberta (A- / Baa1 / A(l))							135	--	--	94	69	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							240	--	--	176	124	103								
Bruce Power (BBB / Baa2 / BBB)							211	--	--	152	111	--								
City of Toronto (- / Aa1 / AA)							99	99	--	80	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																85 bps area				
AAA Taxable Municipal Bonds (US Treasuries)													+95 AREA	0-85 AREA (vs 30y U	95-110 AREA (vs 10y U	+75-80 AREA	+65 - 70 AREA	+55 - 60 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.44%	2.43%	2.40%	2.36%	2.18%	1.96%	2.45%	2.44%	2.42%	2.37%	2.31%	2.18%	2.43%	2.43%	2.39%	2.34%			2.40%	2.39%
Curve Adjustment (bp)	0.0	0.5	2.0	1.7	1.9	7.5	0.0	0.2	(0.1)	(0.1)	(0.5)	1.9	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	142	141	133	115	90	74	139	134	127	109	86	74	152	142	132	112				
Re-Offered Yield	3.86%	3.85%	3.74%	3.52%	3.09%	2.78%	3.84%	3.78%	3.69%	3.46%	3.17%	2.94%	3.95%	3.85%	3.71%	3.46%			3.80%	3.71%
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.89%**	**3.88%**	**3.78%**	**3.57%**	**3.17%**	**2.84%**	**3.87%**	**3.81%**	**3.71%**	**3.48%**	**3.19%**	**2.95%**	**3.97%**	**3.87%**	**3.71%**	**3.51%**			**3.83%**	**3.74%**
All-in Spread to GoC Curve (bp)	**144.78**	**144.54**	**136.45**	**119.70**	**97.49**	**80.90**	**141.74**	**136.72**	**129.42**	**111.09**	**87.76**	**75.22**	**153.67**	**144.50**	**135.33**	**117.00**			**2.73**	**3.50**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			130	123
NAV Canada (AA-, AA low)																			100	97
GTAA (Aa3, A+)																			100	97
Hydro One (A3/A/A high)																			135	129
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	86														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	101														
BMO (Senior) (A+/A1/AA)	118	0	0	93	81	68														
Nav Canada (sub) (AA-/Aa2/AAL)	99	0	0	79	54	47														
City of Toronto (AA / Aa1 / AA)	98	97	95	84	60	42														
Bank ABS (AAA / - / AAA)							--	--	--	--	80	66								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	90	77								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	47	36								
AA CMBS (USD Swaps)																120 - 125 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+115 - 120 AREA	100 AREA (vs 30y US	5 - 130 AREA (vs 10y U	+100 - 105 AREA	+75 - 80 AREA	+60 - 65 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.44%	2.43%	2.40%	2.36%	2.18%	1.96%	2.45%	2.44%	2.42%	2.37%	2.31%	2.18%	2.43%	2.43%	2.39%	2.34%			2.40%	2.39%
Curve Adjustment (bp)	0.0	0.5	2.0	1.7	1.9	7.5	0.0	0.2	(0.1)	(0.1)	(0.5)	1.9	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	216	212	200	165	134	119	166	161	154	136	113	101	212	202	192	172				
Re-Offered Yield	4.60%	4.56%	4.41%	4.02%	3.53%	3.23%	4.11%	4.05%	3.96%	3.73%	3.44%	3.21%	4.55%	4.45%	4.31%	4.06%			4.10%	4.01%
Commission (bp)	2.9	3.7	3.5	4.8	7.6	6.9	2.7	2.7	2.4	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.63%**	**4.59%**	**4.45%**	**4.07%**	**3.61%**	**3.30%**	**4.14%**	**4.08%**	**3.98%**	**3.75%**	**3.46%**	**3.22%**	**4.57%**	**4.47%**	**4.31%**	**4.11%**			**4.13%**	**4.04%**
All-in Spread to GoC Curve (bp)	**218.88**	**215.66**	**203.54**	**169.78**	**141.56**	**125.93**	**168.74**	**163.72**	**156.42**	**138.09**	**114.76**	**102.22**	**213.67**	**204.50**	**195.33**	**177.00**			**2.73**	**3.50**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			155.0	149.0
Highway 407 (A, A)																			130.0	123.3
Enbridge Gas Distribution (A-, A)																			130.0	124.8
Hydro One (A3/A/A high)																			135.0	129.0
Schedule 1 Bank ABS (A)																			200.0	193.3
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	152.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	134.0	-														
Hydro One (A/A3/AH)	135.0	-	-	97.0	72.0	57.0														
OPG (BBB+/-/AL)	163.0	-	-	116.0	91.0	76.0														
10-year A CMBS (USD Swaps)																160 -170 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+140 - 145 AREA
5 - 130 AREA (vs 30y U
0 - 155 AREA (vs 10y U
+120 - 125 AREA
+95 - 100 AREA
+85 - 90 AREA
38.00
105
27.00
54
35.00
95

Indicative New Issue Spreads
Week of April 23, 2018

	NBF	*NBF*	*NBF*	NBF
	NBF			
Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**			
	15-year	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.35%	2.30%	2.14%	2.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.38%	3.20%	2.81%	2.54%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.42%**	**3.25%**	**2.89%**	**2.63%**
All-in Spread to GoC Curve (bp)	**3.86**	**4.72**	**7.57**	**8.72**

Primary Comparable (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	67	44	28

Other Comparables (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	**117**	**100**	**80**	**70**
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	**100**	**85**	**65**	**57**
Schedule I Bank ABS (Aaa ; AAA ; AAA)	**119**	**100**	**80**	**70**
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**NBF**			
	15-year	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.35%	2.30%	2.14%	2.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.61%	3.42%	3.02%	2.75%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.65%**	**3.47%**	**3.10%**	**2.84%**
All-in Spread to GoC Curve (bp)	**3.86**	**4.72**	**7.57**	**8.72**

Other Comparables (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.				
Highway 407 (A, A)	**104**	**85**	**65**	**55**
NAV Canada (AA-, AA low)	**89**	**80**	**55**	**45**
GTAA (Aa3, A+)	**89**	**80**	**55**	**45**
Hydro One (A3/A/A high)	**112**	**95**	**70**	**60**
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**NBF**			
	15-year	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.35%	2.30%	2.14%	2.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.91%	3.65%	3.21%	2.94%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.95%**	**3.70%**	**3.29%**	**3.03%**
All-in Spread to GoC Curve (bp)	**3.86**	**4.72**	**7.57**	**8.72**

Other Comparables (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	132.0	115.0	90.0	75.0
Highway 407 (A, A)	104.1	85.0	65.0	55.0
Enbridge Gas Distribution (A-, A)	109.9	95.0	75.0	60.0
Hydro One (A3/A/A high)	112.0	95.0	70.0	60.0
Schedule 1 Bank ABS (A)	174.1	155.0	135.0	120.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

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Indicative New Issue Spreads
Week of April 23, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	RBC	RBC	RBC	RBC	RBC	RBC	Scotia	Scotia	Scotia	Scotia	Scotia	Scotia	TD	TD	TD	TD	TD	TD
	RBC						Scotia						TD					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.45%	2.44%	2.39%	2.36%	2.18%	2.02%	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	2.45%	2.44%	2.39%	2.35%	2.21%	2.02%
Curve Adjustment (bp)	0.0	0.5	0.2	0.2	0.2	0.2	0.0	0.5	(0.0)	1.7	1.8	1.6	0.0	0.5	2.3	1.5	0.0	1.8
Spread to GoC Curve (bp)	113	107	100	92.00	69	53	109	107	99	92	70	55	115	107	97	90	60	45
Re-Offered Yield	3.58%	3.51%	3.40%	3.28%	2.87%	2.55%	3.53%	3.50%	3.39%	3.29%	2.89%	2.58%	3.60%	3.51%	3.38%	3.27%	2.81%	2.49%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	2.4	3.2	3.6	4.5	7.4	8.7	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.60%**	**3.55%**	**3.43%**	**3.33%**	**2.95%**	**2.64%**	**3.56%**	**3.53%**	**3.43%**	**3.33%**	**2.96%**	**2.67%**	**3.62%**	**3.55%**	**3.42%**	**3.31%**	**2.88%**	**2.58%**
All-in Spread to GoC Curve (bp)	**115.74**	**110.51**	**103.86**	**96.74**	**76.58**	**61.72**	**111.37**	**110.18**	**102.60**	**96.53**	**77.44**	**63.74**	**117.37**	**110.19**	**100.60**	**94.53**	**67.44**	**53.65**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	77	77	67	44	28	75	75	73	64	42	27	78	78	73	68	45	30

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	36	28	16												
City of Toronto (AA/Aa1/AA)	101	100	93	85	61	44												
Hydro One Inc. (A(H)/A3/A)	137	n/a	n/a	98	68	58							133	123	100	92	72	60
Ontario Power Generation Inc. (A(low)/-/BBB+)	158	n/a	n/a	117	83	73	163	0	0	118	93	79						
Toronto Hydro Corporation (A/-/A)	127	n/a	n/a	94	62	52												
Canadian National Railway Co (A/A2/A)	129	n/a	n/a	92	70	39												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	99	n/a	n/a	81	60	50												
NAV Canada (AA(low)/Aa2/AA-)	96	n/a	n/a	81	60	50												
OPB Finance Trust (AA+/-/AA(H))													107	97	92	88	65	44
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	82	64	49
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							82	0	0	72	49	32						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							128	0	0	98	82	72						
Golden Credit Card Trust							0	0	0	95	79	69						
Master Credit Card Trust							0	0	0	95	79	69						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.45%	2.44%	2.39%	2.36%	2.18%	2.02%	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	2.45%	2.44%	2.39%	2.35%	2.21%	2.02%
Curve Adjustment (bp)	0.0	0.5	0.2	0.2	0.2	0.2	0.0	0.5	(0.1)	1.7	2.0	1.5	0.0	0.5	2.3	1.5	0.0	1.8
Spread to GoC Curve (bp)	143	137	130	122	99	83	144	142	129	122	100	85	145	137	127	120	90	75
Re-Offered Yield	3.88%	3.81%	3.70%	3.58%	3.17%	2.85%	3.88%	3.85%	3.69%	3.59%	3.19%	2.88%	3.90%	3.81%	3.68%	3.57%	3.11%	2.79%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	2.4	3.2	3.6	4.5	7.4	8.7	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.91%**	**3.85%**	**3.74%**	**3.63%**	**3.25%**	**2.94%**	**3.91%**	**3.88%**	**3.73%**	**3.63%**	**3.27%**	**2.97%**	**3.92%**	**3.85%**	**3.72%**	**3.61%**	**3.18%**	**2.88%**
All-in Spread to GoC Curve (bp)	**145.84**	**140.61**	**133.95**	**126.81**	**106.64**	**91.77**	**146.37**	**145.18**	**132.60**	**126.52**	**107.44**	**93.74**	**147.37**	**140.19**	**130.60**	**124.53**	**97.44**	**83.65**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	81	61	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.45%	2.44%	2.39%	2.36%	2.18%	2.02%	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	2.45%	2.44%	2.39%	2.35%	2.21%	2.02%
Curve Adjustment (bp)	0.0	0.5	0.2	0.2	0.2	0.2	0.0	0.5	(0.1)	1.7	2.0	1.5	0.0	0.5	2.3	1.5	0.0	1.8
Spread to GoC Curve (bp)	177	171	164	156	133	117	182	180	159	152	130	115	175	167	157	150	120	105
Re-Offered Yield	4.22%	4.15%	4.04%	3.92%	3.51%	3.19%	4.26%	4.23%	3.99%	3.89%	3.49%	3.18%	4.20%	4.11%	3.98%	3.87%	3.41%	3.09%
Commission (bp)	3.0	3.7	4.0	4.9	7.7	8.8	2.4	3.2	3.6	4.5	7.4	8.7	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.25%**	**4.19%**	**4.08%**	**3.97%**	**3.59%**	**3.28%**	**4.29%**	**4.26%**	**4.03%**	**3.93%**	**3.57%**	**3.27%**	**4.22%**	**4.15%**	**4.02%**	**3.91%**	**3.48%**	**3.18%**
All-in Spread to GoC Curve (bp)	**179.96**	**174.72**	**168.04**	**160.89**	**140.71**	**125.82**	**184.37**	**183.18**	**162.60**	**156.52**	**137.44**	**123.74**	**177.37**	**170.19**	**160.60**	**154.53**	**127.44**	**113.65**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			30.00 64					30.00 60						30.00 60				

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	24.0
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2
12-Mar-18	21.7	21.6	23.7
19-Mar-18	23.0	23.9	27.5
26-Mar-18	22.9	23.5	26.6
3-Apr-18	21.9	20.0	24.3
9-Apr-18	18.3	18.0	22.6
16-Apr-18	20.6	20.6	24.8
23-Apr-18	20.9	20.3	23.5

		Fair Hydro Spread to GOC			
20 Year	**30 Year**	**5 Year**	**10 Year**	**15 Year**	**20 Year**
27.2	29.7	56.8	80.6	91.2	
28.3	30.8	59.3	81.4	92.0	
29.1	31.4	61.0	83.7	94.5	
28.8	32.6	59.8	82.1	94.1	
28.6	31.9	59.4	82.1	94.0	
27.8	30.8	63.4	84.9	96.7	
28.9	32.2	63.8	85.3	97.0	
32.6	35.7	63.7	86.6	97.4	
31.1	35.0	65.8	88.6	99.4	
29.8	32.8	68.0	90.6	102.5	
28.0	31.2	68.4	90.7	103.0	
29.0	33.5	66.2	88.5	100.8	107.2
29.2	34.6	64.6	86.5	98.0	106.2

	Ontario Spread to GOC				
30 Year	**5 Year**	**10 Year**	**15 Year**	**20 Year**	**30 Year**
99.1	38.5	58.8	67.3		69.4
100.4	40.1	59.0	67.4		69.7
103.6	41.7	61.0	69.7		72.2
104.8	39.8	62.0	70.4		72.2
104.6	39.8	65.1	70.8		72.7
107.1	42.7	65.5	73.5		76.3
107.9	42.2	63.7	73.3		75.8
108.6	40.7	62.7	69.9		72.9
110.6	42.8	65.0	72.8		75.5
113.0	46.1	70.6	78.2		80.2
113.4	50.1	72.8	80.4		82.3
111.5	45.6	67.9	76.0	78.2	78.0
111.5	43.7	66.2	74.5	77.0	76.9

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6
12-Mar-18	48.7	49.6	53.1
19-Mar-18	50.0	51.9	57.0
26-Mar-18	50.3	51.8	56.3
3-Apr-18	49.3	48.4	54.2
9-Apr-18	45.5	46.2	53.2
16-Apr-18	47.7	49.5	55.2
23-Apr-18	49.3	50.5	55.2

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
51.8	54.7	78.2	102.8	115.0	
57.6	60.3	85.4	108.2	120.4	
59.3	61.9	87.8	111.3	123.9	
58.9	63.0	86.6	110.1	123.6	
58.8	62.4	86.3	110.1	123.4	
57.9	61.2	90.3	112.9	126.1	
59.0	62.6	90.8	113.3	126.4	
62.7	66.1	90.7	114.6	126.8	
61.2	65.7	93.1	116.8	129.1	
60.5	63.8	95.3	119.0	132.3	
58.5	62.3	95.6	119.0	132.7	
60.2	65.0	93.3	117.4	131.2	138.4
61.8	67.3	93.0	116.7	129.7	138.8

30 Year	Ontario Spread to GOC 5 Year	10 Year	15 Year	20 Year	30 Year
124.1	38.5	58.8	67.3		69.4
130.0	40.1	59.0	67.4		69.7
134.1	41.7	61.0	69.7		72.2
135.2	39.8	62.0	70.4		72.2
135.1	39.8	65.1	70.8		72.7
137.6	42.7	65.5	73.5		76.3
138.3	42.2	63.7	73.3		75.8
139.0	40.7	62.7	69.9		72.9
141.3	42.8	65.0	72.8		75.5
144.0	46.1	70.6	78.2		80.2
144.3	50.1	72.8	79.5		81.9
143.0	45.6	67.9	76.0	78.2	78.0
144.2	43.7	66.2	74.5	77.0	76.9

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6
12-Mar-18	78.3	85.2	92.1
19-Mar-18	79.7	87.5	96.0
26-Mar-18	80.3	87.7	95.6
3-Apr-18	79.9	84.7	93.9
9-Apr-18	76.2	82.5	92.9
16-Apr-18	78.3	85.8	94.9
23-Apr-18	82.3	89.0	96.5

		Fair Hydro Spread to GOC			
20 Year	**30 Year**	**5 Year**	**10 Year**	**15 Year**	**20 Year**
80.4	84.5	99.3	125.6	141.0	
92.5	96.8	112.7	137.3	153.5	
96.6	101.5	117.7	142.8	162.9	
99.5	104.0	116.3	145.6	162.6	
98.5	103.4	115.9	145.6	162.4	
97.9	102.2	119.9	148.5	165.1	
99.2	103.6	120.5	148.9	165.4	
102.3	107.1	120.3	150.1	165.8	
101.0	107.0	123.1	152.7	168.4	
100.9	105.3	126.0	155.3	172.1	
99.4	103.8	126.3	155.3	172.4	
101.2	106.4	123.9	153.7	170.9	179.4
105.2	111.1	126.0	155.2	171.0	182.2

	Ontario Spread to GOC				
30 Year	5 Year	10 Year	15 Year	20 year	30 Year
153.9	38.5	58.8	67.3		69.4
166.5	40.1	59.0	67.4		69.7
173.7	41.7	61.0	69.7		72.2
176.2	39.8	62.0	70.4		72.2
176.1	39.8	65.1	70.8		72.7
178.6	42.7	65.5	73.5		76.3
179.3	42.2	63.7	73.3		75.8
180.0	40.7	62.7	69.9		72.9
182.6	42.8	65.0	72.8		75.5
185.4	46.1	70.6	78.2		80.2
185.7	50.1	72.8	79.5		81.9
184.4	45.6	67.9	76.0	78.2	78.0
188.0	43.7	66.2	74.5	77.0	76.9

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.44%	2.43%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**103**	**102**
Re-Offered Yield	3.47%	3.46%
Commission (bp)	2.6	3.4
All-in Yield	**3.50%**	**3.49%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	77	77

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	88	
BMO (Senior) (A+/A1/AA)	118	
Nav Canada (sub) (AA-/Aa2/AAL)	99	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.44%	2.43%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**142**	**141**
Re-Offered Yield	3.86%	3.85%
Commission (bp)	2.8	3.5
All-in Yield	**3.89%**	**3.88%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	118	
Nav Canada (sub) (AA-/Aa2/AAL)	99	
City of Toronto (AA / Aa1 / AA)	98	97

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.44%	2.43%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**216**	**212**
Re-Offered Yield	4.60%	4.56%
Commission (bp)	2.9	3.7
All-in Yield	**4.63%**	**4.59%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	135	
OPG (BBB+/-/AL)	163	

Generic Corporate Credit Spreads AA	101	
Generic Corporate Credit Spreads A	158	
Generic Corporate Credit Spreads BBB	231	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.40%	2.36%	2.18%	1.96%	1bps	2bps	2bps	2bps	0bps
2.0	1.7	1.9	7.5	0bps	0bps	0bps	0bps	0bps
95	**86**	**65**	**49**	-5bps	-5bps	-5bps	-4bps	-1bps
3.36%	3.23%	2.84%	2.53%	-4bps	-3bps	-3bps	-2bps	-1bps
3.4	4.6	7.5	6.9					
3.40%	**3.28%**	**2.92%**	**2.59%**	-4bps	-3bps	-3bps	-2bps	-1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
75	66.5	44	28.5	2bps	2bps	2bps	2bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		87						-1bps
		81	66					-1bps
		66	51					-1bps
42	37	28	16.5			1bps	1bps	-1bps
	68	45	30				-3bps	-3bps
	68	45	30	-3bps			-3bps	-3bps
	93	81	68	-4bps			-4bps	-1bps
	79	54	47	0bps			-3bps	-3bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.40%	2.36%	2.18%	1.96%	1bps	2bps	2bps	2bps	0bps
2.0	1.7	1.9	7.5	0bps	0bps	0bps	0bps	0bps
133	**115**	**90**	**74**	-5bps	-5bps	-5bps	-4bps	-1bps
3.74%	3.52%	3.09%	2.78%	-4bps	-3bps	-3bps	-2bps	-1bps
3.4	4.7	7.5	6.9					
3.78%	**3.57%**	**3.17%**	**2.84%**	-4bps	-3bps	-3bps	-2bps	-1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
75	67	44	29	2bps	2bps	2bps	2bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			86					
			101					
	93	81	68	-4bps			-4bps	-1bps
	79	54	47	0bps			-3bps	-3bps
95	83.5	59.5	42	2bps	2bps	2bps	2bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.40%	2.36%	2.18%	1.96%	1bps	2bps	2bps	2bps	0bps
2.0	1.7	1.9	7.5	0bps	0bps	0bps	0bps	0bps
200	**165**	**134**	**119**	-5bps	-5bps	-5bps	-4bps	-1bps
4.41%	4.02%	3.53%	3.23%	-4bps	-3bps	-3bps	-2bps	-1bps
3.5	4.8	7.6	6.9					
4.45%	**4.07%**	**3.61%**	**3.30%**	-4bps	-3bps	-3bps	-2bps	-1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
75	67	44	29	2bps	2bps	2bps	2bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		152						-1bps
		134						-1bps
	97	72	57	-2bps			-3bps	-3bps
	116	91	76	-3bps			-3bps	-3bps

	90	70		0bps			-1bps	0bps
	118	87		-1bps			-1bps	-1bps
	176	122		-2bps			-1bps	-1bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
24-Apr-18

3-year
-3bps 1bps -1bps -3bps
-3bps

3-year
1bps

3-year
-1bps -1bps -1bps -2bps -2bps -2bps -5bps

3-year
-3bps 1bps -1bps -3bps
-3bps

3-year
1bps

3-year
-1bps
-1bps
-2bps
-5bps
1bps

3-year
-3bps
1bps
-1bps
-3bps
-3bps

3-year
1bps

3-year
-5bps
-5bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**112**
Re-Offered Yield	3.57%
Commission (bp)	2.7
All-in Yield	**3.60%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	163
Toronto Hydro (A / - / A)	129
Nova Scotia Power (BBB+ / - / A(l))	145
FortisAlberta (A- / Baa1 / A(l))	135
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	240
Bruce Power (BBB / Baa2 / BBB)	211
City of Toronto (- / Aa1 / AA)	99

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**139**
Re-Offered Yield	3.84%
Commission (bp)	2.7
All-in Yield	**3.87%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**166**
Re-Offered Yield	4.11%
Commission (bp)	2.7
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.44%	2.42%	2.37%	2.31%	2.18%	0.07%	0.08%	0.09%	0.08%	0.08%
0.2	(0.1)	(0.1)	(0.5)	1.9	0.0	(0.1)	0.0	0.1	(0.1)
107	**100**	**82**	**59**	**47**	-1	-3	-1	-2	-3
3.51%	3.42%	3.19%	2.90%	2.67%	0.06%	0.05%	0.08%	0.06%	0.05%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
3.54%	**3.44%**	**3.21%**	**2.92%**	**2.68%**	**0.06%**	**0.05%**	**0.08%**	**0.06%**	**0.05%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
77	74	66	44	27	-1	0	-1	-2	-2

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	117	79	63	(4)	--	--	(3)	(1)
--	--	92	68	56	(3)	--	--	(4)	(1)
--	--	103	77	62	(5)	--	--	(4)	(1)
--	--	94	69	--	(3)	--	--	(4)	(1)
--	--	176	124	103	(5)	--	--	(4)	(3)
--	--	152	111	--	(1)	--	--	0	(3)
99	--	80	--	--	(1)	(2)	--	(2)	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.44%	2.42%	2.37%	2.31%	2.18%	0.07%	0.08%	0.09%	0.08%	0.08%
0.2	(0.1)	(0.1)	(0.5)	1.9	0	(0)	0	0	(0)
134	**127**	**109**	**86**	**74**	1	(1)	1	0	(1)
3.78%	3.69%	3.46%	3.17%	2.94%	0.08%	0.07%	0.10%	0.08%	0.07%
2.7	2.4	2.1	1.8	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.81%	**3.71%**	**3.48%**	**3.19%**	**2.95%**	**0.08%**	**0.07%**	**0.10%**	**0.08%**	**0.07%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
77	74	66	44	27	(1)	0	(1)	(2)	(2)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
--	--	--	80	66	--	--	--	--	-2
--	--	--	90	77	--	--	--	--	-1
--	--	--	47	36	--	--	--	--	-1

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.44%	2.42%	2.37%	2.31%	2.18%	0.07%	0.08%	0.09%	0.08%	0.08%
0.2	(0.1)	(0.1)	(0.5)	1.9	0	(0)	0	0	(0)
161	**154**	**136**	**113**	**101**	3	1	3	2	1
4.05%	3.96%	3.73%	3.44%	3.21%	0.10%	0.09%	0.12%	0.10%	0.09%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
4.08%	**3.98%**	**3.75%**	**3.46%**	**3.22%**	**0.10%**	**0.09%**	**0.12%**	**0.10%**	**0.09%**

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
77	74	66	44	27	(1)	0	(1)	(2)	(2)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

CIBC
4/23/2018

	3-year
	-
	-
	0.06%
	0.7
	0
	0.06%
	-
	0.06%

	3-year
	0

	3-year
	(1)
	(1)
	(1)
	--
	(2)
	--
	--

	3-year
	-
	-
	0.06%
	1
	2
	0.08%
	0.00%
	0.08%

	3-year
	0

3-year
-2
-1
-1

3-year
-
-
0.06%
1
4
0.10%
-
0.10%

3-year
0

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	5.000%
Benchmark Yield	2.432%	2.426%
Curve Adjustment (bp)	0.000%	0.006%
Spread to GoC Curve (bp)	**1.170%**	**1.070%**
Re-Offered Yield	3.602%	3.496%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.62%**	**3.52%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.7610%**	**0.80800%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+95 AREA	-85 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.432%	2.426%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.520%**	**1.420%**
Re-Offered Yield	3.952%	3.846%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.97%**	**3.87%**

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.7610%**	**0.80800%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+115 - 120 AREA	00 AREA (vs 30y US

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.432%	2.426%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**2.120%**	**2.020%**
Re-Offered Yield	4.552%	4.446%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.57%**	**4.47%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.7610%**	**0.80800%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+140 - 145 AREA	- 130 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.394%	2.335%			
0.049%	0.008%			
0.9700%	**0.770%**			
3.364%	3.105%			
0.033%	0.050%			
3.40%	**3.16%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.73000%	**0.67200%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-110 AREA (vs 10y	85 bps area +75-80 AREA	+65 - 70 AREA	+55 - 60 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.394%	2.335%			
0.049%	0.008%			
1.32000%	**1.120%**			
3.714%	3.455%			
0.033%	0.050%			
3.71%	**3.51%**			

Current				

15-year	10-year	5-year	3-year	30-year
0.73000%	**0.67200%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 130 AREA (vs 10y	120 - 125 bps AREA +100 - 105 AREA	+75 - 80 AREA	+60 - 65 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.394%	2.335%			
0.049%	0.008%			
1.920%	**1.720%**			
4.314%	4.055%			
0.033%	0.050%			
4.31%	**4.11%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.73000%	**0.67200%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 155 AREA (vs 10y	160 -170 bps AREA +120 - 125 AREA	+95 - 100 AREA	+85 - 90 AREA	+0 bps

Bank Name	GS
Date	4/24/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Versus 4.19.19 Template				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week

20-year	15-year	10-year	5-year	3-year

Versus 4.19.19 Template				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Versus 4.19.19 Template				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.40%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	115
Re-Offered Yield	3.55%
Commission (bp)	2.7
All-in Yield	**3.58%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	140
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	123
Schedule I Bank ABS (Aaa ; AAA ; AAA)	145
FHT Series 2018-1	

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.40%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	140
Re-Offered Yield	3.80%
Commission (bp)	2.7
All-in Yield	**3.83%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	130
NAV Canada (AA-, AA low)	100
GTAA (Aa3, A+)	100
Hydro One (A3/A/A high)	135

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.40%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	170
Re-Offered Yield	4.10%
Commission (bp)	2.7
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	155
Highway 407 (A, A)	130
Enbridge Gas Distribution (A-, A)	130
Hydro One (A3/A/A high)	135
Schedule 1 Bank ABS (A)	200

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.39%	2.35%	2.30%	2.14%
0.0	0.0	0.0	0.0
107	103	90	67
3.46%	3.38%	3.20%	2.81%
3.5	3.9	4.7	7.6
3.49%	**3.42%**	**3.25%**	**2.89%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	76	66.5	44

Current			
20-year	**15-year**	**10-year**	**5-year**
134	117	100	80
117	100	85	65
138	119	100	80
	100		

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.39%	2.35%	2.30%	2.14%
0.0	0.0	0.0	0.0
132	126	112	88
3.71%	3.61%	3.42%	3.02%
3.5	3.9	4.7	7.6
3.74%	**3.65%**	**3.47%**	**3.10%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	76	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
123	104	85	65
97	89	80	55
97	89	80	55
129	112	95	70

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.39%	2.35%	2.30%	2.14%
0.0	0.0	0.0	0.0
162	156	135	107
4.01%	3.91%	3.65%	3.21%
3.5	3.9	4.7	7.6
4.04%	**3.95%**	**3.70%**	**3.29%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	76	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
149	132	115	90
123	104	85	65
125	110	95	75
129	112	95	70
193	174	155	135

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.02%	0.08%	0.09%	0.11%
0.0	0.0	0.0	0.0
52	-3	-8	-3
2.54%	0.05%	0.01%	0.08%
8.7	0.0	0.0	0.0
2.63%	**0.05%**	**0.01%**	**0.08%**

			Week
3-year	**30-year**	**20-year**	**15-year**
28	-5	-4	-5.5

			Week
3-year	**30-year**	**20-year**	**15-year**
70	0	0	0
57	0	0	0
70	0	0	0
	0	0	-2

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
2.02%	0.08%	0.09%	0.11%
0.0	0.0	0.0	0.0
73	-3	-8	-3
2.75%	0.05%	0.01%	0.08%
8.7	0.0	0.0	0.0
2.84%	**0.05%**	**0.01%**	**0.08%**

			Week
3-year	**30-year**	**20-year**	**15-year**
28	-5	-4	-6

			Week
3-year	**30-year**	**20-year**	**15-year**
55	-5	-5	-5
45	-5	-5	-5
45	-5	-5	-5
60	-5	-5	-5

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.02%	0.08%	0.09%	0.11%
0.0	0.0	0.0	0.0
92	-3	-8	-3
2.94%	0.05%	0.01%	0.08%
8.7	0.0	0.0	0.0
3.03%	**0.05%**	**0.01%**	**0.08%**

			Week
3-year	**30-year**	**20-year**	**15-year**
28	-5	-4	-6

			Week
3-year	**30-year**	**20-year**	**15-year**
75	-10	-10	-10
55	-5	-5	-5
60	-5	-5	-5
60	-5	-5	-5
120	0	0	0

Bank Name	National Bank of Canada
Date	4/19/2018

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.13%	0.13%	0.09%
0.0	0.0	0.0
-3	-3	-3
0.10%	0.10%	0.06%
0.0	0.0	0.0
0.10%	**0.10%**	**0.06%**

over Week		
10-year	**5-year**	**3-year**
-6	-5.5	-4

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
0	0	0
0	0	0

over Week		
10-year	**5-year**	**3-year**
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.13%	0.13%	0.09%
0.0	0.0	0.0
-3	-3	-3
0.10%	0.10%	0.06%
0.0	0.0	0.0
0.10%	**0.10%**	**0.06%**

over Week		
10-year	**5-year**	**3-year**
-6	-6	-4

over Week		
10-year	**5-year**	**3-year**
-5	0	0
-5	-5	-5
-5	-5	-5
-5	-5	0

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.13%	0.13%	0.09%
0.0	0.0	0.0
-3	-3	-3
0.10%	0.10%	0.06%
0.0	0.0	0.0
0.10%	**0.10%**	**0.06%**

over Week		
10-year	**5-year**	**3-year**
-6	-6	-4

over Week		
10-year	**5-year**	**3-year**
-10	-5	-5
-5	0	0
-5	-5	0
-5	-5	0
0	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.45%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**113**
Re-Offered Yield	3.58%
Commission (bp)	2.7
All-in Yield	**3.60%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**78**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**101**
Hydro One Inc. (A(H)/A3/A)	**137**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**158**
Toronto Hydro Corporation (A/-/A)	**127**
Canadian National Railway Co (A/A2/A)	**129**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**99**
NAV Canada (AA(low)/Aa2/AA-)	**96**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**143**
Re-Offered Yield	3.88%
Commission (bp)	2.8
All-in Yield	**3.91%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**177**
Re-Offered Yield	4.22%
Commission (bp)	3.0
All-in Yield	**4.25%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

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-- Confidential --

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.44%	**2.39%**	**2.36%**	**2.18%**
0.5	**0.2**	**0.2**	**0.2**
107	**100**	**92**	**69**
3.51%	3.40%	3.28%	2.87%
3.5	3.9	4.7	7.6
3.55%	**3.43%**	**3.33%**	**2.95%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	**77**	**67**	**44**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**36**	**28**
100	**93**	**85**	**61**
n/a	**n/a**	**98**	**68**
n/a	**n/a**	**117**	**83**
n/a	**n/a**	**94**	**62**
n/a	**n/a**	**92**	**70**
n/a	**n/a**	**81**	**60**
n/a	**n/a**	**81**	**60**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.44%	2.39%	2.36%	2.18%
0.5	0.2	0.2	0.2
137	**130**	**122**	**99**
3.81%	3.70%	3.58%	3.17%
3.6	3.9	4.8	7.6
3.85%	**3.74%**	**3.63%**	**3.25%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	77	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**81**	**61**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.44%	2.39%	2.36%	2.18%
0.5	0.2	0.2	0.2
171	**164**	**156**	**133**
4.15%	4.04%	3.92%	3.51%
3.7	4.0	4.9	7.7
4.19%	**4.08%**	**3.97%**	**3.59%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	77	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**

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o any other existing or future transactions between you and RBC. The indicative price does not in any way amend, mo

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NG, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS, BUSINESS INTERRUPTION, LOSS OF INFORM

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name
Date

	Change from week of April 10th, 2018				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.02%	14.1	15.7	18.3	20.2	16.5
0.2	-	-0.2	-2.7	-2.2	-0.4
53	7.0	-	-6.0	-4.0	-5.0
2.55%	21.1	15.5	9.6	14.0	11.1
8.7	0.1	0.0	0.0	0.0	0.0
2.64%	21.2	15.5	9.6	14.0	11.1

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	-3.0	-4.5	-4.0	-4.0	-5.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
16				-5.5	-5.0
44	-2.0	-3.5	-6.5	-3.0	-3.5
58	-5.0			-	2.0
73	-4.0			-3.0	-6.0
52	-8.0			-1.0	-
39	-6.0			-3.0	-1.0
50	-3.0			-	-1.0
50	-5.0			-	-1.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.02%					
0.2					
83	5.0	-2.0	-8.0	-6.0	-7.0
2.85%	19.1	13.5	7.6	12.0	9.1
8.8	0.07	0.04	0.02	0.03	0.02
2.94%	19.2	13.5	7.6	12.0	9.1

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	-3.0	-4.5	-4.0	-4.0	-5.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				-2.0	-2.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
2.02%					
0.2					
117	3.0	-4.0	-10.0	-8.0	-9.0
3.19%	17.1	11.5	5.6	10.0	7.1
8.8	0.06	0.04	0.02	0.02	0.01
3.28%	17.2	11.5	5.6	10.0	7.1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	-3.0	-4.5	-4.0	-4.0	-5.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

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dify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not comm

y at RBC by using the indicative price. The indicative price is provided without any warranty, express or implied, as to its legal effect or complet
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nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

RBC
24-Apr-18

3-year
9.7
-0.9
-3.0
5.8
0.0
5.8

3-year
-3.5

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-2.0
-2.0
2.0
-4.0
-
-23.0
-1.0
-1.0

3-year
-5.0
3.8
0.01
3.8

3-year
-3.5

3-year

3-year
-7.0
1.8
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3-year
-3.5

3-year

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Information and, to

icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.44%	2.43%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**+109**	**+107**
Re-Offered Yield	3.53%	3.50%
Commission (bp)	2.4	3.2
All-in Yield	**3.56%**	**3.53%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	163	
CPP	82	
BNS - Denior Deposit Notes	128	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.44%	2.43%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**+144**	**+142**
Re-Offered Yield	3.88%	3.85%
Commission (bp)	2.4	3.2
All-in Yield	**3.91%**	**3.88%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.44%	2.43%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**+182**	**+180**
Re-Offered Yield	4.26%	4.23%
Commission (bp)	2.4	3.2
All-in Yield	**4.29%**	**4.26%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.40%	2.35%	2.17%	2.02%	0.01%
(0.0)	1.7	1.8	1.6	0
+99	**+92**	**+70**	**+55**	-8
3.39%	3.29%	2.89%	2.58%	-0.07%
3.6	4.5	7.4	8.7	0
3.43%	**3.33%**	**2.96%**	**2.67%**	**-0.07%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
73	64	42	27	-3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	118	93	79	(2)
	72	49	32	0
	98	82	72	(4)
	95	79	69	
	95	79	69	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.40%	2.35%	2.17%	2.02%	0.01%
(0.1)	1.7	2.0	1.5	0
+129	**+122**	**+100**	**+85**	-8
3.69%	3.59%	3.19%	2.88%	-0.07%
3.6	4.5	7.4	8.7	0
3.73%	**3.63%**	**3.27%**	**2.97%**	**-0.07%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
73	64	42	27	-3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	95	79	69	
	95	79	69	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.40%	2.35%	2.17%	2.02%	0.01%
(0.1)	1.7	2.0	1.5	0
+159	**+152**	**+130**	**+115**	-8
3.99%	3.89%	3.49%	3.18%	-0.07%
3.6	4.5	7.4	8.7	0
4.03%	**3.93%**	**3.57%**	**3.27%**	**-0.07%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
73	64	42	27	-3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	95	79	69	
	95	79	69	

Bank Name	BNS
Date	4/24/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.01%	0.01%	0.02%	0.00%	-0.03%
0	0	0	0	0
0	0	0	0	0
0.01%	0.01%	0.03%	0.00%	-0.02%
-1	0	0	0	0
0.01%	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-3	-4	-4	-3	-1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		(2)	(2)	(2)
		0	0	0
		(4)	(4)	(4)
		(4)	(4)	(3)
		(4)	(4)	(3)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.01%	0.01%	0.02%	0.00%	-0.03%
0	0	0	1	0
0	0	0	0	0
0.01%	0.01%	0.03%	0.00%	-0.02%
-1	0	0	0	0
0.01%	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-3	-4	-4	-3	-1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		(4)	(4)	(3)
		(4)	(4)	(3)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.01%	0.01%	0.02%	0.00%	-0.03%
0	0	0	1	0
0	0	0	0	0
0.01%	0.01%	0.03%	0.00%	-0.02%
-1	0	0	0	0
0.01%	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-3	-4	-4	-3	-1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		(4)	(4)	(3)
		(4)	(4)	(3)

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.45%	2.44%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**115**	**107**
Re-Offered Yield	3.60%	3.51%
Commission (bp)	2.4	3.2
All-in Yield	**3.62%**	**3.55%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	107	97
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	133	123

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.45%	2.44%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**145**	**137**
Re-Offered Yield	3.90%	3.81%
Commission (bp)	2.4	3.2
All-in Yield	**3.92%**	**3.85%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	78	78

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.45%	2.44%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**175**	**167**
Re-Offered Yield	4.20%	4.11%
Commission (bp)	2.4	3.2
All-in Yield	**4.22%**	**4.15%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.39%	2.35%	2.21%	2.02%	-0.001%
2.3	1.5	0.0	1.8	-
97	**90**	**60**	**45**	0
3.38%	3.27%	2.81%	2.49%	0.00%
3.6	4.5	7.4	8.6	-
3.42%	**3.31%**	**2.88%**	**2.58%**	**0.00%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
73	68	45	30	0.0

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
92	88	65	44	-
N/A	82	64	49	N/A
100	92	72	60	(1)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.39%	2.35%	2.21%	2.02%	-0.001%
2.3	1.5	0.0	1.8	-
127	**120**	**90**	**75**	0
3.68%	3.57%	3.11%	2.79%	0.00%
3.6	4.5	7.4	8.6	-
3.72%	**3.61%**	**3.18%**	**2.88%**	**0.00%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**

73	68	45	30	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.39%	2.35%	2.21%	2.02%	-0.001%
2.3	1.5	0.0	1.8	-
157	**150**	**120**	**105**	0
3.98%	3.87%	3.41%	3.09%	0.00%
3.6	4.5	7.4	8.6	-
4.02%	**3.91%**	**3.48%**	**3.18%**	**0.00%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
73	68	45	30	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	4/24/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.000%	0.008%	0.004%	-0.005%	-0.027%
-	-	-	-	-
0	0	0	0	0
-0.01%	0.00%	0.01%	-0.01%	-0.03%
-	-	-	-	-
0.00%	**0.01%**	**0.00%**	**0.00%**	**-0.03%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.0	0.0	0.0	0.0	1.0

20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	0	-	-	0
N/A	N/A	(3)	(2)	-4
(1)	-	-	-	2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.000%	0.008%	0.004%	-0.005%	-0.027%
-	-	-	-	-
0	0	0	0	0
-0.01%	0.00%	0.01%	0.00%	-0.03%
-	-	-	-	-
0.00%	**0.01%**	**0.00%**	**0.00%**	**-0.03%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**

0.0	0.0	0.0	0.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.000%	0.008%	0.004%	-0.005%	-0.027%
-	-	-	-	-
0	0	0	0	0
-0.01%	0.00%	0.01%	-0.01%	-0.03%
-	-	-	-	-
0.00%	**0.01%**	**0.00%**	**0.00%**	**-0.03%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.0	0.0	0.0	0.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	Ricky Lai
To:	Mike Manning
Cc:	Carlos Yep; James Devine
Subject:	FHP spreads
Date:	Thursday, April 12, 2018 8:11:34 AM
Attachments:	Fair Hydro price indications April 9 2018.xlsx

Good morning, please find attached the latest FHP spreads.

Thanks.

Ricky

FAIR HYDRO SPREADS

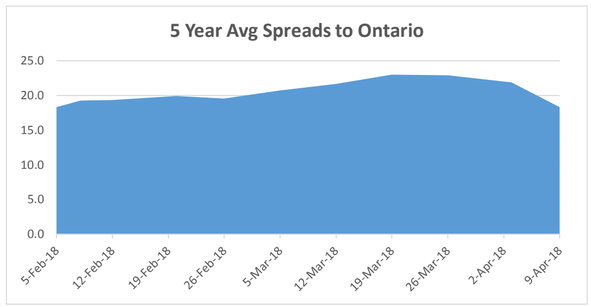
Week of April 9, 2018

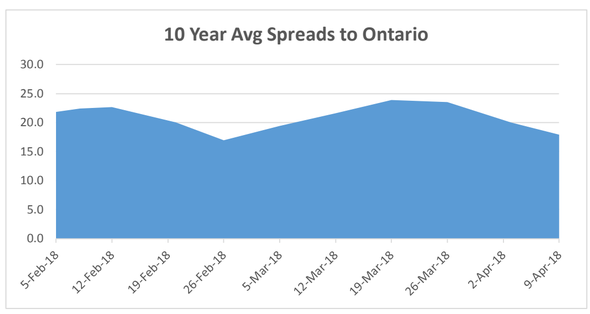
Senior Note

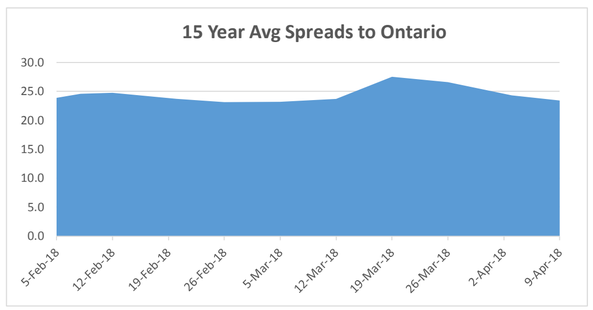
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
31.2	28.0	22.6	18.0	18.3	20.8

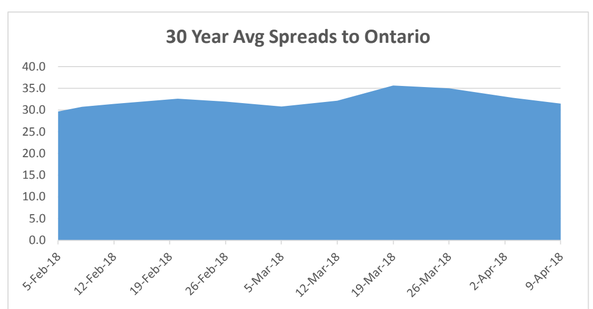
Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	113.4	110.1	103.0	90.7	68.4	52.5
Last Week's	108.6	105.0	97.4	86.6	63.7	48.4
Change	4.9	5.1	5.6	4.1	4.8	4.1

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*Scotia*	*Scotia*	*Scotia*	*GS*	*TD*	*TD*
	105.5	104.5	99.0	81.9	62.0	47.0
Maximum	*GS*	*CIBC*	*BMO*	*RBC*	*RBC*	*RBC*
	121.9	117.0	107.0	96.0	74.0	56.0







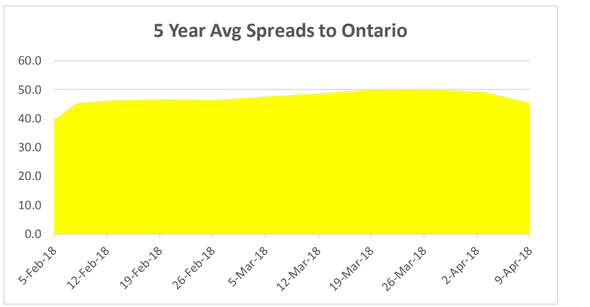


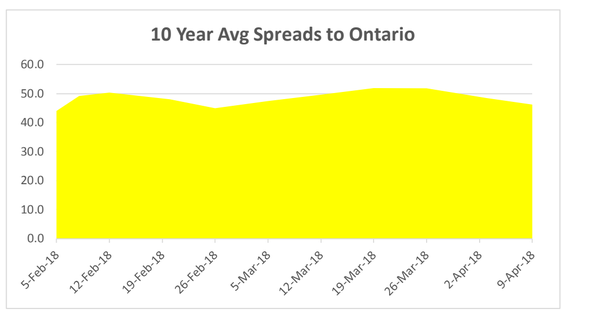
Sub Note

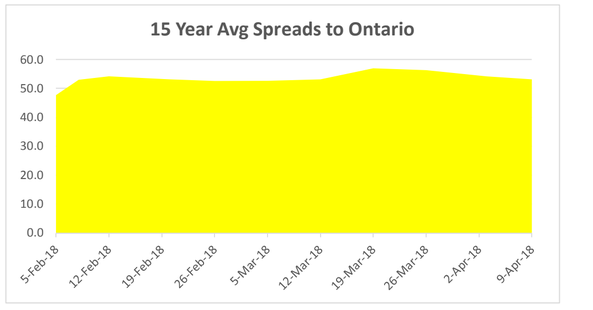
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
62.0	58.5	52.3	46.2	45.5	48.0

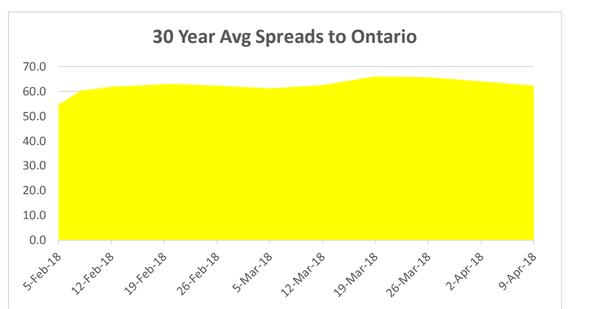
Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	144.3	140.6	132.7	119.0	95.6	79.7
Last Week's	139.0	135.1	126.8	114.6	90.7	75.3
Change	5.3	5.5	5.9	4.4	4.9	4.4

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*Scotia*	*NBF*	*GS*	*NBF*	*CIBC*
	138.0	137.5	129.0	111.9	91.0	75.0
Maximum	*GS*	*BMO*	*BMO*	*RBC*	*RBC*	*RBC*
	151.9	145.0	140.0	128.0	106.0	88.0







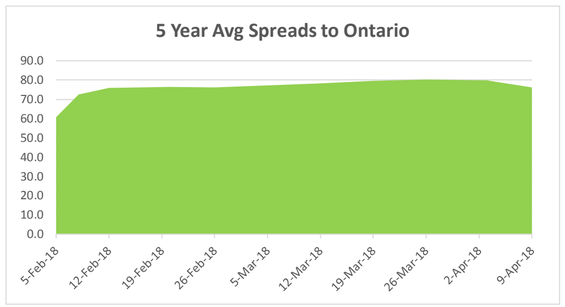


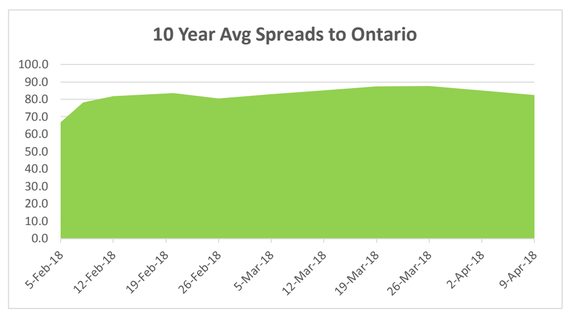
Junior Sub Note

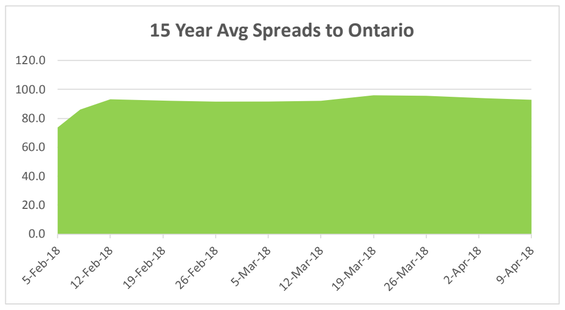
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
103.9	99.4	93.2	82.4	76.2	78.8

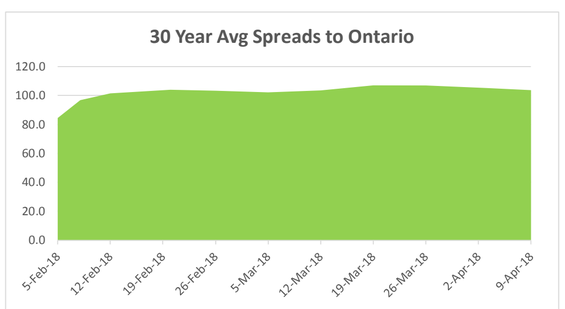
Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	185.7	181.6	172.4	155.3	126.3	110.5
Last Week's	180.0	175.7	165.8	150.1	120.3	105.3
Change	5.7	5.9	6.6	5.1	5.9	5.3

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*NBF*	*NBF*	*NBF*
	168.5	167.0	157.0	138.0	110.0	95.0
Maximum	*BMO*	*BMO*	*BMO*	*GS*	*RBC*	*RBC*
	220.0	218.0	207.0	171.9	142.0	124.0









Indicative New Issue Spreads
Week of April 9, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.33%	2.30%	2.24%	2.19%	2.04%	1.89%	2.32%	2.30%	2.26%	2.19%	2.12%	2.02%	2.32%	2.31%	2.26%	2.21%			2.32%	2.30%
Curve Adjustment (bp)	0.0	0.7	2.9	2.4	0.7	5.9	0.0	0.3	(0.2)	(0.3)	(0.5)	0.7	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	107	106	102	91	67	52	119	117	107	92	67	50	122	112	102	81.9			118	115
Re-Offered Yield	3.40%	3.37%	3.29%	3.12%	2.72%	2.47%	3.51%	3.47%	3.32%	3.10%	2.79%	2.53%	3.54%	3.43%	3.28%	3.03%			3.50%	3.45%
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.42%**	**3.41%**	**3.32%**	**3.17%**	**2.79%**	**2.54%**	**3.53%**	**3.50%**	**3.35%**	**3.12%**	**2.81%**	**2.54%**	**3.55%**	**3.45%**	**3.31%**	**3.08%**			**3.53%**	**3.48%**
All-in Spread to GoC Curve (bp)	**109.63**	**109.40**	**105.35**	**95.62**	**74.43**	**58.87**	**121.22**	**119.71**	**109.39**	**93.57**	**68.74**	**51.20**	**123.57**	**114.40**	**105.23**	**86.90**			**120.71**	**118.49**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	82	82	80	72	50	32	83	83	81	76	51	30	80	83	74	73			83	82

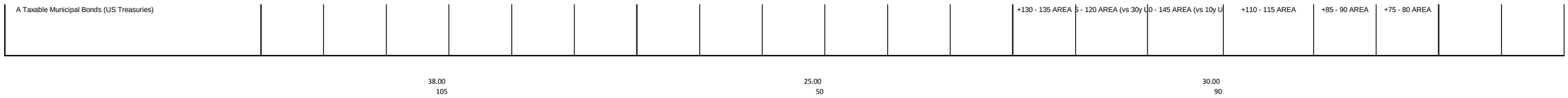
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							175	--	--	125	83	67								
Toronto Hydro Corporation (A/-/A)							136	--	--	96	69	57								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	104	0	0	87	62	55														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			140	134
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			123	117
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			145	138
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	89	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	83	69														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	68	54														
CMBs: (AAA/Aaa/AAA)	0	0	46	41	32	18														
PSP Investments (AAA/Aaa/AAA)	0	0	0	74	51	32														
CPP Investment Board (AAA/Aaa/AAA)	94	0	0	74	51	32														
BMO (Senior) (A+/A1/AA)	123	0	0	98	81	72														
Nova Scotia Power (BBB+ / - / A(l))							153	--	--	107	78	63								
FortisAlberta (A- / Baa1 / A(l))							140	--	--	98	71	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							247	--	--	185	130	107								
Bruce Power (BBB / Baa2 / BBB)							220	--	--	160	114	--								
City of Toronto (- / Aa1 / AA)							106	106	--	87	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																80 bps area				
AAA Taxable Municipal Bonds (US Treasuries)													+90 AREA	5-80 AREA (vs 30y U	30-105 AREA (vs 10y U	+70-75 AREA	+60 - 65 AREA	+50 - 55 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	01-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.33%	2.30%	2.24%	2.19%	2.04%	1.89%	2.32%	2.30%	2.26%	2.19%	2.12%	2.02%	2.29%	2.27%	2.22%	2.17%			2.32%	2.30%
Curve Adjustment (bp)	0.0	0.7	2.9	2.4	0.7	5.9	0.0	0.3	(0.2)	(0.3)	(0.5)	0.7	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	146	145	140	120	92	77	144	142	132	117	92	75	152	142	132	112			143	140
Re-Offered Yield	3.79%	3.76%	3.67%	3.41%	2.97%	2.72%	3.76%	3.72%	3.57%	3.35%	3.04%	2.78%	3.81%	3.69%	3.54%	3.28%			3.75%	3.70%
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.82%**	**3.80%**	**3.71%**	**3.46%**	**3.04%**	**2.79%**	**3.78%**	**3.75%**	**3.60%**	**3.37%**	**3.06%**	**2.79%**	**3.82%**	**3.71%**	**3.54%**	**3.33%**			**3.78%**	**3.73%**
All-in Spread to GoC Curve (bp)	**148.75**	**148.51**	**143.43**	**124.67**	**99.47**	**83.89**	**146.22**	**144.71**	**134.39**	**118.57**	**93.74**	**76.20**	**153.57**	**144.40**	**135.23**	**116.90**			**145.71**	**143.49**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			135	128
NAV Canada (AA-, AA low)																			105	102
GTAA (Aa3, A+)																			105	102
Hydro One (A3/A/A high)																			140	134
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	89														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	104														
BMO (Senior) (A+/A1/AA)	123	0	0	98	81	72														
Nav Canada (sub) (AA-/Aa2/AAL)	104	0	0	87	62	55														
City of Toronto (AA / Aa1 / AA)	103	102	100	89	66	46														
Bank ABS (AAA / - / AAA)							--	--	--	--	83	70								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	92	79								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	48	37								
AA CMBS (USD Swaps)																100 - 115 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+105 - 110 AREA	90 AREA (vs 30y UST	5 - 120 AREA (vs 10y U	+90 - 95 AREA	+65 - 70 AREA	+50 - 55 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Canada Bond Yield	2.33%	2.30%	2.24%	2.19%	2.04%	1.89%	2.32%	2.30%	2.26%	2.19%	2.12%	2.02%	2.29%	2.27%	2.22%	2.17%			2.32%	2.30%
Curve Adjustment (bp)	0.0	0.7	2.9	2.4	0.7	5.9	0.0	0.3	(0.2)	(0.3)	(0.5)	0.7	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	220	218	207	170	136	122	169	167	157	142	117	100	212	202	192	172			173	170
Re-Offered Yield	4.53%	4.49%	4.34%	3.91%	3.41%	3.17%	4.01%	3.97%	3.82%	3.60%	3.29%	3.03%	4.41%	4.29%	4.14%	3.88%			4.05%	4.00%
Commission (bp)	2.9	3.6	3.5	4.8	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.56%**	**4.53%**	**4.38%**	**3.96%**	**3.48%**	**3.24%**	**4.03%**	**4.00%**	**3.85%**	**3.62%**	**3.31%**	**3.04%**	**4.42%**	**4.31%**	**4.14%**	**3.93%**			**4.08%**	**4.03%**
All-in Spread to GoC Curve (bp)	**222.86**	**221.64**	**210.53**	**174.76**	**143.54**	**128.93**	**171.22**	**169.71**	**159.39**	**143.57**	**118.74**	**101.20**	**213.57**	**204.40**	**195.23**	**176.90**			**175.71**	**173.49**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			165.0	159.0
Highway 407 (A, A)																			135.0	128.3
Enbridge Gas Distribution (A-, A)																			135.0	129.8
Hydro One (A3/A/A high)																			140.0	134.0
Schedule 1 Bank ABS (A)																			200.0	193.3
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	154.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	136.0	-														
Hydro One (A/A3/AH)	142.0	-	-	105.0	80.0	65.0														
OPG (BBB+/-/AL)	172.0	-	-	125.0	100.0	85.0														
10-year A CMBS (USD Swaps)																150 - 160 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+130 - 135 AREA
5 - 120 AREA (vs 30y U
0 - 145 AREA (vs 10y U
+110 - 115 AREA
+85 - 90 AREA
+75 - 80 AREA
38.00
105
25.00
50
30.00
90

Indicative New Issue Spreads
Week of April 9, 2018

NBF *NBF* *NBF* NBF

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	NBF			
	Current			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.24%	2.17%	2.01%	1.93%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	106	93.00	70	55
Re-Offered Yield	3.30%	3.10%	2.71%	2.48%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.34%**	**3.15%**	**2.79%**	**2.57%**
All-in Spread to GoC Curve (bp)	**109.84**	**97.69**	**77.55**	**63.71**

Primary Comparable (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	82	73	50	32

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	117	100	80	70
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	100	85	65	57
Schedule I Bank ABS (Aaa ; AAA ; AAA)	119	100	80	70
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.24%	2.17%	2.01%	1.93%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	129	115	91	76
Re-Offered Yield	3.53%	3.32%	2.92%	2.69%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.57%**	**3.37%**	**3.00%**	**2.78%**
All-in Spread to GoC Curve (bp)	**132.84**	**119.69**	**98.55**	**84.71**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
RBC Sr-Sub.				
Highway 407 (A, A)	109	90	65	55
NAV Canada (AA-, AA low)	94	85	60	50
GTAA (Aa3, A+)	94	85	60	50
Hydro One (A3/A/A high)	117	100	75	60
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.24%	2.17%	2.01%	1.93%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	159	138	110	95
Re-Offered Yield	3.83%	3.55%	3.11%	2.88%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.87%**	**3.60%**	**3.19%**	**2.97%**
All-in Spread to GoC Curve (bp)	**162.84**	**142.69**	**117.55**	**103.71**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	142.0	125.0	95.0	80.0
Highway 407 (A, A)	109.1	90.0	65.0	55.0
Enbridge Gas Distribution (A-, A)	114.9	100.0	80.0	60.0
Hydro One (A3/A/A high)	117.0	100.0	75.0	60.0
Schedule 1 Bank ABS (A)	174.1	155.0	135.0	120.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads
Week of April 9, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	RBC	RBC	RBC	RBC	RBC	RBC	Scotia	Scotia	Scotia	Scotia	Scotia	Scotia	TD	TD	TD	TD	TD	TD
	RBC						Scotia						TD					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.28%	2.21%	2.16%	2.01%	1.92%	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	2.29%	2.27%	2.20%	2.14%	2.01%	1.92%
Curve Adjustment (bp)	0.0	0.7	2.9	2.4	0.6	1.1	0.0	0.7	(0.1)	2.3	0.9	0.8	0.0	0.7	3.5	2.3	0.0	1.0
Spread to GoC Curve (bp)	106	107	106	96.00	74	56	106	105	99	90	71	55	117	109	99	92	62	47
Re-Offered Yield	3.37%	3.36%	3.30%	3.14%	2.76%	2.50%	3.37%	3.34%	3.24%	3.10%	2.75%	2.51%	3.46%	3.37%	3.22%	3.08%	2.63%	2.40%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	2.3	3.1	3.6	4.5	7.4	8.8	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**3.39%**	**3.39%**	**3.34%**	**3.19%**	**2.84%**	**2.58%**	**3.40%**	**3.37%**	**3.28%**	**3.15%**	**2.83%**	**2.60%**	**3.49%**	**3.40%**	**3.26%**	**3.13%**	**2.71%**	**2.49%**
All-in Spread to GoC Curve (bp)	**108.67**	**110.46**	**109.84**	**100.70**	**81.56**	**64.71**	**107.83**	**107.64**	**102.56**	**93.99**	**77.92**	**63.79**	**119.32**	**112.14**	**102.56**	**96.48**	**69.41**	**55.63**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	81	82	81	71	49	31	83	82	81	72	50	32	83	83	79	75	51	33

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	41	33	18												
City of Toronto (AA/Aa1/AA)	103	103	100	88	65	46												
Hydro One Inc. (A(H)/A3/A)	142	n/a	n/a	98	66	56							138	128	100	92	70	57
Ontario Power Generation Inc. (A(low)/-/BBB+)	162	n/a	n/a	120	89	77	170	0	0	125	100	86						
Toronto Hydro Corporation (A/-/A)	135	n/a	n/a	95	62	52												
Canadian National Railway Co (A/A2/A)	135	n/a	n/a	95	71	62												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	102	n/a	n/a	81	61	51												
NAV Canada (AA(low)/Aa2/AA-)	101	n/a	n/a	81	61	51												
OPB Finance Trust (AA+/-/AA(H))													116	106	101	92	64	46
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	86	66	51
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							79	0	0	69	49	31						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							132	0	0	102	86	75						
Golden Credit Card Trust							0	0	0	100	83	71						
Master Credit Card Trust							0	0	0	100	83	71						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	01-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.28%	2.21%	2.16%	2.01%	1.92%	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	2.29%	2.27%	2.20%	2.14%	2.01%	1.92%
Curve Adjustment (bp)	0.0	0.7	2.9	2.4	0.6	1.1	0.0	0.7	(0.1)	2.3	0.9	0.8	0.0	0.7	3.5	2.3	0.0	1.0
Spread to GoC Curve (bp)	138	139	138	128	106	88	141	138	129	120	101	85	147	139	129	122	92	77
Re-Offered Yield	3.69%	3.68%	3.62%	3.46%	3.08%	2.82%	3.72%	3.67%	3.54%	3.40%	3.05%	2.81%	3.76%	3.67%	3.52%	3.38%	2.93%	2.70%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	2.3	3.1	3.6	4.5	7.4	8.8	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**3.71%**	**3.71%**	**3.66%**	**3.51%**	**3.16%**	**2.90%**	**3.75%**	**3.70%**	**3.58%**	**3.45%**	**3.13%**	**2.90%**	**3.79%**	**3.70%**	**3.56%**	**3.43%**	**3.01%**	**2.79%**
All-in Spread to GoC Curve (bp)	**140.78**	**142.56**	**141.92**	**132.78**	**113.62**	**96.76**	**142.83**	**140.64**	**132.56**	**123.99**	**107.92**	**93.79**	**149.32**	**142.14**	**132.56**	**126.48**	**99.41**	**85.63**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	83	63	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.28%	2.21%	2.16%	2.01%	1.92%	2.32%	2.29%	2.26%	2.19%	2.04%	1.96%	2.29%	2.27%	2.20%	2.14%	2.01%	1.92%
Curve Adjustment (bp)	0.0	0.7	2.9	2.4	0.6	1.1	0.0	0.7	(0.1)	2.3	0.9	0.8	0.0	0.7	3.5	2.3	0.0	1.0
Spread to GoC Curve (bp)	174	175	174	164	142	124	176	171	159	150	131	115	177	169	159	152	122	107
Re-Offered Yield	4.05%	4.04%	3.98%	3.82%	3.44%	3.18%	4.07%	4.00%	3.84%	3.70%	3.35%	3.11%	4.06%	3.97%	3.82%	3.68%	3.23%	3.00%
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	2.3	3.1	3.6	4.5	7.4	8.8	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**4.08%**	**4.07%**	**4.02%**	**3.87%**	**3.52%**	**3.26%**	**4.10%**	**4.03%**	**3.88%**	**3.75%**	**3.43%**	**3.20%**	**4.09%**	**4.00%**	**3.86%**	**3.73%**	**3.31%**	**3.09%**
All-in Spread to GoC Curve (bp)	**176.90**	**178.68**	**178.02**	**168.86**	**149.69**	**132.82**	**177.83**	**173.64**	**162.56**	**153.99**	**137.92**	**123.79**	**179.32**	**172.14**	**162.56**	**156.48**	**129.41**	**115.63**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			32.00 68					30.00 60					30.00 60					

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	23.7
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2
12-Mar-18	21.7	21.6	23.7
19-Mar-18	23.0	23.9	27.5
26-Mar-18	22.9	23.5	26.6
3-Apr-18	21.9	20.0	24.3
9-Apr-18	18.3	17.9	23.4

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
29.7	56.8	80.6	91.2	99.1	38.5
30.8	59.3	81.4	92.0	100.4	40.1
31.4	61.0	83.7	94.5	103.6	41.7
32.6	59.8	82.1	94.1	104.8	39.8
31.9	59.4	82.1	94.0	104.6	39.8
30.8	63.4	84.9	96.7	107.1	42.7
32.2	63.8	85.3	97.0	107.9	42.2
35.7	63.7	86.6	97.4	108.6	40.7
35.0	65.8	88.6	99.4	110.6	42.8
32.8	68.0	90.6	102.5	113.0	46.1
31.5	68.4	90.7	103.0	113.4	50.1

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8
62.7	69.9	72.9
65.0	72.8	75.5
70.6	78.2	80.2
72.8	79.5	81.9

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6
12-Mar-18	48.7	49.6	53.1
19-Mar-18	50.0	51.9	57.0
26-Mar-18	50.3	51.8	56.3
3-Apr-18	49.3	48.4	54.2
9-Apr-18	45.5	46.2	53.2

	Fair Hydro Spread to GOC			Ontario Spread to GOC	
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
54.7	78.2	102.8	115.0	124.1	38.5
60.3	85.4	108.2	120.4	130.0	40.1
61.9	87.8	111.3	123.9	134.1	41.7
63.0	86.6	110.1	123.6	135.2	39.8
62.4	86.3	110.1	123.4	135.1	39.8
61.2	90.3	112.9	126.1	137.6	42.7
62.6	90.8	113.3	126.4	138.3	42.2
66.1	90.7	114.6	126.8	139.0	40.7
65.7	93.1	116.8	129.1	141.3	42.8
63.8	95.3	119.0	132.3	144.0	46.1
62.3	95.6	119.0	132.7	144.3	50.1

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8
62.7	69.9	72.9
65.0	72.8	75.5
70.6	78.2	80.2
72.8	79.5	81.9

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6
12-Mar-18	78.3	85.2	92.1
19-Mar-18	79.7	87.5	96.0
26-Mar-18	80.3	87.7	95.6
3-Apr-18	79.9	84.7	93.9
9-Apr-18	76.2	82.5	92.9

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
84.5	99.3	125.6	141.0	153.9	38.5
96.8	112.7	137.3	153.5	166.5	40.1
101.5	117.7	142.8	162.9	173.7	41.7
104.0	116.3	145.6	162.6	176.2	39.8
103.4	115.9	145.6	162.4	176.1	39.8
102.2	119.9	148.5	165.1	178.6	42.7
103.6	120.5	148.9	165.4	179.3	42.2
107.1	120.3	150.1	165.8	180.0	40.7
107.0	123.1	152.7	168.4	182.6	42.8
105.3	126.0	155.3	172.1	185.4	46.1
103.8	126.3	155.3	172.4	185.7	50.1

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8
62.7	69.9	72.9
65.0	72.8	75.5
70.6	78.2	80.2
72.8	79.5	81.9

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.33%	2.30%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**107**	**106**
Re-Offered Yield	3.40%	3.37%
Commission (bp)	2.6	3.4
All-in Yield	**3.42%**	**3.41%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	82	82

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	94	
BMO (Senior) (A+/A1/AA)	123	
Nav Canada (sub) (AA-/Aa2/AAL)	104	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.33%	2.30%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**146**	**145**
Re-Offered Yield	3.79%	3.76%
Commission (bp)	2.8	3.5
All-in Yield	**3.82%**	**3.80%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	82	82

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	123	
Nav Canada (sub) (AA-/Aa2/AAL)	104	
City of Toronto (AA / Aa1 / AA)	103	102

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.33%	2.30%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**220**	**218**
Re-Offered Yield	4.53%	4.49%
Commission (bp)	2.9	3.6
All-in Yield	**4.56%**	**4.53%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	82	82

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	142	
OPG (BBB+/-/AL)	172	

Generic Corporate Credit Spreads AA	105	
Generic Corporate Credit Spreads A	163	
Generic Corporate Credit Spreads BBB	237	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.24%	2.19%	2.04%	1.89%	3bps	3bps	5bps	4bps	3bps
2.9	2.4	0.7	5.9	0bps	0bps	0bps	0bps	0bps
102	**91**	**67**	**52**	1bps	1bps	1bps	1bps	1bps
3.29%	3.12%	2.72%	2.47%	4bps	4bps	5bps	5bps	4bps
3.3	4.6	7.4	6.9					
3.32%	**3.17%**	**2.79%**	**2.54%**	4bps	4bps	5bps	6bps	4bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
80	71.5	50	32	-2bps	-2bps	-2bps	-1bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		89						1bps
		83	69					1bps
		68	54					1bps
46	41	32	18			-1bps	-1bps	-2bps
	74	51	32				6bps	3bps
	74	51	32	6bps			6bps	3bps
	98	81	72	1bps			1bps	1bps
	87	62	55	2bps			4bps	4bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.24%	2.19%	2.04%	1.89%	3bps	3bps	5bps	4bps	3bps
2.9	2.4	0.7	5.9	0bps	0bps	0bps	0bps	0bps
140	**120**	**92**	**77**	0bps	0bps	0bps	0bps	0bps
3.67%	3.41%	2.97%	2.72%	3bps	3bps	4bps	4bps	3bps
3.4	4.7	7.5	6.9					
3.71%	**3.46%**	**3.04%**	**2.79%**	3bps	3bps	4bps	5bps	3bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
80	72	50	32	-2bps	-2bps	-2bps	-1bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			89					
			104					
	98	81	72	1bps			1bps	1bps
	87	62	55	2bps			4bps	4bps
100	88.5	65.5	45.5	-2bps	-2bps	-2bps	-1bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.24%	2.19%	2.04%	1.89%	3bps	3bps	5bps	4bps	3bps
2.9	2.4	0.7	5.9	0bps	0bps	0bps	0bps	0bps
207	**170**	**136**	**122**	0bps	0bps	0bps	0bps	0bps
4.34%	3.91%	3.41%	3.17%	3bps	3bps	4bps	4bps	3bps
3.5	4.8	7.5	6.9					
4.38%	**3.96%**	**3.48%**	**3.24%**	3bps	3bps	4bps	5bps	3bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
80	72	50	32	-2bps	-2bps	-2bps	-1bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		154						1bps
		136						1bps
	105	80	65	4bps			5bps	5bps
	125	100	85	2bps			2bps	2bps

	93	72		1bps			0bps	0bps
	122	90		1bps			1bps	0bps
	181	127		2bps			1bps	1bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
10-Apr-18

3-year
2bps
0bps
1bps
3bps
3bps

3-year
2bps

3-year
2bps
2bps
-1bps
0bps
0bps
2bps
4bps

3-year
2bps
0bps
0bps
2bps
2bps

3-year
2bps

3-year
2bps
2bps
2bps
4bps
2bps

3-year
2bps
0bps
0bps
2bps
2bps

3-year
2bps

3-year
5bps
2bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.32%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**119**
Re-Offered Yield	3.51%
Commission (bp)	2.7
All-in Yield	**3.53%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	83

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	175
Toronto Hydro (A / - / A)	136
Nova Scotia Power (BBB+ / - / A(l))	153
FortisAlberta (A- / Baa1 / A(l))	140
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	247
Bruce Power (BBB / Baa2 / BBB)	220
City of Toronto (- / Aa1 / AA)	106

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.32%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**144**
Re-Offered Yield	3.76%
Commission (bp)	2.7
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	83

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.32%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**169**
Re-Offered Yield	4.01%
Commission (bp)	2.7
All-in Yield	**4.03%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	83

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.30%	2.26%	2.19%	2.12%	2.02%	0.07%	0.07%	0.07%	0.06%	0.05%
0.3	(0.2)	(0.3)	(0.5)	0.7	0.0	(0.0)	0.0	0.0	0.1
117	**107**	**92**	**67**	**50**	2	2	3	0	1
3.47%	3.32%	3.10%	2.79%	2.53%	0.09%	0.09%	0.10%	0.06%	0.05%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.50%	**3.35%**	**3.12%**	**2.81%**	**2.54%**	**0.09%**	**0.09%**	**0.10%**	**0.06%**	**0.05%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
83	81	76	51	30	2	3	3	4	5

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	125	83	67	4	--	--	2	2
--	--	96	69	57	4	--	--	4	3
--	--	107	78	63	5	--	--	3	3
--	--	98	71	--	4	--	--	3	2
--	--	185	130	107	5	--	--	3	4
--	--	160	114	--	12	--	--	7	6
106	--	87	--	--	3	4	--	4	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.30%	2.26%	2.19%	2.12%	2.02%	0.07%	0.07%	0.07%	0.06%	0.05%
0.3	(0.2)	(0.3)	(0.5)	0.7	0	(0)	0	0	0
142	**132**	**116.5**	**92**	**75**	2	2	3	0	1
3.72%	3.57%	3.35%	3.04%	2.78%	0.09%	0.09%	0.10%	0.06%	0.05%
2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.75%	**3.60%**	**3.37%**	**3.06%**	**2.79%**	**0.09%**	**0.09%**	**0.10%**	**0.06%**	**0.05%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
83	81	75.5	51	30	2	3	3	4	5

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	--	83	70	--	--	--	--	3
--	--	--	92	79	--	--	--	--	0
--	--	--	48	37	--	--	--	--	0

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.30%	2.26%	2.19%	2.12%	2.02%	0.07%	0.07%	0.07%	0.06%	0.05%
0.3	(0.2)	(0.3)	(0.5)	0.7	0	(0)	0	0	0
167	**157**	**141.5**	**117**	**100**	2	2	3	0	1
3.97%	3.82%	3.60%	3.29%	3.03%	0.09%	0.09%	0.10%	0.06%	0.05%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
4.00%	**3.85%**	**3.62%**	**3.31%**	**3.04%**	**0.09%**	**0.09%**	**0.10%**	**0.06%**	**0.05%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
83	81	75.5	51	30	2	3	3	4	5

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year

CIBC
4/9/2018

3-year
-
-
0.04%
0.2
2
0.06%
-
0.06%

3-year
1.5

3-year
2
3
3
--
5
--
--

3-year
-
-
0.04%
0
2
0.06%
0.00%
0.06%

3-year
2

3-year
3
0
0

3-year
-
-
0.04%
0
2
0.06%
-
0.06%

3-year
2

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.317%	2.307%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.219%**	**1.119%**
Re-Offered Yield	3.536%	3.426%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.55%**	**3.45%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.8000%**	**0.82750%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+90 AREA	-80 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.289%	2.270%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.519%**	**1.419%**
Re-Offered Yield	3.808%	3.689%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.82%**	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.8110%**	**0.82700%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+105 - 110 AREA	90 AREA (vs 30y US

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.289%	2.270%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**2.119%**	**2.019%**
Re-Offered Yield	4.408%	4.289%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.42%**	**4.31%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.8110%**	**0.82700%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+130 - 135 AREA	- 120 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.261%	2.207%			
0.049%	0.008%			
1.019%	**0.819%**			
3.280%	3.026%			
0.033%	0.050%			
3.31%	**3.08%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.74325%	**0.73025%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-105 AREA (vs 10y	80 bps area +70-75 AREA	+60 - 65 AREA	+50 - 55 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.220%	2.165%			
0.049%	0.008%			
1.319%	**1.119%**			
3.539%	3.284%			
0.033%	0.050%			
3.54%	**3.33%**			

Current	

15-year	10-year	5-year	3-year	30-year
0.78600%	**0.75400%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 120 AREA (vs 10y	100 - 115 bps AREA +90 - 95 AREA	+65 - 70 AREA	+50 - 55 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.220%	2.165%			
0.049%	0.008%			
1.919%	**1.719%**			
4.139%	3.884%			
0.033%	0.050%			
4.14%	**3.93%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.78600%	**0.75400%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 145 AREA (vs 10y	150 - 160 bps AREA +110 - 115 AREA	+85 - 90 AREA	+75 - 80 AREA	+0 bps

Bank Name	GS
Date	2/15/2018

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	15-year	10-year	5-year	3-year
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week

20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.32%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	118
Re-Offered Yield	3.50%
Commission (bp)	2.7
All-in Yield	**3.53%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	83

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	140
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	123
Schedule I Bank ABS (Aaa ; AAA ; AAA)	145
FHT Series 2018-1	

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.32%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	143
Re-Offered Yield	3.75%
Commission (bp)	2.7
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	83

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	135
NAV Canada (AA-, AA low)	105
GTAA (Aa3, A+)	105
Hydro One (A3/A/A high)	140

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.32%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	173
Re-Offered Yield	4.05%
Commission (bp)	2.7
All-in Yield	**4.08%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	83

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	165
Highway 407 (A, A)	135
Enbridge Gas Distribution (A-, A)	135
Hydro One (A3/A/A high)	140
Schedule 1 Bank ABS (A)	200

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.30%	2.24%	2.17%	2.01%
0.0	0.0	0.0	0.0
115	106	93	70
3.45%	3.30%	3.10%	2.71%
3.5	3.8	4.7	7.5
3.48%	**3.34%**	**3.15%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
82	81.5	72.5	49.5

Current			
20-year	**15-year**	**10-year**	**5-year**
134	117	100	80
117	100	85	65
138	119	100	80
	102		

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.30%	2.24%	2.17%	2.01%
0.0	0.0	0.0	0.0
140	129	115	91
3.70%	3.53%	3.32%	2.92%
3.5	3.8	4.7	7.5
3.73%	**3.57%**	**3.37%**	**3.00%**

Current			
20-year	**15-year**	**10-year**	**5-year**
82	82	73	50

Current			
20-year	**15-year**	**10-year**	**5-year**
128	109	90	65
102	94	85	60
102	94	85	60
134	117	100	75

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.30%	2.24%	2.17%	2.01%
0.0	0.0	0.0	0.0
170	159	138	110
4.00%	3.83%	3.55%	3.11%
3.5	3.8	4.7	7.5
4.03%	**3.87%**	**3.60%**	**3.19%**

Current			
20-year	**15-year**	**10-year**	**5-year**
82	82	73	50

Current			
20-year	**15-year**	**10-year**	**5-year**
159	142	125	95
128	109	90	65
130	115	100	80
134	117	100	75
193	174	155	135

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.93%	0.09%	0.09%	0.07%
0.0	0.0	0.0	0.0
55	3	3	3
2.48%	0.12%	0.12%	0.10%
8.7	0.0	0.0	0.0
2.57%	**0.12%**	**0.12%**	**0.10%**

			Week
3-year	**30-year**	**20-year**	**15-year**
32	3	3	3.5

			Week
3-year	**30-year**	**20-year**	**15-year**
70	0	0	0
57	0	0	0
70	0	0	0
	0	0	2

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
1.93%	0.09%	0.09%	0.07%
0.0	0.0	0.0	0.0
76	3	3	3
2.69%	0.12%	0.12%	0.10%
8.7	0.0	0.0	0.0
2.78%	**0.12%**	**0.12%**	**0.10%**

			Week
3-year	**30-year**	**20-year**	**15-year**
32	3	3	4

			Week
3-year	**30-year**	**20-year**	**15-year**
55	5	4	2
50	5	4	2
50	5	4	2
60	5	5	5

	Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.93%	0.09%	0.09%	0.07%
0.0	0.0	0.0	0.0
95	3	3	3
2.88%	0.12%	0.12%	0.10%
8.7	0.0	0.0	0.0
2.97%	**0.12%**	**0.12%**	**0.10%**

	Week
3-year	**30-year**	**20-year**	**15-year**
32	3	3	4

	Week
3-year	**30-year**	**20-year**	**15-year**
80	5	4	2
55	5	4	2
60	0	0	0
60	5	5	5
120	0	0	0

Bank Name	National Bank of Canada
Date	4/9/2018

over Week

10-year	5-year	3-year
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.11%	0.03%	0.03%
0.0	0.0	0.0
3	3	3
0.14%	0.06%	0.06%
0.0	0.0	0.0
0.14%	**0.06%**	**0.06%**

over Week

10-year	5-year	3-year
4	4	2.5

over Week

10-year	5-year	3-year
0	0	0
0	0	0
0	0	0
0	0	0

over Week

10-year	5-year	3-year
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.11%	0.03%	0.03%
0.0	0.0	0.0
3	3	3
0.14%	0.06%	0.06%
0.0	0.0	0.0
0.14%	**0.06%**	**0.06%**

over Week

10-year	5-year	3-year
4	4	3

over Week

10-year	5-year	3-year
0	0	0
0	0	0
0	0	0
5	0	0

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.11%	0.03%	0.03%
0.0	0.0	0.0
3	3	3
0.14%	0.06%	0.06%
0.0	0.0	0.0
0.14%	**0.06%**	**0.06%**

over Week		
10-year	**5-year**	**3-year**
4	4	3

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
0	5	0
5	0	0
0	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.31%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**106**
Re-Offered Yield	3.37%
Commission (bp)	2.7
All-in Yield	**3.39%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**81**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**103**
Hydro One Inc. (A(H)/A3/A)	**142**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**162**
Toronto Hydro Corporation (A/-/A)	**135**
Canadian National Railway Co (A/A2/A)	**135**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**102**
NAV Canada (AA(low)/Aa2/AA-)	**101**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.31%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**138**
Re-Offered Yield	3.69%
Commission (bp)	2.8
All-in Yield	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	81

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.31%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**174**
Re-Offered Yield	4.05%
Commission (bp)	2.9
All-in Yield	**4.08%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	81

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.28%	**2.21%**	**2.16%**	**2.01%**
0.7	**2.9**	**2.4**	**0.6**
107	**106**	**96**	**74**
3.36%	3.30%	3.14%	2.76%
3.5	3.8	4.7	7.6
3.39%	**3.34%**	**3.19%**	**2.84%**

Current			
20-year	**15-year**	**10-year**	**5-year**
82	**81**	**71**	**49**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**41**	**33**
103	**100**	**88**	**65**
n/a	**n/a**	**98**	**66**
n/a	**n/a**	**120**	**89**
n/a	**n/a**	**95**	**62**
n/a	**n/a**	**95**	**71**
n/a	**n/a**	**81**	**61**
n/a	**n/a**	**81**	**61**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.28%	2.21%	2.16%	2.01%
0.7	2.9	2.4	0.6
139	**138**	**128**	**106**
3.68%	3.62%	3.46%	3.08%
3.6	3.9	4.8	7.6
3.71%	**3.66%**	**3.51%**	**3.16%**

Current			
20-year	**15-year**	**10-year**	**5-year**
82	81	71	49

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**83**	**63**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.28%	2.21%	2.16%	2.01%
0.7	2.9	2.4	0.6
175	**174**	**164**	**142**
4.04%	3.98%	3.82%	3.44%
3.7	4.0	4.9	7.7
4.07%	**4.02%**	**3.87%**	**3.52%**

Current			
20-year	**15-year**	**10-year**	**5-year**
82	81	71	49

Current			
20-year	**15-year**	**10-year**	**5-year**

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Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.92%	5.2	5.1	4.5	3.5	2.1
1.1	-	-0.1	0.1	0.5	0.2
56	-	-	-	-	1.0
2.50%	5.2	5.0	4.6	4.0	3.3
8.7	0.0	0.0	0.0	0.0	0.0
2.58%	5.2	5.0	4.6	4.0	3.3

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
31	0.5	-	-	-0.5	1.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
18				1.5	1.0
46	-	-	1.5	-0.5	2.0
56	1.0			1.0	1.0
77	-			-	-
52	-			-	-
62	1.0			2.0	2.0
51	1.0			1.0	1.0
51	1.0			1.0	1.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.92%					
1.1					
88	-	-	-	-	1.0
2.82%	5.2	5.0	4.6	4.0	3.3
8.8	0.02	0.02	0.01	0.01	0.01
2.90%	5.2	5.0	4.6	4.0	3.3

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
31	0.5	-	-	-0.5	1.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				15.0	18.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.92%					
1.1					
124	-	-	-	-	1.0
3.18%	5.2	5.0	4.6	4.0	3.3
8.8	0.02	0.02	0.01	0.01	0.01
3.26%	5.2	5.0	4.6	4.0	3.3

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
31	0.5	-	-	-0.5	1.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

RBC
10-Apr-18

	3-year
	1.7
	0.3
	-1.0
	1.0
	0.0
	1.0

	3-year
	-0.5

	3-year
	-
	0.5
	1.0
	-
	-
	1.0
	1.0
	1.0

	3-year
	-1.0
	1.0
	0.00
	1.0

	3-year
	-0.5

	3-year

3-year
-1.0
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-0.5

3-year

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Information and, to

icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.32%	2.29%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**+106**	**+105**
Re-Offered Yield	3.37%	3.34%
Commission (bp)	2.3	3.1
All-in Yield	**3.40%**	**3.37%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	170	
CPP	79	
BNS - Denior Deposit Notes	132	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.32%	2.29%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**+141**	**+138**
Re-Offered Yield	3.72%	3.67%
Commission (bp)	2.3	3.1
All-in Yield	**3.75%**	**3.70%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.32%	2.29%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**+176**	**+171**
Re-Offered Yield	4.07%	4.00%
Commission (bp)	2.3	3.1
All-in Yield	**4.10%**	**4.03%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.26%	2.18%	2.04%	1.96%	-0.03%
(0.1)	2.3	0.9	0.8	0
+99	**+90**	**+71**	**+55**	0
3.24%	3.10%	2.75%	2.51%	-0.03%
3.6	4.5	7.4	8.8	-1
3.28%	**3.15%**	**2.83%**	**2.60%**	**-0.03%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
81	72	50	32	3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	125	100	86	3
	69	49	31	0
	102	86	75	0
	100	83	71	
	100	83	71	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.26%	2.18%	2.04%	1.96%	-0.03%
(0.1)	2.3	0.9	0.8	0
+129	**+120**	**+101**	**+85**	0
3.54%	3.40%	3.05%	2.81%	-0.03%
3.6	4.5	7.4	8.8	-1
3.58%	**3.45%**	**3.13%**	**2.90%**	**-0.03%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
81	72	50	32	3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	100	83	71	
	100	83	71	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.26%	2.19%	2.04%	1.96%	-0.03%
(0.1)	2.3	0.9	0.8	0
+159	**+150**	**+131**	**+115**	0
3.84%	3.70%	3.35%	3.11%	-0.03%
3.6	4.5	7.4	8.8	-1
3.88%	**3.75%**	**3.43%**	**3.20%**	**-0.03%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
81	72	50	32	3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	100	83	71	
	100	83	71	

Bank Name	BNS
Date	4/10/2018

Week over Week				
20-year	15-year	10-year	5-year	3-year
-0.04%	-0.04%	-0.03%	-0.01%	0.02%
0	0	1	1	1
0	0	0	0	0
-0.04%	-0.03%	-0.02%	-0.01%	0.02%
0	0	0	0	0
-0.04%	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Week over Week				
20-year	15-year	10-year	5-year	3-year
2	1.5	3	5	3

Week over Week				
20-year	15-year	10-year	5-year	3-year
		3	3	1
		0	0	0
		0	1	2
		2	2	2
		2	2	2

Week over Week				
20-year	15-year	10-year	5-year	3-year
-0.04%	-0.04%	-0.03%	-0.01%	0.02%
0	0	1	1	1
0	0	0	0	0
-0.04%	-0.03%	-0.02%	-0.01%	0.02%
0	0	0	0	0
-0.04%	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Week over Week				
20-year	15-year	10-year	5-year	3-year
2	1.5	3	5	3

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		2	2	2
		2	2	2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.04%	-0.04%	-0.03%	-0.01%	0.02%
0	0	1	1	1
0	0	0	0	0
-0.04%	-0.03%	-0.02%	-0.01%	0.02%
0	0	0	0	0
-0.04%	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	1.5	3	5	3

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		2	2	2
		2	2	2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.29%	2.27%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**117**	**109**
Re-Offered Yield	3.46%	3.37%
Commission (bp)	2.3	3.1
All-in Yield	**3.49%**	**3.40%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	83

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	116	106
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	138	128

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.29%	2.27%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**147**	**139**
Re-Offered Yield	3.76%	3.67%
Commission (bp)	2.3	3.1
All-in Yield	**3.79%**	**3.70%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	83	83

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.29%	2.27%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**177**	**169**
Re-Offered Yield	4.06%	3.97%
Commission (bp)	2.3	3.1
All-in Yield	**4.09%**	**4.00%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	83

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.20%	2.14%	2.01%	1.92%	0.053%
3.5	2.3	0.0	1.0	-
99	**92**	**62**	**47**	-3
3.22%	3.08%	2.63%	2.40%	0.02%
3.6	4.5	7.4	8.6	-
3.26%	**3.13%**	**2.71%**	**2.49%**	**0.02%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
79	75	51	33	7.0

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
101	92	64	46	-
N/A	86	66	51	N/A
100	92	70	57	-

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.20%	2.14%	2.01%	1.92%	0.053%
3.5	2.3	0.0	1.0	-
129	**122**	**92**	**77**	-3
3.52%	3.38%	2.93%	2.70%	0.02%
3.6	4.5	7.4	8.6	-
3.56%	**3.43%**	**3.01%**	**2.79%**	**0.02%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**

79	75	51	33	7.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.20%	2.14%	2.01%	1.92%	0.053%
3.5	2.3	0.0	1.0	-
159	**152**	**122**	**107**	-3
3.82%	3.68%	3.23%	3.00%	0.02%
3.6	4.5	7.4	8.6	-
3.86%	**3.73%**	**3.31%**	**3.09%**	**0.02%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
79	75	51	33	7.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	4/9/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.055%	0.058%	0.050%	0.031%	0.041%
-	-	-	-	-
-3	-3	-3	-3	-3
0.02%	0.03%	0.02%	0.00%	0.01%
-	-	-	-	-
0.02%	**0.03%**	**0.02%**	**0.00%**	**0.01%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
7.0	8.0	9.0	8.0	5.0

20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	0	-	-	0
N/A	N/A	(1)	(4)	-2
-	-	-	-	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.055%	0.058%	0.050%	0.031%	0.041%
-	-	-	-	-
-3	-3	-3	-3	-3
0.02%	0.03%	0.02%	0.00%	0.01%
-	-	-	-	-
0.02%	**0.03%**	**0.02%**	**0.00%**	**0.01%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**

7.0	8.0	9.0	8.0	5.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.055%	0.058%	0.050%	0.031%	0.041%
-	-	-	-	-
-3	-3	-3	-3	-3
0.02%	0.03%	0.02%	0.00%	0.01%
-	-	-	-	-
0.02%	**0.03%**	**0.02%**	**0.00%**	**0.01%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
7.0	8.0	9.0	8.0	5.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	Ricky Lai
To:	Mike Manning
Cc:	James Devine; Carlos Yep
Subject:	FHP spreads
Date:	Wednesday, March 21, 2018 11:16:08 AM
Attachments:	Fair Hydro price indications March 19 2018.xlsx

Hi Mike,

Please find attached the latest FHP spreads.

Thanks.

Ricky

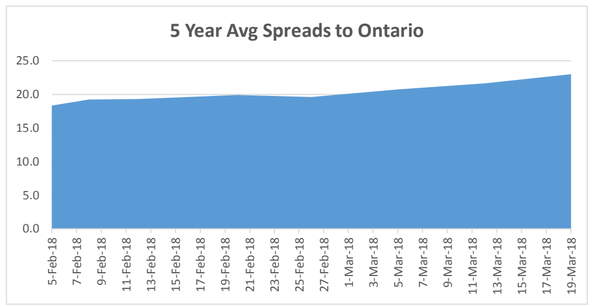
FAIR HYDRO SPREADS

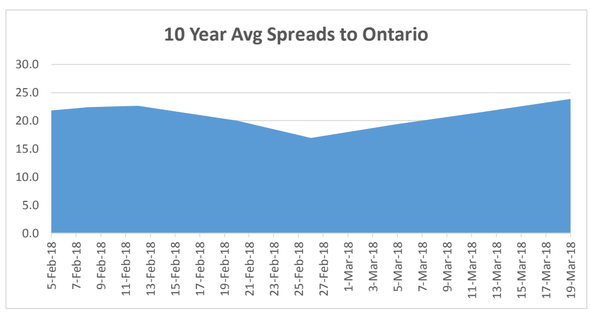
Senior Note

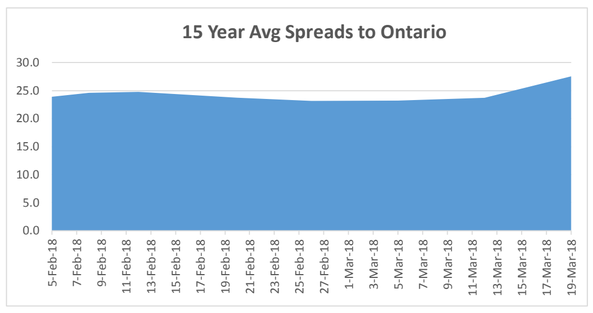
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
35.6	32.6	27.1	24.1	23.0	22.8

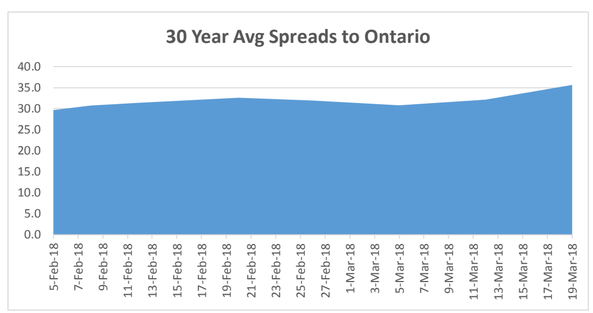
Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	108.6	105.0	97.4	86.6	63.7	48.4
Last Week's	107.9	104.2	97.0	85.3	63.8	48.7
Change	0.6	0.8	0.4	1.2	-0.2	-0.3

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*RBC*	*CIBC*	*GS*	*CIBC*	*CIBC*
	96.0	96.0	91.0	81.9	60.5	44.5
Maximum	*GS*	*GS*	*GS*	*TD*	*Scotia*	*Scotia*
	121.9	111.9	101.9	93.0	69.5	54.0







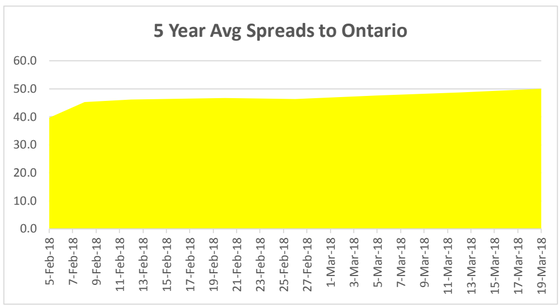


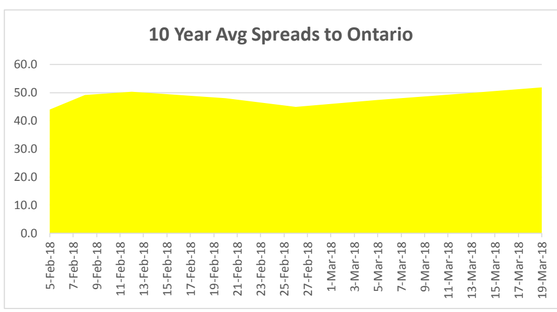
Sub Note

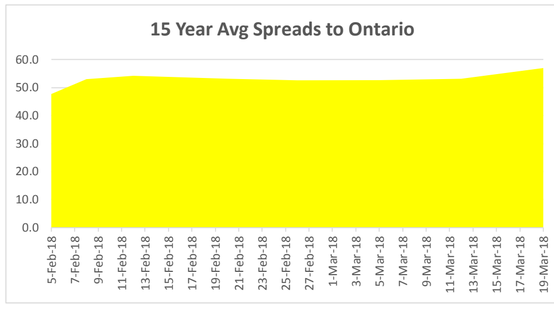
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
66.0	62.7	56.5	52.1	50.0	49.6

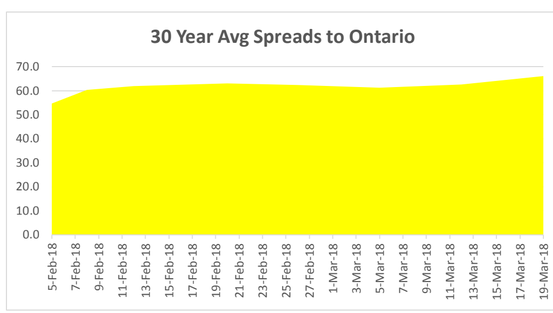
Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	139.0	135.1	126.8	114.6	90.7	75.3
Last Week's	138.3	134.3	126.4	113.3	90.8	75.5
Change	0.6	0.8	0.4	1.2	-0.2	-0.3

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*RBC*	*CIBC*	*NBF*	*NBF*	*CIBC*
	124.0	124.0	116.0	108.0	85.0	69.5
Maximum	*GS*	*BMO*	*BMO*	*NBF*	*Scotia*	*Scotia*
	151.9	144.0	139.0	123.0	99.5	84.0







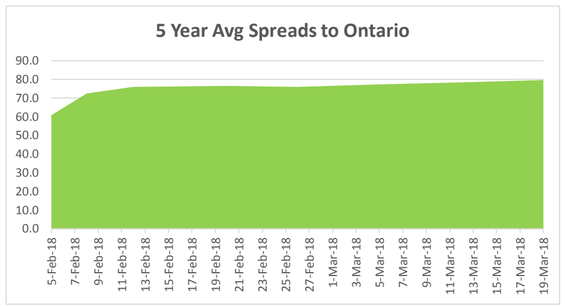


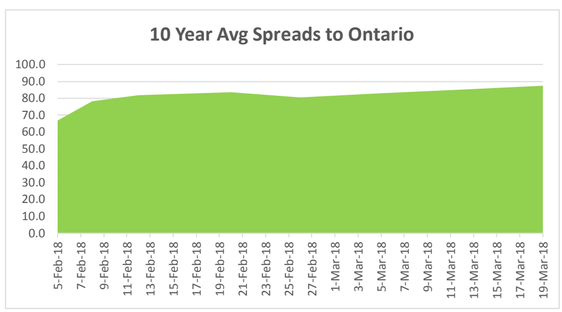
Junior Sub Note

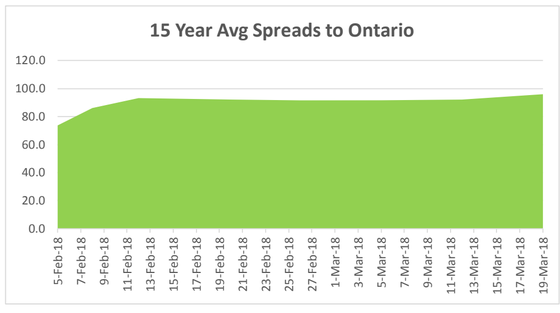
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
106.9	102.3	95.7	87.0	79.7	79.6

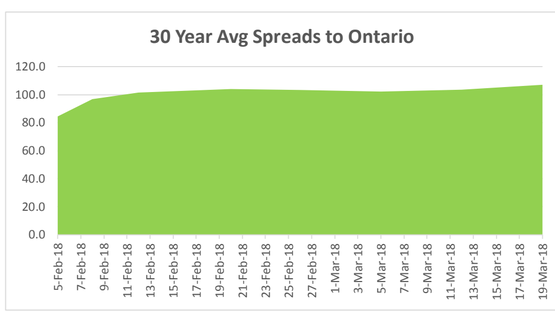
Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	180.0	175.7	165.8	150.1	120.3	105.3
Last Week's	179.3	174.9	165.4	148.9	120.5	105.5
Change	0.6	0.8	0.4	1.2	-0.2	-0.3

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*NBF*	*NBF*	*NBF*
	152.5	152.5	141.0	130.0	102.0	88.0
Maximum	*BMO*	*BMO*	*BMO*	*GS*	*BMO*	*BMO*
	220.0	218.0	207.0	171.9	133.0	117.0









Indicative New Issue Spreads
Week of March 19, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.32%	2.31%	2.22%	2.18%	2.02%	1.85%	2.29%	2.28%	2.23%	2.17%	2.10%	1.99%	2.32%	2.31%	2.27%	2.19%			2.32%	2.31%
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	5.9	0.0	0.3	(0.2)	(0.4)	(0.8)	0.2	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	105	104	100	88	63	46	103	103	91	84	61	45	122	112	102	81.9			112	109
Re-Offered Yield	3.37%	3.35%	3.26%	3.08%	2.65%	2.37%	3.32%	3.31%	3.14%	3.00%	2.69%	2.44%	3.54%	3.43%	3.29%	3.01%			3.44%	3.40%
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9	2.7	2.7	2.3	2.0	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.39%**	**3.38%**	**3.30%**	**3.12%**	**2.73%**	**2.44%**	**3.35%**	**3.34%**	**3.17%**	**3.02%**	**2.71%**	**2.45%**	**3.56%**	**3.46%**	**3.32%**	**3.06%**			**3.47%**	**3.43%**
All-in Spread to GoC Curve (bp)	**107.62**	**107.39**	**103.34**	**92.61**	**70.42**	**52.86**	**105.16**	**105.15**	**93.34**	**85.54**	**62.22**	**45.68**	**123.57**	**114.40**	**105.23**	**86.90**			**114.69**	**112.48**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72	71	61	41	26	73	73	71	64	41	25	72	77	67	64			72	71

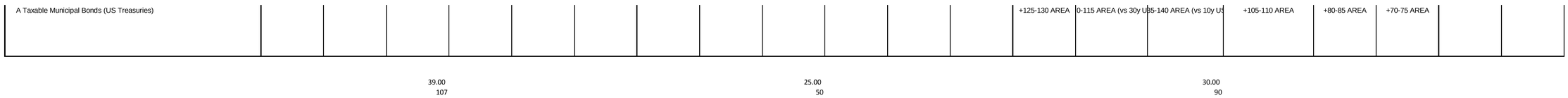
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							165	--	--	118	77	61								
Toronto Hydro Corporation (A/-/A)							130	--	--	90	64	52								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	104	0	0	79	54	47														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			135	128
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			118	111
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			140	135
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	85	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	79	62														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	64	47														
CMBs: (AAA/Aaa/AAA)	0	0	43	38	30	18														
PSP Investments (AAA/Aaa/AAA)	0	0	0	68	46	30														
CPP Investment Board (AAA/Aaa/AAA)	88	0	0	68	46	30														
BMO (Senior) (A+/A1/AA)	119	0	0	94	77	65														
Nova Scotia Power (BBB+ / - / A(l))							146	--	--	102	73	58								
FortisAlberta (A- / Baa1 / A(l))							134	--	--	92	66	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							235	--	--	175	122	98								
Bruce Power (BBB / Baa2 / BBB)							200	--	--	145	100	--								
City of Toronto (- / Aa1 / AA)							96	95	--	80	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																80 bps area				
AAA Taxable Municipal Bonds (US Treasuries)													+90 AREA	5-80 AREA (vs 30y U	30-105 AREA (vs 10y U	+70-75 AREA	+55-60 AREA	+40-45 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.32%	2.31%	2.22%	2.18%	2.02%	1.85%	2.29%	2.28%	2.23%	2.17%	2.10%	1.99%	2.32%	2.31%	2.27%	2.19%			2.32%	2.31%
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	5.9	0.0	0.3	(0.2)	(0.4)	(0.8)	0.2	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	145	144	139	118	89	72	128	128	116	109	86	70	152	142	132	112			137	134
Re-Offered Yield	3.77%	3.75%	3.65%	3.38%	2.91%	2.63%	3.57%	3.56%	3.39%	3.25%	2.94%	2.69%	3.84%	3.73%	3.59%	3.31%			3.69%	3.65%
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.3	2.0	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.80%**	**3.79%**	**3.69%**	**3.42%**	**2.99%**	**2.70%**	**3.60%**	**3.59%**	**3.42%**	**3.27%**	**2.96%**	**2.70%**	**3.86%**	**3.76%**	**3.59%**	**3.36%**			**3.72%**	**3.68%**
All-in Spread to GoC Curve (bp)	**147.74**	**147.51**	**142.42**	**122.67**	**96.46**	**78.89**	**130.16**	**130.15**	**118.34**	**110.54**	**87.22**	**70.68**	**153.57**	**144.40**	**135.23**	**116.90**			**139.69**	**137.48**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			130	123
NAV Canada (AA-, AA low)																			100	97
GTAA (Aa3, A+)																			100	97
Hydro One (A3/A/A high)																			130	124
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	82														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	97														
BMO (Senior) (A+/A1/AA)	119	0	0	94	77	65														
Nav Canada (sub) (AA-/Aa2/AAL)	104	0	0	79	54	47														
City of Toronto (AA / Aa1 / AA)	93	93	91	78	57	39														
Bank ABS (AAA / - / AAA)							--	--	--	--	78	64								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	87	74								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	46	36								
AA CMBS (USD Swaps)																100 - 115 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+100-105 AREA	85 AREA (vs 30y UST	0-115 AREA (vs 10y U	+85-90 AREA	+60-65 AREA	+45-50 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.32%	2.31%	2.22%	2.18%	2.02%	1.85%	2.29%	2.28%	2.23%	2.17%	2.10%	1.99%	2.32%	2.31%	2.27%	2.19%			2.32%	2.31%
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	5.9	0.0	0.3	(0.2)	(0.4)	(0.8)	0.2	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	220	218	207	168	133	117	153	153	141	134	111	95	212	202	192	172			167	164
Re-Offered Yield	4.52%	4.49%	4.33%	3.88%	3.35%	3.08%	3.82%	3.81%	3.64%	3.50%	3.19%	2.94%	4.44%	4.33%	4.19%	3.91%			3.99%	3.95%
Commission (bp)	2.9	3.6	3.5	4.7	7.5	6.9	2.7	2.7	2.3	2.0	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.55%**	**4.53%**	**4.37%**	**3.92%**	**3.43%**	**3.15%**	**3.85%**	**3.84%**	**3.67%**	**3.52%**	**3.21%**	**2.95%**	**4.46%**	**4.36%**	**4.19%**	**3.96%**			**4.02%**	**3.98%**
All-in Spread to GoC Curve (bp)	**222.85**	**221.64**	**210.53**	**172.75**	**140.53**	**123.92**	**155.16**	**155.15**	**143.34**	**135.54**	**112.22**	**95.68**	**213.57**	**204.40**	**195.23**	**176.90**			**169.69**	**167.48**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			155.0	149.8
Highway 407 (A, A)																			130.0	123.3
Enbridge Gas Distribution (A-, A)																			130.0	124.8
Hydro One (A3/A/A high)																			130.0	124.0
Schedule 1 Bank ABS (A)																			195.0	190.0
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	150.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	132.0	-														
Hydro One (A/A3/AH)	133.0	-	-	91.0	66.0	51.0														
OPG (BBB+/-/AL)	163.0	-	-	116.0	91.0	76.0														
10-year A CMBS (USD Swaps)																150 - 160 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+125-130 AREA
0-115 AREA (vs 30y U
35-140 AREA (vs 10y US
+105-110 AREA
+80-85 AREA
+70-75 AREA
39.00
107
25.00
50
30.00
90

Indicative New Issue Spreads
Week of March 19, 2018

NBF *NBF* *NBF* NBF

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	NBF Current			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.28%	2.20%	2.01%	1.91%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	99	85.00	62	48
Re-Offered Yield	3.27%	3.05%	2.63%	2.39%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.31%**	**3.10%**	**2.71%**	**2.48%**
All-in Spread to GoC Curve (bp)	**102.83**	**89.68**	**69.53**	**56.70**

Primary Comparable (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	60	40	25

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	109	90	75	65
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	92	75	60	52
Schedule I Bank ABS (Aaa ; AAA ; AAA)	118	95	75	65
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.28%	2.20%	2.01%	1.91%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	123	108	85	70
Re-Offered Yield	3.51%	3.28%	2.86%	2.61%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.55%**	**3.33%**	**2.94%**	**2.70%**
All-in Spread to GoC Curve (bp)	**126.83**	**112.68**	**92.53**	**78.70**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
RBC Sr-Sub.				
Highway 407 (A, A)	104	85	60	50
NAV Canada (AA-, AA low)	89	80	55	45
GTAA (Aa3, A+)	89	80	55	45
Hydro One (A3/A/A high)	107	90	65	50
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.28%	2.20%	2.01%	1.91%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	151	130	102	88
Re-Offered Yield	3.79%	3.50%	3.03%	2.79%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.83%**	**3.55%**	**3.11%**	**2.88%**
All-in Spread to GoC Curve (bp)	**154.83**	**134.68**	**109.53**	**96.70**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	134.9	120.0	90.0	75.0
Highway 407 (A, A)	104.1	85.0	60.0	50.0
Enbridge Gas Distribution (A-, A)	109.9	95.0	70.0	55.0
Hydro One (A3/A/A high)	107.0	90.0	65.0	50.0
Schedule 1 Bank ABS (A)	173.0	150.0	130.0	115.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads
Week of March 19, 2018

	RBC	RBC	RBC	*RBC*	*RBC*	RBC	Scotia	Scotia	Scotia	*Scotia*	*Scotia*	Scotia	TD	TD	TD	*TD*	*TD*	TD
	RBC						Scotia						TD					
Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Current						Current					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.30%	2.22%	2.17%	2.01%	1.90%	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	2.31%	2.29%	2.21%	2.17%	2.01%	1.90%
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	0.4	0.0	0.6	(0.2)	1.8	0.2	0.3	0.0	0.6	4.8	1.8	0.0	0.5
Spread to GoC Curve (bp)	96	96	94	86.00	64	50	105	104	98	89	70	54	118	108	98	93	63	48
Re-Offered Yield	3.27%	3.26%	3.20%	3.05%	2.65%	2.40%	3.39%	3.37%	3.27%	3.12%	2.75%	2.48%	3.49%	3.38%	3.24%	3.12%	2.64%	2.38%
Commission (bp)	2.6	3.4	3.8	4.7	7.5	8.7	3.0	3.2	3.6	4.9	7.7	8.6	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**3.30%**	**3.30%**	**3.23%**	**3.10%**	**2.73%**	**2.49%**	**3.42%**	**3.40%**	**3.31%**	**3.17%**	**2.83%**	**2.57%**	**3.51%**	**3.41%**	**3.28%**	**3.16%**	**2.72%**	**2.47%**
All-in Spread to GoC Curve (bp)	**98.64**	**99.43**	**97.81**	**90.68**	**71.54**	**58.70**	**107.51**	**106.65**	**101.57**	**93.36**	**77.17**	**62.63**	**120.33**	**111.14**	**101.56**	**97.48**	**70.41**	**56.63**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	73	71	63	41	27	75	74	73	64	41	26	73	73	69	64	41	27

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	40	29	18												
City of Toronto (AA/Aa1/AA)	96	95	90	80	57	41												
Hydro One Inc. (A(H)/A3/A)	135	n/a	n/a	95	65	55							134	124	98	90	65	52
Ontario Power Generation Inc. (A(low)/-/BBB+)	160	n/a	n/a	118	87	76	160	0	0	115	90	78						
Toronto Hydro Corporation (A/-/A)	130	n/a	n/a	92	62	52												
Canadian National Railway Co (A/A2/A)	132	n/a	n/a	91	67	59												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	104	n/a	n/a	83	60	50												
NAV Canada (AA(low)/Aa2/AA-)	98	n/a	n/a	78	58	50												
OPB Finance Trust (AA+/-/AA(H))													113	103	98	89	62	45
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	82	63	50
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							77	0	0	67	46	30						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							124	0	0	94	77	65						
Golden Credit Card Trust							0	0	0	90	73	61						
Master Credit Card Trust							0	0	0	90	73	61						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.30%	2.22%	2.17%	2.01%	1.90%	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	2.31%	2.29%	2.21%	2.17%	2.01%	1.90%
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	0.4	0.0	0.6	(0.2)	1.8	0.2	0.3	0.0	0.6	4.8	1.8	0.0	0.5
Spread to GoC Curve (bp)	124	124	122	114	92	78	140	137	128	119	100	84	148	138	128	123	93	78
Re-Offered Yield	3.55%	3.54%	3.48%	3.33%	2.93%	2.68%	3.74%	3.70%	3.57%	3.42%	3.05%	2.78%	3.79%	3.68%	3.54%	3.42%	2.94%	2.68%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	3.0	3.2	3.6	4.9	7.7	8.6	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**3.58%**	**3.58%**	**3.51%**	**3.38%**	**3.01%**	**2.77%**	**3.77%**	**3.73%**	**3.61%**	**3.47%**	**3.13%**	**2.87%**	**3.81%**	**3.71%**	**3.58%**	**3.46%**	**3.02%**	**2.77%**
All-in Spread to GoC Curve (bp)	**126.73**	**127.52**	**125.89**	**118.75**	**99.59**	**86.74**	**142.51**	**139.65**	**131.57**	**123.36**	**107.17**	**92.63**	**150.33**	**141.14**	**131.56**	**127.48**	**100.41**	**86.63**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	n/a	n/a	n/a	67	43	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.30%	2.22%	2.17%	2.01%	1.90%	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	2.31%	2.29%	2.21%	2.17%	2.01%	1.90%
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	0.4	0.0	0.6	(0.2)	1.8	0.2	0.3	0.0	0.6	4.8	1.8	0.0	0.5
Spread to GoC Curve (bp)	156	156	154	146	124	110	175	170	158	149	130	114	178	168	158	153	123	108
Re-Offered Yield	3.87%	3.86%	3.80%	3.65%	3.25%	3.00%	4.09%	4.03%	3.87%	3.72%	3.35%	3.08%	4.09%	3.98%	3.84%	3.72%	3.24%	2.98%
Commission (bp)	2.8	3.6	4.0	4.8	7.7	8.8	3.0	3.2	3.6	4.9	7.7	8.6	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**3.90%**	**3.90%**	**3.84%**	**3.70%**	**3.33%**	**3.09%**	**4.12%**	**4.06%**	**3.91%**	**3.77%**	**3.43%**	**3.17%**	**4.11%**	**4.01%**	**3.88%**	**3.76%**	**3.32%**	**3.07%**
All-in Spread to GoC Curve (bp)	**158.84**	**159.62**	**157.97**	**150.82**	**131.66**	**118.79**	**177.51**	**172.65**	**161.57**	**153.36**	**137.17**	**122.63**	**180.33**	**171.14**	**161.56**	**157.48**	**130.41**	**116.63**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			28.00 60						30.00 60						30.00 60			

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	23.7
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2
12-Mar-18	21.7	21.6	23.7
19-Mar-18	23.0	23.9	27.5

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	**5 Year**	**10 Year**	**15 Year**	**30 Year**	**5 Year**
29.7	56.8	80.6	91.2	99.1	38.5
30.8	59.3	81.4	92.0	100.4	40.1
31.4	61.0	83.7	94.5	103.6	41.7
32.6	59.8	82.1	94.1	104.8	39.8
31.9	59.4	82.1	94.0	104.6	39.8
30.8	63.4	84.9	96.7	107.1	42.7
32.2	63.8	85.3	97.0	107.9	42.2
35.7	63.7	86.6	97.4	108.6	40.7

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8
62.7	69.9	72.9

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6
12-Mar-18	48.7	49.6	53.1
19-Mar-18	50.0	51.9	57.0

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
54.7	78.2	102.8	115.0	124.1	38.5
60.3	85.4	108.2	120.4	130.0	40.1
61.9	87.8	111.3	123.9	134.1	41.7
63.0	86.6	110.1	123.6	135.2	39.8
62.4	86.3	110.1	123.4	135.1	39.8
61.2	90.3	112.9	126.1	137.6	42.7
62.6	90.8	113.3	126.4	138.3	42.2
66.1	90.7	114.6	126.8	139.0	40.7

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8
62.7	69.9	72.9

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6
12-Mar-18	78.3	85.2	92.1
19-Mar-18	79.7	87.5	96.0

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
84.5	99.3	125.6	141.0	153.9	38.5
96.8	112.7	137.3	153.5	166.5	40.1
101.5	117.7	142.8	162.9	173.7	41.7
104.0	116.3	145.6	162.6	176.2	39.8
103.4	115.9	145.6	162.4	176.1	39.8
102.2	119.9	148.5	165.1	178.6	42.7
103.6	120.5	148.9	165.4	179.3	42.2
107.1	120.3	150.1	165.8	180.0	40.7

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8
62.7	69.9	72.9

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.32%	2.31%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**105**	**104**
Re-Offered Yield	3.37%	3.35%
Commission (bp)	2.6	3.4
All-in Yield	**3.39%**	**3.38%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	73	72

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	88	
BMO (Senior) (A+/A1/AA)	119	
Nav Canada (sub) (AA-/Aa2/AAL)	104	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.32%	2.31%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**145**	**144**
Re-Offered Yield	3.77%	3.75%
Commission (bp)	2.7	3.5
All-in Yield	**3.80%**	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	119	
Nav Canada (sub) (AA-/Aa2/AAL)	104	
City of Toronto (AA / Aa1 / AA)	93	93

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.32%	2.31%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**220**	**218**
Re-Offered Yield	4.52%	4.49%
Commission (bp)	2.9	3.6
All-in Yield	**4.55%**	**4.53%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	133	
OPG (BBB+/-/AL)	163	

Generic Corporate Credit Spreads AA	104	
Generic Corporate Credit Spreads A	157	
Generic Corporate Credit Spreads BBB	232	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

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				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.22%	2.18%	2.02%	1.85%	-8bps	-8bps	-5bps	-4bps	-3bps
3.8	1.8	0.1	5.9	0bps	0bps	-1bps	0bps	0bps
100	**88**	**63**	**46**	1bps	1bps	1bps	0bps	0bps
3.26%	3.08%	2.65%	2.37%	-7bps	-7bps	-5bps	-5bps	-3bps
3.3	4.6	7.4	6.9					
3.30%	**3.12%**	**2.73%**	**2.44%**	-7bps	-7bps	-5bps	-5bps	-3bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
71	61	41	25.5	-3bps	-3bps	-3bps	-2bps	-2bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
		85						0bps
		79	62					0bps
		64	47					0bps
43	38	29.5	18			0bps	0bps	-1bps
	68	46	30				-2bps	-1bps
	68	46	30	-2bps			-2bps	-1bps
	94	77	65	0bps			0bps	0bps
	79	54	47	3bps			-3bps	-3bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.22%	2.18%	2.02%	1.85%	-8bps	-8bps	-5bps	-4bps	-3bps
3.8	1.8	0.1	5.9	0bps	0bps	-1bps	0bps	0bps
139	**118**	**89**	**72**	1bps	1bps	1bps	0bps	0bps
3.65%	3.38%	2.91%	2.63%	-7bps	-7bps	-5bps	-5bps	-3bps
3.4	4.7	7.5	6.9					
3.69%	**3.42%**	**2.99%**	**2.70%**	-7bps	-7bps	-5bps	-5bps	-3bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
71	61	41	26	-3bps	-3bps	-3bps	-2bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			82					
			97					
	94	77	65	0bps			0bps	0bps
	79	54	47	3bps			-3bps	-3bps
91	77.5	56.5	39	-4bps	-4bps	-4bps	-3bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.22%	2.18%	2.02%	1.85%	-8bps	-8bps	-5bps	-4bps	-3bps
3.8	1.8	0.1	5.9	0bps	0bps	-1bps	0bps	0bps
207	**168**	**133**	**117**	1bps	1bps	1bps	0bps	0bps
4.33%	3.88%	3.35%	3.08%	-7bps	-7bps	-5bps	-5bps	-3bps
3.5	4.7	7.5	6.9					
4.37%	**3.92%**	**3.43%**	**3.15%**	-7bps	-7bps	-5bps	-5bps	-3bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
71	61	41	26	-3bps	-3bps	-3bps	-2bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		150						0bps
		132						0bps
	91	66	51	-1bps			0bps	0bps
	116	91	76	-6bps			-1bps	-1bps

	89	67		0bps			0bps	0bps
	116	84		1bps			1bps	0bps
	174	120		1bps			0bps	0bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
20-Mar-18

3-year
-3bps 0bps -1bps -4bps
-4bps

3-year
-2bps

3-year
-1bps -1bps -1bps 0bps 0bps -1bps -3bps

3-year
-3bps 0bps -1bps -4bps
-4bps

3-year
-2bps

3-year
-1bps
-1bps
-1bps
-3bps
-2bps

3-year
-3bps
0bps
-1bps
-4bps
-4bps

3-year
-2bps

3-year
0bps
-1bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.29%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**103**
Re-Offered Yield	3.32%
Commission (bp)	2.7
All-in Yield	**3.35%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	165
Toronto Hydro (A / - / A)	130
Nova Scotia Power (BBB+ / - / A(l))	146
FortisAlberta (A- / Baa1 / A(l))	134
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	235
Bruce Power (BBB / Baa2 / BBB)	200
City of Toronto (- / Aa1 / AA)	96

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.29%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**128**
Re-Offered Yield	3.57%
Commission (bp)	2.7
All-in Yield	**3.60%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.29%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**153**
Re-Offered Yield	3.82%
Commission (bp)	2.7
All-in Yield	**3.85%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.28%	2.23%	2.17%	2.10%	1.99%	-0.13%	-0.13%	-0.12%	-0.08%	-0.05%
0.3	(0.2)	(0.4)	(0.8)	0.2	0.0	(0.0)	0.1	(2.3)	(4.6)
103	**91**	**84**	**61**	**44.5**	-4	-4	-4	-3	-2
3.31%	3.14%	3.00%	2.69%	2.44%	-0.17%	-0.17%	-0.16%	-0.13%	-0.12%
2.7	2.3	2.0	1.7	1.2	-	-	-	-	-
3.34%	**3.17%**	**3.02%**	**2.71%**	**2.45%**	**-0.17%**	**-0.17%**	**-0.16%**	**-0.13%**	**-0.12%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
73	70.5	64	41	24.5	(4)	(4)	(3)	(3)	(2)

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	118	77	61	0	--	--	0	0
--	--	90	64	52	0	--	--	1	1
--	--	102	73	58	2	--	--	2	2
--	--	92	66	--	0	--	--	0	0
--	--	175	122	98	6	--	--	6	3
--	--	145	100	--	0	--	--	0	0
95	--	80	--	--	(4)	(2)	--	(2)	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.28%	2.23%	2.17%	2.10%	1.99%	-0.13%	-0.13%	-0.12%	-0.08%	-0.05%
0.3	(0.2)	(0.4)	(0.8)	0.2	0	(0)	0	(2)	(5)
128	**116**	**108.5**	**86**	**69.5**	(4)	(4)	(4)	(3)	(2)
3.56%	3.39%	3.25%	2.94%	2.69%	-0.17%	-0.17%	-0.16%	-0.13%	-0.12%
2.7	2.3	2.0	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.59%	**3.42%**	**3.27%**	**2.96%**	**2.70%**	**-0.17%**	**-0.17%**	**-0.16%**	**-0.13%**	**-0.12%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
73	70.5	63.5	41	24.5	(4)	(4)	(3)	(3)	(2)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
--	--	--	78	64	--	--	--	--	1
--	--	--	87	74	--	--	--	--	-1
--	--	--	46	36	--	--	--	--	-6

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.28%	2.23%	2.17%	2.10%	1.99%	-0.13%	-0.13%	-0.12%	-0.08%	-0.05%
0.3	(0.2)	(0.4)	(0.8)	0.2	0	(0)	0	(2)	(5)
153	**141**	**133.5**	**111**	**94.5**	(4)	(4)	(4)	(3)	(2)
3.81%	3.64%	3.50%	3.19%	2.94%	-0.17%	-0.17%	-0.16%	-0.13%	-0.12%
2.7	2.3	2.0	1.7	1.2	-	-	-	-	-
3.84%	**3.67%**	**3.52%**	**3.21%**	**2.95%**	**-0.17%**	**-0.17%**	**-0.16%**	**-0.13%**	**-0.12%**

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	70.5	63.5	41	24.5	(4)	(4)	(3)	(3)	(2)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

CIBC
3/19/2018

3-year
-
-
-0.09%
(0.0)
-1
-0.09%
-
-0.09%

3-year
(1)

3-year
0
1
2
--
4
--
--

3-year
-
-
-0.09%
(0)
(1)
-0.09%
0.00%
-0.09%

3-year
(1)

3-year
1
-1
-4

3-year
-
-
-0.09%
(0)
(1)
-0.09%
-
-0.09%

3-year
(1)

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.323%	2.315%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.219%**	**1.119%**
Re-Offered Yield	3.542%	3.434%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.56%**	**3.46%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.723%**	**0.7684%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+90 AREA	-80 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.323%	2.315%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.519%**	**1.419%**
Re-Offered Yield	3.842%	3.734%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.86%**	**3.76%**

Primary Comparable (S&P/Moody's/ DBRS)

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.723%**	**0.7684%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+100-105 AREA	35 AREA (vs 30y US

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.323%	2.315%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**2.119%**	**2.019%**
Re-Offered Yield	4.442%	4.334%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.46%**	**4.36%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.723%**	**0.7684%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+125-130 AREA	-115 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.270%	2.193%			
0.049%	0.008%			
1.019%	**0.819%**			
3.289%	3.012%			
0.033%	0.050%			
3.32%	**3.06%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.671%	**0.642%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-105 AREA (vs 10y	80 bps area +70-75 AREA	+55-60 AREA	+40-45 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.270%	2.193%			
0.049%	0.008%			
1.319%	**1.119%**			
3.589%	3.312%			
0.033%	0.050%			
3.59%	**3.36%**			

Current	

15-year	10-year	5-year	3-year	30-year
0.671%	**0.642%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	100 - 115 bps AREA			
-115 AREA (vs 10y	+85-90 AREA	+60-65 AREA	+45-50 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.270%	2.193%			
0.049%	0.008%			
1.919%	**1.719%**			
4.189%	3.912%			
0.033%	0.050%			
4.19%	**3.96%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.671%	**0.642%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	150 - 160 bps AREA			
-140 AREA (vs 10y	+105-110 AREA	+80-85 AREA	+70-75 AREA	+0 bps

Bank Name	GS
Date	2/15/2018

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	15-year	10-year	5-year	3-year
+0 bps	+0 bps	+2 - 5 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week

20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 - 5 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.32%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	112
Re-Offered Yield	3.44%
Commission (bp)	2.7
All-in Yield	**3.47%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	72

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.32%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	137
Re-Offered Yield	3.69%
Commission (bp)	2.7
All-in Yield	**3.72%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	72

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	130
NAV Canada (AA-, AA low)	100
GTAA (Aa3, A+)	100
Hydro One (A3/A/A high)	130

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.32%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	167
Re-Offered Yield	3.99%
Commission (bp)	2.7
All-in Yield	**4.02%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	72

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	155
Highway 407 (A, A)	130
Enbridge Gas Distribution (A-, A)	130
Hydro One (A3/A/A high)	130
Schedule 1 Bank ABS (A)	195

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.31%	2.28%	2.20%	2.01%
0.0	0.0	0.0	0.0
109	99	85	62
3.40%	3.27%	3.05%	2.63%
3.5	3.8	4.7	7.5
3.43%	**3.31%**	**3.10%**	**2.71%**

Current			
20-year	**15-year**	**10-year**	**5-year**
71	68.5	60	39.5

Current			
20-year	**15-year**	**10-year**	**5-year**
128	109	90	75
111	92	75	60
135	118	95	75

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.31%	2.28%	2.20%	2.01%
0.0	0.0	0.0	0.0
134	123	108	85
3.65%	3.51%	3.28%	2.86%
3.5	3.8	4.7	7.5
3.68%	**3.55%**	**3.33%**	**2.94%**

Current			
20-year	**15-year**	**10-year**	**5-year**
71	69	60	40

Current			
20-year	**15-year**	**10-year**	**5-year**
123	104	85	60
97	89	80	55
97	89	80	55
124	107	90	65

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.31%	2.28%	2.20%	2.01%
0.0	0.0	0.0	0.0
164	151	130	102
3.95%	3.79%	3.50%	3.03%
3.5	3.8	4.7	7.5
3.98%	**3.83%**	**3.55%**	**3.11%**

Current			
20-year	**15-year**	**10-year**	**5-year**
71	69	60	40

Current			
20-year	**15-year**	**10-year**	**5-year**
150	135	120	90
123	104	85	60
125	110	95	70
124	107	90	65
190	173	150	130

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.91%	-0.12%	-0.12%	-0.09%
0.0	0.0	0.0	0.0
48	0	0	0
2.39%	-0.12%	-0.12%	-0.09%
8.7	0.0	0.0	0.0
2.48%	**-0.12%**	**-0.12%**	**-0.09%**

			Week
3-year	**30-year**	**20-year**	**15-year**
24.5	-4	-4	-5.5

			Week
3-year	**30-year**	**20-year**	**15-year**
65	0	0	0
52	0	0	0
65	0	0	0

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
1.91%	-0.12%	-0.12%	-0.09%
0.0	0.0	0.0	0.0
70	0	0	0
2.61%	-0.12%	-0.12%	-0.09%
8.7	0.0	0.0	0.0
2.70%	**-0.12%**	**-0.12%**	**-0.09%**

			Week
3-year	**30-year**	**20-year**	**15-year**
25	-4	-4	-6

			Week
3-year	**30-year**	**20-year**	**15-year**
50	0	0	0
45	0	0	0
45	0	0	0
50	0	0	0

	Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.91%	-0.12%	-0.12%	-0.09%
0.0	0.0	0.0	0.0
88	0	0	0
2.79%	-0.12%	-0.12%	-0.09%
8.7	0.0	0.0	0.0
2.88%	**-0.12%**	**-0.12%**	**-0.09%**

	Week
3-year	**30-year**	**20-year**	**15-year**
25	-4	-4	-6

	Week
3-year	**30-year**	**20-year**	**15-year**
75	0	0	0
50	0	0	0
55	0	0	0
50	0	0	0
115	0	0	0

Bank Name	National Bank of Canada
Date	3/19/2018

over Week

10-year	5-year	3-year
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.09%	-0.08%	-0.04%
0.0	0.0	0.0
3	2	0
-0.06%	-0.06%	-0.04%
0.0	0.0	0.0
-0.06%	**-0.06%**	**-0.04%**

over Week

10-year	5-year	3-year
-3	-2.5	-2

over Week

10-year	5-year	3-year
0	0	0
0	0	0
0	-5	-5

over Week

10-year	5-year	3-year
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.09%	-0.08%	-0.04%
0.0	0.0	0.0
3	2	0
-0.06%	-0.06%	-0.04%
0.0	0.0	0.0
-0.06%	**-0.06%**	**-0.04%**

over Week

10-year	5-year	3-year
-3	-3	-2

over Week

10-year	5-year	3-year
0	0	0
0	0	0
0	0	0
0	0	0

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.09%	-0.08%	-0.04%
0.0	0.0	0.0
3	2	0
-0.06%	-0.06%	-0.04%
0.0	0.0	0.0
-0.06%	**-0.06%**	**-0.04%**

over Week		
10-year	**5-year**	**3-year**
-3	-3	-2

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
0	0	0
0	0	0
0	-5	-5

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.31%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**96**
Re-Offered Yield	3.27%
Commission (bp)	2.6
All-in Yield	**3.30%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**73**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**96**
Hydro One Inc. (A(H)/A3/A)	**135**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**160**
Toronto Hydro Corporation (A/-/A)	**130**
Canadian National Railway Co (A/A2/A)	**132**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**104**
NAV Canada (AA(low)/Aa2/AA-)	**98**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.31%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**124**
Re-Offered Yield	3.55%
Commission (bp)	2.7
All-in Yield	**3.58%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.31%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**156**
Re-Offered Yield	3.87%
Commission (bp)	2.8
All-in Yield	**3.90%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

The indicative price is provided by way of example only, and is not intended to replace or supplant advice of your aud EVENT SHALL RBC OR ITS AGENTS OR OFFICERS BE LIABLE FOR ANY DAMAGES WHATSOEVER (INCLUDI the indicative price is adequate or appropriate for your purposes.

The information provided in this valuation (the “Information”) (i) is intended for your information only and is not to be d the fullest extent permissible by law, shall have no liability whatsoever to you or any other person or party for any loss

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.30%	**2.22%**	**2.17%**	**2.01%**
0.6	**3.8**	**1.8**	**0.1**
96	**94**	**86**	**64**
3.26%	3.20%	3.05%	2.65%
3.4	3.8	4.7	7.5
3.30%	**3.23%**	**3.10%**	**2.73%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	**71**	**63**	**41**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**40**	**29**
95	**90**	**80**	**57**
n/a	**n/a**	**95**	**65**
n/a	**n/a**	**118**	**87**
n/a	**n/a**	**92**	**62**
n/a	**n/a**	**91**	**67**
n/a	**n/a**	**83**	**60**
n/a	**n/a**	**78**	**58**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.30%	2.22%	2.17%	2.01%
0.6	3.8	1.8	0.1
124	**122**	**114**	**92**
3.54%	3.48%	3.33%	2.93%
3.5	3.9	4.7	7.6
3.58%	**3.51%**	**3.38%**	**3.01%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	71	63	41

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**67**	**43**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.30%	2.22%	2.17%	2.01%
0.6	3.8	1.8	0.1
156	**154**	**146**	**124**
3.86%	3.80%	3.65%	3.25%
3.6	4.0	4.8	7.7
3.90%	**3.84%**	**3.70%**	**3.33%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	71	63	41

Current			
20-year	**15-year**	**10-year**	**5-year**

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.90%	-10.3	-10.3	-6.9	-6.4	-5.4
0.4	-	-	-1.1	-0.2	-
50	-3.0	-2.0	-4.0	-2.0	-1.0
2.40%	-13.3	-12.3	-12.0	-8.6	-6.4
8.7	-0.0	-0.0	-0.0	-0.0	-0.0
2.49%	-13.3	-12.3	-12.0	-8.6	-6.4

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
27	-2.5	-2.0	-4.0	-2.5	-0.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
18				2.0	-1.0
41	-2.0	-2.0	-3.5	-1.0	-0.5
55	1.0			2.0	2.0
76	3.0			3.0	3.0
52	5.0			3.0	3.0
59	2.0			1.0	-
50	2.0			1.0	-1.0
50	1.0			4.0	1.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.90%					
0.4					
78	-3.0	-2.0	-4.0	-2.0	-1.0
2.68%	-13.3	-12.3	-12.0	-8.6	-6.4
8.7	-0.05	-0.04	-0.03	-0.02	-0.01
2.77%	-13.3	-12.3	-12.0	-8.6	-6.4

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
27	-2.5	-2.0	-4.0	-2.5	-0.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				-	-2.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.90%					
0.4					
110	-3.0	-2.0	-4.0	-2.0	-1.0
3.00%	-13.3	-12.3	-12.0	-8.6	-6.4
8.8	-0.05	-0.04	-0.03	-0.02	-0.01
3.09%	-13.3	-12.3	-12.0	-8.6	-6.4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	-2.5	-2.0	-4.0	-2.5	-0.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does n
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nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

RBC
20-Mar-18

3-year
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icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.34%	2.33%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+105**	**+104**
Re-Offered Yield	3.39%	3.37%
Commission (bp)	3.0	3.2
All-in Yield	**3.42%**	**3.40%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	160	
CPP	77	
BNS - Denior Deposit Notes	124	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.34%	2.33%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+140**	**+137**
Re-Offered Yield	3.74%	3.70%
Commission (bp)	3.0	3.2
All-in Yield	**3.77%**	**3.73%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.34%	2.33%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+175**	**+170**
Re-Offered Yield	4.09%	4.03%
Commission (bp)	3.0	3.2
All-in Yield	**4.12%**	**4.06%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.29%	2.21%	2.05%	1.94%	-0.04%
(0.2)	1.8	0.2	0.3	0
+98	**+89**	**+70**	**+54**	0
3.27%	3.12%	2.75%	2.48%	-0.04%
3.6	4.9	7.7	8.6	1
3.31%	**3.17%**	**2.83%**	**2.57%**	**-0.03%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
73	64	41	26	-2

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	115	90	78	0
	67	46	30	1
	94	77	65	0
	90	73	61	
	90	73	61	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.29%	2.21%	2.05%	1.94%	-0.04%
(0.2)	1.8	0.2	0.3	0
+128	**+119**	**+100**	**+84**	0
3.57%	3.42%	3.05%	2.78%	-0.04%
3.6	4.9	7.7	8.6	1
3.61%	**3.47%**	**3.13%**	**2.87%**	**-0.03%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
73	64	41	26	-2

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	90	73	61	
	90	73	61	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.29%	2.21%	2.05%	1.94%	-0.04%
(0.2)	1.8	0.2	0.3	0
+158	**+149**	**+130**	**+114**	0
3.87%	3.72%	3.35%	3.08%	-0.04%
3.6	4.9	7.7	8.6	1
3.91%	**3.77%**	**3.43%**	**3.17%**	**-0.03%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
73	64	41	26	-2

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	90	73	61	
	90	73	61	

Bank Name	BNS
Date	3/20/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.04%	-0.01%	0.01%	0.03%	0.04%
0	0	0	0	0
0	0	0	0	0
-0.04%	-0.01%	0.01%	0.03%	0.04%
0	0	0	0	0
-0.04%	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-3	-2	-2	-2	-2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		0	0	0
		1	1	(1)
		0	(1)	0
		(2)	(3)	(3)
		(2)	(3)	(3)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.04%	-0.01%	0.01%	0.03%	0.04%
0	0	0	0	0
0	0	0	0	0
-0.04%	-0.01%	0.01%	0.03%	0.04%
0	0	0	0	0
-0.04%	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-3	-2	-2	-2	-2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		(2)	(3)	(3)
		(2)	(3)	(3)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.04%	-0.01%	0.01%	0.03%	0.04%
0	0	0	0	0
0	0	0	0	0
-0.04%	-0.01%	0.01%	0.03%	0.04%
0	0	0	0	0
-0.04%	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-3	-2	-2	-2	-2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		(2)	(3)	(3)
		(2)	(3)	(3)

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.31%	2.29%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**118**	**108**
Re-Offered Yield	3.49%	3.38%
Commission (bp)	2.3	3.1
All-in Yield	**3.51%**	**3.41%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	73

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	113	103
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	134	124

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.31%	2.29%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**148**	**138**
Re-Offered Yield	3.79%	3.68%
Commission (bp)	2.3	3.1
All-in Yield	**3.81%**	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	73	73

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.31%	2.29%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**178**	**168**
Re-Offered Yield	4.09%	3.98%
Commission (bp)	2.3	3.1
All-in Yield	**4.11%**	**4.01%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	73

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-
5.75%	1.00%	1.50%	0.75%	-
2.21%	2.17%	2.01%	1.90%	-0.075%
4.8	1.8	0.0	0.5	-
98	**93**	**63**	**48**	0
3.24%	3.12%	2.64%	2.38%	-0.08%
3.6	4.5	7.4	8.6	-
3.28%	**3.16%**	**2.72%**	**2.47%**	**-0.08%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
68.5	64	41	27	(3.0)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
98	89	62	45	-
N/A	82	63	50	N/A
98	90	65	52	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-
5.75%	1.00%	1.50%	0.75%	-
2.21%	2.17%	2.01%	1.90%	-0.075%
4.8	1.8	0.0	0.5	-
128	**123**	**93**	**78**	0
3.54%	3.42%	2.94%	2.68%	-0.08%
3.6	4.5	7.4	8.6	-
3.58%	**3.46%**	**3.02%**	**2.77%**	**-0.08%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

69	64	41	27	(3.0)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-
5.75%	1.00%	1.50%	0.75%	-
2.21%	2.17%	2.01%	1.90%	-0.075%
4.8	1.8	0.0	0.5	-
158	**153**	**123**	**108**	0
3.84%	3.72%	3.24%	2.98%	-0.08%
3.6	4.5	7.4	8.6	-
3.88%	**3.76%**	**3.32%**	**3.07%**	**-0.08%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
69	64	41	27	(3.0)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	3/19/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.080%	-0.038%	-0.042%	-0.028%	-0.005%
-	-	-	-	-
0	0	0	0	0
-0.07%	-0.05%	-0.03%	-0.03%	-0.01%
-	-	-	-	-
-0.08%	**-0.04%**	**-0.04%**	**-0.02%**	**0.00%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
(2.0)	(2.5)	(2.0)	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	0	-	-	0
N/A	N/A	-	-	1
1	3	3	1	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.080%	-0.038%	-0.042%	-0.028%	-0.005%
-	-	-	-	-
0	0	0	0	0
-0.07%	-0.05%	-0.03%	-0.03%	-0.01%
-	-	-	-	-
-0.08%	**-0.04%**	**-0.04%**	**-0.02%**	**0.00%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

(2.0)	(2.5)	(2.0)	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.080%	-0.038%	-0.042%	-0.028%	-0.005%
-	-	-	-	-
0	0	0	0	0
-0.07%	-0.05%	-0.03%	-0.03%	-0.01%
-	-	-	-	-
-0.08%	**-0.04%**	**-0.04%**	**-0.02%**	**0.00%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
(2.0)	(2.5)	(2.0)	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	Ricky Lai
To:	Mike Manning
Cc:	James Devine; Carlos Yep
Subject:	FHP spreads
Date:	Wednesday, March 14, 2018 8:13:07 AM
Attachments:	Fair Hydro price indications March 12 2018.xlsx

Good morning Mike,

Please find attached the latest FHP spreads.

Thanks.

Ricky

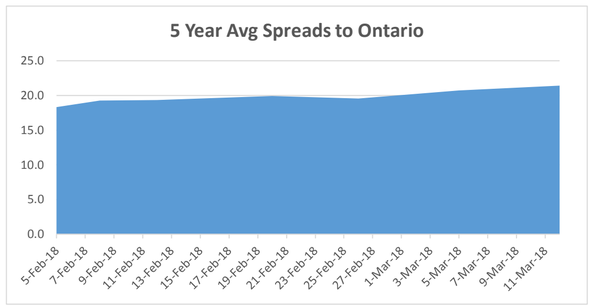
FAIR HYDRO SPREADS

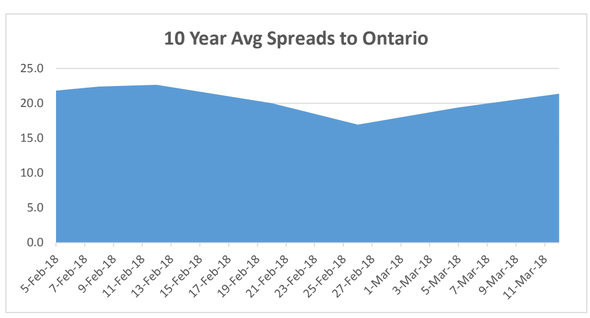
Senior Note

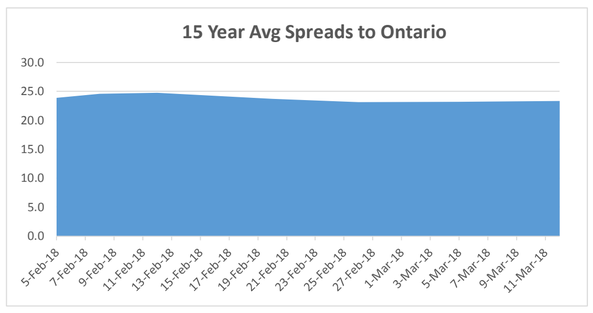
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
31.6	28.4	23.1	20.5	21.4	21.8

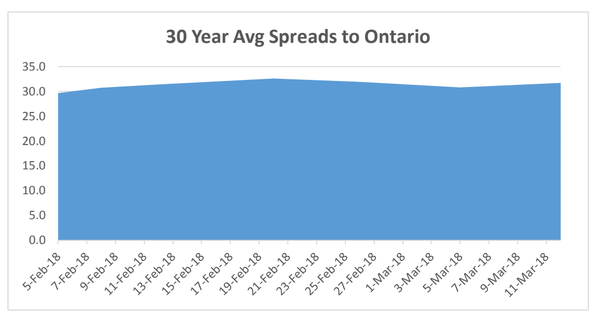
	Average Fair Hydro Spreads to GoC curve					
	30-year	20-year	15-year	10-year	5-year	3-year
	107.5	103.8	96.6	85.1	63.7	48.5
Last Week's	104.6	100.6	94.0	82.1	59.4	45.7
Change	2.9	3.1	2.6	3.0	4.3	2.8

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*RBC*	*GS*	*GS*	*NBF*	*CIBC*
	99.0	98.0	91.9	71.9	59.0	45.0
Maximum	*TD*	*TD*	*BMO*	*TD*	*Scotia*	*Scotia*
	118.0	108.0	99.0	93.0	69.5	54.0







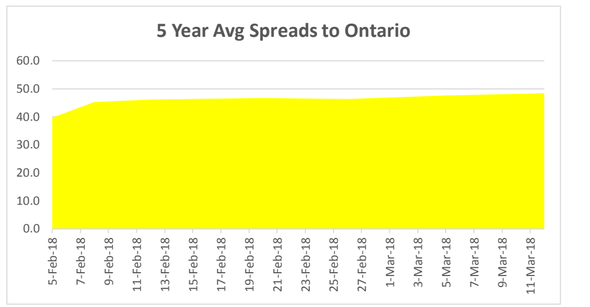


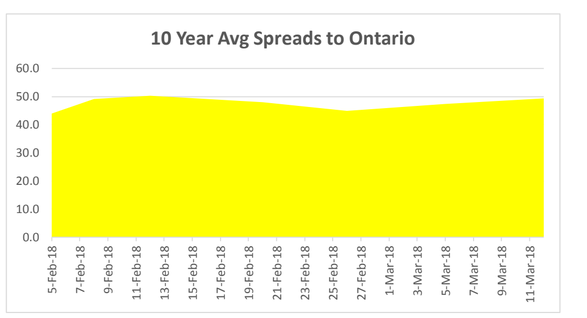
Sub Note

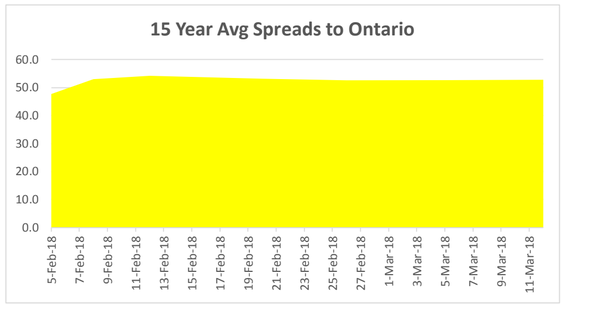
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
62.0	58.6	52.6	48.5	48.4	48.7

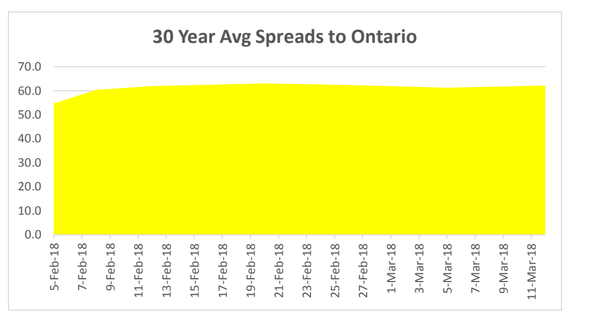
	Average Fair Hydro Spreads to GoC curve					
	30-year	20-year	15-year	10-year	5-year	3-year
	137.9	133.9	126.0	113.1	90.7	75.3
Last Week's	135.1	130.8	123.4	110.1	86.3	72.3
Change	2.9	3.1	2.6	3.0	4.4	3.0

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*RBC*	*CIBC*	*GS*	*NBF*	*NBF*
	127.0	126.0	120.0	101.9	82.0	69.0
Maximum	*TD*	*BMO*	*BMO*	*TD*	*Scotia*	*Scotia*
	148.0	143.0	138.0	123.0	99.5	84.0







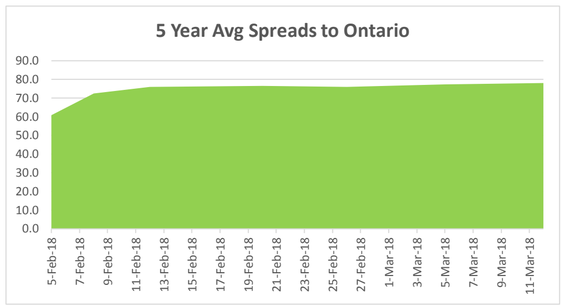


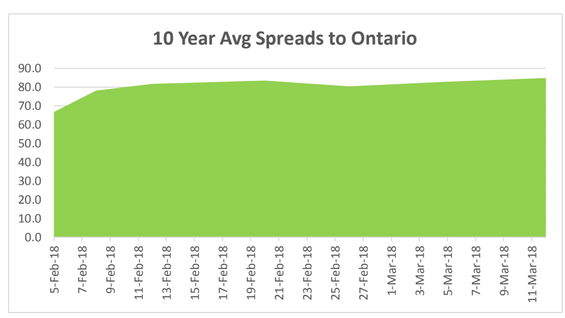
Junior Sub Note

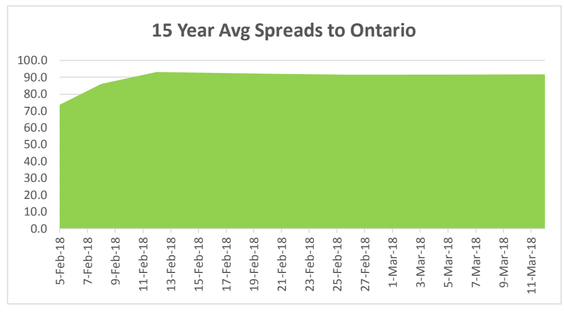
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
103.1	98.7	91.8	84.8	78.1	78.7

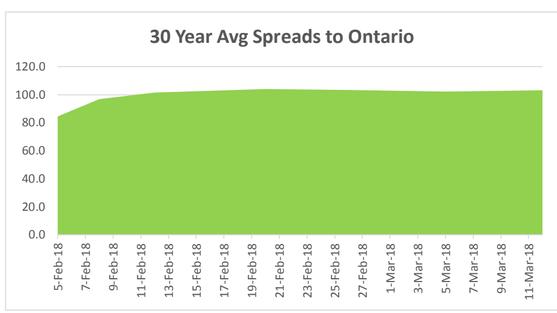
	Average Fair Hydro Spreads to GoC curve					
	30-year	20-year	15-year	10-year	5-year	3-year
	178.9	174.5	165.0	148.6	120.3	105.3
Last Week's	176.1	171.3	162.4	145.6	115.9	102.3
Change	2.9	3.1	2.6	3.0	4.4	3.0

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*NBF*	*NBF*	*NBF*
	156.0	156.0	145.0	125.0	99.0	87.0
Maximum	*BMO*	*BMO*	*BMO*	*BMO*	*BMO*	*BMO*
	219.0	217.0	206.0	168.0	133.0	118.0









Indicative New Issue Spreads
Week of March 12, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.75%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.40%	2.39%	2.27%	2.22%	2.06%	1.88%	2.43%	2.41%	2.35%	2.25%	2.15%	2.08%	2.38%	2.37%	2.30%	2.22%			2.34%	2.33%
Curve Adjustment (bp)	0.0	0.6	5.2	2.0	0.2	5.7	0.0	0.3	(0.3)	1.9	3.8	0.2	0.0	0.8	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	104	103	99	88	63	47	106	106	95	86	63	45	112	102	92	71.9			109	106
Re-Offered Yield	3.44%	3.42%	3.32%	3.12%	2.69%	2.41%	3.49%	3.48%	3.30%	3.13%	2.81%	2.53%	3.50%	3.39%	3.21%	2.94%			3.43%	3.39%
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.47%**	**3.46%**	**3.35%**	**3.17%**	**2.76%**	**2.48%**	**3.51%**	**3.50%**	**3.32%**	**3.15%**	**2.83%**	**2.54%**	**3.51%**	**3.42%**	**3.25%**	**2.99%**			**3.46%**	**3.42%**
All-in Spread to GoC Curve (bp)	**106.64**	**106.41**	**102.35**	**92.62**	**70.43**	**53.87**	**108.71**	**108.71**	**97.39**	**88.08**	**64.24**	**46.20**	**113.57**	**104.40**	**95.23**	**76.90**			**111.69**	**109.47**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	63	43	27	76	76	73	66	43	25	75	78	72	58			76	75

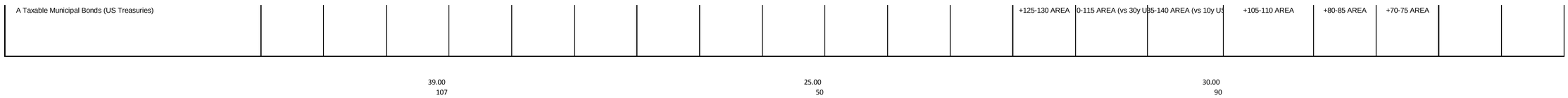
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							165	--	--	118	77	61								
Toronto Hydro Corporation (A/-/A)							130	--	--	89	63	51								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	101	0	0	82	57	50														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			135	129
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			118	112
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			140	135
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	85	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	79	63														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	64	48														
CMBs: (AAA/Aaa/AAA)	0	0	43	38	30	19														
PSP Investments (AAA/Aaa/AAA)	0	0	0	70	47	30														
CPP Investment Board (AAA/Aaa/AAA)	90	0	0	70	47	30														
BMO (Senior) (A+/A1/AA)	119	0	0	94	77	66														
Nova Scotia Power (BBB+ / - / A(l))							144	--	--	100	71	56								
FortisAlberta (A- / Baa1 / A(l))							134	--	--	92	66	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							229	--	--	169	119	94								
Bruce Power (BBB / Baa2 / BBB)							200	--	--	145	100	--								
City of Toronto (- / Aa1 / AA)							99	96	--	82	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																75 - 78 bps area				
AAA Taxable Municipal Bonds (US Treasuries)													+90 AREA	5-80 AREA (vs 30y US	90-105 AREA (vs 10y U	+70-75 AREA	+55-60 AREA	+40-45 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.75%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.40%	2.39%	2.27%	2.22%	2.06%	1.88%	2.43%	2.41%	2.35%	2.25%	2.15%	2.08%	2.38%	2.37%	2.30%	2.22%			2.34%	2.33%
Curve Adjustment (bp)	0.0	0.6	5.2	2.0	0.2	5.7	0.0	0.3	(0.3)	1.9	3.8	0.2	0.0	0.8	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	144	143	138	118	89	73	131	131	120	111	88	70	142	132	122	102			134	131
Re-Offered Yield	3.84%	3.82%	3.71%	3.42%	2.95%	2.67%	3.74%	3.73%	3.55%	3.38%	3.06%	2.78%	3.80%	3.69%	3.51%	3.24%			3.68%	3.64%
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.87%**	**3.86%**	**3.74%**	**3.47%**	**3.02%**	**2.74%**	**3.76%**	**3.75%**	**3.57%**	**3.40%**	**3.08%**	**2.79%**	**3.81%**	**3.72%**	**3.51%**	**3.29%**			**3.71%**	**3.67%**
All-in Spread to GoC Curve (bp)	**146.77**	**146.53**	**141.44**	**122.68**	**96.47**	**79.89**	**133.71**	**133.71**	**122.39**	**113.08**	**89.24**	**71.20**	**143.57**	**134.40**	**125.23**	**106.90**			**136.69**	**134.47**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			130	123
NAV Canada (AA-, AA low)																			95	92
GTAA (Aa3, A+)																			95	92
Hydro One (A3/A/A high)																			130	124
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	83														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	98														
BMO (Senior) (A+/A1/AA)	119	0	0	94	77	66														
Nav Canada (sub) (AA-/Aa2/AAL)	101	0	0	82	57	50														
City of Toronto (AA / Aa1 / AA)	97	96	95	80	59	41														
Bank ABS (AAA / - / AAA)							--	--	--	--	77	63								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	88	75								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	52	40								
AA CMBS (USD Swaps)																100 - 110 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+100-105 AREA	85 AREA (vs 30y US	0-115 AREA (vs 10y U	+85-90 AREA	+60-65 AREA	+45-50 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.75%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.40%	2.39%	2.27%	2.22%	2.06%	1.88%	2.43%	2.41%	2.35%	2.25%	2.15%	2.08%	2.38%	2.37%	2.30%	2.22%			2.34%	2.33%
Curve Adjustment (bp)	0.0	0.6	5.2	2.0	0.2	5.7	0.0	0.3	(0.3)	1.9	3.8	0.2	0.0	0.8	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	219	217	206	168	133	118	156	156	145	136	113	95	202	192	182	162			164	161
Re-Offered Yield	4.59%	4.56%	4.39%	3.92%	3.39%	3.12%	3.99%	3.98%	3.80%	3.63%	3.31%	3.03%	4.40%	4.29%	4.11%	3.84%			3.98%	3.94%
Commission (bp)	2.9	3.7	3.5	4.8	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.62%**	**4.60%**	**4.42%**	**3.97%**	**3.46%**	**3.19%**	**4.01%**	**4.00%**	**3.82%**	**3.65%**	**3.33%**	**3.04%**	**4.41%**	**4.32%**	**4.11%**	**3.89%**			**4.01%**	**3.97%**
All-in Spread to GoC Curve (bp)	**221.87**	**220.66**	**209.54**	**172.76**	**140.53**	**124.93**	**158.71**	**158.71**	**147.39**	**138.08**	**114.24**	**96.20**	**203.57**	**194.40**	**185.23**	**166.90**			**166.69**	**164.47**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			155.0	149.8
Highway 407 (A, A)																			130.0	122.5
Enbridge Gas Distribution (A-, A)																			130.0	124.8
Hydro One (A3/A/A high)																			130.0	124.0
Schedule 1 Bank ABS (A)																			195.0	190.0
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	150.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	132.0	-														
Hydro One (A/A3/AH)	134.0	-	-	91.0	66.0	51.0														
OPG (BBB+/-/AL)	169.0	-	-	117.0	92.0	77.0														
10-year A CMBS (USD Swaps)																150 - 160 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+125-130 AREA
0-115 AREA (vs 30y U
35-140 AREA (vs 10y US
+105-110 AREA
+80-85 AREA
+70-75 AREA
39.00
107
25.00
50
30.00
90

Indicative New Issue Spreads
Week of March 12, 2018

	NBF	*NBF*	*NBF*	NBF
	NBF			
Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**			
	15-year	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.27%	2.19%	1.98%	1.84%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	96	80.00	59	47
Re-Offered Yield	3.23%	2.99%	2.57%	2.31%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.27%**	**3.04%**	**2.65%**	**2.40%**
All-in Spread to GoC Curve (bp)	**99.82**	**84.67**	**66.52**	**55.69**

Primary Comparable (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	74	63	43	27

Other Comparables (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	**112**	**95**	**75**	**65**
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	**95**	**80**	**60**	**52**
Schedule I Bank ABS (Aaa ; AAA ; AAA)	**118**	**95**	**80**	**70**
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**NBF**			
	15-year	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.27%	2.19%	1.98%	1.84%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	120	103	82	69
Re-Offered Yield	3.47%	3.22%	2.80%	2.53%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.51%**	**3.27%**	**2.88%**	**2.62%**
All-in Spread to GoC Curve (bp)	**123.82**	**107.67**	**89.52**	**77.69**

Other Comparables (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.				
Highway 407 (A, A)	**101**	**80**	**60**	**50**
NAV Canada (AA-, AA low)	**84**	**75**	**55**	**45**
GTAA (Aa3, A+)	**84**	**75**	**55**	**45**
Hydro One (A3/A/A high)	**107**	**90**	**65**	**50**
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**NBF**			
	15-year	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.27%	2.19%	1.98%	1.84%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	148	125	99	87
Re-Offered Yield	3.75%	3.44%	2.97%	2.71%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.79%**	**3.49%**	**3.05%**	**2.80%**
All-in Spread to GoC Curve (bp)	**151.82**	**129.67**	**106.52**	**95.69**

Other Comparables (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	134.9	120.0	90.0	75.0
Highway 407 (A, A)	101.3	80.0	60.0	50.0
Enbridge Gas Distribution (A-, A)	109.9	95.0	70.0	55.0
Hydro One (A3/A/A high)	107.0	90.0	65.0	50.0
Schedule 1 Bank ABS (A)	173.0	150.0	135.0	120.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads
Week of March 12, 2018

	RBC	RBC	RBC	*RBC*	*RBC*	RBC	Scotia	Scotia	Scotia	*Scotia*	*Scotia*	Scotia	TD	TD	TD	*TD*	*TD*	TD
	RBC						Scotia						TD					
Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Current						Current					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.41%	2.40%	2.29%	2.24%	2.07%	1.94%	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	2.38%	2.37%	2.25%	2.21%	2.04%	1.90%
Curve Adjustment (bp)	0.0	0.6	4.9	2.0	0.1	0.2	0.0	0.6	(0.2)	2.0	0.1	0.3	0.0	0.7	5.3	1.9	0.0	0.3
Spread to GoC Curve (bp)	99	98	98	88.00	65	50	105	104	98	89	70	54	118	108	98	93	63	48
Re-Offered Yield	3.40%	3.39%	3.32%	3.14%	2.72%	2.44%	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	3.56%	3.45%	3.29%	3.15%	2.67%	2.39%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	2.3	3.2	3.6	4.5	7.4	8.6	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.43%**	**3.42%**	**3.35%**	**3.18%**	**2.79%**	**2.53%**	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**3.59%**	**3.49%**	**3.32%**	**3.20%**	**2.74%**	**2.47%**
All-in Spread to GoC Curve (bp)	**101.68**	**101.47**	**101.84**	**92.70**	**72.55**	**58.71**	**106.85**	**106.66**	**101.57**	**92.99**	**76.91**	**62.63**	**120.35**	**111.16**	**101.58**	**97.49**	**70.41**	**56.63**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	75	65	42	27	77	77	75	65	43	28	76	75	71	66	42	27

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	38	30	19												
City of Toronto (AA/Aa1/AA)	98	97	94	81	57	41												
Hydro One Inc. (A(H)/A3/A)	134	n/a	n/a	93	63	53							133	123	95	87	64	51
Ontario Power Generation Inc. (A(low)/-/BBB+)	157	n/a	n/a	115	84	73	160	0	0	115	90	78						
Toronto Hydro Corporation (A/-/A)	125	n/a	n/a	89	59	50												
Canadian National Railway Co (A/A2/A)	130	n/a	n/a	90	67	59												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	102	n/a	n/a	82	61	51												
NAV Canada (AA(low)/Aa2/AA-)	97	n/a	n/a	74	57	50												
OPB Finance Trust (AA+/-/AA(H))													113	103	98	89	62	45
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	82	63	49
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							76	0	0	66	45	31						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							124	0	0	94	78	65						
Golden Credit Card Trust							0	0	0	92	76	64						
Master Credit Card Trust							0	0	0	92	76	64						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.41%	2.40%	2.29%	2.24%	2.07%	1.94%	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	2.38%	2.37%	2.25%	2.21%	2.04%	1.90%
Curve Adjustment (bp)	0.0	0.6	4.9	2.0	0.1	0.2	0.0	0.6	(0.2)	2.0	0.1	0.3	0.0	0.7	5.3	1.9	0.0	0.3
Spread to GoC Curve (bp)	127	126	126	116	93	78	140	137	128	119	100	84	148	138	128	123	93	78
Re-Offered Yield	3.68%	3.67%	3.60%	3.42%	3.00%	2.72%	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	3.86%	3.75%	3.59%	3.45%	2.97%	2.69%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.7	2.3	3.2	3.6	4.5	7.4	8.6	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.71%**	**3.70%**	**3.64%**	**3.46%**	**3.07%**	**2.81%**	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**3.89%**	**3.79%**	**3.62%**	**3.50%**	**3.04%**	**2.77%**
All-in Spread to GoC Curve (bp)	**129.78**	**129.56**	**129.92**	**120.77**	**100.61**	**86.75**	**141.85**	**139.66**	**131.57**	**122.99**	**106.91**	**92.63**	**150.35**	**141.16**	**131.58**	**127.49**	**100.41**	**86.63**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	n/a	n/a	n/a	67	45	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.41%	2.40%	2.29%	2.24%	2.07%	1.94%	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	2.38%	2.37%	2.25%	2.21%	2.04%	1.90%
Curve Adjustment (bp)	0.0	0.6	4.9	2.0	0.1	0.2	0.0	0.6	(0.2)	2.0	0.1	0.3	0.0	0.7	5.3	1.9	0.0	0.3
Spread to GoC Curve (bp)	159	158	158	148	125	110	175	170	158	149	130	114	178	168	158	153	123	108
Re-Offered Yield	4.00%	3.99%	3.92%	3.74%	3.32%	3.04%	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	4.16%	4.05%	3.89%	3.75%	3.27%	2.99%
Commission (bp)	2.9	3.7	4.0	4.8	7.7	8.8	2.3	3.2	3.6	4.5	7.4	8.6	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.03%**	**4.02%**	**3.96%**	**3.79%**	**3.39%**	**3.13%**	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**4.19%**	**4.09%**	**3.92%**	**3.80%**	**3.34%**	**3.07%**
All-in Spread to GoC Curve (bp)	**161.89**	**161.66**	**162.01**	**152.84**	**132.67**	**118.80**	**176.85**	**172.66**	**161.57**	**152.99**	**136.91**	**122.63**	**180.35**	**171.16**	**161.58**	**157.49**	**130.41**	**116.63**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			28.00 60						30.00 60						30.00 60			

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	23.7
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2
12-Mar-18	21.4	21.4	23.4

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	**5 Year**	**10 Year**	**15 Year**	**30 Year**	**5 Year**
29.7	56.8	80.6	91.2	99.1	38.5
30.8	59.3	81.4	92.0	100.4	40.1
31.4	61.0	83.7	94.5	103.6	41.7
32.6	59.8	82.1	94.1	104.8	39.8
31.9	59.4	82.1	94.0	104.6	39.8
30.8	63.4	84.9	96.7	107.1	42.7
31.7	63.7	85.1	96.6	107.5	42.3

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.2	75.8

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6
12-Mar-18	48.4	49.4	52.8

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
54.7	78.2	102.8	115.0	124.1	38.5
60.3	85.4	108.2	120.4	130.0	40.1
61.9	87.8	111.3	123.9	134.1	41.7
63.0	86.6	110.1	123.6	135.2	39.8
62.4	86.3	110.1	123.4	135.1	39.8
61.2	90.3	112.9	126.1	137.6	42.7
62.2	90.7	113.1	126.0	137.9	42.3

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.2	75.8

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6
12-Mar-18	78.1	85.0	91.8

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
84.5	99.3	125.6	141.0	153.9	38.5
96.8	112.7	137.3	153.5	166.5	40.1
101.5	117.7	142.8	162.9	173.7	41.7
104.0	116.3	145.6	162.6	176.2	39.8
103.4	115.9	145.6	162.4	176.1	39.8
102.2	119.9	148.5	165.1	178.6	42.7
103.2	120.3	148.6	165.0	178.9	42.3

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.2	75.8

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.39%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**104**	**103**
Re-Offered Yield	3.44%	3.42%
Commission (bp)	2.6	3.4
All-in Yield	**3.47%**	**3.46%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	76	75

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	90	
BMO (Senior) (A+/A1/AA)	119	
Nav Canada (sub) (AA-/Aa2/AAL)	101	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.39%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**144**	**143**
Re-Offered Yield	3.84%	3.82%
Commission (bp)	2.8	3.5
All-in Yield	**3.87%**	**3.86%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	119	
Nav Canada (sub) (AA-/Aa2/AAL)	101	
City of Toronto (AA / Aa1 / AA)	97	96

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.39%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**219**	**217**
Re-Offered Yield	4.59%	4.56%
Commission (bp)	2.9	3.7
All-in Yield	**4.62%**	**4.60%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	134	
OPG (BBB+/-/AL)	169	

Generic Corporate Credit Spreads AA	104	
Generic Corporate Credit Spreads A	156	
Generic Corporate Credit Spreads BBB	231	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

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				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.27%	2.22%	2.06%	1.88%	0bps	0bps	1bps	-3bps	2bps
5.2	2.0	0.2	5.7	0bps	0bps	0bps	1bps	0bps
99	**88**	**63**	**47**	-1bps	-1bps	-3bps	-2bps	-1bps
3.32%	3.12%	2.69%	2.41%	-1bps	-1bps	-2bps	-3bps	1bps
3.4	4.6	7.4	6.9					
3.35%	**3.17%**	**2.76%**	**2.48%**	-1bps	-1bps	-2bps	-3bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
74	63	42.5	27	-3bps	-3bps	-3bps	-3bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		85						-1bps
		79	63					1bps
		64	48					-1bps
43	38	30	18.5			-1bps	-1bps	0bps
	70	47	30				2bps	2bps
	70	47	30	2bps			2bps	2bps
	94	77	66	0bps			0bps	-1bps
	82	57	50	-4bps			-1bps	-1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.27%	2.22%	2.06%	1.88%	0bps	0bps	1bps	-3bps	2bps
5.2	2.0	0.2	5.7	0bps	0bps	0bps	1bps	0bps
138	**118**	**89**	**73**	-1bps	-1bps	-3bps	-2bps	0bps
3.71%	3.42%	2.95%	2.67%	-1bps	-1bps	-2bps	-3bps	2bps
3.4	4.7	7.5	6.9					
3.74%	**3.47%**	**3.02%**	**2.74%**	-1bps	-1bps	-2bps	-3bps	2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
74	63	43	27	-3bps	-3bps	-3bps	-3bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			83					
			98					
	94	77	66	0bps			0bps	-1bps
	82	57	50	-4bps			-1bps	-1bps
94.5	80	58.5	40.5	-3bps	-3bps	-3bps	-3bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.27%	2.22%	2.06%	1.88%	0bps	0bps	1bps	-3bps	2bps
5.2	2.0	0.2	5.7	0bps	0bps	0bps	1bps	0bps
206	**168**	**133**	**118**	-1bps	-1bps	-3bps	-2bps	0bps
4.39%	3.92%	3.39%	3.12%	-1bps	-1bps	-2bps	-3bps	2bps
3.5	4.8	7.5	6.9					
4.42%	**3.97%**	**3.46%**	**3.19%**	-1bps	-1bps	-2bps	-3bps	2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
74	63	43	27	-3bps	-3bps	-3bps	-3bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		150						-1bps
		132						-1bps
	91	66	51	2bps			1bps	1bps
	117	92	77	2bps			-1bps	-1bps

	89	67		-1bps			-2bps	-2bps
	115	84		-2bps			-2bps	-2bps
	174	120		-1bps			-1bps	-2bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
13-Mar-18

3-year
3bps 1bps -1bps 3bps
3bps

3-year
-2bps

3-year
-1bps -1bps 0bps 1bps 1bps -1bps 1bps

3-year
3bps 1bps 0bps 4bps
4bps

3-year
-2bps

3-year
-1bps
-1bps
-1bps
1bps
-2bps

3-year
3bps
1bps
0bps
4bps
4bps

3-year
-2bps

3-year
1bps
-1bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.43%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**106**
Re-Offered Yield	3.49%
Commission (bp)	2.7
All-in Yield	**3.51%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	165
Toronto Hydro (A / - / A)	130
Nova Scotia Power (BBB+ / - / A(l))	144
FortisAlberta (A- / Baa1 / A(l))	134
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	229
Bruce Power (BBB / Baa2 / BBB)	200
City of Toronto (- / Aa1 / AA)	99

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.43%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**131**
Re-Offered Yield	3.74%
Commission (bp)	2.7
All-in Yield	**3.76%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.43%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**156**
Re-Offered Yield	3.99%
Commission (bp)	2.7
All-in Yield	**4.01%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

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Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Mar-23	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.75%	-	-	-	-	-
2.41%	2.35%	2.25%	2.15%	2.08%	0.06%	0.06%	0.06%	0.07%	0.08%
0.3	(0.3)	1.9	3.8	0.2	0.0	(0.0)	0.0	0.1	(0.3)
106	**95**	**86**	**63**	**45**	1	2	0	1	1
3.48%	3.30%	3.13%	2.81%	2.53%	0.06%	0.08%	0.06%	0.08%	0.08%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.50%	**3.32%**	**3.15%**	**2.83%**	**2.54%**	**0.06%**	**0.08%**	**0.06%**	**0.08%**	**0.08%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
76	73	66	43	25	1	2	1	1	1

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	118	77	61	2	--	--	2	2
--	--	89	63	51	2	--	--	3	2
--	--	100	71	56	2	--	--	2	1
--	--	92	66	--	3	--	--	3	2
--	--	169	119	94	2	--	--	2	2
--	--	145	100	--	0	--	--	5	5
96	--	82	--	--	1	0	--	0	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Mar-23	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.75%	-	-	-	-	-
2.41%	2.35%	2.25%	2.15%	2.08%	0.06%	0.06%	0.06%	0.07%	0.08%
0.3	(0.3)	1.9	3.8	0.2	0	(0)	0	0	(0)
131	**120**	**111**	**88**	**70**	1	2	0	1	1
3.73%	3.55%	3.38%	3.06%	2.78%	0.06%	0.08%	0.06%	0.08%	0.08%
2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.75%	**3.57%**	**3.40%**	**3.08%**	**2.79%**	**0.06%**	**0.08%**	**0.06%**	**0.08%**	**0.08%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
76	73	66	43	25	1	2	1	1	1

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
--	--	--	77	63	--	--	--	--	-1
--	--	--	88	75	--	--	--	--	1
--	--	--	52	40	--	--	--	--	0

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.75%	-	-	-	-	-
2.41%	2.35%	2.25%	2.15%	2.08%	0.06%	0.06%	0.06%	0.07%	0.08%
0.3	(0.3)	1.9	3.8	0.2	0	(0)	0	0	(0)
156	**145**	**136**	**113**	**95**	1	2	0	1	1
3.98%	3.80%	3.63%	3.31%	3.03%	0.06%	0.08%	0.06%	0.08%	0.08%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
4.00%	**3.82%**	**3.65%**	**3.33%**	**3.04%**	**0.06%**	**0.08%**	**0.06%**	**0.08%**	**0.08%**

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
76	73	66	43	25	1	2	1	1	1

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

CIBC
3/12/2018

3-year
-
-
0.08%
0.1
-2
0.07%
-
0.07%

3-year
(2)

3-year
0
2
0
--
2
--
--

3-year
-
-
0.08%
0
(2)
0.07%
0.00%
0.07%

3-year
(2)

3-year
-2
1
0

3-year
-
-
0.08%
0
(2)
0.07%
-
0.07%

3-year
(2)

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.379%	2.373%
Curve Adjustment (bp)	0.000%	0.008%
Spread to GoC Curve (bp)	**1.119%**	**1.019%**
Re-Offered Yield	3.498%	3.392%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.51%**	**3.42%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.748%**	**0.775%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+90 AREA	-80 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.379%	2.373%
Curve Adjustment (bp)	0.000%	0.008%
Spread to GoC Curve (bp)	**1.419%**	**1.319%**
Re-Offered Yield	3.798%	3.692%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.81%**	**3.72%**

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.748%**	**0.775%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+100-105 AREA	35 AREA (vs 30y US

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.379%	2.373%
Curve Adjustment (bp)	0.000%	0.008%
Spread to GoC Curve (bp)	**2.019%**	**1.919%**
Re-Offered Yield	4.398%	4.292%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.41%**	**4.32%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.748%**	**0.775%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+125-130 AREA	-115 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.295%	2.223%			
0.049%	0.008%			
0.919%	**0.719%**			
3.214%	2.942%			
0.033%	0.050%			
3.25%	**2.99%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.719%	**0.582%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-105 AREA (vs 10y	75 - 78 bps area +70-75 AREA	+55-60 AREA	+40-45 AREA	+5 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.295%	2.223%			
0.049%	0.008%			
1.219%	**1.019%**			
3.514%	3.242%			
0.033%	0.050%			
3.51%	**3.29%**			

Current				

15-year	10-year	5-year	3-year	30-year
0.719%	**0.582%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-115 AREA (vs 10y	100 - 110 bps AREA +85-90 AREA	+60-65 AREA	+45-50 AREA	+5 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.295%	2.223%			
0.049%	0.008%			
1.819%	**1.619%**			
4.114%	3.842%			
0.033%	0.050%			
4.11%	**3.89%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.719%	**0.582%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-140 AREA (vs 10y	150 - 160 bps AREA +105-110 AREA	+80-85 AREA	+70-75 AREA	+5 bps

Bank Name	GS
Date	2/15/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+5 bps	+3 - 5 bps +5 bps	+5 bps	+5 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week

20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+5 bps	-5 bps +5 bps	+5 bps	+5 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+5 bps	+0 bps +5 bps	+5 bps	+5 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.34%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	109
Re-Offered Yield	3.43%
Commission (bp)	2.7
All-in Yield	**3.46%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.34%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	134
Re-Offered Yield	3.68%
Commission (bp)	2.7
All-in Yield	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	130
NAV Canada (AA-, AA low)	95
GTAA (Aa3, A+)	95
Hydro One (A3/A/A high)	130

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.34%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	164
Re-Offered Yield	3.98%
Commission (bp)	2.7
All-in Yield	**4.01%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	155
Highway 407 (A, A)	130
Enbridge Gas Distribution (A-, A)	130
Hydro One (A3/A/A high)	130
Schedule 1 Bank ABS (A)	195

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.33%	2.27%	2.19%	1.98%
0.0	0.0	0.0	0.0
106	96	80	59
3.39%	3.23%	2.99%	2.57%
3.5	3.8	4.7	7.5
3.42%	**3.27%**	**3.04%**	**2.65%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	73.5	62.5	42.5

Current			
20-year	**15-year**	**10-year**	**5-year**
129	112	95	75
112	95	80	60
135	118	95	80

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.33%	2.27%	2.19%	1.98%
0.0	0.0	0.0	0.0
131	120	103	82
3.64%	3.47%	3.22%	2.80%
3.5	3.8	4.7	7.5
3.67%	**3.51%**	**3.27%**	**2.88%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	74	63	43

Current			
20-year	**15-year**	**10-year**	**5-year**
123	101	80	60
92	84	75	55
92	84	75	55
124	107	90	65

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.33%	2.27%	2.19%	1.98%
0.0	0.0	0.0	0.0
161	148	125	99
3.94%	3.75%	3.44%	2.97%
3.5	3.8	4.7	7.5
3.97%	**3.79%**	**3.49%**	**3.05%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	74	63	43

Current			
20-year	**15-year**	**10-year**	**5-year**
150	135	120	90
123	101	80	60
125	110	95	70
124	107	90	65
190	173	150	135

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.84%	-0.07%	-0.08%	-0.07%
0.0	0.0	0.0	0.0
47	1	1	1
2.31%	-0.06%	-0.07%	-0.06%
8.7	0.0	0.0	0.0
2.40%	**-0.06%**	**-0.07%**	**-0.06%**

			Week
3-year	**30-year**	**20-year**	**15-year**
27	4	3	2.5

			Week
3-year	**30-year**	**20-year**	**15-year**
65	5	5	5
52	5	5	5
70	5	5	5

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
1.84%	-0.07%	-0.08%	-0.07%
0.0	0.0	0.0	0.0
69	1	1	1
2.53%	-0.06%	-0.07%	-0.06%
8.7	0.0	0.0	0.0
2.62%	**-0.06%**	**-0.07%**	**-0.06%**

			Week
3-year	**30-year**	**20-year**	**15-year**
27	4	3	3

			Week
3-year	**30-year**	**20-year**	**15-year**
50	5	4	2
45	5	4	2
45	5	4	2
50	0	1	3

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.84%	-0.07%	-0.08%	-0.07%
0.0	0.0	0.0	0.0
87	1	1	1
2.71%	-0.06%	-0.07%	-0.06%
8.7	0.0	0.0	0.0
2.80%	**-0.06%**	**-0.07%**	**-0.06%**

			Week
3-year	**30-year**	**20-year**	**15-year**
27	4	3	3

			Week
3-year	**30-year**	**20-year**	**15-year**
75	0	1	3
50	5	4	2
55	0	1	3
50	0	1	3
120	5	5	5

Bank Name	National Bank of Canada
Date	3/5/2018

over Week

10-year	5-year	3-year
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.08%	-0.07%	-0.06%
0.0	0.0	0.0
1	1	1
-0.07%	-0.06%	-0.05%
0.0	0.0	0.0
-0.07%	**-0.06%**	**-0.05%**

over Week

10-year	5-year	3-year
2	3	1.5

over Week

10-year	5-year	3-year
5	5	5
5	5	5
5	5	5

over Week

10-year	5-year	3-year
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.08%	-0.07%	-0.06%
0.0	0.0	0.0
1	1	1
-0.07%	-0.06%	-0.05%
0.0	0.0	0.0
-0.07%	**-0.06%**	**-0.05%**

over Week

10-year	5-year	3-year
2	3	2

over Week

10-year	5-year	3-year
0	0	0
0	0	0
0	0	0
5	5	5

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.08%	-0.07%	-0.06%
0.0	0.0	0.0
1	1	1
-0.07%	-0.06%	-0.05%
0.0	0.0	0.0
-0.07%	**-0.06%**	**-0.05%**

over Week		
10-year	**5-year**	**3-year**
2	3	2

over Week		
10-year	**5-year**	**3-year**
5	5	5
0	0	0
5	5	0
5	5	5
5	5	5

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.41%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**99**
Re-Offered Yield	3.40%
Commission (bp)	2.7
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**76**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**98**
Hydro One Inc. (A(H)/A3/A)	**134**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**157**
Toronto Hydro Corporation (A/-/A)	**125**
Canadian National Railway Co (A/A2/A)	**130**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**102**
NAV Canada (AA(low)/Aa2/AA-)	**97**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**127**
Re-Offered Yield	3.68%
Commission (bp)	2.8
All-in Yield	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**159**
Re-Offered Yield	4.00%
Commission (bp)	2.9
All-in Yield	**4.03%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.40%	**2.29%**	**2.24%**	**2.07%**
0.6	**4.9**	**2.0**	**0.1**
98	**98**	**88**	**65**
3.39%	3.32%	3.14%	2.72%
3.5	3.8	4.7	7.5
3.42%	**3.35%**	**3.18%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	**75**	**65**	**42**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**38**	**30**
97	**94**	**81**	**57**
n/a	**n/a**	**93**	**63**
n/a	**n/a**	**115**	**84**
n/a	**n/a**	**89**	**59**
n/a	**n/a**	**90**	**67**
n/a	**n/a**	**82**	**61**
n/a	**n/a**	**74**	**57**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.40%	2.29%	2.24%	2.07%
0.6	4.9	2.0	0.1
126	**126**	**116**	**93**
3.67%	3.60%	3.42%	3.00%
3.6	3.9	4.8	7.6
3.70%	**3.64%**	**3.46%**	**3.07%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	75	65	42

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**67**	**45**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.40%	2.29%	2.24%	2.07%
0.6	4.9	2.0	0.1
158	**158**	**148**	**125**
3.99%	3.92%	3.74%	3.32%
3.7	4.0	4.8	7.7
4.02%	**3.96%**	**3.79%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	75	65	42

Current			
20-year	**15-year**	**10-year**	**5-year**

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o any other existing or future transactions between you and RBC. The indicative price does not in any way amend, mo

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.94%	0.1	-1.2	-9.8	-10.3	-3.1
0.2	-	0.2	-0.5	0.3	-3.4
50	-	-1.0	-1.0	-1.0	-1.0
2.44%	0.1	-2.0	-11.3	-11.0	-7.5
8.7	0.0	-0.0	-0.0	-0.0	-0.0
2.53%	0.1	-2.0	-11.3	-11.0	-7.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
27	-0.5	-1.5	-1.5	-1.0	-1.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
19				1.0	2.0
41	-4.0	-4.5	-5.0	-4.5	-2.5
53	3.0			1.0	1.0
73	4.0			4.0	2.0
50	1.0			2.0	1.0
59	5.0			3.0	1.0
51	3.0			3.0	3.0
50	3.0			-4.0	-1.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.94%					
0.2					
78	-	-1.0	-1.0	-1.0	-1.0
2.72%	0.1	-2.0	-11.3	-11.0	-7.5
8.7	0.00	-0.01	-0.03	-0.03	-0.02
2.81%	0.1	-2.0	-11.3	-11.0	-7.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
27	-0.5	-1.5	-1.5	-1.0	-1.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				-	-

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.94%					
0.2					
110	-	-1.0	-1.0	-1.0	-1.0
3.04%	0.1	-2.0	-11.3	-11.0	-7.5
8.8	0.00	-0.01	-0.03	-0.03	-0.02
3.13%	0.1	-2.0	-11.3	-11.0	-7.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	-0.5	-1.5	-1.5	-1.0	-1.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

fer, or an indication of RBC's willingness to make such an offer at any time. As a general matter, and particularly in times of distressed markets
e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does n
dify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not comm

y at RBC by using the indicative price. The indicative price is provided without any warranty, express or implied, as to its legal effect or complet
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RBC
13-Mar-18

3-year
4.1
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-1.9
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-

3-year
-1.0
-1.9
-0.00
-1.9

3-year
-1.5

3-year

3-year
-1.0
-1.9
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Information and, to

icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.38%	2.36%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+105**	**+104**
Re-Offered Yield	3.43%	3.40%
Commission (bp)	2.3	3.2
All-in Yield	**3.45%**	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	160	
CPP	76	
BNS - Denior Deposit Notes	124	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.38%	2.36%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+140**	**+137**
Re-Offered Yield	3.78%	3.73%
Commission (bp)	2.3	3.2
All-in Yield	**3.80%**	**3.77%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.38%	2.36%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+175**	**+170**
Re-Offered Yield	4.13%	4.06%
Commission (bp)	2.3	3.2
All-in Yield	**4.15%**	**4.10%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.30%	2.20%	2.03%	1.90%	-0.01%
(0.2)	2.0	0.1	0.3	0
+98	**+89**	**+70**	**+54**	2
3.28%	3.11%	2.72%	2.44%	0.01%
3.6	4.5	7.4	8.6	0
3.31%	**3.15%**	**2.80%**	**2.53%**	**0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
75	65	43	28	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	115	90	78	0
	66	45	31	(1)
	94	78	65	(1)
	92	76	64	
	92	76	64	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.30%	2.20%	2.03%	1.90%	-0.01%
(0.2)	2.0	0.1	0.3	0
+128	**+119**	**+100**	**+84**	2
3.58%	3.41%	3.02%	2.74%	0.01%
3.6	4.5	7.4	8.6	0
3.61%	**3.45%**	**3.10%**	**2.83%**	**0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
75	65	43	28	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	92	76	64	
	92	76	64	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.30%	2.20%	2.03%	1.90%	-0.01%
(0.2)	2.0	0.1	0.3	0
+158	**+149**	**+130**	**+114**	2
3.88%	3.71%	3.32%	3.04%	0.01%
3.6	4.5	7.4	8.6	0
3.91%	**3.75%**	**3.40%**	**3.13%**	**0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
75	65	43	28	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	92	76	64	
	92	76	64	

Bank Name	BNS
Date	3/13/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.01%	-0.02%	-0.03%	-0.02%	0.02%
0	0	0	0	0
2	2	2	2	2
0.01%	0.00%	-0.01%	0.00%	0.04%
0	0	0	0	0
0.01%	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	5.5	1	1	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		0	0	0
		0	(1)	(1)
		(1)	(1)	(1)
		1	0	0
		1	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.01%	-0.02%	-0.03%	-0.02%	0.02%
0	0	0	0	0
2	2	2	2	2
0.01%	0.00%	-0.01%	0.00%	0.04%
0	0	0	0	0
0.01%	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	5.5	1	1	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		1	0	0
		1	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.01%	-0.02%	-0.03%	-0.02%	0.02%
0	0	0	0	0
2	2	2	2	2
0.01%	0.00%	-0.01%	0.00%	0.04%
0	0	0	0	0
0.01%	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	5.5	1	1	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		1	0	0
		1	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.38%	2.37%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**118**	**108**
Re-Offered Yield	3.56%	3.45%
Commission (bp)	2.3	3.2
All-in Yield	**3.59%**	**3.49%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	113	103
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	133	123

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.38%	2.37%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**148**	**138**
Re-Offered Yield	3.86%	3.75%
Commission (bp)	2.3	3.2
All-in Yield	**3.89%**	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.38%	2.37%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**178**	**168**
Re-Offered Yield	4.16%	4.05%
Commission (bp)	2.3	3.2
All-in Yield	**4.19%**	**4.09%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-
5.75%	1.00%	1.50%	0.75%	-
2.25%	2.21%	2.04%	1.90%	0.013%
5.3	1.9	0.0	0.3	-
98	**93**	**63**	**48**	1
3.29%	3.15%	2.67%	2.39%	0.02%
3.6	4.5	7.4	8.6	-
3.32%	**3.20%**	**2.74%**	**2.47%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70.5	66	42	27	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
98	89	62	45	2
N/A	82	63	49	N/A
95	87	64	51	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-
5.75%	1.00%	1.50%	0.75%	-
2.25%	2.21%	2.04%	1.90%	0.013%
5.3	1.9	0.0	0.3	-
128	**123**	**93**	**78**	1
3.59%	3.45%	2.97%	2.69%	0.02%
3.6	4.5	7.4	8.6	-
3.62%	**3.50%**	**3.04%**	**2.77%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

71	66	42	27	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-
5.75%	1.00%	1.50%	0.75%	-
2.25%	2.21%	2.04%	1.90%	0.013%
5.3	1.9	0.0	0.3	-
158	**153**	**123**	**108**	1
3.89%	3.75%	3.27%	2.99%	0.02%
3.6	4.5	7.4	8.6	-
3.92%	**3.80%**	**3.34%**	**3.07%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
71	66	42	27	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	3/13/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.008%	0.013%	0.005%	0.029%	0.054%
-	-	-	-	-
1	1	1	1	1
0.02%	0.03%	0.02%	0.04%	0.07%
-	-	-	-	-
0.02%	**0.02%**	**0.02%**	**0.03%**	**0.06%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
(1.0)	(1.0)	(1.0)	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	2	2	5	3
N/A	N/A	-	(1)	-4
1	2	2	1	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.008%	0.013%	0.005%	0.029%	0.054%
-	-	-	-	-
1	1	1	1	1
0.02%	0.03%	0.02%	0.04%	0.07%
-	-	-	-	-
0.02%	**0.02%**	**0.02%**	**0.03%**	**0.06%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

(1.0)	(1.5)	(1.0)	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.008%	0.013%	0.005%	0.029%	0.054%
-	-	-	-	-
1	1	1	1	1
0.02%	0.03%	0.02%	0.04%	0.07%
-	-	-	-	-
0.02%	**0.02%**	**0.02%**	**0.03%**	**0.06%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
(1.0)	(1.5)	(1.0)	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	Ricky Lai
To:	Mike Manning
Cc:	James Devine; Carlos Yep
Subject:	FHP spreads
Date:	Friday, March 09, 2018 8:12:52 AM
Attachments:	Fair Hydro price indications March 5 2018.xlsx

Hi Mike,

Please find the latest FHP spreads attached.

Thanks.

Ricky

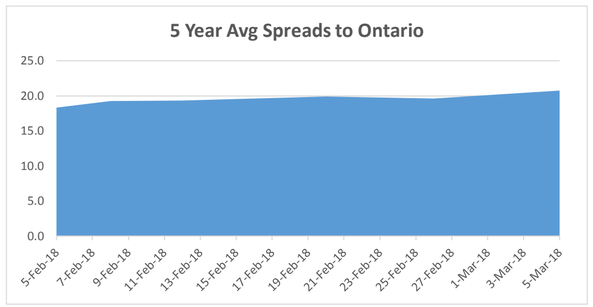
FAIR HYDRO SPREADS

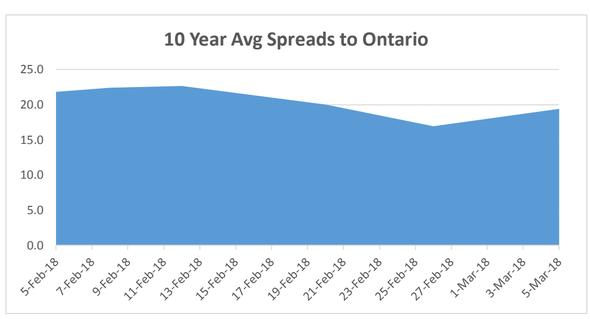
Senior Note

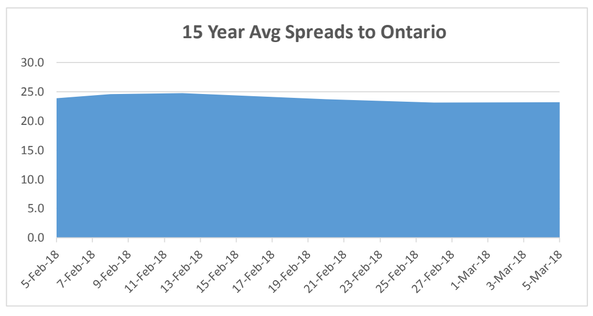
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
31.0	27.8	23.5	19.9	20.8	21.2

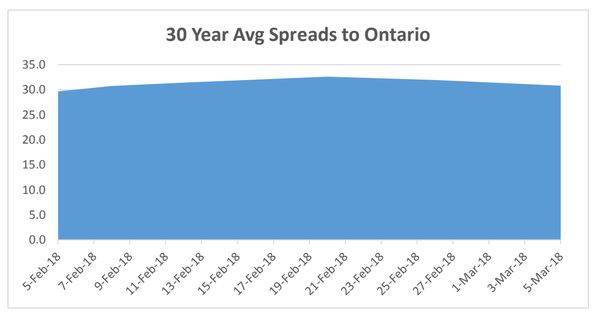
Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	107.1	103.3	96.7	84.9	63.4	48.6
Last Week's	104.6	100.6	94.0	82.1	59.4	45.7
Change	2.5	2.7	2.7	2.9	4.0	2.9

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*RBC*	*GS*	*GS*	*NBF*	*CIBC*
	99.0	99.0	91.9	71.9	59.0	46.5
Maximum	*TD*	*TD*	*BMO*	*TD*	*Scotia*	*Scotia*
	117.0	107.0	102.0	92.0	67.5	52.0







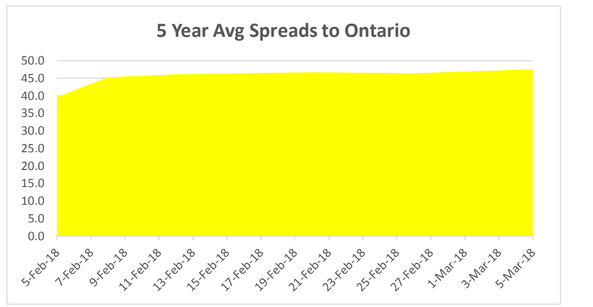


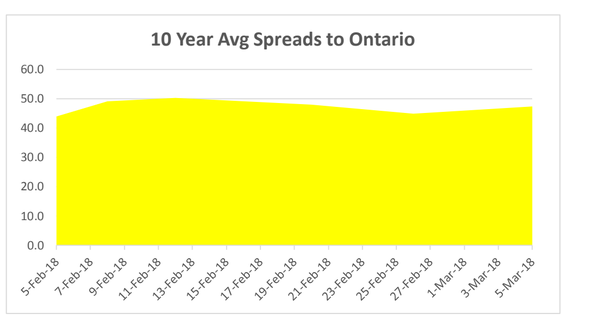
Sub Note

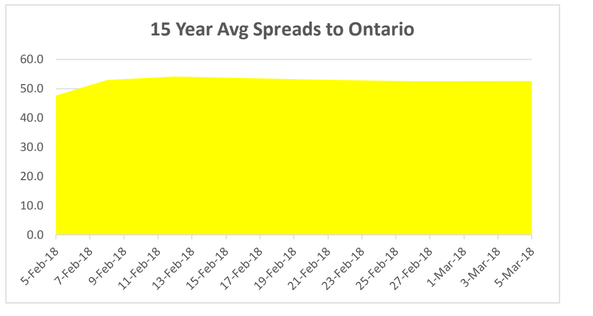
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
61.4	57.9	52.9	47.9	47.6	47.8

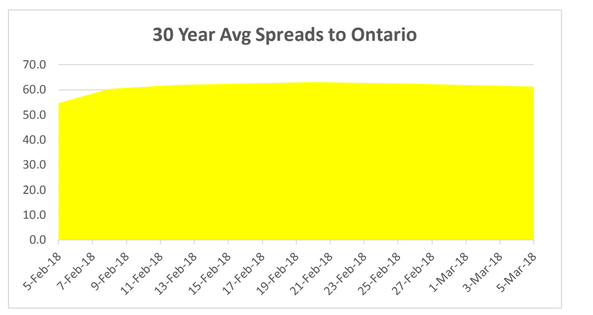
Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	137.6	133.5	126.1	112.9	90.3	75.3
Last Week's	135.1	130.8	123.4	110.1	86.3	72.3
Change	2.5	2.7	2.7	2.9	4.0	2.9

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*RBC*	*BMO*	*GS*	*NBF*	*NBF*
	127.0	127.0	120.0	101.9	82.0	69.0
Maximum	*TD*	*BMO*	*BMO*	*TD*	*Scotia*	*NBF*
	147.0	144.0	141.0	122.0	97.5	82.0







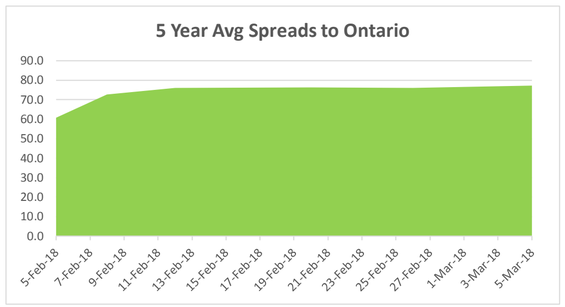


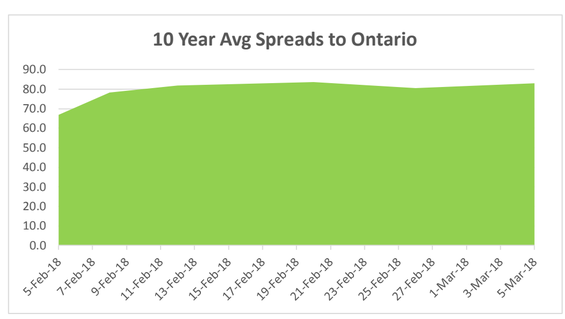
Junior Sub Note

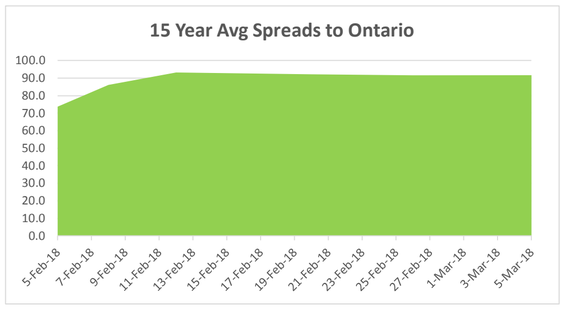
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
102.1	97.9	91.6	82.5	77.3	77.8

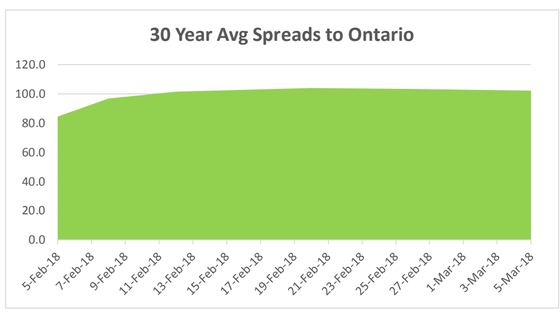
Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	178.6	174.1	165.1	148.5	119.9	105.3
Last Week's	176.1	171.3	162.4	145.6	115.9	102.3
Change	2.5	2.7	2.7	2.9	4.0	2.9

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*NBF*	*NBF*	*NBF*
	155.5	154.0	145.0	125.0	99.0	87.0
Maximum	*BMO*	*BMO*	*BMO*	*BMO*	*BMO*	*BMO*
	220.0	218.0	209.0	170.0	133.0	118.0









Indicative New Issue Spreads

Week of March 5, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.75%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.40%	2.38%	2.27%	2.25%	2.04%	1.85%	2.37%	2.35%	2.29%	2.19%	2.07%	1.99%	2.38%	2.37%	2.30%	2.16%			2.34%	2.33%
Curve Adjustment (bp)	0.0	0.6	5.1	0.6	0.4	5.2	0.0	0.3	(0.4)	1.7	4.1	0.1	0.0	0.8	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	105	104	102	90	64	48	106	104	95	85	62	47	112	102	92	71.9			109	106
Re-Offered Yield	3.45%	3.43%	3.34%	3.16%	2.68%	2.38%	3.42%	3.39%	3.24%	3.05%	2.73%	2.46%	3.50%	3.39%	3.22%	2.88%			3.43%	3.39%
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.48%**	**3.46%**	**3.37%**	**3.20%**	**2.75%**	**2.45%**	**3.45%**	**3.42%**	**3.26%**	**3.08%**	**2.75%**	**2.47%**	**3.51%**	**3.41%**	**3.25%**	**2.93%**			**3.46%**	**3.42%**
All-in Spread to GoC Curve (bp)	**107.64**	**107.42**	**105.36**	**94.62**	**71.43**	**54.87**	**108.19**	**106.68**	**97.37**	**87.06**	**63.72**	**47.69**	**113.57**	**104.40**	**95.23**	**76.90**			**111.69**	**109.47**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	66	44	29	76	74	72	65	42	27	77	78	75	69			76	75

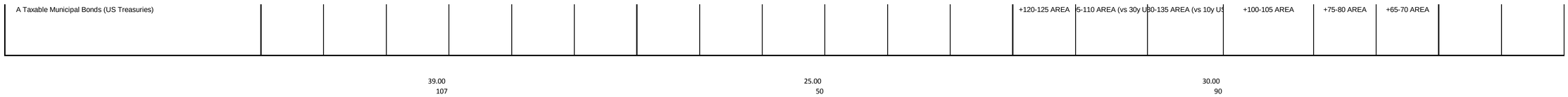
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							163	--	--	116	75	61								
Toronto Hydro Corporation (A/-/A)							128	--	--	86	61	49								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	105	0	0	83	58	49														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			135	129
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			118	112
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			140	135
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	86	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	78	64														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	65	49														
CMBs: (AAA/Aaa/AAA)	0	0	44	39	30	19														
PSP Investments (AAA/Aaa/AAA)	0	0	0	68	45	29														
CPP Investment Board (AAA/Aaa/AAA)	88	0	0	68	45	29														
BMO (Senior) (A+/A1/AA)	119	0	0	94	78	67														
Nova Scotia Power (BBB+ / - / A(l))							142	--	--	98	70	56								
FortisAlberta (A- / Baa1 / A(l))							131	--	--	89	64	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							227	--	--	167	117	92								
Bruce Power (BBB / Baa2 / BBB)							200	--	--	140	95	--								
City of Toronto (- / Aa1 / AA)							99	96	--	82	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																70 - 75 bps area				
AAA Taxable Municipal Bonds (US Treasuries)													+85 AREA	0-75 AREA (vs 30y US	5-100 AREA (vs 10y US	+65-70 AREA	+45-50 AREA	+35-40 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.75%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.40%	2.38%	2.27%	2.25%	2.04%	1.85%	2.37%	2.35%	2.29%	2.19%	2.07%	1.99%	2.38%	2.37%	2.30%	2.16%			2.34%	2.33%
Curve Adjustment (bp)	0.0	0.6	5.1	0.6	0.4	5.2	0.0	0.3	(0.4)	1.7	4.1	0.1	0.0	0.8	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	145	144	141	120	89	73	131	129	120	110	87	72	142	132	122	102			134	131
Re-Offered Yield	3.85%	3.83%	3.73%	3.46%	2.93%	2.63%	3.67%	3.64%	3.49%	3.30%	2.98%	2.71%	3.80%	3.69%	3.52%	3.18%			3.68%	3.64%
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.88%**	**3.86%**	**3.76%**	**3.50%**	**3.00%**	**2.70%**	**3.70%**	**3.67%**	**3.51%**	**3.33%**	**3.00%**	**2.72%**	**3.81%**	**3.71%**	**3.52%**	**3.23%**			**3.71%**	**3.67%**
All-in Spread to GoC Curve (bp)	**147.77**	**147.53**	**144.44**	**124.68**	**96.47**	**79.89**	**133.19**	**131.68**	**122.37**	**112.06**	**88.72**	**72.69**	**143.57**	**134.40**	**125.23**	**106.90**			**136.69**	**134.47**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			130	123
NAV Canada (AA-, AA low)																			95	92
GTAA (Aa3, A+)																			95	92
Hydro One (A3/A/A high)																			130	124
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	84														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	99														
BMO (Senior) (A+/A1/AA)	119	0	0	94	78	67														
Nav Canada (sub) (AA-/Aa2/AAL)	105	0	0	83	58	49														
City of Toronto (AA / Aa1 / AA)	99	99	98	83	60	42														
Bank ABS (AAA / - / AAA)							--	--	--	--	78	65								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	87	74								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	52	40								
AA CMBS (USD Swaps)																105 - 115 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+95-100 AREA	0-80 AREA (vs 30y US	5-110 AREA (vs 10y U	+80-85 AREA	+55-60 AREA	+45-40 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.75%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.40%	2.38%	2.27%	2.25%	2.04%	1.85%	2.37%	2.35%	2.29%	2.19%	2.07%	1.99%	2.38%	2.37%	2.30%	2.16%			2.34%	2.33%
Curve Adjustment (bp)	0.0	0.6	5.1	0.6	0.4	5.2	0.0	0.3	(0.4)	1.7	4.1	0.1	0.0	0.8	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	220	218	209	170	133	118	156	154	145	135	112	97	202	192	182	162			164	161
Re-Offered Yield	4.60%	4.57%	4.41%	3.96%	3.37%	3.08%	3.92%	3.89%	3.74%	3.55%	3.23%	2.96%	4.40%	4.29%	4.12%	3.78%			3.98%	3.94%
Commission (bp)	2.9	3.7	3.5	4.8	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.63%**	**4.61%**	**4.44%**	**4.00%**	**3.44%**	**3.15%**	**3.95%**	**3.92%**	**3.76%**	**3.58%**	**3.25%**	**2.97%**	**4.41%**	**4.31%**	**4.12%**	**3.83%**			**4.01%**	**3.97%**
All-in Spread to GoC Curve (bp)	**222.88**	**221.66**	**212.54**	**174.76**	**140.53**	**124.92**	**158.19**	**156.68**	**147.37**	**137.06**	**113.72**	**97.69**	**203.57**	**194.40**	**185.23**	**166.90**			**166.69**	**164.47**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			155.0	149.8
Highway 407 (A, A)																			130.0	122.5
Enbridge Gas Distribution (A-, A)																			130.0	124.8
Hydro One (A3/A/A high)																			130.0	124.0
Schedule 1 Bank ABS (A)																			195.0	190.0
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	151.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	133.0	-														
Hydro One (A/A3/AH)	132.0	-	-	90.0	65.0	50.0														
OPG (BBB+/-/AL)	167.0	-	-	118.0	93.0	78.0														
10-year A CMBS (USD Swaps)																150 - 160 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+120-125 AREA
5-110 AREA (vs 30y U
30-135 AREA (vs 10y US
+100-105 AREA
+75-80 AREA
+65-70 AREA
39.00
107
25.00
50
30.00
90

Indicative New Issue Spreads
Week of March 5, 2018

	NBF	*NBF*	*NBF*	NBF
	NBF			
Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**			
	15-year	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.27%	2.19%	1.98%	1.84%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	96	80.00	59	47
Re-Offered Yield	3.23%	2.99%	2.57%	2.31%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.27%**	**3.04%**	**2.65%**	**2.40%**
All-in Spread to GoC Curve (bp)	**99.82**	**84.67**	**66.52**	**55.69**

Primary Comparable (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	74	63	43	27

Other Comparables (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	**112**	**95**	**75**	**65**
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	**95**	**80**	**60**	**52**
Schedule I Bank ABS (Aaa ; AAA ; AAA)	**118**	**95**	**80**	**70**
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**NBF**			
	15-year	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.27%	2.19%	1.98%	1.84%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	120	103	82	69
Re-Offered Yield	3.47%	3.22%	2.80%	2.53%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.51%**	**3.27%**	**2.88%**	**2.62%**
All-in Spread to GoC Curve (bp)	**123.82**	**107.67**	**89.52**	**77.69**

Other Comparables (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.				
Highway 407 (A, A)	**101**	**80**	**60**	**50**
NAV Canada (AA-, AA low)	**84**	**75**	**55**	**45**
GTAA (Aa3, A+)	**84**	**75**	**55**	**45**
Hydro One (A3/A/A high)	**107**	**90**	**65**	**50**
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**NBF**			
	15-year	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.27%	2.19%	1.98%	1.84%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	148	125	99	87
Re-Offered Yield	3.75%	3.44%	2.97%	2.71%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.79%**	**3.49%**	**3.05%**	**2.80%**
All-in Spread to GoC Curve (bp)	**151.82**	**129.67**	**106.52**	**95.69**

Other Comparables (S&P/Moody's/ DBRS)	**NBF**			
Spread to GoC Curve (bp)	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	134.9	120.0	90.0	75.0
Highway 407 (A, A)	101.3	80.0	60.0	50.0
Enbridge Gas Distribution (A-, A)	109.9	95.0	70.0	55.0
Hydro One (A3/A/A high)	107.0	90.0	65.0	50.0
Schedule 1 Bank ABS (A)	173.0	150.0	135.0	120.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads
Week of March 5, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	RBC	RBC	RBC	*RBC*	*RBC*	RBC	Scotia	Scotia	Scotia	*Scotia*	*Scotia*	Scotia	TD	TD	TD	*TD*	*TD*	TD
	RBC						Scotia						TD					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%
Benchmark Yield	2.41%	2.41%	2.39%	2.34%	2.10%	1.90%	2.39%	2.38%	2.32%	2.23%	2.04%	1.88%	2.37%	2.36%	2.24%	2.20%	2.01%	1.85%
Curve Adjustment (bp)	0.0	0.4	5.4	1.7	3.5	5.2	0.0	0.5	(0.2)	1.8	0.1	0.2	0.0	0.6	5.2	1.7	0.0	0.2
Spread to GoC Curve (bp)	99	99	99	89.00	66	51	103	102	96	87	68	52	117	107	97	92	62	47
Re-Offered Yield	3.40%	3.41%	3.43%	3.25%	2.79%	2.46%	3.42%	3.40%	3.28%	3.11%	2.72%	2.40%	3.54%	3.43%	3.26%	3.13%	2.63%	2.32%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	2.4	3.2	3.6	4.5	7.4	8.6	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.43%**	**3.44%**	**3.47%**	**3.29%**	**2.87%**	**2.55%**	**3.44%**	**3.43%**	**3.31%**	**3.16%**	**2.79%**	**2.49%**	**3.57%**	**3.47%**	**3.30%**	**3.18%**	**2.71%**	**2.41%**
All-in Spread to GoC Curve (bp)	**101.68**	**102.48**	**102.87**	**93.73**	**73.56**	**59.71**	**104.85**	**104.67**	**99.58**	**91.00**	**74.91**	**60.62**	**119.35**	**110.16**	**100.57**	**96.49**	**69.41**	**55.62**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76	76	76	66	43	28	76	75	70	64	42	28	76	76	72	67	43	27

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	37	28	18												
City of Toronto (AA/Aa1/AA)	102	101	99	85	60	43												
Hydro One Inc. (A(H)/A3/A)	131	n/a	n/a	92	62	53							132	122	93	85	63	50
Ontario Power Generation Inc. (A(low)/-/BBB+)	153	n/a	n/a	111	82	73	160	0	0	115	90	78						
Toronto Hydro Corporation (A/-/A)	124	n/a	n/a	87	58	50												
Canadian National Railway Co (A/A2/A)	125	n/a	n/a	87	66	58												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	99	n/a	n/a	79	58	48												
NAV Canada (AA(low)/Aa2/AA-)	94	n/a	n/a	78	58	50												
OPB Finance Trust (AA+/-/AA(H))													111	101	96	87	57	42
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	82	64	53
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							77	0	0	66	46	32						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							125	0	0	95	79	66						
Golden Credit Card Trust							0	0	0	91	76	64						
Master Credit Card Trust							0	0	0	91	76	64						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%
Benchmark Yield	2.41%	2.41%	2.39%	2.34%	2.10%	1.90%	2.39%	2.38%	2.32%	2.23%	2.04%	1.88%	2.37%	2.36%	2.24%	2.20%	2.01%	1.85%
Curve Adjustment (bp)	0.0	0.4	5.4	1.7	3.5	5.2	0.0	0.5	(0.2)	1.8	0.1	0.2	0.0	0.6	5.2	1.7	0.0	0.2
Spread to GoC Curve (bp)	127	127	127	117	94	79	138	135	126	117	98	82	147	137	127	122	92	77
Re-Offered Yield	3.68%	3.69%	3.71%	3.53%	3.07%	2.74%	3.77%	3.73%	3.58%	3.41%	3.02%	2.70%	3.84%	3.73%	3.56%	3.43%	2.93%	2.62%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	2.4	3.2	3.6	4.5	7.4	8.6	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.71%**	**3.72%**	**3.75%**	**3.57%**	**3.15%**	**2.83%**	**3.79%**	**3.76%**	**3.61%**	**3.46%**	**3.09%**	**2.79%**	**3.87%**	**3.77%**	**3.60%**	**3.48%**	**3.01%**	**2.71%**
All-in Spread to GoC Curve (bp)	**129.78**	**130.57**	**130.95**	**121.79**	**101.62**	**87.75**	**139.85**	**137.67**	**129.58**	**121.00**	**104.91**	**90.62**	**149.35**	**140.16**	**130.57**	**126.49**	**99.41**	**85.62**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	67	45	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%
Benchmark Yield	2.41%	2.41%	2.39%	2.34%	2.10%	1.90%	2.39%	2.38%	2.32%	2.23%	2.04%	1.88%	2.37%	2.36%	2.24%	2.20%	2.01%	1.85%
Curve Adjustment (bp)	0.0	0.4	5.4	1.7	3.5	5.2	0.0	0.5	(0.2)	1.8	0.1	0.2	0.0	0.6	5.2	1.7	0.0	0.2
Spread to GoC Curve (bp)	159	159	159	149	126	111	173	168	156	147	128	112	177	167	157	152	122	107
Re-Offered Yield	4.00%	4.01%	4.03%	3.85%	3.39%	3.06%	4.12%	4.06%	3.88%	3.71%	3.32%	3.00%	4.14%	4.03%	3.86%	3.73%	3.23%	2.92%
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	2.4	3.2	3.6	4.5	7.4	8.6	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.03%**	**4.04%**	**4.07%**	**3.90%**	**3.47%**	**3.15%**	**4.14%**	**4.09%**	**3.91%**	**3.76%**	**3.39%**	**3.09%**	**4.17%**	**4.07%**	**3.90%**	**3.78%**	**3.31%**	**3.01%**
All-in Spread to GoC Curve (bp)	**161.89**	**162.67**	**163.04**	**153.87**	**133.69**	**119.80**	**174.85**	**170.67**	**159.58**	**151.00**	**134.91**	**120.62**	**179.35**	**170.16**	**160.57**	**156.49**	**129.41**	**115.62**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			28.00 60						30.00 60						30.00 60			

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	23.7
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	**5 Year**	**10 Year**	**15 Year**	**30 Year**	**5 Year**
29.7	56.8	80.6	91.2	99.1	38.5
30.8	59.3	81.4	92.0	100.4	40.1
31.4	61.0	83.7	94.5	103.6	41.7
32.6	59.8	82.1	94.1	104.8	39.8
31.9	59.4	82.1	94.0	104.6	39.8
30.8	63.4	84.9	96.7	107.1	42.7

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
54.7	78.2	102.8	115.0	124.1	38.5
60.3	85.4	108.2	120.4	130.0	40.1
61.9	87.8	111.3	123.9	134.1	41.7
63.0	86.6	110.1	123.6	135.2	39.8
62.4	86.3	110.1	123.4	135.1	39.8
61.2	90.3	112.9	126.1	137.6	42.7

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
84.5	99.3	125.6	141.0	153.9	38.5
96.8	112.7	137.3	153.5	166.5	40.1
101.5	117.7	142.8	162.9	173.7	41.7
104.0	116.3	145.6	162.6	176.2	39.8
103.4	115.9	145.6	162.4	176.1	39.8
102.2	119.9	148.5	165.1	178.6	42.7

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.38%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**105**	**104**
Re-Offered Yield	3.45%	3.43%
Commission (bp)	2.6	3.4
All-in Yield	**3.48%**	**3.46%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	78	78

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	88	
BMO (Senior) (A+/A1/AA)	119	
Nav Canada (sub) (AA-/Aa2/AAL)	105	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.38%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**145**	**144**
Re-Offered Yield	3.85%	3.83%
Commission (bp)	2.8	3.5
All-in Yield	**3.88%**	**3.86%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	119	
Nav Canada (sub) (AA-/Aa2/AAL)	105	
City of Toronto (AA / Aa1 / AA)	99	99

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.38%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**220**	**218**
Re-Offered Yield	4.60%	4.57%
Commission (bp)	2.9	3.7
All-in Yield	**4.63%**	**4.61%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	132	
OPG (BBB+/-/AL)	167	

Generic Corporate Credit Spreads AA	105	
Generic Corporate Credit Spreads A	158	
Generic Corporate Credit Spreads BBB	232	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.27%	2.25%	2.04%	1.85%	-2bps	-4bps	-4bps	-1bps	-3bps
5.1	0.6	0.4	5.2	0bps	0bps	-1bps	-1bps	0bps
102	**90**	**64**	**48**	8bps	8bps	8bps	8bps	8bps
3.34%	3.16%	2.68%	2.38%	6bps	5bps	4bps	6bps	6bps
3.4	4.6	7.4	6.9					
3.37%	**3.20%**	**2.75%**	**2.45%**	6bps	5bps	4bps	6bps	6bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
77	65.5	44	28.5	6bps	6bps	6bps	5bps	4bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		86						4bps
		78	64					4bps
		65	49					4bps
44	39	30	18.5			4bps	4bps	3bps
	68	45	29				2bps	1bps
	68	45	29	2bps			2bps	1bps
	94	78	67	6bps			6bps	4bps
	83	58	49	10bps			5bps	3bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.27%	2.25%	2.04%	1.85%	-2bps	-4bps	-4bps	-1bps	-3bps
5.1	0.6	0.4	5.2	0bps	0bps	-1bps	-1bps	0bps
141	**120**	**89**	**73**	8bps	8bps	8bps	8bps	8bps
3.73%	3.46%	2.93%	2.63%	6bps	6bps	4bps	6bps	6bps
3.4	4.7	7.5	6.9					
3.76%	**3.50%**	**3.00%**	**2.70%**	6bps	6bps	4bps	6bps	6bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
77	66	44	29	6bps	6bps	6bps	5bps	4bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			84					
			99					
	94	78	67	6bps			6bps	4bps
	83	58	49	10bps			5bps	3bps
97.5	82.5	60	42	5bps	5bps	5bps	5bps	5bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.27%	2.25%	2.04%	1.85%	-2bps	-4bps	-4bps	-1bps	-3bps
5.1	0.6	0.4	5.2	0bps	0bps	-1bps	-1bps	0bps
209	**170**	**133**	**118**	8bps	8bps	8bps	8bps	8bps
4.41%	3.96%	3.37%	3.08%	6bps	6bps	4bps	6bps	6bps
3.5	4.8	7.5	6.9					
4.44%	**4.00%**	**3.44%**	**3.15%**	6bps	6bps	4bps	6bps	6bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
77	66	44	29	6bps	6bps	6bps	5bps	4bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		151						4bps
		133						4bps
	90	65	50	4bps			5bps	3bps
	118	93	78	4bps			3bps	1bps

	91	69		6bps			4bps	4bps
	117	86		5bps			3bps	4bps
	175	122		5bps			6bps	5bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
8-Mar-18

3-year
-1bps 0bps 8bps 7bps
7bps

3-year
3bps

3-year
5bps 5bps 1bps 1bps 1bps 5bps 5bps

3-year
-1bps 0bps 8bps 7bps
7bps

3-year
3bps

3-year
5bps
5bps
5bps
5bps
3bps

3-year
-1bps
0bps
8bps
7bps
7bps

3-year
3bps

3-year
3bps
1bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.37%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**106**
Re-Offered Yield	3.42%
Commission (bp)	2.7
All-in Yield	**3.45%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	163
Toronto Hydro (A / - / A)	128
Nova Scotia Power (BBB+ / - / A(l))	142
FortisAlberta (A- / Baa1 / A(l))	131
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	227
Bruce Power (BBB / Baa2 / BBB)	200
City of Toronto (- / Aa1 / AA)	99

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.37%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**131**
Re-Offered Yield	3.67%
Commission (bp)	2.7
All-in Yield	**3.70%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.37%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**156**
Re-Offered Yield	3.92%
Commission (bp)	2.7
All-in Yield	**3.95%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Mar-23	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.75%	-	-	-	-	-
2.35%	2.29%	2.19%	2.07%	1.99%	-0.01%	-0.03%	-0.04%	-0.04%	-0.04%
0.3	(0.4)	1.7	4.1	0.1	0.0	0.1	(0.0)	0.1	1.0
104	**95**	**85**	**62**	**46.5**	-1	0	0	3	6
3.39%	3.24%	3.05%	2.73%	2.46%	-0.02%	-0.03%	-0.04%	-0.01%	0.03%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.42%	**3.26%**	**3.08%**	**2.75%**	**2.47%**	**-0.02%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.03%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
74	72	65	42	26.5	3	3	2	2	3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	116	75	61	2	--	--	2	1
--	--	86	61	49	4	--	--	2	2
--	--	98	70	56	4	--	--	1	1
--	--	89	64	--	4	--	--	2	2
--	--	167	117	92	2	--	--	2	2
--	--	140	95	--	0	--	--	0	0
96	--	82	--	--	5	4	--	6	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Mar-23	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.75%	-	-	-	-	-
2.35%	2.29%	2.19%	2.07%	1.99%	-0.01%	-0.03%	-0.04%	-0.04%	-0.04%
0.3	(0.4)	1.7	4.1	0.1	0	0	(0)	0	1
129	**120**	**110**	**87**	**71.5**	(1)	0	0	3	6
3.64%	3.49%	3.30%	2.98%	2.71%	-0.02%	-0.03%	-0.04%	-0.01%	0.03%
2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.67%	**3.51%**	**3.33%**	**3.00%**	**2.72%**	**-0.02%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.03%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
74	72	65	42	26.5	3	3	2	2	3

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
--	--	--	78	65	--	--	--	--	5
--	--	--	87	74	--	--	--	--	-1
--	--	--	52	40	--	--	--	--	-3

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.75%	-	-	-	-	-
2.35%	2.29%	2.19%	2.07%	1.99%	-0.01%	-0.03%	-0.04%	-0.04%	-0.04%
0.3	(0.4)	1.7	4.1	0.1	0	0	(0)	0	1
154	**145**	**135**	**112**	**96.5**	(1)	0	0	3	6
3.89%	3.74%	3.55%	3.23%	2.96%	-0.02%	-0.03%	-0.04%	-0.01%	0.03%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.92%	**3.76%**	**3.58%**	**3.25%**	**2.97%**	**-0.02%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.03%**

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
74	72	65	42	26.5	3	3	2	2	3

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

CIBC
3/5/2018

3-year
-
-
-0.04%
0.1
1
-0.04%
-
-0.04%

3-year
3

3-year
1
2
1
--
2
--
--

3-year
-
-
-0.04%
0
1
-0.04%
0.00%
-0.04%

3-year
3

3-year
2
-2
-5

3-year
-
-
-0.04%
0
1
-0.04%
-
-0.04%

3-year
3

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.376%	2.370%
Curve Adjustment (bp)	0.000%	0.008%
Spread to GoC Curve (bp)	**1.119%**	**1.019%**
Re-Offered Yield	3.495%	3.389%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.51%**	**3.41%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.77200%**	**0.78300%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+85 AREA	-75 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.376%	2.370%
Curve Adjustment (bp)	0.000%	0.008%
Spread to GoC Curve (bp)	**1.419%**	**1.319%**
Re-Offered Yield	3.795%	3.689%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.81%**	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.77200%**	**0.78300%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+95-100 AREA	-80 AREA (vs 30y U

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.376%	2.370%
Curve Adjustment (bp)	0.000%	0.008%
Spread to GoC Curve (bp)	**2.019%**	**1.919%**
Re-Offered Yield	4.395%	4.289%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.41%**	**4.31%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.77200%**	**0.78300%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+120-125 AREA	-110 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.300%	2.156%			
0.049%	0.008%			
0.919%	**0.719%**			
3.219%	2.875%			
0.033%	0.050%			
3.25%	**2.93%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.74900%	**0.68500%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
·100 AREA (vs 10y U	70 - 75 bps area +65-70 AREA	+45-50 AREA	+35-40 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.300%	2.156%			
0.049%	0.008%			
1.219%	**1.019%**			
3.519%	3.175%			
0.033%	0.050%			
3.52%	**3.23%**			

Current	

15-year	10-year	5-year	3-year	30-year
0.74900%	**0.68500%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-110 AREA (vs 10y	105 - 115 bps AREA +80-85 AREA	+55-60 AREA	+45-40 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.300%	2.156%			
0.049%	0.008%			
1.819%	**1.619%**			
4.119%	3.775%			
0.033%	0.050%			
4.12%	**3.83%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.74900%	**0.68500%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-135 AREA (vs 10y	150 - 160 bps AREA +100-105 AREA	+75-80 AREA	+65-70 AREA	+0 bps

Bank Name	GS
Date	2/15/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+5 - 10 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week

20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	-5 to +5 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+10 bps +0 bps	+0 bps	+0 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.34%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	109
Re-Offered Yield	3.43%
Commission (bp)	2.7
All-in Yield	**3.46%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.34%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	134
Re-Offered Yield	3.68%
Commission (bp)	2.7
All-in Yield	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	130
NAV Canada (AA-, AA low)	95
GTAA (Aa3, A+)	95
Hydro One (A3/A/A high)	130

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.34%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	164
Re-Offered Yield	3.98%
Commission (bp)	2.7
All-in Yield	**4.01%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	155
Highway 407 (A, A)	130
Enbridge Gas Distribution (A-, A)	130
Hydro One (A3/A/A high)	130
Schedule 1 Bank ABS (A)	195

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.33%	2.27%	2.19%	1.98%
0.0	0.0	0.0	0.0
106	96	80	59
3.39%	3.23%	2.99%	2.57%
3.5	3.8	4.7	7.5
3.42%	**3.27%**	**3.04%**	**2.65%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	73.5	62.5	42.5

Current			
20-year	**15-year**	**10-year**	**5-year**
129	112	95	75
112	95	80	60
135	118	95	80

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.33%	2.27%	2.19%	1.98%
0.0	0.0	0.0	0.0
131	120	103	82
3.64%	3.47%	3.22%	2.80%
3.5	3.8	4.7	7.5
3.67%	**3.51%**	**3.27%**	**2.88%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	74	63	43

Current			
20-year	**15-year**	**10-year**	**5-year**
123	101	80	60
92	84	75	55
92	84	75	55
124	107	90	65

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.33%	2.27%	2.19%	1.98%
0.0	0.0	0.0	0.0
161	148	125	99
3.94%	3.75%	3.44%	2.97%
3.5	3.8	4.7	7.5
3.97%	**3.79%**	**3.49%**	**3.05%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	74	63	43

Current			
20-year	**15-year**	**10-year**	**5-year**
150	135	120	90
123	101	80	60
125	110	95	70
124	107	90	65
190	173	150	135

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.84%	-0.07%	-0.08%	-0.07%
0.0	0.0	0.0	0.0
47	1	1	1
2.31%	-0.06%	-0.07%	-0.06%
8.7	0.0	0.0	0.0
2.40%	**-0.06%**	**-0.07%**	**-0.06%**

			Week
3-year	**30-year**	**20-year**	**15-year**
27	4	3	2.5

			Week
3-year	**30-year**	**20-year**	**15-year**
65	5	5	5
52	5	5	5
70	5	5	5

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
1.84%	-0.07%	-0.08%	-0.07%
0.0	0.0	0.0	0.0
69	1	1	1
2.53%	-0.06%	-0.07%	-0.06%
8.7	0.0	0.0	0.0
2.62%	**-0.06%**	**-0.07%**	**-0.06%**

			Week
3-year	**30-year**	**20-year**	**15-year**
27	4	3	3

			Week
3-year	**30-year**	**20-year**	**15-year**
50	5	4	2
45	5	4	2
45	5	4	2
50	0	1	3

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.84%	-0.07%	-0.08%	-0.07%
0.0	0.0	0.0	0.0
87	1	1	1
2.71%	-0.06%	-0.07%	-0.06%
8.7	0.0	0.0	0.0
2.80%	**-0.06%**	**-0.07%**	**-0.06%**

			Week
3-year	**30-year**	**20-year**	**15-year**
27	4	3	3

			Week
3-year	**30-year**	**20-year**	**15-year**
75	0	1	3
50	5	4	2
55	0	1	3
50	0	1	3
120	5	5	5

Bank Name	National Bank of Canada
Date	3/5/2018

over Week

10-year	5-year	3-year
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.08%	-0.07%	-0.06%
0.0	0.0	0.0
1	1	1
-0.07%	-0.06%	-0.05%
0.0	0.0	0.0
-0.07%	**-0.06%**	**-0.05%**

over Week

10-year	5-year	3-year
2	3	1.5

over Week

10-year	5-year	3-year
5	5	5
5	5	5
5	5	5

over Week

10-year	5-year	3-year
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.08%	-0.07%	-0.06%
0.0	0.0	0.0
1	1	1
-0.07%	-0.06%	-0.05%
0.0	0.0	0.0
-0.07%	**-0.06%**	**-0.05%**

over Week

10-year	5-year	3-year
2	3	2

over Week

10-year	5-year	3-year
0	0	0
0	0	0
0	0	0
5	5	5

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.08%	-0.07%	-0.06%
0.0	0.0	0.0
1	1	1
-0.07%	-0.06%	-0.05%
0.0	0.0	0.0
-0.07%	**-0.06%**	**-0.05%**

over Week		
10-year	**5-year**	**3-year**
2	3	2

over Week		
10-year	**5-year**	**3-year**
5	5	5
0	0	0
5	5	0
5	5	5
5	5	5

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.41%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**99**
Re-Offered Yield	3.40%
Commission (bp)	2.7
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**76**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**102**
Hydro One Inc. (A(H)/A3/A)	**131**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**153**
Toronto Hydro Corporation (A/-/A)	**124**
Canadian National Railway Co (A/A2/A)	**125**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**99**
NAV Canada (AA(low)/Aa2/AA-)	**94**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**127**
Re-Offered Yield	3.68%
Commission (bp)	2.8
All-in Yield	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**159**
Re-Offered Yield	4.00%
Commission (bp)	2.9
All-in Yield	**4.03%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

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The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.41%	**2.39%**	**2.34%**	**2.10%**
0.4	**5.4**	**1.7**	**3.5**
99	**99**	**89**	**66**
3.41%	3.43%	3.25%	2.79%
3.5	3.9	4.7	7.6
3.44%	**3.47%**	**3.29%**	**2.87%**

Current			
20-year	**15-year**	**10-year**	**5-year**
76	**76**	**66**	**43**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**37**	**28**
101	**99**	**85**	**60**
n/a	**n/a**	**92**	**62**
n/a	**n/a**	**111**	**82**
n/a	**n/a**	**87**	**58**
n/a	**n/a**	**87**	**66**
n/a	**n/a**	**79**	**58**
n/a	**n/a**	**78**	**58**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.41%	2.39%	2.34%	2.10%
0.4	5.4	1.7	3.5
127	**127**	**117**	**94**
3.69%	3.71%	3.53%	3.07%
3.6	3.9	4.8	7.6
3.72%	**3.75%**	**3.57%**	**3.15%**

Current			
20-year	**15-year**	**10-year**	**5-year**
76	76	66	43

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**67**	**45**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.41%	2.39%	2.34%	2.10%
0.4	5.4	1.7	3.5
159	**159**	**149**	**126**
4.01%	4.03%	3.85%	3.39%
3.7	4.0	4.9	7.7
4.04%	**4.07%**	**3.90%**	**3.47%**

Current			
20-year	**15-year**	**10-year**	**5-year**
76	76	66	43

Current			
20-year	**15-year**	**10-year**	**5-year**

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Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Sep-20					
0.75%					
1.90%	-	-	-	-	-
5.2	-	-	-	-	-
51	3.0	4.0	4.0	2.0	3.0
2.46%	3.0	4.0	4.0	2.0	3.0
8.7	0.0	0.0	0.0	0.0	0.0
2.55%	3.0	4.0	4.0	2.0	3.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	3.5	4.0	4.5	2.0	3.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
18				-	-
43	3.5	3.5	5.5	3.5	3.5
53	3.0			3.0	2.0
73	-			-	-
50	4.0			2.0	1.0
58	2.0			2.0	2.0
48	4.0			3.0	3.0
50	-			-	-

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Sep-20					
0.75%					
1.90%					
5.2					
79	3.0	4.0	4.0	2.0	3.0
2.74%	3.0	4.0	4.0	2.0	3.0
8.8	0.01	0.01	0.01	0.00	0.01
2.83%	3.0	4.0	4.0	2.0	3.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	3.5	4.0	4.5	2.0	3.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				-1.0	1.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Sep-20					
0.75%					
1.90%					
5.2					
111	3.0	4.0	4.0	2.0	3.0
3.06%	3.0	4.0	4.0	2.0	3.0
8.8	0.01	0.01	0.01	0.00	0.01
3.15%	3.0	4.0	4.0	2.0	3.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	3.5	4.0	4.5	2.0	3.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.39%	2.38%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**+103**	**+102**
Re-Offered Yield	3.42%	3.40%
Commission (bp)	2	3
All-in Yield	**3.44%**	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	160	
CPP	77	
BNS - Denior Deposit Notes	125	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.39%	2.38%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**+138**	**+135**
Re-Offered Yield	3.77%	3.73%
Commission (bp)	2	3
All-in Yield	**3.79%**	**3.76%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.39%	2.38%
Curve Adjustment (bp)	0.0	0.5
Spread to GoC Curve (bp)	**+173**	**+168**
Re-Offered Yield	4.12%	4.06%
Commission (bp)	2	3
All-in Yield	**4.14%**	**4.09%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.32%	2.23%	2.04%	1.88%	-0.02%
(0.2)	1.8	0.1	0.2	0
+96	**+87**	**+68**	**+52**	3
3.28%	3.11%	2.72%	2.40%	0.01%
4	4	7	9	0
3.31%	**3.16%**	**2.79%**	**2.49%**	**0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70	64	42	28	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	115	90	78	5
	66	46	32	2
	95	79	66	5
	91	76	64	
	91	76	64	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.32%	2.23%	2.04%	1.88%	-0.02%
(0.2)	1.8	0.1	0.2	0
+126	**+117**	**+98**	**+82**	3
3.58%	3.41%	3.02%	2.70%	0.01%
4	4	7	9	0
3.61%	**3.46%**	**3.09%**	**2.79%**	**0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70	64	42	28	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	91	76	64	
	91	76	64	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.32%	2.23%	2.04%	1.88%	-0.02%
(0.2)	1.8	0.1	0.2	0
+156	**+147**	**+128**	**+112**	3
3.88%	3.71%	3.32%	3.00%	0.01%
4	4	7	9	0
3.91%	**3.76%**	**3.39%**	**3.09%**	**0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70	64	42	28	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	91	76	64	
	91	76	64	

Bank Name	BNS
Date	3/6/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.05%	-0.06%	-0.02%	-0.02%	-0.03%
0	0	0	0	0
3	3	3	3	3
-0.02%	-0.03%	0.01%	0.02%	0.00%
0	0	0	0	0
-0.02%	**-0.03%**	**0.01%**	**0.01%**	**0.00%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
3	0	2	2	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		5	5	5
		2	1	2
		5	4	3
		4	4	4
		4	4	4

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.05%	-0.06%	-0.02%	-0.02%	-0.03%
0	0	0	0	0
3	3	3	3	3
-0.02%	-0.03%	0.01%	0.02%	0.00%
0	0	0	0	0
-0.02%	**-0.03%**	**0.01%**	**0.01%**	**0.00%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
3	0	2	2	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		4	4	4
		4	4	4

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.05%	-0.06%	-0.02%	-0.02%	-0.03%
0	0	0	0	0
3	3	3	3	3
-0.02%	-0.03%	0.01%	0.02%	0.00%
0	0	0	0	0
-0.02%	**-0.03%**	**0.01%**	**0.01%**	**0.00%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
3	0	2	2	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		4	4	4
		4	4	4

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.37%	2.36%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**117**	**107**
Re-Offered Yield	3.54%	3.43%
Commission (bp)	2.3	3.2
All-in Yield	**3.57%**	**3.47%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	111	101
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	132	122

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.37%	2.36%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**147**	**137**
Re-Offered Yield	3.84%	3.73%
Commission (bp)	2.3	3.2
All-in Yield	**3.87%**	**3.77%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.37%	2.36%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**177**	**167**
Re-Offered Yield	4.14%	4.03%
Commission (bp)	2.3	3.2
All-in Yield	**4.17%**	**4.07%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20	-
5.75%	1.00%	1.75%	0.75%	-
2.24%	2.20%	2.01%	1.85%	-0.028%
5.2	1.7	0.0	0.2	-
97	**92**	**62**	**47**	3
3.26%	3.13%	2.63%	2.32%	0.00%
3.6	4.5	7.4	8.6	-
3.30%	**3.18%**	**2.71%**	**2.41%**	**0.00%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
71.5	67	43	27	3.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
96	87	57	42	-
N/A	82	64	53	N/A
93	85	63	50	4

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20	-
5.75%	1.00%	1.75%	0.75%	-
2.24%	2.20%	2.01%	1.85%	-0.028%
5.2	1.7	0.0	0.2	-
127	**122**	**92**	**77**	3
3.56%	3.43%	2.93%	2.62%	0.00%
3.6	4.5	7.4	8.6	-
3.60%	**3.48%**	**3.01%**	**2.71%**	**0.00%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

72	67	43	27	3.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20	-
5.75%	1.00%	1.75%	0.75%	-
2.24%	2.20%	2.01%	1.85%	-0.028%
5.2	1.7	0.0	0.2	-
157	**152**	**122**	**107**	3
3.86%	3.73%	3.23%	2.92%	0.00%
3.6	4.5	7.4	8.6	-
3.90%	**3.78%**	**3.31%**	**3.01%**	**0.00%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
72	67	43	27	3.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	3/5/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.046%	-0.049%	-0.049%	-0.039%	0.000%
-	-	-	-	-
3	3	3	3	3
-0.01%	-0.02%	-0.02%	-0.01%	-0.02%
-	-	-	-	-
-0.01%	**-0.02%**	**-0.02%**	**-0.01%**	**-0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
4.0	3.5	3.0	3.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	0	-	-	0
N/A	N/A	8	5	5
4	-	-	-	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.046%	-0.049%	-0.049%	-0.039%	0.000%
-	-	-	-	-
3	3	3	3	3
-0.01%	-0.02%	-0.02%	-0.01%	-0.02%
-	-	-	-	-
-0.01%	**-0.02%**	**-0.02%**	**-0.01%**	**-0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

4.0	3.5	3.0	3.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.046%	-0.049%	-0.049%	-0.039%	0.000%
-	-	-	-	-
3	3	3	3	3
-0.01%	-0.02%	-0.02%	-0.01%	-0.02%
-	-	-	-	-
-0.01%	**-0.02%**	**-0.02%**	**-0.01%**	**-0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
4.0	3.5	3.0	3.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From: Ricky Lai
To: Mike Manning
Cc: James Devine; Carlos Yep
Subject: FHP spreads
Date: Thursday, March 01, 2018 8:38:42 AM
Attachments: Fair Hydro price indications Feb 26 2018.xlsx

Please find the latest FHP spreads attached, thanks.
Ricky

FAIR HYDRO SPREADS

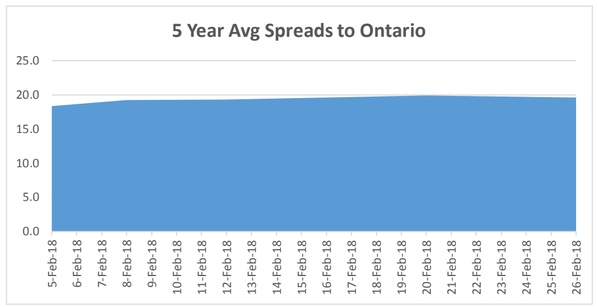
Senior Note

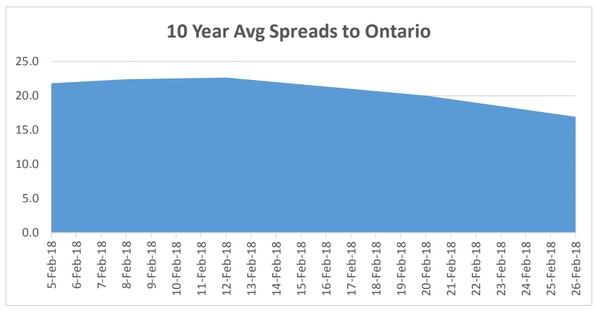
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
31.8	28.6	23.7	19.6	19.6	20.1

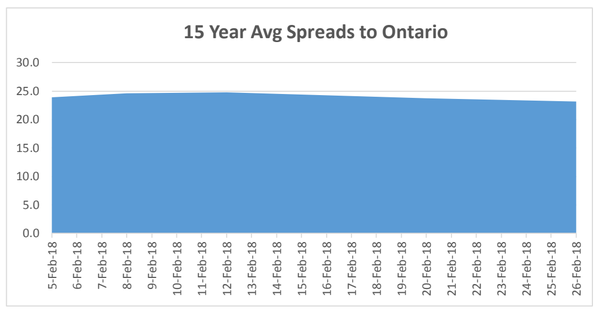
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
104.6	100.6	94.0	82.1	59.4	45.7
104.8	100.8	94.1	82.1	59.8	46.2
-0.1	-0.1	-0.1	0.0	-0.3	-0.5

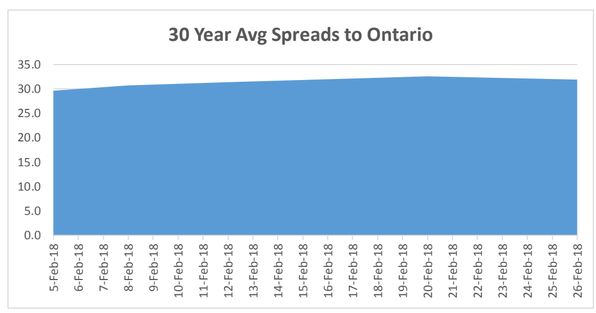
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*CIBC*	*GS*	*GS*	*BMO*	*BMO*
	96.0	95.0	91.9	71.9	56.0	40.0
Maximum	*TD*	*NBF*	*CIBC*	*TD*	*Scotia*	*RBC*
	114.0	105.0	95.0	89.0	64.5	49.0









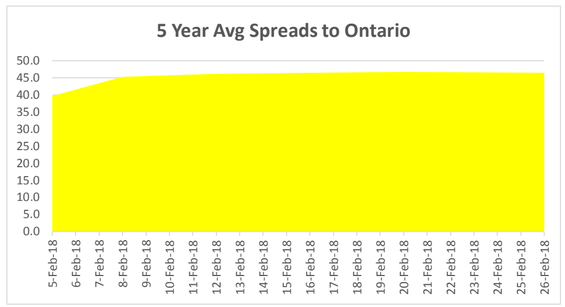
Sub Note

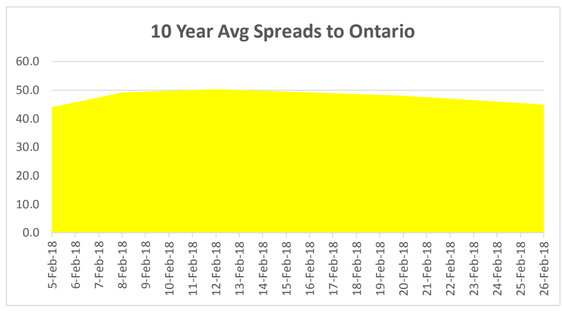
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
62.2	58.8	53.2	47.6	46.4	46.8

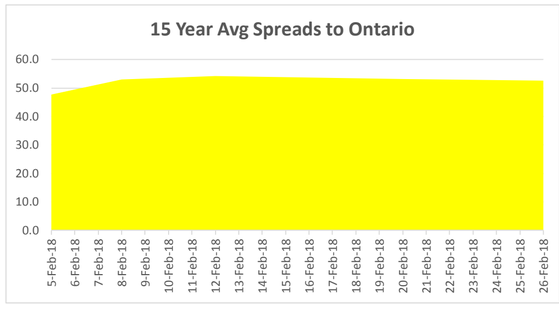
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
135.1	130.8	123.4	110.1	86.3	72.3
135.2	130.9	123.6	110.1	86.6	72.8
-0.1	-0.1	-0.1	0.0	-0.3	-0.5

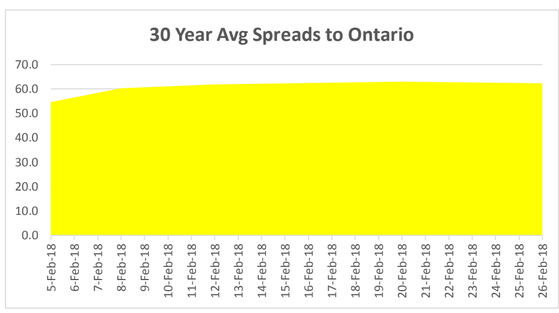
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*RBC*	*NBF*	*GS*	*BMO*	*BMO*
	124.0	123.0	119.0	101.9	81.0	65.0
Maximum	*TD*	*BMO*	*BMO*	*NBF*	*Scotia*	*Scotia*
	144.0	136.0	133.0	119.0	94.5	79.0









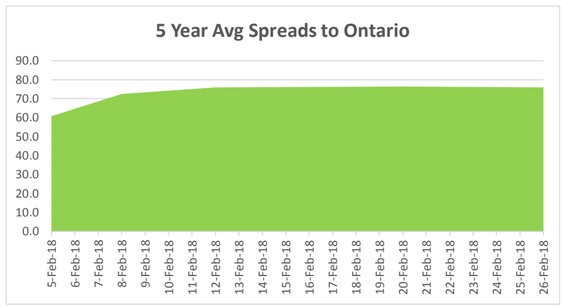
Junior Sub Note

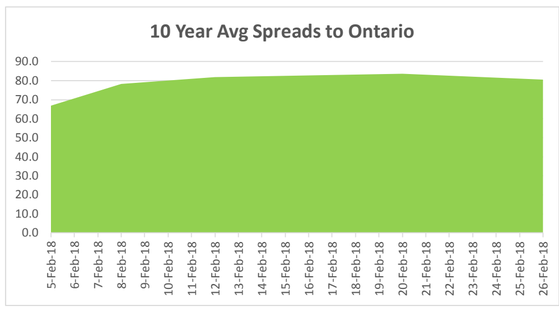
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
103.2	98.5	91.6	79.7	76.1	76.8

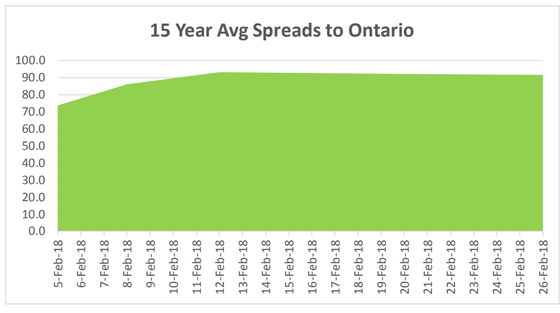
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
176.1	171.3	162.4	145.6	115.9	102.3
176.2	171.5	162.6	145.6	116.3	102.8
-0.1	-0.1	-0.1	0.0	-0.3	-0.5

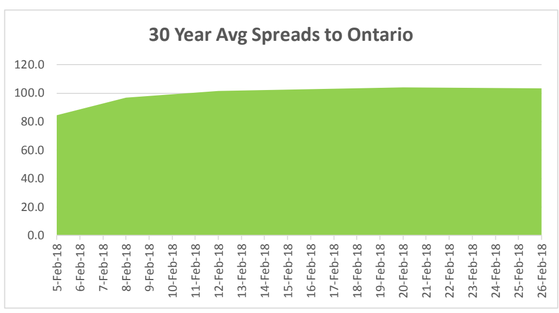
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*NBF*	*NBF*	*NBF*
	156.0	154.0	145.0	124.0	98.0	86.0
Maximum	*BMO*	*BMO*	*BMO*	*BMO*	*BMO*	*BMO*
	212.0	210.0	201.0	162.0	125.0	110.0









Indicative New Issue Spreads

Week of Feb 26, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN28			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.75%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.42%	2.42%	2.30%	2.26%	2.06%	1.86%	2.38%	2.38%	2.33%	2.23%	2.11%	2.04%	2.36%	2.36%	2.27%	2.22%			2.41%	2.41%
Curve Adjustment (bp)	0.0	0.3	5.6	1.7	0.0	4.8	0.0	0.1	(0.3)	1.7	3.1	0.0	0.0	0.8	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	97	96	94	82	56	40	106	104	95	82	56	46	112	102	92	71.9			108	105
Re-Offered Yield	3.39%	3.38%	3.30%	3.10%	2.62%	2.31%	3.44%	3.42%	3.28%	3.06%	2.70%	2.50%	3.48%	3.38%	3.19%	2.94%			3.49%	3.46%
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.41%**	**3.42%**	**3.33%**	**3.14%**	**2.70%**	**2.38%**	**3.47%**	**3.45%**	**3.30%**	**3.08%**	**2.72%**	**2.51%**	**3.50%**	**3.40%**	**3.22%**	**2.99%**			**3.52%**	**3.49%**
All-in Spread to GoC Curve (bp)	**99.62**	**99.40**	**97.35**	**86.61**	**63.42**	**46.86**	**108.70**	**106.69**	**97.38**	**84.06**	**57.72**	**47.19**	**113.57**	**104.40**	**95.23**	**76.90**			**110.71**	**108.50**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72	72	61	40	26	73	72	70	63	40	24	72	77	74	81			72	72

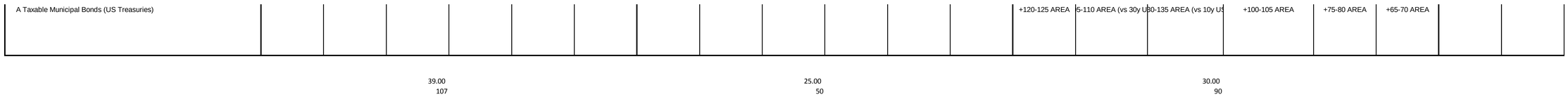
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							161	--	--	114	74	60								
Toronto Hydro Corporation (A/-/A)							124	--	--	84	59	47								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	95	0	0	78	55	44														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			130	124
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			113	107
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			135	130
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	82	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	74	59														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	61	44														
CMBs: (AAA/Aaa/AAA)	0	0	41	36	28	18														
PSP Investments (AAA/Aaa/AAA)	0	0	0	66	44	28														
CPP Investment Board (AAA/Aaa/AAA)	86	0	0	66	44	28														
BMO (Senior) (A+/A1/AA)	113	0	0	88	74	62														
Nova Scotia Power (BBB+ / - / A(l))							138	--	--	97	69	55								
FortisAlberta (A- / Baa1 / A(l))							127	--	--	87	62	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							225	--	--	165	115	90								
Bruce Power (BBB / Baa2 / BBB)							200	--	--	140	95	--								
City of Toronto (- / Aa1 / AA)							94	92	--	76	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																65 bps area				
AAA Taxable Municipal Bonds (US Treasuries)													+85 AREA	0-75 AREA (vs 30y US	5-100 AREA (vs 10y US	+65-70 AREA	+45-50 AREA	+35-40 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN28			01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.75%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.42%	2.42%	2.30%	2.26%	2.06%	1.86%	2.38%	2.38%	2.33%	2.23%	2.11%	2.04%	2.36%	2.36%	2.27%	2.22%			2.41%	2.41%
Curve Adjustment (bp)	0.0	0.3	5.6	1.7	0.0	4.8	0.0	0.1	(0.3)	1.7	3.1	0.0	0.0	0.8	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	137	136	133	112	81	65	131	129	120	107	81	71	142	132	122	102			133	130
Re-Offered Yield	3.79%	3.77%	3.69%	3.40%	2.87%	2.56%	3.69%	3.67%	3.53%	3.31%	2.95%	2.75%	3.78%	3.68%	3.49%	3.24%			3.74%	3.71%
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.81%**	**3.81%**	**3.72%**	**3.44%**	**2.95%**	**2.63%**	**3.72%**	**3.70%**	**3.55%**	**3.33%**	**2.97%**	**2.76%**	**3.80%**	**3.70%**	**3.49%**	**3.29%**			**3.77%**	**3.74%**
All-in Spread to GoC Curve (bp)	**139.75**	**139.52**	**136.43**	**116.67**	**88.46**	**71.88**	**133.70**	**131.69**	**122.38**	**109.06**	**82.72**	**72.19**	**143.57**	**134.40**	**125.23**	**106.90**			**135.71**	**133.50**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			125	118
NAV Canada (AA-, AA low)																			90	88
GTAA (Aa3, A+)																			90	88
Hydro One (A3/A/A high)																			130	123
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	79														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	94														
BMO (Senior) (A+/A1/AA)	113	0	0	88	74	62														
Nav Canada (sub) (AA-/Aa2/AAL)	95	0	0	78	55	44														
City of Toronto (AA / Aa1 / AA)	95	94	93	78	55	39														
Bank ABS (AAA / - / AAA)							--	--	--	--	73	63								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	88	76								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	55	45								
AA CMBS (USD Swaps)																100 - 110 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+95-100 AREA	0-80 AREA (vs 30y US	5-110 AREA (vs 10y U	+80-85 AREA	+55-60 AREA	+45-40 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN28			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.75%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.42%	2.42%	2.30%	2.26%	2.06%	1.86%	2.38%	2.38%	2.33%	2.23%	2.11%	2.04%	2.36%	2.36%	2.27%	2.22%			2.41%	2.41%
Curve Adjustment (bp)	0.0	0.3	5.6	1.7	0.0	4.8	0.0	0.1	(0.3)	1.7	3.1	0.0	0.0	0.8	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	212	210	201	162	125	110	156	154	145	132	106	96	202	192	182	162			163	160
Re-Offered Yield	4.54%	4.51%	4.37%	3.90%	3.31%	3.01%	3.94%	3.92%	3.78%	3.56%	3.20%	3.00%	4.38%	4.28%	4.09%	3.84%			4.04%	4.01%
Commission (bp)	2.9	3.6	3.5	4.8	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.56%**	**4.55%**	**4.41%**	**3.94%**	**3.39%**	**3.08%**	**3.97%**	**3.95%**	**3.80%**	**3.58%**	**3.22%**	**3.01%**	**4.40%**	**4.30%**	**4.09%**	**3.89%**			**4.07%**	**4.04%**
All-in Spread to GoC Curve (bp)	**214.86**	**213.64**	**204.53**	**166.75**	**132.52**	**116.92**	**158.70**	**156.69**	**147.38**	**134.06**	**107.72**	**97.19**	**203.57**	**194.40**	**185.23**	**166.90**			**165.71**	**163.50**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			155.0	149.0
Highway 407 (A, A)																			125.0	118.3
Enbridge Gas Distribution (A-, A)																			130.0	124.0
Hydro One (A3/A/A high)																			130.0	123.3
Schedule 1 Bank ABS (A)																			190.0	185.0
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	147.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	129.0	-														
Hydro One (A/A3/AH)	128.0	-	-	85.0	62.0	47.0														
OPG (BBB+/-/AL)	163.0	-	-	115.0	92.0	77.0														
10-year A CMBS (USD Swaps)																150 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+120-125 AREA
5-110 AREA (vs 30y U
30-135 AREA (vs 10y US
+100-105 AREA
+75-80 AREA
+65-70 AREA
39.00
107
25.00
50
30.00
90

Indicative New Issue Spreads
Week of Feb 26, 2018

NBF *NBF* *NBF* NBF

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	NBF Current			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.34%	2.27%	2.05%	1.90%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	95	79.00	58	46
Re-Offered Yield	3.29%	3.06%	2.63%	2.36%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.33%**	**3.11%**	**2.71%**	**2.45%**
All-in Spread to GoC Curve (bp)	**98.84**	**83.68**	**65.53**	**54.69**

Primary Comparable (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	71	61	40	26

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	107	90	70	60
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	90	75	55	47
Schedule I Bank ABS (Aaa ; AAA ; AAA)	113	90	75	65
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.34%	2.27%	2.05%	1.90%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	119	102	81	68
Re-Offered Yield	3.53%	3.29%	2.86%	2.58%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.57%**	**3.34%**	**2.94%**	**2.67%**
All-in Spread to GoC Curve (bp)	**122.84**	**106.68**	**88.53**	**76.69**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
RBC Sr-Sub.				
Highway 407 (A, A)	99	80	60	50
NAV Canada (AA-, AA low)	81	75	55	45
GTAA (Aa3, A+)	81	75	55	45
Hydro One (A3/A/A high)	104	85	60	45
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.34%	2.27%	2.05%	1.90%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	147	124	98	86
Re-Offered Yield	3.81%	3.51%	3.03%	2.76%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.85%**	**3.56%**	**3.11%**	**2.85%**
All-in Spread to GoC Curve (bp)	**150.84**	**128.68**	**105.53**	**94.69**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	132.0	115.0	85.0	70.0
Highway 407 (A, A)	99.1	80.0	60.0	50.0
Enbridge Gas Distribution (A-, A)	107.0	90.0	65.0	55.0
Hydro One (A3/A/A high)	104.1	85.0	60.0	45.0
Schedule 1 Bank ABS (A)	168.0	145.0	130.0	115.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads
Week of Feb 26, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	RBC	RBC	RBC	RBC	RBC	RBC	Scotia	Scotia	Scotia	Scotia	Scotia	Scotia	TD	TD	TD	TD	TD	TD
	RBC						Scotia						TD					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%
Benchmark Yield	2.41%	2.41%	2.39%	2.34%	2.10%	1.90%	2.41%	2.43%	2.38%	2.25%	2.06%	1.91%	2.40%	2.40%	2.29%	2.25%	2.05%	1.85%
Curve Adjustment (bp)	0.0	0.4	5.4	1.7	3.5	5.2	0.0	0.4	(0.4)	1.6	(0.0)	(0.0)	0.0	0.3	5.6	1.7	0.0	5.3
Spread to GoC Curve (bp)	96	95	95	87.00	63	49	100	99	93	84	65	49	114	104	94	89	59	44
Re-Offered Yield	3.37%	3.37%	3.39%	3.23%	2.76%	2.44%	3.41%	3.42%	3.31%	3.10%	2.70%	2.40%	3.54%	3.45%	3.29%	3.15%	2.64%	2.34%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	2.4	3.2	3.8	4.5	7.5	8.8	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.40%**	**3.40%**	**3.43%**	**3.27%**	**2.84%**	**2.53%**	**3.43%**	**3.45%**	**3.34%**	**3.15%**	**2.78%**	**2.49%**	**3.56%**	**3.48%**	**3.32%**	**3.20%**	**2.72%**	**2.43%**
All-in Spread to GoC Curve (bp)	**98.67**	**98.47**	**98.86**	**91.72**	**70.56**	**57.71**	**101.87**	**101.68**	**96.82**	**88.01**	**72.00**	**57.77**	**116.36**	**107.17**	**97.59**	**93.50**	**66.42**	**52.63**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72	72	64	40	26	75	73	70	63	40	27	73	72	68	64	40	26

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	37	28	18												
City of Toronto (AA/Aa1/AA)	98	98	93	82	56	42												
Hydro One Inc. (A(H)/A3/A)	128	n/a	n/a	89	60	52							128	118	93	85	63	50
Ontario Power Generation Inc. (A(low)/-/BBB+)	153	n/a	n/a	111	82	73	155	0	0	110	85	73						
Toronto Hydro Corporation (A/-/A)	120	n/a	n/a	85	57	50												
Canadian National Railway Co (A/A2/A)	123	n/a	n/a	85	64	56												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	95	n/a	n/a	76	55	45												
NAV Canada (AA(low)/Aa2/AA-)	94	n/a	n/a	78	58	50												
OPB Finance Trust (AA+/-/AA(H))													111	101	96	87	57	42
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	74	59	48
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							75	0	0	64	45	30						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							120	0	0	90	75	63						
Golden Credit Card Trust							0	0	0	87	72	60						
Master Credit Card Trust							0	0	0	87	72	60						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%
Benchmark Yield	2.41%	2.41%	2.39%	2.34%	2.10%	1.90%	2.41%	2.43%	2.38%	2.25%	2.06%	1.91%	2.40%	2.40%	2.29%	2.25%	2.05%	1.85%
Curve Adjustment (bp)	0.0	0.4	5.4	1.7	3.5	5.2	0.0	0.4	(0.4)	1.6	(0.0)	(0.0)	0.0	0.3	5.6	1.7	0.0	5.3
Spread to GoC Curve (bp)	124	123	123	115	91	77	135	132	123	114	95	79	144	134	124	119	89	74
Re-Offered Yield	3.65%	3.65%	3.67%	3.51%	3.04%	2.72%	3.76%	3.75%	3.61%	3.40%	3.00%	2.70%	3.84%	3.75%	3.59%	3.45%	2.94%	2.64%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.7	2.4	3.2	3.8	4.5	7.5	8.8	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.68%**	**3.68%**	**3.71%**	**3.55%**	**3.12%**	**2.81%**	**3.78%**	**3.78%**	**3.64%**	**3.45%**	**3.08%**	**2.79%**	**3.86%**	**3.78%**	**3.62%**	**3.50%**	**3.02%**	**2.73%**
All-in Spread to GoC Curve (bp)	**126.77**	**126.55**	**126.94**	**119.79**	**98.61**	**85.75**	**136.87**	**134.68**	**126.82**	**118.01**	**102.00**	**87.77**	**146.36**	**137.17**	**127.59**	**123.50**	**96.42**	**82.63**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	68	44	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%
Benchmark Yield	2.41%	2.41%	2.39%	2.34%	2.10%	1.90%	2.41%	2.43%	2.38%	2.25%	2.06%	1.91%	2.40%	2.40%	2.29%	2.25%	2.05%	1.85%
Curve Adjustment (bp)	0.0	0.4	5.4	1.7	3.5	5.2	0.0	0.4	(0.4)	1.6	(0.0)	(0.0)	0.0	0.3	5.6	1.7	0.0	5.3
Spread to GoC Curve (bp)	156	155	155	147	123	109	170	165	153	144	125	109	174	164	154	149	119	104
Re-Offered Yield	3.97%	3.97%	3.99%	3.83%	3.36%	3.04%	4.11%	4.08%	3.91%	3.70%	3.30%	3.00%	4.14%	4.05%	3.89%	3.75%	3.24%	2.94%
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	2.4	3.2	3.8	4.5	7.5	8.8	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.00%**	**4.00%**	**4.03%**	**3.88%**	**3.44%**	**3.13%**	**4.13%**	**4.11%**	**3.94%**	**3.75%**	**3.38%**	**3.09%**	**4.16%**	**4.08%**	**3.92%**	**3.80%**	**3.32%**	**3.03%**
All-in Spread to GoC Curve (bp)	**158.88**	**158.66**	**159.03**	**151.86**	**130.68**	**117.80**	**171.87**	**167.68**	**156.82**	**148.01**	**132.00**	**117.77**	**176.36**	**167.17**	**157.59**	**153.50**	**126.42**	**112.63**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			28.00 60						30.00 60						30.00 60			

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	23.7
26-Feb-18	19.6	16.9	23.2

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	**5 Year**	**10 Year**	**15 Year**	**30 Year**	**5 Year**
29.7	56.8	80.6	91.2	99.1	38.5
30.8	59.3	81.4	92.0	100.4	40.1
31.4	61.0	83.7	94.5	103.6	41.7
32.6	59.8	82.1	94.1	104.8	39.8
31.9	59.4	82.1	94.0	104.6	39.8

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
54.7	78.2	102.8	115.0	124.1	38.5
60.3	85.4	108.2	120.4	130.0	40.1
61.9	87.8	111.3	123.9	134.1	41.7
63.0	86.6	110.1	123.6	135.2	39.8
62.4	86.3	110.1	123.4	135.1	39.8

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
84.5	99.3	125.6	141.0	153.9	38.5
96.8	112.7	137.3	153.5	166.5	40.1
101.5	117.7	142.8	162.9	173.7	41.7
104.0	116.3	145.6	162.6	176.2	39.8
103.4	115.9	145.6	162.4	176.1	39.8

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.42%	2.42%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**97**	**96**
Re-Offered Yield	3.39%	3.38%
Commission (bp)	2.6	3.4
All-in Yield	**3.41%**	**3.42%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	73	72

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	86	
BMO (Senior) (A+/A1/AA)	113	
Nav Canada (sub) (AA-/Aa2/AAL)	95	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.42%	2.42%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**137**	**136**
Re-Offered Yield	3.79%	3.77%
Commission (bp)	2.8	3.5
All-in Yield	**3.81%**	**3.81%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	113	
Nav Canada (sub) (AA-/Aa2/AAL)	95	
City of Toronto (AA / Aa1 / AA)	95	94

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.42%	2.42%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**212**	**210**
Re-Offered Yield	4.54%	4.51%
Commission (bp)	2.9	3.6
All-in Yield	**4.56%**	**4.55%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	128	
OPG (BBB+/-/AL)	163	

Generic Corporate Credit Spreads AA	99	
Generic Corporate Credit Spreads A	153	
Generic Corporate Credit Spreads BBB	227	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.30%	2.26%	2.06%	1.86%	-4bps	-4bps	-5bps	-5bps	-2bps
5.6	1.7	0.0	4.8	0bps	0bps	0bps	0bps	-3bps
94	**82**	**56**	**40**	0bps	1bps	1bps	0bps	0bps
3.30%	3.10%	2.62%	2.31%	-4bps	-3bps	-4bps	-5bps	-5bps
3.3	4.6	7.4	6.9					
3.33%	**3.14%**	**2.70%**	**2.38%**	-4bps	-3bps	-4bps	-5bps	-5bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
71.5	61	40	26	-1bps	-1bps	-1bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		82						0bps
		74	59					0bps
		61	44					0bps
40.5	35.5	27.5	17.5			0bps	0bps	-1bps
	66	44	28				0bps	0bps
	66	44	28	0bps			0bps	0bps
	88	74	62	0bps			0bps	0bps
	78	55	44	3bps			0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.30%	2.26%	2.06%	1.86%	-4bps	-4bps	-5bps	-5bps	-2bps
5.6	1.7	0.0	4.8	0bps	0bps	0bps	0bps	-3bps
133	**112**	**81**	**65**	0bps	0bps	1bps	0bps	0bps
3.69%	3.40%	2.87%	2.56%	-4bps	-4bps	-4bps	-5bps	-5bps
3.4	4.7	7.5	6.9					
3.72%	**3.44%**	**2.95%**	**2.63%**	-4bps	-4bps	-4bps	-5bps	-5bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
72	61	40	26	-1bps	-1bps	-1bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			79					
			94					
	88	74	62	0bps			0bps	0bps
	78	55	44	3bps			0bps	0bps
93	78	55	39	-2bps	-2bps	-2bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.30%	2.26%	2.06%	1.86%	-4bps	-4bps	-5bps	-5bps	-2bps
5.6	1.7	0.0	4.8	0bps	0bps	0bps	0bps	-3bps
201	**162**	**125**	**110**	0bps	0bps	1bps	0bps	0bps
4.37%	3.90%	3.31%	3.01%	-4bps	-4bps	-4bps	-5bps	-5bps
3.5	4.8	7.5	6.9					
4.41%	**3.94%**	**3.39%**	**3.08%**	-4bps	-4bps	-4bps	-5bps	-5bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
72	61	40	26	-1bps	-1bps	-1bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		147						0bps
		129						0bps
	85	62	47	0bps			0bps	0bps
	115	92	77	0bps			0bps	0bps

	87	65		4bps			1bps	0bps
	114	82		0bps			0bps	0bps
	169	117		0bps			0bps	0bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
27-Feb-18

3-year
-3bps 0bps 0bps -3bps
-3bps

3-year
0bps

3-year
0bps 0bps 0bps 0bps 0bps 0bps 0bps

3-year
-3bps 0bps 0bps -3bps
-3bps

3-year
0bps

3-year
0bps
0bps
0bps
0bps
0bps

3-year
-3bps
0bps
0bps
-3bps
-3bps

3-year
0bps

3-year
0bps
0bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.38%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**106**
Re-Offered Yield	3.44%
Commission (bp)	2.7
All-in Yield	**3.47%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	161
Toronto Hydro (A / - / A)	124
Nova Scotia Power (BBB+ / - / A(l))	138
FortisAlberta (A- / Baa1 / A(l))	127
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	225
Bruce Power (BBB / Baa2 / BBB)	200
City of Toronto (- / Aa1 / AA)	94

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.38%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**131**
Re-Offered Yield	3.69%
Commission (bp)	2.7
All-in Yield	**3.72%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.38%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**156**
Re-Offered Yield	3.94%
Commission (bp)	2.7
All-in Yield	**3.97%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Mar-23	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.75%	-	-	-	-	-
2.38%	2.33%	2.23%	2.11%	2.04%	-0.10%	-0.11%	-0.11%	-0.10%	-0.09%
0.1	(0.3)	1.7	3.1	0.0	0.0	0.0	(0.0)	(0.0)	(0.8)
104	**95**	**82**	**56**	**46**	0	0	0	0	0
3.42%	3.28%	3.06%	2.70%	2.50%	-0.10%	-0.11%	-0.11%	-0.10%	-0.09%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.45%	**3.30%**	**3.08%**	**2.72%**	**2.51%**	**-0.10%**	**-0.11%**	**-0.11%**	**-0.10%**	**-0.09%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
72	70	63	40	23.5	(1)	1	1	1	(1)

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	114	74	60	1	--	--	(1)	(2)
--	--	84	59	47	1	--	--	(1)	(1)
--	--	97	69	55	0	--	--	1	0
--	--	87	62	--	0	--	--	(4)	(3)
--	--	165	115	90	0	--	--	0	0
--	--	140	95	--	1	--	--	0	(1)
92	--	76	--	--	0	0	--	0	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Mar-23	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.75%	-	-	-	-	-
2.38%	2.33%	2.23%	2.11%	2.04%	-0.10%	-0.11%	-0.11%	-0.10%	-0.09%
0.1	(0.3)	1.7	3.1	0.0	0	0	(0)	(0)	(1)
129	**120**	**107**	**81**	**71**	0	0	0	0	0
3.67%	3.53%	3.31%	2.95%	2.75%	-0.10%	-0.11%	-0.11%	-0.10%	-0.09%
2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.70%	**3.55%**	**3.33%**	**2.97%**	**2.76%**	**-0.10%**	**-0.11%**	**-0.11%**	**-0.10%**	**-0.09%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
72	70	63	40	23.5	(1)	1	1	1	(1)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
--	--	--	73	63	--	--	--	--	0
--	--	--	88	76	--	--	--	--	0
--	--	--	55	45	--	--	--	--	0

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.75%	-	-	-	-	-
2.38%	2.33%	2.23%	2.11%	2.04%	-0.10%	-0.11%	-0.11%	-0.10%	-0.09%
0.1	(0.3)	1.7	3.1	0.0	0	0	(0)	(0)	(1)
154	**145**	**132**	**106**	**96**	0	0	0	0	0
3.92%	3.78%	3.56%	3.20%	3.00%	-0.10%	-0.11%	-0.11%	-0.10%	-0.09%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.95%	**3.80%**	**3.58%**	**3.22%**	**3.01%**	**-0.10%**	**-0.11%**	**-0.11%**	**-0.10%**	**-0.09%**

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
72	70	63	40	23.5	(1)	1	1	1	(1)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

CIBC
2/26/2018

3-year
-
-
-0.09%
0.1
0
-0.09%
-
-0.09%

3-year
(4)

3-year
(2)
(3)
(1)
--
0
--
--

3-year
-
-
-0.09%
0
0
-0.09%
0.00%
-0.09%

3-year
(4)

3-year
0
0
0

3-year
-
-
-0.09%
0
0
-0.09%
-
-0.09%

3-year
(4)

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.363%	2.359%
Curve Adjustment (bp)	0.000%	0.008%
Spread to GoC Curve (bp)	**1.119%**	**1.019%**
Re-Offered Yield	3.482%	3.378%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.50%**	**3.40%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.718%**	**0.771%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+85 AREA	-75 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.363%	2.359%
Curve Adjustment (bp)	0.000%	0.008%
Spread to GoC Curve (bp)	**1.419%**	**1.319%**
Re-Offered Yield	3.782%	3.678%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.80%**	**3.70%**

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.718%**	**0.771%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+95-100 AREA	-80 AREA (vs 30y U

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.363%	2.359%
Curve Adjustment (bp)	0.000%	0.008%
Spread to GoC Curve (bp)	**2.019%**	**1.919%**
Re-Offered Yield	4.382%	4.278%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.40%**	**4.30%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.718%**	**0.771%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+120-125 AREA	-110 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN28			
5.750%	2.000%			
2.269%	2.216%			
0.049%	0.008%			
0.919%	**0.719%**			
3.188%	2.935%			
0.033%	0.050%			
3.22%	**2.99%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.743%	**0.808%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
·100 AREA (vs 10y U	65 bps area +65-70 AREA	+45-50 AREA	+35-40 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN28			
5.750%	2.000%			
2.269%	2.216%			
0.049%	0.008%			
1.219%	**1.019%**			
3.488%	3.235%			
0.033%	0.050%			
3.49%	**3.29%**			

Current	

15-year	10-year	5-year	3-year	30-year
0.743%	**0.808%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-110 AREA (vs 10y	100 - 110 bps AREA +80-85 AREA	+55-60 AREA	+45-40 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN28			
5.750%	2.000%			
2.269%	2.216%			
0.049%	0.008%			
1.819%	**1.619%**			
4.088%	3.835%			
0.033%	0.050%			
4.09%	**3.89%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.743%	**0.808%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-135 AREA (vs 10y	150 bps AREA +100-105 AREA	+75-80 AREA	+65-70 AREA	+0 bps

Bank Name	GS
Date	2/28/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week

20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	108
Re-Offered Yield	3.49%
Commission (bp)	2.7
All-in Yield	**3.52%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	72

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	130
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	113
Schedule I Bank ABS (Aaa ; AAA ; AAA)	135

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	133
Re-Offered Yield	3.74%
Commission (bp)	2.7
All-in Yield	**3.77%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	72

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	125
NAV Canada (AA-, AA low)	90
GTAA (Aa3, A+)	90
Hydro One (A3/A/A high)	130

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	163
Re-Offered Yield	4.04%
Commission (bp)	2.7
All-in Yield	**4.07%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	72

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	155
Highway 407 (A, A)	125
Enbridge Gas Distribution (A-, A)	130
Hydro One (A3/A/A high)	130
Schedule 1 Bank ABS (A)	190

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.41%	2.34%	2.27%	2.05%
0.0	0.0	0.0	0.0
105	95	79	58
3.46%	3.29%	3.06%	2.63%
3.5	3.8	4.7	7.5
3.49%	**3.33%**	**3.11%**	**2.71%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	71	60.5	39.5

Current			
20-year	**15-year**	**10-year**	**5-year**
124	107	90	70
107	90	75	55
130	113	90	75

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.41%	2.34%	2.27%	2.05%
0.0	0.0	0.0	0.0
130	119	102	81
3.71%	3.53%	3.29%	2.86%
3.5	3.8	4.7	7.5
3.74%	**3.57%**	**3.34%**	**2.94%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	71	61	40

Current			
20-year	**15-year**	**10-year**	**5-year**
118	99	80	60
88	81	75	55
88	81	75	55
123	104	85	60

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.41%	2.34%	2.27%	2.05%
0.0	0.0	0.0	0.0
160	147	124	98
4.01%	3.81%	3.51%	3.03%
3.5	3.8	4.7	7.5
4.04%	**3.85%**	**3.56%**	**3.11%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	71	61	40

Current			
20-year	**15-year**	**10-year**	**5-year**
149	132	115	85
118	99	80	60
124	107	90	65
123	104	85	60
185	168	145	130

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.90%	-0.07%	-0.08%	-0.10%
0.0	0.0	0.0	0.0
46	-1	-1	-1
2.36%	-0.08%	-0.09%	-0.11%
8.7	0.0	0.0	0.0
2.45%	**-0.08%**	**-0.09%**	**-0.11%**

			Week
3-year	**30-year**	**20-year**	**15-year**
25.5	-1	0	1

			Week
3-year	**30-year**	**20-year**	**15-year**
60	5	5	5
47	5	5	5
65	0	0	0

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
1.90%	-0.07%	-0.08%	-0.10%
0.0	0.0	0.0	0.0
68	-1	-1	-1
2.58%	-0.08%	-0.09%	-0.11%
8.7	0.0	0.0	0.0
2.67%	**-0.08%**	**-0.09%**	**-0.11%**

			Week
3-year	**30-year**	**20-year**	**15-year**
26	-1	0	1

			Week
3-year	**30-year**	**20-year**	**15-year**
50	0	0	0
45	0	0	0
45	0	0	0
45	0	0	0

	Week

3-year	30-year	20-year	15-year
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.90%	-0.07%	-0.08%	-0.10%
0.0	0.0	0.0	0.0
86	-1	-1	-1
2.76%	-0.08%	-0.09%	-0.11%
8.7	0.0	0.0	0.0
2.85%	**-0.08%**	**-0.09%**	**-0.11%**

	Week

3-year	30-year	20-year	15-year
26	-1	0	1

	Week

3-year	30-year	20-year	15-year
70	0	0	0
50	0	0	0
55	0	0	0
45	0	0	0
115	0	0	0

Bank Name	National Bank of Canada
Date	2/26/2018

over Week

10-year	5-year	3-year
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.09%	-0.08%	-0.05%
0.0	0.0	0.0
-1	-1	-1
-0.10%	-0.09%	-0.06%
0.0	0.0	0.0
-0.10%	**-0.09%**	**-0.06%**

over Week

10-year	5-year	3-year
-0.5	-0.5	0

over Week

10-year	5-year	3-year
5	0	0
5	0	0
0	0	0

over Week

10-year	5-year	3-year
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.09%	-0.08%	-0.05%
0.0	0.0	0.0
-1	-1	-1
-0.10%	-0.09%	-0.06%
0.0	0.0	0.0
-0.10%	**-0.09%**	**-0.06%**

over Week

10-year	5-year	3-year
-1	-1	0

over Week

10-year	5-year	3-year
0	0	0
0	0	0
0	0	0
0	0	-5

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.09%	-0.08%	-0.05%
0.0	0.0	0.0
-1	-1	-1
-0.10%	-0.09%	-0.06%
0.0	0.0	0.0
-0.10%	**-0.09%**	**-0.06%**

over Week		
10-year	**5-year**	**3-year**
-1	-1	0

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
0	0	0
0	0	-5
0	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.41%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**96**
Re-Offered Yield	3.37%
Commission (bp)	2.7
All-in Yield	**3.40%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**73**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**98**
Hydro One Inc. (A(H)/A3/A)	**128**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**153**
Toronto Hydro Corporation (A/-/A)	**120**
Canadian National Railway Co (A/A2/A)	**123**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**95**
NAV Canada (AA(low)/Aa2/AA-)	**94**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**124**
Re-Offered Yield	3.65%
Commission (bp)	2.8
All-in Yield	**3.68%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**156**
Re-Offered Yield	3.97%
Commission (bp)	2.9
All-in Yield	**4.00%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

The indicative price is provided by way of example only, and is not intended to replace or supplant advice of your aud EVENT SHALL RBC OR ITS AGENTS OR OFFICERS BE LIABLE FOR ANY DAMAGES WHATSOEVER (INCLUDI the indicative price is adequate or appropriate for your purposes.

The information provided in this valuation (the “Information”) (i) is intended for your information only and is not to be d the fullest extent permissible by law, shall have no liability whatsoever to you or any other person or party for any loss

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.41%	**2.39%**	**2.34%**	**2.10%**
0.4	**5.4**	**1.7**	**3.5**
95	**95**	**87**	**63**
3.37%	3.39%	3.23%	2.76%
3.5	3.9	4.7	7.6
3.40%	**3.43%**	**3.27%**	**2.84%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	**72**	**64**	**40**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**37**	**28**
98	**93**	**82**	**56**
n/a	**n/a**	**89**	**60**
n/a	**n/a**	**111**	**82**
n/a	**n/a**	**85**	**57**
n/a	**n/a**	**85**	**64**
n/a	**n/a**	**76**	**55**
n/a	**n/a**	**78**	**58**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.41%	2.39%	2.34%	2.10%
0.4	5.4	1.7	3.5
123	**123**	**115**	**91**
3.65%	3.67%	3.51%	3.04%
3.6	3.9	4.8	7.6
3.68%	**3.71%**	**3.55%**	**3.12%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	72	64	40

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**68**	**44**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.41%	2.39%	2.34%	2.10%
0.4	5.4	1.7	3.5
155	**155**	**147**	**123**
3.97%	3.99%	3.83%	3.36%
3.7	4.0	4.9	7.7
4.00%	**4.03%**	**3.88%**	**3.44%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	72	64	40

Current			
20-year	**15-year**	**10-year**	**5-year**

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s being provided to you may differ substantially from a firm price of such instrument or transaction. The indicative price

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o any other existing or future transactions between you and RBC. The indicative price does not in any way amend, mo

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Sep-20					
0.75%					
1.90%	-6.9	-7.7	-	-	-
5.2	-	0.1	0.3	0.1	-
49	1.0	-	-	2.0	-
2.44%	-5.9	-7.6	0.3	2.1	-
8.7	-0.0	-0.0	0.0	0.0	-
2.53%	-5.9	-7.6	0.3	2.1	-

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
26	1.0	-	-	2.0	-

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
18				-	-
42	-	-	-	-	-
52	-			-	-
73	-			-	-
50	-1.0			-	-
56	-			-	-
45	2.0			-	-
50	1.0			-	-

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Sep-20					
0.75%					
1.90%					
5.2					
77	1.0	-	-	2.0	-
2.72%	-5.9	-7.6	0.3	2.1	-
8.7	-0.02	-0.02	0.00	0.00	-
2.81%	-5.9	-7.6	0.3	2.1	-

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
26	1.0	-	-	2.0	-

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				-	-

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Sep-20					
0.75%					
1.90%					
5.2					
109	1.0	-	-	2.0	-
3.04%	-5.9	-7.6	0.3	2.1	-
8.8	-0.02	-0.02	0.00	0.00	-
3.13%	-5.9	-7.6	0.3	2.1	-

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
26	1.0	-	-	2.0	-

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does n
dify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not comm

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nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

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Information and, to

icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.41%	2.43%
Curve Adjustment (bp)	0.0	0.4
Spread to GoC Curve (bp)	**+100**	**+99**
Re-Offered Yield	3.41%	3.42%
Commission (bp)	2	3
All-in Yield	**3.43%**	**3.45%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	73

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	155	
CPP	75	
BNS - Denior Deposit Notes	120	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.41%	2.43%
Curve Adjustment (bp)	0.0	0.4
Spread to GoC Curve (bp)	**+135**	**+132**
Re-Offered Yield	3.76%	3.75%
Commission (bp)	2	3
All-in Yield	**3.78%**	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	73

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.41%	2.43%
Curve Adjustment (bp)	0.0	0.4
Spread to GoC Curve (bp)	**+170**	**+165**
Re-Offered Yield	4.11%	4.08%
Commission (bp)	2	3
All-in Yield	**4.13%**	**4.11%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	73

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.38%	2.25%	2.06%	1.91%	-0.10%
(0.4)	1.6	(0.0)	0.0	0
+93	**+84**	**+65**	**+49**	0
3.31%	3.10%	2.70%	2.40%	-0.10%
4	5	8	9	0
3.34%	**3.15%**	**2.78%**	**2.49%**	**-0.10%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70	63	40	27	5

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	110	85	73	0
	64	45	30	1
	90	75	63	-1
	87	72	60	
	87	72	60	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.38%	2.25%	2.06%	1.91%	-0.10%
(0.4)	1.6	(0.0)	(0.0)	0
+123	**+114**	**+95**	**+79**	0
3.61%	3.40%	3.00%	2.70%	-0.10%
4	5	8	9	0
3.64%	**3.45%**	**3.08%**	**2.79%**	**-0.10%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70	63	40	27	5

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	87	72	60	
	87	72	60	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.38%	2.25%	2.06%	1.91%	-0.10%
(0.4)	1.6	(0.0)	(0.0)	0
+153	**+144**	**+125**	**+109**	0
3.91%	3.70%	3.30%	3.00%	-0.10%
4	5	8	9	0
3.94%	**3.75%**	**3.38%**	**3.09%**	**-0.10%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70	63	40	27	5

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	87	72	60	
	87	72	60	

Bank Name	BNS
Date	2/27/2018

Week over Week				
20-year	15-year	10-year	5-year	3-year
-0.08%	-0.10%	-0.15%	-0.09%	-0.02%
0	0	0	-4	-7
0	0	0	0	0
-0.08%	-0.10%	-0.15%	-0.13%	-0.09%
0	0	0	0	0
-0.08%	**-0.10%**	**-0.15%**	**-0.13%**	**-0.09%**

Week over Week				
20-year	15-year	10-year	5-year	3-year
1	-1	2	1	1

Week over Week				
20-year	15-year	10-year	5-year	3-year
		0	0	0
		1	0	1
		-1	0	1
		-1	1	2
		-1	1	2

Week over Week				
20-year	15-year	10-year	5-year	3-year
-0.08%	-0.10%	-0.15%	-0.09%	-0.02%
0	0	0	-4	-7
0	0	0	0	0
-0.08%	-0.10%	-0.15%	-0.13%	-0.09%
0	0	0	0	0
-0.08%	**-0.10%**	**-0.15%**	**-0.13%**	**-0.09%**

Week over Week				
20-year	15-year	10-year	5-year	3-year
1	-1	2	1	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		-1	1	2
		-1	1	2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.08%	-0.10%	-0.15%	-0.09%	-0.02%
0	0	0	-4	-7
0	0	0	0	0
-0.08%	-0.10%	-0.15%	-0.13%	-0.09%
0	0	0	0	0
-0.08%	**-0.10%**	**-0.15%**	**-0.13%**	**-0.09%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1	-1	2	1	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		-1	1	2
		-1	1	2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.40%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**114**	**104**
Re-Offered Yield	3.54%	3.45%
Commission (bp)	2.4	3.2
All-in Yield	**3.56%**	**3.48%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	72

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	111	101
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	128	118

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.40%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**144**	**134**
Re-Offered Yield	3.84%	3.75%
Commission (bp)	2.4	3.2
All-in Yield	**3.86%**	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	73	72

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.40%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**174**	**164**
Re-Offered Yield	4.14%	4.05%
Commission (bp)	2.4	3.2
All-in Yield	**4.16%**	**4.08%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	72

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20	-
5.75%	1.00%	1.75%	0.75%	-
2.29%	2.25%	2.05%	1.85%	-0.060%
5.6	1.7	0.0	5.3	-
94	**89**	**59**	**44**	-1
3.29%	3.15%	2.64%	2.34%	-0.07%
3.6	4.5	7.4	8.6	-
3.32%	**3.20%**	**2.72%**	**2.43%**	**-0.07%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
68	64	40	26	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
96	87	57	42	-
N/A	74	59	48	N/A
93	85	63	50	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20	-
5.75%	1.00%	1.75%	0.75%	-
2.29%	2.25%	2.05%	1.85%	-0.060%
5.6	1.7	0.0	5.3	-
124	**119**	**89**	**74**	-1
3.59%	3.45%	2.94%	2.64%	-0.07%
3.6	4.5	7.4	8.6	-
3.62%	**3.50%**	**3.02%**	**2.73%**	**-0.07%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

68	64	40	26	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20	-
5.75%	1.00%	1.75%	0.75%	-
2.29%	2.25%	2.05%	1.85%	-0.060%
5.6	1.7	0.0	5.3	-
154	**149**	**119**	**104**	-1
3.89%	3.75%	3.24%	2.94%	-0.07%
3.6	4.5	7.4	8.6	-
3.92%	**3.80%**	**3.32%**	**3.03%**	**-0.07%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
68	64	40	26	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	2/26/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.064%	-0.076%	-0.076%	-0.072%	-0.043%
-	-	-	-	-
-1	-1	-1	-1	-1
-0.07%	-0.08%	-0.09%	-0.08%	-0.05%
-	-	-	-	-
-0.07%	**-0.08%**	**-0.09%**	**-0.08%**	**-0.05%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
(1.0)	(0.5)	0.0	0.0	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	0	-	-	0
N/A	N/A	(1)	(2)	0
1	-	-	-	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.064%	-0.078%	-0.077%	-0.072%	-0.043%
-	-	-	-	-
-1	-1	-1	-1	-1
-0.07%	-0.08%	-0.09%	-0.08%	-0.05%
-	-	-	-	-
-0.07%	**-0.08%**	**-0.09%**	**-0.08%**	**-0.05%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

(1.0)	(0.5)	0.0	0.0	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.064%	-0.078%	-0.077%	-0.072%	-0.043%
-	-	-	-	-
-1	-1	-1	-1	-1
-0.07%	-0.08%	-0.09%	-0.08%	-0.05%
-	-	-	-	-
-0.07%	**-0.08%**	**-0.09%**	**-0.08%**	**-0.05%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
(1.0)	(0.5)	0.0	0.0	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From: Ricky Lai
To: Mike Manning
Cc: James Devine; Carlos Yep
Subject: FHP spreads
Date: Thursday, May 31, 2018 8:00:30 AM
Attachments: Fair Hydro price indications May 28 2018.xlsx

Good morning, please find attached this week's FHP spreads.

R

FAIR HYDRO SPREADS

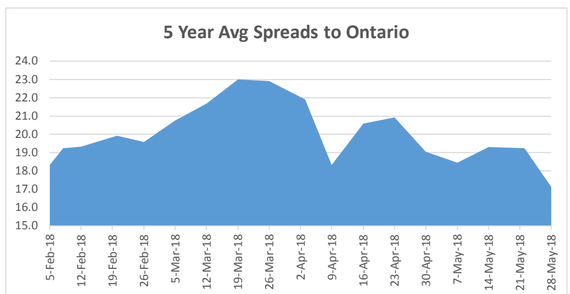
Week of May 28, 2018

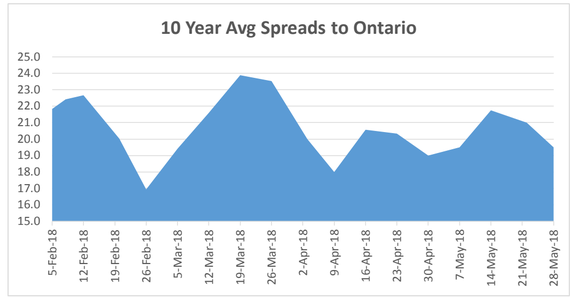
Senior Note

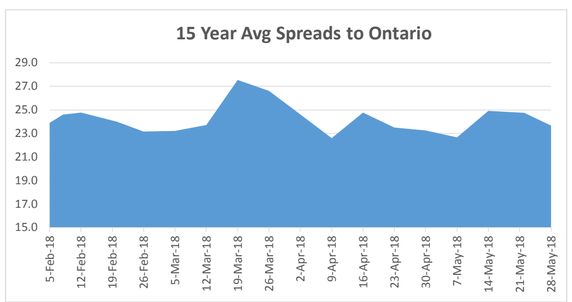
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
33.6	29.2	23.7	19.5	17.1	17.8

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	111.3	106.0	98.2	86.7	61.8	46.6
Last Week's	111.5	105.8	97.5	86.0	61.8	47.4
Change	-0.2	0.2	0.7	0.7	0.0	-0.8

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*TD*	*BMO*	*TD*	*TD*
	99.0	98.0	91.0	83.0	54.0	39.0
Maximum	*GS*	*GS*	*GS*	*Scotia*	*RBC*	*RBC*
	132.0	122.0	107.0	90.0	67.0	51.0





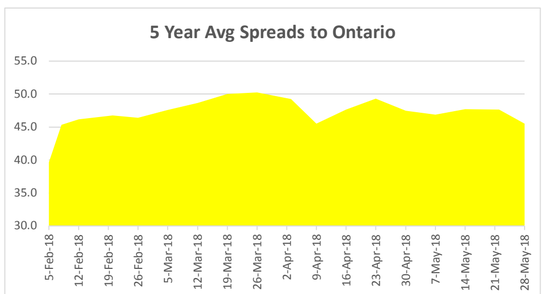


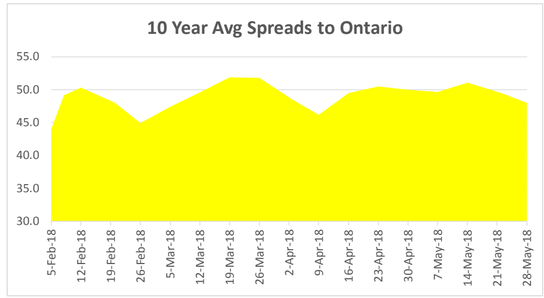
Sub Note

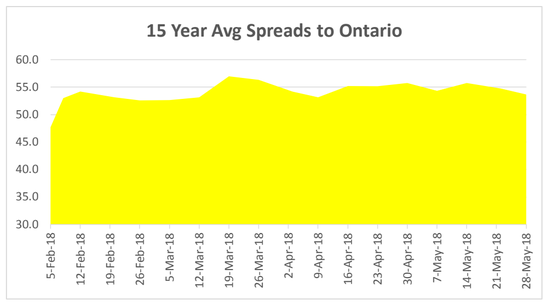
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
63.8	59.3	53.7	48.0	45.5	46.2

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	141.5	136.2	128.2	115.2	90.2	75.0
Last Week's	142.5	136.8	128.3	115.3	90.2	75.8
Change	-1.0	-0.7	-0.2	-0.2	0.0	-0.8

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*TD*	*BMO*	*TD*	*BMO*
	138.0	131.0	121.0	112.0	84.0	69.0
Maximum	*GS*	*GS*	*GS*	*Scotia*	*RBC*	*RBC*
	152.0	142.0	132.0	120.0	97.0	81.0





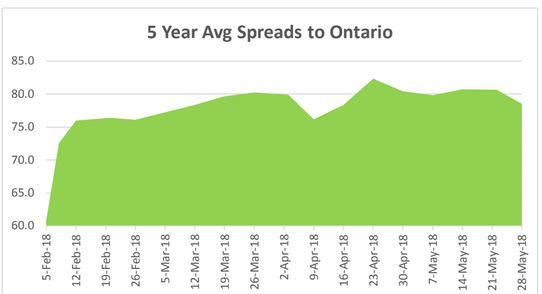


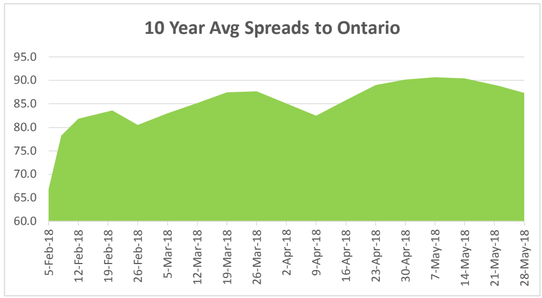
Junior Sub Note

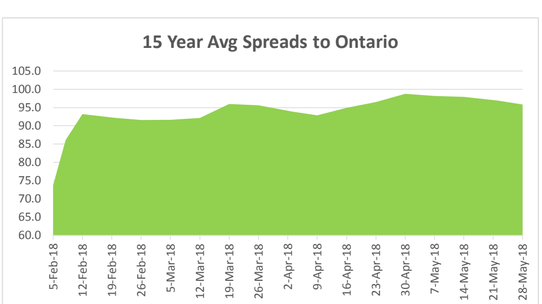
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
108.4	103.5	95.8	87.3	78.5	79.4

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	186.2	180.3	170.3	154.5	123.2	108.2
Last Week's	187.2	181.0	170.5	154.7	123.2	109.0
Change	-1.0	-0.7	-0.2	-0.2	0.0	-0.8

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*TD*	*TD*	*CIBC*	*CIBC*	*TD*
	166.0	161.0	151.0	142.0	113.0	99.0
Maximum	*GS*	*BMO*	*BMO*	*GS*	*BMO*	*RBC*
	217.0	208.0	198.0	177.0	131.0	115.0







FAIR HYDRO SPREADS

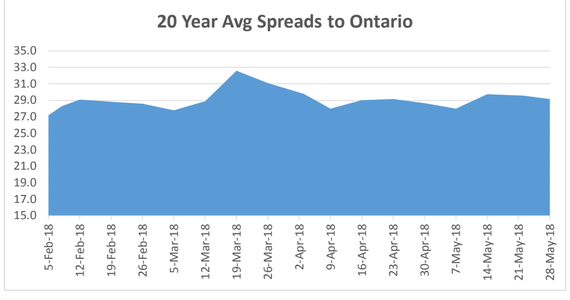
Week of May 28, 2018

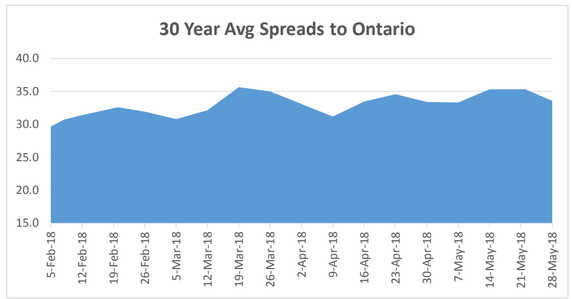
Senior Note

Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
33.6	29.2	23.7	19.5	17.1	17.8

Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
111.3	106.0	98.2	86.7	61.8	46.6
Last Week's	111.5	105.8	97.5	86.0	61.8	47.4
Change	-0.2	0.2	0.7	0.7	0.0	-0.8

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*TD*	*BMO*	*TD*	*TD*
	99.0	98.0	91.0	83.0	54.0	39.0
Maximum	*GS*	*GS*	*GS*	*Scotia*	*RBC*	*RBC*
	132.0	122.0	107.0	90.0	67.0	51.0



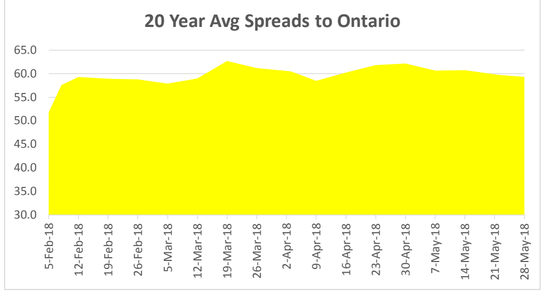


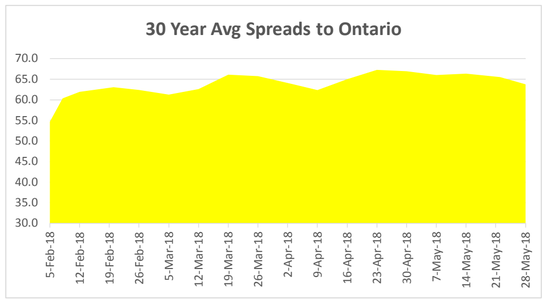
Sub Note

Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
63.8	59.3	53.7	48.0	45.5	46.2

Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
141.5	136.2	128.2	115.2	90.2	75.0
Last Week's	142.5	136.8	128.3	115.3	90.2	75.8
Change	-1.0	-0.7	-0.2	-0.2	0.0	-0.8

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*TD*	*BMO*	*TD*	*BMO*
	138.0	131.0	121.0	112.0	84.0	69.0
Maximum	*GS*	*GS*	*GS*	*Scotia*	*RBC*	*RBC*
	152.0	142.0	132.0	120.0	97.0	81.0



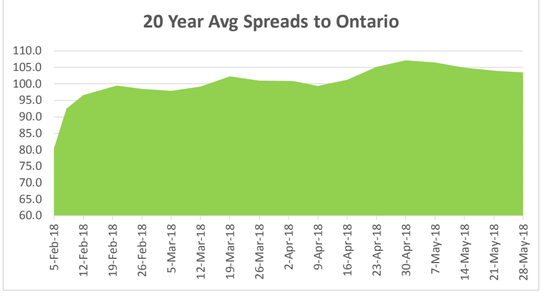


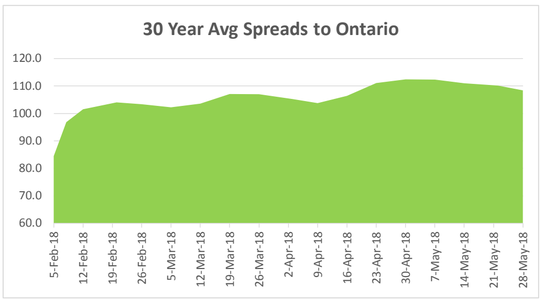
Junior Sub Note

Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
108.4	103.5	95.8	87.3	78.5	79.4

Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
186.2	180.3	170.3	154.5	123.2	108.2
Last Week's	187.2	181.0	170.5	154.7	123.2	109.0
Change	-1.0	-0.7	-0.2	-0.2	0.0	-0.8

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*TD*	*TD*	*CIBC*	*CIBC*	*TD*
	166.0	161.0	151.0	142.0	113.0	99.0
Maximum	*GS*	*BMO*	*BMO*	*GS*	*BMO*	*RBC*
	217.0	208.0	198.0	177.0	131.0	115.0





Indicative New Issue Spreads
Week of May 28, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	5.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.33%	2.34%	2.30%	2.27%	2.13%	1.96%	2.34%	2.35%	2.33%	2.30%	2.24%	2.15%	2.25%	2.26%	2.23%	2.18%			2.35%	2.37%
Curve Adjustment (bp)	0.0	0.3	2.3	1.3	1.5	8.3	0.0	0.1	(0.0)	0.0	0.0	1.9	0.0	0.6	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	99	98	93	83	62	44	112	109	102	88	59	49	132	122	107	87.0				
Re-Offered Yield	3.32%	3.32%	3.25%	3.11%	2.76%	2.48%	3.46%	3.44%	3.35%	3.18%	2.83%	2.66%	3.57%	3.48%	3.30%	3.05%			3.46%	3.41%
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.34%**	**3.36%**	**3.28%**	**3.16%**	**2.84%**	**2.55%**	**3.49%**	**3.47%**	**3.38%**	**3.20%**	**2.85%**	**2.67%**	**3.58%**	**3.50%**	**3.33%**	**3.10%**			**3.49%**	**3.44%**
All-in Spread to GoC Curve (bp)	**101.60**	**101.39**	**96.34**	**87.61**	**69.44**	**50.87**	**114.71**	**111.70**	**104.40**	**90.09**	**60.75**	**50.22**	**133.67**	**124.50**	**110.33**	**92.00**			**2.70**	**3.48**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	81	81	79	70	46	30	79	77	74	69	48	33	81	87	78	72			77	72

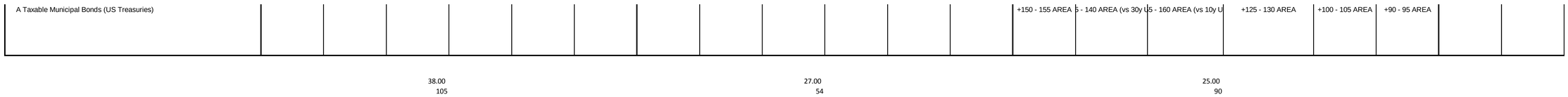
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							168	--	--	119	79	63								
Toronto Hydro Corporation (A/-/A)							130	--	--	91	64	54								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	100	0	0	88	63	49														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			140	134
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			123	117
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			140	134
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	89	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	83	66														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	68	52														
CMBs: (AAA/Aaa/AAA)	0	0	45	40	32	20														
PSP Investments (AAA/Aaa/AAA)	0	0	0	68	45	28														
CPP Investment Board (AAA/Aaa/AAA)	88	0	0	68	45	28														
BMO (Senior) (A+/A1/AA)	121	0	0	96	82	68														
Nova Scotia Power (BBB+ / - / A(l))							145	--	--	105	75	61								
FortisAlberta (A- / Baa1 / A(l))							134	--	--	95	68	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							240	--	--	175	122	99								
Bruce Power (BBB / Baa2 / BBB)							214	--	--	150	104	--								
City of Toronto (- / Aa1 / AA)							98	95	--	81	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																80-85 bps AREA				
AAA Taxable Municipal Bonds (US Treasuries)													+105 AREA	) - 95 AREA (vs 30y U	0-115 AREA (vs 10y U	+80-85 AREA	+70 - 75 AREA	+60 - 65 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.33%	2.34%	2.30%	2.27%	2.13%	1.96%	2.34%	2.35%	2.33%	2.30%	2.24%	2.15%	2.25%	2.26%	2.23%	2.18%			2.35%	2.37%
Curve Adjustment (bp)	0.0	0.3	2.3	1.3	1.5	8.3	0.0	0.1	(0.0)	0.0	0.0	1.9	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	138	137	131	112	87	69	139	136	129	115	86	76	152	142	132	112				
Re-Offered Yield	3.71%	3.71%	3.63%	3.40%	3.01%	2.73%	3.73%	3.71%	3.62%	3.45%	3.10%	2.93%	3.77%	3.68%	3.55%	3.30%			3.72%	3.67%
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.73%**	**3.75%**	**3.66%**	**3.45%**	**3.09%**	**2.80%**	**3.76%**	**3.74%**	**3.65%**	**3.47%**	**3.12%**	**2.94%**	**3.78%**	**3.70%**	**3.55%**	**3.35%**			**3.75%**	**3.70%**
All-in Spread to GoC Curve (bp)	**140.73**	**140.50**	**134.42**	**116.67**	**94.48**	**75.89**	**141.71**	**138.70**	**131.40**	**117.09**	**87.75**	**77.22**	**153.67**	**144.50**	**135.33**	**117.00**			**2.70**	**3.48**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			130	124
NAV Canada (AA-, AA low)																			105	101
GTAA (Aa3, A+)																			110	106
Hydro One (A3/A/A high)																			135	129
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	87														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	102														
BMO (Senior) (A+/A1/AA)	121	0	0	96	82	68														
Nav Canada (sub) (AA-/Aa2/AAL)	100	0	0	88	63	49														
City of Toronto (AA / Aa1 / AA)	101	101	99	86	61	44														
Bank ABS (AAA / - / AAA)							--	--	--	--	83	72								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	95	82								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	49	37								
AA CMBS (USD Swaps)																110 - 115 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+125 - 130 AREA	110 AREA (vs 30y US	0 - 135 AREA (vs 10y U	+105 - 110 AREA	+80 - 85 AREA	+65 - 70 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.33%	2.34%	2.30%	2.27%	2.13%	1.96%	2.34%	2.35%	2.33%	2.30%	2.24%	2.15%	2.25%	2.26%	2.23%	2.18%			2.35%	2.37%
Curve Adjustment (bp)	0.0	0.3	2.3	1.3	1.5	8.3	0.0	0.1	(0.0)	0.0	0.0	1.9	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	212	208	198	162	131	114	166	163	156	142	113	103	217	207	197	177				
Re-Offered Yield	4.45%	4.42%	4.30%	3.90%	3.45%	3.18%	4.00%	3.98%	3.89%	3.72%	3.37%	3.20%	4.42%	4.33%	4.20%	3.95%			4.05%	4.00%
Commission (bp)	2.8	3.6	3.5	4.8	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.48%**	**4.46%**	**4.33%**	**3.95%**	**3.53%**	**3.25%**	**4.03%**	**4.01%**	**3.92%**	**3.74%**	**3.39%**	**3.21%**	**4.43%**	**4.35%**	**4.20%**	**4.00%**			**4.08%**	**4.03%**
All-in Spread to GoC Curve (bp)	**214.83**	**211.62**	**201.52**	**166.75**	**138.54**	**120.93**	**168.71**	**165.70**	**158.40**	**144.09**	**114.75**	**104.22**	**218.67**	**209.50**	**200.33**	**182.00**			**2.70**	**3.48**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			160.0	154.0
Highway 407 (A, A)																			130.0	124.0
Enbridge Gas Distribution (A-, A)																			135.0	129.8
Hydro One (A3/A/A high)																			135.0	129.0
Schedule 1 Bank ABS (A)																			195.0	189.0
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	154.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	136.0	-														
Hydro One (A/A3/AH)	136.0	-	-	99.0	74.0	58.0														
OPG (BBB+/-/AL)	161.0	-	-	116.0	91.0	75.0														
10-year A CMBS (USD Swaps)																165 - 175 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+150 - 155 AREA
5 - 140 AREA (vs 30y US
5 - 160 AREA (vs 10y U
+125 - 130 AREA
+100 - 105 AREA
+90 - 95 AREA
38.00
105
27.00
54
25.00
90

Indicative New Issue Spreads
Week of May 28, 2018

NBF *NBF* *NBF* NBF

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	NBF			
	Current			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21
Benchmark Canada Bond Coupon	5.75%	2.00%	1.75%	0.75%
Benchmark Yield	2.34%	2.30%	2.18%	2.07%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.31%	3.17%	2.83%	2.59%
Commission (bp)	3.8	4.7	7.6	8.7
All-in Yield	**3.34%**	**3.22%**	**2.91%**	**2.68%**
All-in Spread to GoC Curve (bp)	**3.84**	**4.71**	**7.57**	**8.73**

Primary Comparable (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	66	42	27

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	117	100	85	75
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	100	85	70	62
Schedule I Bank ABS (Aaa ; AAA ; AAA)	117	100	85	75
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-28	01-Mar-23	01-Mar-21
Benchmark Canada Bond Coupon	5.75%	2.00%	1.75%	0.75%
Benchmark Yield	2.34%	2.30%	2.18%	2.07%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.55%	3.39%	3.03%	2.79%
Commission (bp)	3.8	4.7	7.6	8.7
All-in Yield	**3.58%**	**3.44%**	**3.11%**	**2.88%**
All-in Spread to GoC Curve (bp)	**3.84**	**4.71**	**7.57**	**8.73**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
RBC Sr-Sub.				
Highway 407 (A, A)	107	90	65	55
NAV Canada (AA-, AA low)	91	80	55	45
GTAA (Aa3, A+)	96	85	60	50
Hydro One (A3/A/A high)	112	95	70	55
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21
Benchmark Canada Bond Coupon	5.75%	2.00%	1.75%	0.75%
Benchmark Yield	2.34%	2.30%	2.18%	2.07%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.85%	3.61%	3.22%	2.98%
Commission (bp)	3.8	4.7	7.6	8.7
All-in Yield	**3.88%**	**3.66%**	**3.30%**	**3.07%**
All-in Spread to GoC Curve (bp)	**3.84**	**4.71**	**7.57**	**8.73**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	137.0	120.0	90.0	75.0
Highway 407 (A, A)	107.0	90.0	65.0	55.0
Enbridge Gas Distribution (A-, A)	114.9	100.0	70.0	55.0
Hydro One (A3/A/A high)	112.0	95.0	70.0	55.0
Schedule 1 Bank ABS (A)	172.0	155.0	140.0	125.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

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0

Indicative New Issue Spreads
Week of May 28, 2018

	RBC	RBC	RBC	*RBC*	*RBC*	RBC	Scotia	Scotia	Scotia	*Scotia*	*Scotia*	Scotia	TD	TD	TD	*TD*	*TD*	TD
	RBC						Scotia						TD					
Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Current						Current					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.32%	2.27%	2.25%	2.09%	1.99%	2.25%	2.26%	2.24%	2.19%	2.04%	1.95%	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%
Curve Adjustment (bp)	0.0	0.3	2.3	0.9	1.3	2.7	0.0	0.3	(0.0)	(0.0)	1.7	2.1	0.0	0.1	1.3	0.2	0.0	2.4
Spread to GoC Curve (bp)	111	103	96	88.00	67	51	105	103	100	90	67	50	109	101	91	84	54	39
Re-Offered Yield	3.42%	3.35%	3.26%	3.13%	2.77%	2.53%	3.30%	3.30%	3.24%	3.09%	2.73%	2.47%	3.59%	3.54%	3.43%	3.33%	2.87%	2.57%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	2.3	3.1	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.6	7.5	8.7
All-in Yield	**3.44%**	**3.38%**	**3.30%**	**3.18%**	**2.85%**	**2.62%**	**3.33%**	**3.33%**	**3.27%**	**3.14%**	**2.81%**	**2.56%**	**3.62%**	**3.58%**	**3.46%**	**3.38%**	**2.95%**	**2.65%**
All-in Spread to GoC Curve (bp)	**113.69**	**106.46**	**99.83**	**92.70**	**74.56**	**59.72**	**107.31**	**106.13**	**103.56**	**94.49**	**74.42**	**58.64**	**111.39**	**104.21**	**94.63**	**88.55**	**61.47**	**47.67**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	79	80	69	46	28	78	77	76	67	43	28	75	76	70	63	43	28

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	40	29	18												
City of Toronto (AA/Aa1/AA)	100	103	98	87	62	43												
Hydro One Inc. (A(H)/A3/A)	135	n/a	n/a	99	71	61							133	123	101	93	70	60
Ontario Power Generation Inc. (A(low)/-/BBB+)	153	n/a	n/a	115	85	73	160	0	0	115	90	76						
Toronto Hydro Corporation (A/-/A)	128	n/a	n/a	94	64	54												
Canadian National Railway Co (A/A2/A)	131	n/a	n/a	94	71	61												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	110	n/a	n/a	89	62	50												
NAV Canada (AA(low)/Aa2/AA-)	101	n/a	n/a	85	60	50												
OPB Finance Trust (AA+/-/AA(H))													110	100	95	85	63	45
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	86	66	54
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							83	0	0	67	44	31						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							132	0	0	102	88	76						
Golden Credit Card Trust							0	0	0	98	84	73						
Master Credit Card Trust							0	0	0	98	84	73						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	01-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.32%	2.27%	2.25%	2.09%	1.99%	2.25%	2.26%	2.24%	2.19%	2.04%	1.95%	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%
Curve Adjustment (bp)	0.0	0.3	2.3	0.9	1.3	2.7	0.0	0.3	(0.0)	(0.0)	1.7	2.1	0.0	0.1	1.3	0.2	0.0	2.4
Spread to GoC Curve (bp)	141	133	126	118	97	81	140	138	130	120	97	80	139	131	121	114	84	69
Re-Offered Yield	3.72%	3.65%	3.56%	3.43%	3.07%	2.83%	3.65%	3.65%	3.54%	3.39%	3.03%	2.77%	3.89%	3.84%	3.73%	3.63%	3.17%	2.87%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	2.3	3.1	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.6	7.5	8.7
All-in Yield	**3.74%**	**3.68%**	**3.60%**	**3.48%**	**3.15%**	**2.92%**	**3.68%**	**3.68%**	**3.57%**	**3.44%**	**3.11%**	**2.86%**	**3.92%**	**3.88%**	**3.76%**	**3.68%**	**3.25%**	**2.95%**
All-in Spread to GoC Curve (bp)	**143.79**	**136.55**	**129.91**	**122.77**	**104.62**	**89.76**	**142.31**	**141.13**	**133.56**	**124.49**	**104.42**	**88.64**	**141.39**	**134.21**	**124.63**	**118.55**	**91.47**	**77.67**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	n/a	n/a	n/a	85	62	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.32%	2.27%	2.25%	2.09%	1.99%	2.25%	2.26%	2.24%	2.19%	2.04%	1.95%	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%
Curve Adjustment (bp)	0.0	0.3	2.3	0.9	1.3	2.7	0.0	0.3	(0.0)	(0.0)	1.7	2.1	0.0	0.1	1.3	0.2	0.0	2.4
Spread to GoC Curve (bp)	175	167	160	152	131	115	178	176	160	150	127	110	169	161	151	144	114	99
Re-Offered Yield	4.06%	3.99%	3.90%	3.77%	3.41%	3.17%	4.03%	4.03%	3.84%	3.69%	3.33%	3.07%	4.19%	4.14%	4.03%	3.93%	3.47%	3.17%
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	2.3	3.1	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.6	7.5	8.7
All-in Yield	**4.08%**	**4.02%**	**3.94%**	**3.82%**	**3.49%**	**3.26%**	**4.06%**	**4.06%**	**3.87%**	**3.74%**	**3.41%**	**3.16%**	**4.22%**	**4.18%**	**4.06%**	**3.98%**	**3.55%**	**3.25%**
All-in Spread to GoC Curve (bp)	**177.91**	**170.66**	**164.00**	**156.85**	**138.69**	**123.81**	**180.31**	**179.13**	**163.56**	**154.49**	**134.42**	**118.64**	**171.39**	**164.21**	**154.63**	**148.55**	**121.47**	**107.67**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			30.00 64					30.00 60						30.00 60				

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	24.0
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2
12-Mar-18	21.7	21.6	23.7
19-Mar-18	23.0	23.9	27.5
26-Mar-18	22.9	23.5	26.6
3-Apr-18	21.9	20.0	24.3
9-Apr-18	18.3	18.0	22.6
16-Apr-18	20.6	20.6	24.8
23-Apr-18	20.9	20.3	23.5
30-Apr-18	19.1	19.0	23.3
7-May-18	18.5	19.5	22.7
14-May-18	19.3	21.8	24.9
22-May-18	19.3	21.0	24.8
28-May-18	17.1	19.5	23.7

		Fair Hydro Spread to GOC			
20 Year	**30 Year**	**5 Year**	**10 Year**	**15 Year**	**20 Year**
27.2	29.7	56.8	80.6	91.2	
28.3	30.8	59.3	81.4	92.0	
29.1	31.4	61.0	83.7	94.5	
28.8	32.6	59.8	82.1	94.1	
28.6	31.9	59.4	82.1	94.0	
27.8	30.8	63.4	84.9	96.7	
28.9	32.2	63.8	85.3	97.0	
32.6	35.7	63.7	86.6	97.4	
31.1	35.0	65.8	88.6	99.4	
29.8	32.8	68.0	90.6	102.5	
28.0	31.2	68.4	90.7	103.0	
29.0	33.5	66.2	88.5	100.8	107.2
29.2	34.6	64.6	86.5	98.0	106.2
28.7	33.4	64.3	87.3	98.8	106.8
28.0	33.3	63.2	87.3	98.8	106.7
29.8	35.3	61.8	86.0	97.5	105.8
29.6	35.3	61.0	84.8	96.3	104.3
29.2	33.6	61.8	86.7	98.2	106.0

	Ontario Spread to GOC				
30 Year	**5 Year**	**10 Year**	**15 Year**	**20 Year**	**30 Year**
99.1	38.5	58.8	67.3		69.4
100.4	40.1	59.0	67.4		69.7
103.6	41.7	61.0	69.7		72.2
104.8	39.8	62.0	70.4		72.2
104.6	39.8	65.1	70.8		72.7
107.1	42.7	65.5	73.5		76.3
107.9	42.2	63.7	73.3		75.8
108.6	40.7	62.7	69.9		72.9
110.6	42.8	65.0	72.8		75.5
113.0	46.1	70.6	78.2		80.2
113.4	50.1	72.8	80.4		82.3
111.5	45.6	67.9	76.0	78.2	78.0
111.5	43.7	66.2	74.5	77.0	76.9
112.4	45.3	68.3	75.6	78.2	79.0
112.3	44.8	67.8	76.2	78.7	78.9
111.5	42.5	64.3	72.6	76.1	76.2
110.0	41.8	63.8	71.6	74.8	74.7
111.3	44.7	67.2	74.5	76.8	77.8

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6
12-Mar-18	48.7	49.6	53.1
19-Mar-18	50.0	51.9	57.0
26-Mar-18	50.3	51.8	56.3
3-Apr-18	49.3	48.4	54.2
9-Apr-18	45.5	46.2	53.2
16-Apr-18	47.7	49.5	55.2
23-Apr-18	49.3	50.5	55.2
30-Apr-18	47.5	50.0	55.8
7-May-18	46.9	49.7	54.3
14-May-18	47.7	51.1	55.8
22-May-18	47.7	49.5	54.8
28-May-18	45.5	48.0	53.7

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
51.8	54.7	78.2	102.8	115.0	
57.6	60.3	85.4	108.2	120.4	
59.3	61.9	87.8	111.3	123.9	
58.9	63.0	86.6	110.1	123.6	
58.8	62.4	86.3	110.1	123.4	
57.9	61.2	90.3	112.9	126.1	
59.0	62.6	90.8	113.3	126.4	
62.7	66.1	90.7	114.6	126.8	
61.2	65.7	93.1	116.8	129.1	
60.5	63.8	95.3	119.0	132.3	
58.5	62.3	95.6	119.0	132.7	
60.2	65.0	93.3	117.4	131.2	138.4
61.8	67.3	93.0	116.7	129.7	138.8
62.2	66.9	92.7	118.3	131.3	140.3
60.7	66.0	91.6	117.5	130.5	139.3
60.8	66.3	90.2	115.3	128.3	136.8
59.8	65.5	89.4	113.3	126.3	134.5
59.3	63.8	90.2	115.2	128.2	136.2

30 Year	Ontario Spread to GOC 5 Year	10 Year	15 Year	20 Year	30 Year
124.1	38.5	58.8	67.3		69.4
130.0	40.1	59.0	67.4		69.7
134.1	41.7	61.0	69.7		72.2
135.2	39.8	62.0	70.4		72.2
135.1	39.8	65.1	70.8		72.7
137.6	42.7	65.5	73.5		76.3
138.3	42.2	63.7	73.3		75.8
139.0	40.7	62.7	69.9		72.9
141.3	42.8	65.0	72.8		75.5
144.0	46.1	70.6	78.2		80.2
144.3	50.1	72.8	79.5		81.9
143.0	45.6	67.9	76.0	78.2	78.0
144.2	43.7	66.2	74.5	77.0	76.9
145.9	45.3	68.3	75.6	78.2	79.0
144.9	44.8	67.8	76.2	78.7	78.9
142.5	42.5	64.3	72.6	76.1	76.2
140.2	41.8	63.8	71.6	74.8	74.7
141.5	44.7	67.2	74.5	76.8	77.8

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6
12-Mar-18	78.3	85.2	92.1
19-Mar-18	79.7	87.5	96.0
26-Mar-18	80.3	87.7	95.6
3-Apr-18	79.9	84.7	93.9
9-Apr-18	76.2	82.5	92.9
16-Apr-18	78.3	85.8	94.9
23-Apr-18	82.3	89.0	96.5
30-Apr-18	80.5	90.2	98.8
7-May-18	79.9	90.7	98.2
14-May-18	80.7	90.4	97.9
22-May-18	80.7	88.8	96.9
28-May-18	78.5	87.3	95.8

		Fair Hydro Spread to GOC			
20 Year	**30 Year**	**5 Year**	**10 Year**	**15 Year**	**20 Year**
80.4	84.5	99.3	125.6	141.0	
92.5	96.8	112.7	137.3	153.5	
96.6	101.5	117.7	142.8	162.9	
99.5	104.0	116.3	145.6	162.6	
98.5	103.4	115.9	145.6	162.4	
97.9	102.2	119.9	148.5	165.1	
99.2	103.6	120.5	148.9	165.4	
102.3	107.1	120.3	150.1	165.8	
101.0	107.0	123.1	152.7	168.4	
100.9	105.3	126.0	155.3	172.1	
99.4	103.8	126.3	155.3	172.4	
101.2	106.4	123.9	153.7	170.9	179.4
105.2	111.1	126.0	155.2	171.0	182.2
107.2	112.4	125.7	158.5	174.3	185.3
106.5	112.3	124.6	158.5	174.3	185.2
104.9	111.0	123.2	154.7	170.5	181.0
103.9	110.2	122.4	152.7	168.5	178.7
103.5	108.4	123.2	154.5	170.3	180.3

30 Year	Ontario Spread to GOC 5 Year	10 Year	15 Year	20 year	30 Year
153.9	38.5	58.8	67.3		69.4
166.5	40.1	59.0	67.4		69.7
173.7	41.7	61.0	69.7		72.2
176.2	39.8	62.0	70.4		72.2
176.1	39.8	65.1	70.8		72.7
178.6	42.7	65.5	73.5		76.3
179.3	42.2	63.7	73.3		75.8
180.0	40.7	62.7	69.9		72.9
182.6	42.8	65.0	72.8		75.5
185.4	46.1	70.6	78.2		80.2
185.7	50.1	72.8	79.5		81.9
184.4	45.6	67.9	76.0	78.2	78.0
188.0	43.7	66.2	74.5	77.0	76.9
191.4	45.3	68.3	75.6	78.2	79.0
191.3	44.8	67.8	76.2	78.7	78.9
187.2	42.5	64.3	72.6	76.1	76.2
184.8	41.8	63.8	71.6	74.8	74.7
186.2	44.7	67.2	74.5	76.8	77.8

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.33%	2.34%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**99**	**98**
Re-Offered Yield	3.32%	3.32%
Commission (bp)	2.6	3.4
All-in Yield	**3.34%**	**3.36%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	81	81

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	88	
BMO (Senior) (A+/A1/AA)	121	
Nav Canada (sub) (AA-/Aa2/AAL)	100	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.33%	2.34%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**138**	**137**
Re-Offered Yield	3.71%	3.71%
Commission (bp)	2.7	3.5
All-in Yield	**3.73%**	**3.75%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	81	81

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	121	
Nav Canada (sub) (AA-/Aa2/AAL)	100	
City of Toronto (AA / Aa1 / AA)	101	101

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.33%	2.34%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**212**	**208**
Re-Offered Yield	4.45%	4.42%
Commission (bp)	2.8	3.6
All-in Yield	**4.48%**	**4.46%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	81	81

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	136	
OPG (BBB+/-/AL)	161	

Generic Corporate Credit Spreads AA	104	
Generic Corporate Credit Spreads A	161	
Generic Corporate Credit Spreads BBB	232	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.30%	2.27%	2.13%	1.96%	-17bps	-18bps	-20bps	-22bps	-18bps
2.3	1.3	1.5	8.3	0bps	0bps	1bps	1bps	-1bps
93	**83**	**62**	**44**	1bps	1bps	1bps	1bps	1bps
3.25%	3.11%	2.76%	2.48%	-16bps	-17bps	-19bps	-20bps	-17bps
3.3	4.6	7.4	6.9					
3.28%	**3.16%**	**2.84%**	**2.55%**	-16bps	-17bps	-19bps	-20bps	-17bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
79	69.5	46	30	5bps	5bps	5bps	5bps	5bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
		89						2bps
		83	66					2bps
		68	52					2bps
44.5	39.5	32	20			3bps	3bps	3bps
	68	45	28				4bps	4bps
	68	45	28	4bps			4bps	4bps
	96	82	68	2bps			2bps	2bps
	88	63	49	-2bps			1bps	1bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.30%	2.27%	2.13%	1.96%	-17bps	-18bps	-20bps	-22bps	-18bps
2.3	1.3	1.5	8.3	0bps	0bps	1bps	1bps	-1bps
131	**112**	**87**	**69**	1bps	1bps	1bps	1bps	1bps
3.63%	3.40%	3.01%	2.73%	-16bps	-17bps	-19bps	-20bps	-17bps
3.4	4.7	7.5	6.9					
3.66%	**3.45%**	**3.09%**	**2.80%**	-16bps	-17bps	-19bps	-20bps	-17bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
79	70	46	30	5bps	5bps	5bps	5bps	5bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			87					
			102					
	96	82	68	2bps			2bps	2bps
	88	63	49	-2bps			1bps	1bps
98.5	85.5	60.5	43.5	5bps	5bps	5bps	5bps	5bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.30%	2.27%	2.13%	1.96%	-17bps	-18bps	-20bps	-22bps	-18bps
2.3	1.3	1.5	8.3	0bps	0bps	1bps	1bps	-1bps
198	**162**	**131**	**114**	1bps	1bps	1bps	1bps	1bps
4.30%	3.90%	3.45%	3.18%	-16bps	-17bps	-19bps	-20bps	-17bps
3.5	4.8	7.5	6.9					
4.33%	**3.95%**	**3.53%**	**3.25%**	-16bps	-17bps	-19bps	-20bps	-17bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
79	70	46	30	5bps	5bps	5bps	5bps	5bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		154						2bps
		136						2bps
	99	74	58	0bps			1bps	1bps
	116	91	75	-3bps			-1bps	-1bps

	94	74		0bps			2bps	2bps
	121	91		1bps			1bps	1bps
	178	124		-1bps			0bps	0bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
29-May-18

3-year
-12bps -1bps 0bps -13bps
-13bps

3-year
4bps

3-year
0bps 0bps 4bps 1bps 1bps 0bps 1bps

3-year
-12bps -1bps 0bps -13bps
-13bps

3-year
4bps

3-year
0bps
0bps
0bps
1bps
4bps

3-year
-12bps
-1bps
0bps
-13bps
-13bps

3-year
4bps

3-year
1bps
-1bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.34%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**112**
Re-Offered Yield	3.46%
Commission (bp)	2.7
All-in Yield	**3.49%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	168
Toronto Hydro (A / - / A)	130
Nova Scotia Power (BBB+ / - / A(l))	145
FortisAlberta (A- / Baa1 / A(l))	134
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	240
Bruce Power (BBB / Baa2 / BBB)	214
City of Toronto (- / Aa1 / AA)	98

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.34%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**139**
Re-Offered Yield	3.73%
Commission (bp)	2.7
All-in Yield	**3.76%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.34%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**166**
Re-Offered Yield	4.00%
Commission (bp)	2.7
All-in Yield	**4.03%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	79

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.35%	2.33%	2.30%	2.24%	2.15%	-0.16%	-0.18%	-0.19%	-0.20%	-0.19%
0.1	(0.0)	0.0	0.0	1.9	0.0	0.1	0.0	0.0	0.1
109	**102**	**88**	**59**	**49**	2	3	3	3	2
3.44%	3.35%	3.18%	2.83%	2.66%	-0.14%	-0.15%	-0.16%	-0.17%	-0.17%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.47%	**3.38%**	**3.20%**	**2.85%**	**2.67%**	**-0.14%**	**-0.15%**	**-0.16%**	**-0.17%**	**-0.17%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
77	74	69	48	32.5	4	3	3	5	5

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	119	79	63	(2)	--	--	0	1
--	--	91	64	54	(1)	--	--	0	1
--	--	105	75	61	(3)	--	--	0	1
--	--	95	68	--	(1)	--	--	0	1
--	--	175	122	99	(3)	--	--	(3)	(1)
--	--	150	104	--	0	--	--	0	0
95	--	81	--	--	0	0	--	0	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.35%	2.33%	2.30%	2.24%	2.15%	-0.16%	-0.18%	-0.19%	-0.20%	-0.19%
0.1	(0.0)	0.0	0.0	1.9	0	0	0	0	0
136	**129**	**115**	**86**	**76**	2	3	3	3	2
3.71%	3.62%	3.45%	3.10%	2.93%	-0.14%	-0.15%	-0.16%	-0.17%	-0.17%
2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.74%	**3.65%**	**3.47%**	**3.12%**	**2.94%**	**-0.14%**	**-0.15%**	**-0.16%**	**-0.17%**	**-0.17%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
77	74	68.5	48	32.5	4	3	3	5	5

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
--	--	--	83	72	--	--	--	--	2
--	--	--	95	82	--	--	--	--	2
--	--	--	49	37	--	--	--	--	2

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.35%	2.33%	2.30%	2.24%	2.15%	-0.16%	-0.18%	-0.19%	-0.20%	-0.19%
0.1	(0.0)	0.0	0.0	1.9	0	0	0	0	0
163	**156**	**142**	**113**	**103**	2	3	3	3	2
3.98%	3.89%	3.72%	3.37%	3.20%	-0.14%	-0.15%	-0.16%	-0.17%	-0.17%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
4.01%	**3.92%**	**3.74%**	**3.39%**	**3.21%**	**-0.14%**	**-0.15%**	**-0.16%**	**-0.17%**	**-0.17%**

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
77	74	68.5	48	32.5	4	3	3	5	5

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

CIBC
5/28/2018

3-year
-
-
-0.16%
-0.2
2
-0.14%
-
-0.14%

3-year
3.5

3-year
1
1
2
--
(1)
--
--

3-year
-
-
-0.16%
(0)
2
-0.14%
0.00%
-0.14%

3-year
4

3-year
4
2
2

3-year
-
-
-0.16%
(0)
2
-0.14%
-
-0.14%

3-year
4

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	5.000%
Benchmark Yield	2.245%	2.258%
Curve Adjustment (bp)	0.000%	0.006%
Spread to GoC Curve (bp)	**1.320%**	**1.220%**
Re-Offered Yield	3.565%	3.478%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.58%**	**3.50%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.8080%**	**0.86800%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+105 AREA	- 95 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.245%	2.258%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.520%**	**1.420%**
Re-Offered Yield	3.765%	3.678%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.78%**	**3.70%**

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.8080%**	**0.86800%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+125 - 130 AREA	10 AREA (vs 30y US

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.245%	2.258%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**2.170%**	**2.070%**
Re-Offered Yield	4.415%	4.328%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.43%**	**4.35%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.8080%**	**0.86800%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+150 - 155 AREA	- 140 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.230%	2.176%			
0.049%	0.008%			
1.0700%	**0.870%**			
3.300%	3.046%			
0.033%	0.050%			
3.33%	**3.10%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.77700%	**0.71600%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-115 AREA (vs 10y	80-85 bps AREA +80-85 AREA	+70 - 75 AREA	+60 - 65 AREA	+5 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.230%	2.176%			
0.049%	0.008%			
1.320%	**1.120%**			
3.550%	3.296%			
0.033%	0.050%			
3.55%	**3.35%**			

Current				

15-year	10-year	5-year	3-year	30-year
0.77700%	**0.71600%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 135 AREA (vs 10y	110 - 115 bps AREA +105 - 110 AREA	+80 - 85 AREA	+65 - 70 AREA	+5 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.230%	2.176%			
0.049%	0.008%			
1.9700%	**1.770%**			
4.200%	3.946%			
0.033%	0.050%			
4.20%	**4.00%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.77700%	**0.71600%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 160 AREA (vs 10y	165 - 175 bps AREA +125 - 130 AREA	+100 - 105 AREA	+90 - 95 AREA	+5 bps

Bank Name	GS
Date	5/29/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+5 bps	+0 bps +5 bps	+5 bps	+5 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week

20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+5 bps	+0 bps +5 bps	+5 bps	+5 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+5 bps	+10 bps +5 bps	+5 bps	+5 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.35%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	111
Re-Offered Yield	3.46%
Commission (bp)	2.7
All-in Yield	**3.49%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	77

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	140
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	123
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140
FHT Series 2018-1	

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.35%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	137
Re-Offered Yield	3.72%
Commission (bp)	2.7
All-in Yield	**3.75%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	77

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	130
NAV Canada (AA-, AA low)	105
GTAA (Aa3, A+)	110
Hydro One (A3/A/A high)	135

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.35%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	170
Re-Offered Yield	4.05%
Commission (bp)	2.7
All-in Yield	**4.08%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	77

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	160
Highway 407 (A, A)	130
Enbridge Gas Distribution (A-, A)	135
Hydro One (A3/A/A high)	135
Schedule 1 Bank ABS (A)	195

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.37%	2.34%	2.30%	2.18%
0.0	0.0	0.0	0.0
104	97	87	65
3.41%	3.31%	3.17%	2.83%
3.5	3.8	4.7	7.6
3.44%	**3.34%**	**3.22%**	**2.91%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	69	66	42

Current			
20-year	**15-year**	**10-year**	**5-year**
134	117	100	85
117	100	85	70
134	117	100	85
	93		
100			

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.37%	2.34%	2.30%	2.18%
0.0	0.0	0.0	0.0
130	121	109	85
3.67%	3.55%	3.39%	3.03%
3.5	3.8	4.7	7.6
3.70%	**3.58%**	**3.44%**	**3.11%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	69	66	42

Current			
20-year	**15-year**	**10-year**	**5-year**
124	107	90	65
101	91	80	55
106	96	85	60
129	112	95	70

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.37%	2.34%	2.30%	2.18%
0.0	0.0	0.0	0.0
163	151	131	104
4.00%	3.85%	3.61%	3.22%
3.5	3.8	4.7	7.6
4.03%	**3.88%**	**3.66%**	**3.30%**

Current			
20-year	**15-year**	**10-year**	**5-year**
72	69	66	42

Current			
20-year	**15-year**	**10-year**	**5-year**
154	137	120	90
124	107	90	65
130	115	100	70
129	112	95	70
189	172	155	140

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.07%	-0.17%	-0.16%	-0.20%
0.0	0.0	0.0	0.0
52	-1	-1	-1
2.59%	-0.18%	-0.17%	-0.21%
8.7	-0.1	-0.1	-0.1
2.68%	**-0.18%**	**-0.17%**	**-0.21%**

			Week
3-year	**30-year**	**20-year**	**15-year**
27	3	-4	-0.5

			Week
3-year	**30-year**	**20-year**	**15-year**
75	5	5	5
62	5	5	5
75	0	1	3
	0	0	-1
	0	-1	0

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Mar-21	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
2.07%	-0.17%	-0.16%	-0.20%
0.0	0.0	0.0	0.0
72	-2	-2	-2
2.79%	-0.19%	-0.18%	-0.22%
8.7	-0.1	-0.1	-0.1
2.88%	**-0.19%**	**-0.18%**	**-0.22%**

			Week
3-year	**30-year**	**20-year**	**15-year**
27	3	-4	-1

			Week
3-year	**30-year**	**20-year**	**15-year**
55	0	0	0
45	5	4	2
50	0	0	0
55	0	0	0

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.07%	-0.17%	-0.16%	-0.20%
0.0	0.0	0.0	0.0
91	-2	-2	-2
2.98%	-0.19%	-0.18%	-0.22%
8.7	-0.1	-0.1	-0.1
3.07%	**-0.19%**	**-0.18%**	**-0.22%**

			Week
3-year	**30-year**	**20-year**	**15-year**
27	3	-4	-1

			Week
3-year	**30-year**	**20-year**	**15-year**
75	5	5	5
55	0	0	0
55	0	0	0
55	0	0	0
125	0	1	3

Bank Name	National Bank of Canada
Date	5/28/2018

over Week

10-year	5-year	3-year
1-Jun-27	01-Jun-22	01-Sep-20
1.00%	-1.00%	0.00%
-0.20%	-0.16%	-0.11%
0.0	0.0	0.0
-1	-1	-1
-0.21%	-0.17%	-0.12%
0.0	0.0	0.0
-0.21%	**-0.17%**	**-0.12%**

over Week

10-year	5-year	3-year
2.5	1	2

over Week

10-year	5-year	3-year
5	5	5
5	5	5
5	5	5
0	0	0
0	0	0

over Week

10-year	5-year	3-year
01-Jun-27	01-Jun-22	01-Sep-20
1.00%	-1.00%	0.00%
-0.20%	-0.16%	-0.11%
0.0	0.0	0.0
-2	-2	-2
-0.22%	-0.18%	-0.13%
0.0	0.0	0.0
-0.22%	**-0.18%**	**-0.13%**

over Week

10-year	5-year	3-year
3	1	2

over Week

10-year	5-year	3-year
0	0	0
0	0	0
0	0	0
0	0	0

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
1.00%	-1.00%	0.00%
-0.20%	-0.16%	-0.11%
0.0	0.0	0.0
-2	-2	-2
-0.22%	-0.18%	-0.13%
0.0	0.0	0.0
-0.22%	**-0.18%**	**-0.13%**

over Week		
10-year	**5-year**	**3-year**
3	1	2

over Week		
10-year	**5-year**	**3-year**
5	0	0
0	0	0
0	0	0
0	0	0
5	5	5

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.31%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**111**
Re-Offered Yield	3.42%
Commission (bp)	2.7
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**77**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**100**
Hydro One Inc. (A(H)/A3/A)	**135**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**153**
Toronto Hydro Corporation (A/-/A)	**128**
Canadian National Railway Co (A/A2/A)	**131**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**110**
NAV Canada (AA(low)/Aa2/AA-)	**101**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.31%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**141**
Re-Offered Yield	3.72%
Commission (bp)	2.8
All-in Yield	**3.74%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	77

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.31%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**175**
Re-Offered Yield	4.06%
Commission (bp)	2.9
All-in Yield	**4.08%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	77

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

The indicative price is provided by way of example only, and is not intended to replace or supplant advice of your aud EVENT SHALL RBC OR ITS AGENTS OR OFFICERS BE LIABLE FOR ANY DAMAGES WHATSOEVER (INCLUDI the indicative price is adequate or appropriate for your purposes.

The information provided in this valuation (the “Information”) (i) is intended for your information only and is not to be d the fullest extent permissible by law, shall have no liability whatsoever to you or any other person or party for any loss

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.32%	**2.27%**	**2.25%**	**2.09%**
0.3	**2.3**	**0.9**	**1.3**
103	**96**	**88**	**67**
3.35%	3.26%	3.13%	2.77%
3.5	3.8	4.7	7.6
3.38%	**3.30%**	**3.18%**	**2.85%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	**80**	**69**	**46**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**40**	**29**
103	**98**	**87**	**62**
n/a	**n/a**	**99**	**71**
n/a	**n/a**	**115**	**85**
n/a	**n/a**	**94**	**64**
n/a	**n/a**	**94**	**71**
n/a	**n/a**	**89**	**62**
n/a	**n/a**	**85**	**60**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.32%	2.27%	2.25%	2.09%
0.3	2.3	0.9	1.3
133	**126**	**118**	**97**
3.65%	3.56%	3.43%	3.07%
3.6	3.9	4.8	7.6
3.68%	**3.60%**	**3.48%**	**3.15%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	80	69	46

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**85**	**62**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.32%	2.27%	2.25%	2.09%
0.3	2.3	0.9	1.3
167	**160**	**152**	**131**
3.99%	3.90%	3.77%	3.41%
3.7	4.0	4.9	7.7
4.02%	**3.94%**	**3.82%**	**3.49%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	80	69	46

Current			
20-year	**15-year**	**10-year**	**5-year**

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.99%	-16.5	-17.8	-19.0	-20.3	-18.8
2.7	-	0.2	0.8	0.6	-0.7
51	-	-	-	-	-
2.53%	-16.5	-17.6	-18.2	-19.7	-19.5
8.7	-0.1	-0.1	-0.0	-0.0	-0.0
2.62%	-16.6	-17.7	-18.2	-19.7	-19.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	4.0	5.0	6.0	4.5	5.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
18				2.0	-1.0
43	3.5	5.5	6.0	4.5	5.5
61	-			-	-
73	3.0			3.0	3.0
54	-			-	-
61	1.0			1.0	-
50	-			2.0	1.0
50	-			-	-

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.99%					
2.7					
81	-	-	-	-	-
2.83%	-16.5	-17.6	-18.2	-19.7	-19.5
8.8	-0.06	-0.06	-0.05	-0.05	-0.04
2.92%	-16.6	-17.7	-18.2	-19.7	-19.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	4.0	5.0	6.0	4.5	5.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				3.0	2.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.99%					
2.7					
115	-	-	-	-	-
3.17%	-16.5	-17.6	-18.2	-19.7	-19.5
8.8	-0.06	-0.06	-0.05	-0.05	-0.04
3.26%	-16.6	-17.7	-18.3	-19.7	-19.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	4.0	5.0	6.0	4.5	5.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does n
dify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not comm

y at RBC by using the indicative price. The indicative price is provided without any warranty, express or implied, as to its legal effect or complet
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nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

RBC
30-May-18

3-year
-13.8
0.2
-
-13.6
-0.0
-13.6

3-year
2.0

3-year
-1.5
2.0
-
3.0
-
-
-1.0
-

3-year
-
-13.6
-0.02
-13.6

3-year
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3-year

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-
-13.6
-0.02
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icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.25%	2.26%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**+105**	**+103**
Re-Offered Yield	3.30%	3.30%
Commission (bp)	2.3	3.1
All-in Yield	**3.33%**	**3.33%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	160	
CPP	83	
BNS - Denior Deposit Notes	132	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.25%	2.26%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**+140**	**+138**
Re-Offered Yield	3.65%	3.65%
Commission (bp)	2.3	3.1
All-in Yield	**3.68%**	**3.68%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.25%	2.26%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**+178**	**+176**
Re-Offered Yield	4.03%	4.03%
Commission (bp)	2.3	3.1
All-in Yield	**4.06%**	**4.06%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.24%	2.19%	2.04%	1.95%	-0.25%
(0.0)	(0.0)	1.7	2.1	0
+100	**+90**	**+67**	**+50**	0
3.24%	3.09%	2.73%	2.47%	-0.25%
3.6	4.5	7.4	8.6	0
3.27%	**3.14%**	**2.81%**	**2.56%**	**-0.25%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
76	67	43	28	3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	115	90	76	(5)
	67	44	31	1
	102	88	76	3
	98	84	73	
	98	84	73	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.24%	2.19%	2.04%	1.95%	-0.25%
(0.0)	(0.0)	1.7	2.1	0
+130	**+120**	**+97**	**+80**	0
3.54%	3.39%	3.03%	2.77%	-0.25%
3.6	4.5	7.4	8.6	0
3.57%	**3.44%**	**3.11%**	**2.86%**	**-0.25%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
76	67	43	28	3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	98	84	73	
	98	84	73	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.24%	2.19%	2.04%	1.95%	-0.25%
(0.0)	(0.0)	1.7	2.1	0
+160	**+150**	**+127**	**+110**	0
3.84%	3.69%	3.33%	3.07%	-0.25%
3.6	4.5	7.4	8.6	0
3.87%	**3.74%**	**3.41%**	**3.16%**	**-0.25%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
76	67	43	28	3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	98	84	73	
	98	84	73	

Bank Name	BNS
Date	5/29/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.26%	-0.27%	-0.30%	-0.27%	-0.20%
0	0	0	-1	0
1	2	2	1	1
-0.25%	-0.25%	-0.28%	-0.26%	-0.20%
0	0	0	0	0
-0.25%	**-0.25%**	**-0.28%**	**-0.26%**	**-0.20%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
3	4	4	2	2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		(5)	(5)	(5)
		1	(1)	(1)
		3	3	2
		3	3	2
		3	3	2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.26%	-0.27%	-0.30%	-0.27%	-0.20%
0	0	0	-1	0
1	2	2	1	1
-0.25%	-0.25%	-0.28%	-0.26%	-0.20%
0	0	0	0	0
-0.25%	**-0.25%**	**-0.28%**	**-0.26%**	**-0.20%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
3	4	4	2	2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		3	3	2
		3	3	2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.26%	-0.27%	-0.30%	-0.27%	-0.20%
0	0	0	-1	0
1	2	2	1	1
-0.25%	-0.25%	-0.28%	-0.26%	-0.20%
0	0	0	0	0
-0.25%	**-0.25%**	**-0.28%**	**-0.26%**	**-0.20%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
3	4	4	2	2

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		3	3	2
		3	3	2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.53%
Curve Adjustment (bp)	0.0	0.1
Spread to GoC Curve (bp)	**109**	**101**
Re-Offered Yield	3.59%	3.54%
Commission (bp)	2.4	3.2
All-in Yield	**3.62%**	**3.58%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	110	100
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	133	123

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.53%
Curve Adjustment (bp)	0.0	0.1
Spread to GoC Curve (bp)	**139**	**131**
Re-Offered Yield	3.89%	3.84%
Commission (bp)	2.4	3.2
All-in Yield	**3.92%**	**3.88%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	75	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.53%
Curve Adjustment (bp)	0.0	0.1
Spread to GoC Curve (bp)	**169**	**161**
Re-Offered Yield	4.19%	4.14%
Commission (bp)	2.4	3.2
All-in Yield	**4.22%**	**4.18%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.51%	2.49%	2.33%	2.15%	0.050%
1.3	0.2	0.0	2.4	-
91	**84**	**54**	**39**	-2
3.43%	3.33%	2.87%	2.57%	0.03%
3.6	4.6	7.5	8.7	-
3.46%	**3.38%**	**2.95%**	**2.65%**	**0.03%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
69.5	63	43	28	(1.0)

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
95	85	63	45	2
N/A	86	66	54	N/A
101	93	70	60	(3)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.51%	2.49%	2.33%	2.15%	0.050%
1.3	0.2	0.0	2.4	-
121	**114**	**84**	**69**	-2
3.73%	3.63%	3.17%	2.87%	0.03%
3.6	4.6	7.5	8.7	-
3.76%	**3.68%**	**3.25%**	**2.95%**	**0.03%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**

70	63	43	28	(1.0)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.51%	2.49%	2.33%	2.15%	0.050%
1.3	0.2	0.0	2.4	-
151	**144**	**114**	**99**	-2
4.03%	3.93%	3.47%	3.17%	0.03%
3.6	4.6	7.5	8.7	-
4.06%	**3.98%**	**3.55%**	**3.25%**	**0.03%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70	63	43	28	(1.0)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	5/28/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.064%	0.076%	0.082%	0.061%	0.060%
-	-	-	-	-
-2	-2	-2	-2	-2
0.04%	0.05%	0.05%	0.04%	0.04%
-	-	-	-	-
0.04%	**0.05%**	**0.05%**	**0.04%**	**0.04%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.0	(0.5)	(1.0)	(1.0)	0.0

20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	2	1	2	2
N/A	N/A	4	(1)	0
(3)	(2)	(2)	(3)	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.064%	0.076%	0.082%	0.061%	0.060%
-	-	-	-	-
-2	-2	-2	-2	-2
0.04%	0.05%	0.05%	0.04%	0.04%
-	-	-	-	-
0.04%	**0.05%**	**0.05%**	**0.04%**	**0.04%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**

0.0	(0.5)	(1.0)	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.064%	0.076%	0.082%	0.061%	0.060%
-	-	-	-	-
-2	-2	-2	-2	-2
0.04%	0.05%	0.05%	0.04%	0.04%
-	-	-	-	-
0.04%	**0.05%**	**0.05%**	**0.04%**	**0.04%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.0	(0.5)	(1.0)	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	Burrows, Scott - Debt Capital Markets
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Cc:	Reeves, Geoffrey; Burrows, Scott - Debt Capital Markets; Persaud, Donnie - Debt Capital Markets
Subject:	FHT 2018-2 April 19, 2018 - Ontario Power Generation
Date:	Thursday, April 19, 2018 2:46:30 PM
Attachments:	FHP_CIB_20180419.xlsx

Please find 2018-2 Senior, Subordinated, and Junior levels attached.

Regards,

Scott

Scott Burrows | Managing Director | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.

161 Bay Street, 5th Floor, Toronto, ON, M5J 2S8| Tel: 416 956-3049| Cell: 416 786-4369 | Fax: 416 594-7760 |

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Bank Name	CIBC
Date	4/19/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%
Benchmark Yield	2.43%	2.444%	2.37%	2.32%	2.26%	2.15%
Curve Adjustment (bp)	0.0	0.6	(0.1)	(0.2)	(0.3)	1.5
Spread to GoC Curve (bp)	**111**	**107**	**99**	**81**	**62**	**48**
Re-Offered Yield	3.53%	3.52%	3.36%	3.13%	2.88%	2.65%
Commission (bp)	2.7	2.7	2.4	2.1	1.8	1.2
All-in Yield	**3.56%**	**3.55%**	**3.38%**	**3.15%**	**2.90%**	**2.66%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(l))	75	75	73	65	46	28

Other Comparables (S&P/Moody's/ DBRS)	**Current**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG (BBB+ / - / A(l))	167	--	--	120	80	64
Toronto Hydro (A / - / A)	132	--	--	96	69	57
Nova Scotia Power (BBB+ / - / A(l))	150	--	--	107	78	63
FortisAlberta (A- / Baa1 / A(l))	138	--	--	98	70	--
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	245	--	--	180	127	105
Bruce Power (BBB / Baa2 / BBB)	212	--	--	152	114	--
City of Toronto (- / Aa1 / AA)	100	101	--	81.5	--	--

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%
Benchmark Yield	2.43%	2.444%	2.37%	2.32%	2.26%	2.15%
Curve Adjustment (bp)	0.0	0.6	(0.1)	(0.2)	(0.3)	1.5
Spread to GoC Curve (bp)	**138**	**134**	**126**	**108**	**89**	**75**
Re-Offered Yield	3.80%	3.79%	3.63%	3.40%	3.15%	2.92%
Commission (bp)	2.7	2.7	2.4	2.1	1.8	1.2
All-in Yield	**3.83%**	**3.82%**	**3.65%**	**3.42%**	**3.17%**	**2.93%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(l))	75	75	73	65	46	28

Other Comparables (S&P/Moody's/ DBRS)	**Current**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Bank ABS (AAA / - / AAA)	--	--	--	--	82	68
Auto ABS (Ford) (AAA / Aaa / AAA)	--	--	--	--	91	78
NHA MBS (AAA / Aaa / AAA)	--	--	--	--	48	37

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%
Benchmark Yield	2.43%	2.444%	2.37%	2.32%	2.26%	2.15%
Curve Adjustment (bp)	0.0	0.6	(0.1)	(0.2)	(0.3)	1.5
Spread to GoC Curve (bp)	**165**	**161**	**153**	**135**	**116**	**102**
Re-Offered Yield	4.07%	4.06%	3.90%	3.67%	3.42%	3.19%
Commission (bp)	2.7	2.7	2.4	2.1	1.8	1.2
All-in Yield	**4.10%**	**4.09%**	**3.92%**	**3.69%**	**3.44%**	**3.20%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(l))	75	75	73	65	46	28

Other Comparables (S&P/Moody's/ DBRS)	**Current**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

From:	Malhi, Harman
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Cc:	Brown, Rob; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Taylor, Brent R; Egberts, Adam
Subject:	FHT 2018-2 Pricing
Date:	Thursday, April 19, 2018 4:02:30 PM
Attachments:	FHP_RBC_20180419.xlsx

Hi All,

Please find attached pricing in connection with FHT 2018-2 transaction.

Regards,

Harman

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Bank Name	RBC
Date	19-Apr-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity		1-Jun-37										
Benchmark Canada Bond Coupon		5.00%										
Benchmark Yield		**2.44%**						16.6				
Curve Adjustment (bp)		**0.6**						-0.1				
Spread to GoC Curve (bp)		**107**						-				
Re-Offered Yield		3.52%						16.5				
Commission (bp)		3.9						0.4				
All-in Yield		**3.56%**						16.9				

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))		75						-7.0				

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)		**n/a**										
City of Toronto (AA/Aa1/AA)		**97**						-6.0				
Hydro One Inc. (A(H)/A3/A)		**n/a**										
Ontario Power Generation Inc. (A(low)/-/BBB+)		**n/a**										
Toronto Hydro Corporation (A/-/A)		**n/a**										
Canadian National Railway Co (A/A2/A)		**n/a**										
Greater Toronto Airports Authority (A(high)/Aa3/A+)		**n/a**										
NAV Canada (AA(low)/Aa2/AA-)		**n/a**										

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity		01-Jun-37										
Benchmark Canada Bond Coupon		5.00%										
Benchmark Yield		2.44%										
Curve Adjustment (bp)		0.6										
Spread to GoC Curve (bp)		**137**						-2.0				
Re-Offered Yield		3.82%						14.5				
Commission (bp)		0.0						-3.56				
All-in Yield		**3.82%**						10.9				

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))		75						-7.0				

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**83**	**63**	**n/a**				-	-	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity		1-Jun-37										
Benchmark Canada Bond Coupon		5.00%										
Benchmark Yield		2.44%										
Curve Adjustment (bp)		0.6										
Spread to GoC Curve (bp)		**171**						-4.0				
Re-Offered Yield		4.16%						12.5				
Commission (bp)		0.0						-3.68				
All-in Yield		**4.16%**						8.8				

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))		75						-7.0				

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From: LADAK Lubna -TREASURY
To: Shruti Talwar (Shruti.Talwar@ontario.ca); Ronald Kwan
Cc: Mike Manning; GRECO Clara -LAWDIV; LEE John -TREASURY
Subject: FHT Transaction Today
Date: Thursday, April 19, 2018 7:06:09 PM
Attachments: image002.png
FHT - Case Study (CIBC) - April 2018.pdf

Hello Shruti and Ron,

I had mentioned last month that FHT was planning to go to market in April. We completed a $400 Million 20 year deal today with 34 investors. Similar to the February transaction, this one was also oversubscribed. Attached is a 1 page summary of the transaction, prepared by CIBC. Closing is expected early next week.

Below is a summary of the total financing for today including both Senior and Subdebt:

FHT Series 2018-2	Amount	Coupon	Weight	Weighted Avg Coupon
Senior Notes	400,000,000	3.5200%	51.0%	1.7952%
Subordinated Notes	305,882,000	3.8340%	39.0%	1.4953%
Junior Subordinated Notes	78,431,000	4.2140%	10.0%	0.4214%
Total	784,313,000		100.0%	3.7119%

Lubna Ladak | VP Treasury - FHP| Ontario Power Generation
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FHT Series 2018-2	Amount	Coupon	Weight	Weighted Avg Coupon
Senior Notes	400,000,000	3.5200%	51.0%	1.7952%
Subordinated Notes	305,882,000	3.8340%	39.0%	1.4953%
Junior Subordinated Notes	78,431,000	4.2140%	10.0%	0.4214%
Total	784,313,000		100.0%	3.7119%

Fair Hydro Trust – Deal Overview

$400 Million 3.52% Senior Notes due May 15, 2038 Series 2018-2

Description

Fair Hydro Trust

C$400,000,000

Senior Notes

CIBC World Markets Inc. acted as Joint Lead and Joint Bookrunner

April 2018

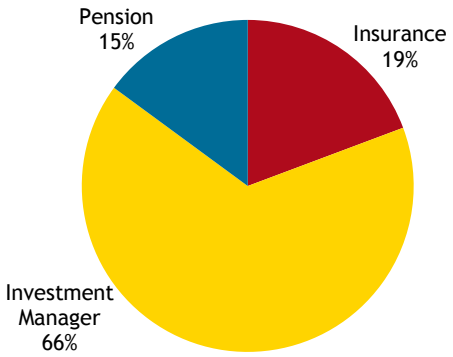
- Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario, and caused to be established by Ontario Power Generation Inc., as Financial Services Manager, created a program providing for the offering and issuance of senior notes
- Fair Hydro Trust was established in connection with the Ontario Fair Hydro Plan Act, 2017; the Province of Ontario announced its Fair Hydro Plan on March 2, 2017, which proposed to lower the average electricity bill for eligible customers by 25%

Transaction Description

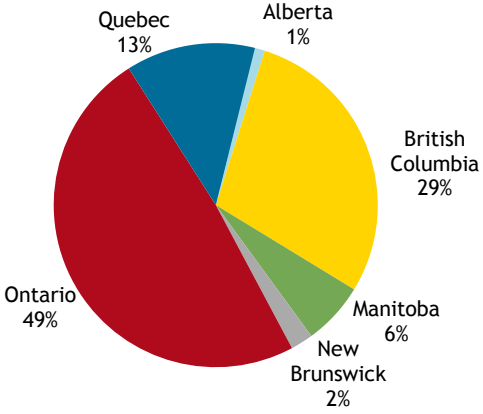
Issuer:	Fair Hydro Trust	
Pricing Date:	April 19, 2018	
Ratings:	DBRS: AAA(sf)	Moody's: Aa2(sf)
Amount:	$400,000,000	
Coupon:	3.52%	
Expected Maturity Date:	May 15, 2038	
Principal Payment Default Date:	May 15, 2040	
Issue Spread:	+107 bps vs. GoC curve	
Price:	$100.002	
Yield:	3.52%	
Use of Proceeds:	The proceeds from the Series 2018-2 Senior Notes Offering will be used to refinance $400,000,000 of indebtedness of the Issuer previously incurred to purchase an investment interest from the IESO	

Investor Breakdown

By Type



By Geography



Deal Highlights

- Launched a minimum $300 million transaction with room to grow following discussions with a few key investors
- Spread guidance of +110 bps (+/- 3 bps) vs. the GoC curve
  - Well oversubscribed order book of ~$1.1 billion allowed for pricing at the tight end of spread guidance, for a coupon of 3.52%, and an upsized transaction size of $400 million
- Broadly distributed to 34 investors with 13 new buyers showing strong breadth for a second offering, new buyers represented ~22% of the deal
- Pricing to comparable credits
  - Province of Ontario +32 bps
  - Ontario utilities ~-13 bps

From:	Taylor, Brent R
To:	"john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"; "Irma.mahmood@opg.com"
Cc:	Brown, Rob; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne; Malhi, Harman; Steiner, Emma; Egberts, Adam
Subject:	FHT Weekly Pricing
Date:	Tuesday, May 15, 2018 5:07:30 PM
Attachments:	image008.png image009.png image010.png image011.png image012.png FHP_RBC_20180515.xlsx

Hi everyone,
Please find attached this week's Fair Hydro Pricing indications.
Thank you,

Brent R Taylor, CFA | Analyst, Securitization Finance | **RBC Capital Markets** | 200 Bay Street, 2nd Floor, Toronto, ON M5J 2W7 | T. 416-842-7284 | C. 647-632-6169 | brent.r.taylor@rbccm.com

From: Egberts, Adam
Sent: May 14, 18 6:19 PM
To: 'john.s.lee@opg.com'; 'ken.hartwick@opg.com'; 'OPG - Treasury Group,'; 'Sheen.Liu@opg.com'; 'Kevin.Shvarts@ofina.on.ca'; 'Linda.Smith@ofina.on.ca'; 'ken.ryfa@opg.com'; 'brett.kichiy@ofina.on.ca'; 'j.hahnparker@opg.com'; 'matthew.go@opg.com'; 'Ricky.Lai@ofina.on.ca'; 'aiman.el-nahas@opg.com'; 'Irma.mahmood@opg.com'
Cc: Brown, Rob; Egberts, Adam; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, May 14, 2018

The Canadian corporate primary market was very active last week with ~C$3.1 billion of new issue supply priced across 6 transactions diversified by industry, tenor and rating categories ranging from low investment grade to AAA rated. Steady issuance on the year continued in the corporate infrastructure sector with 407 International pricing C$500 million 30-year senior secured notes with RBC acting as lead left bookrunner. The transaction capitalized on continued investor demand for highly-rated, long product from quality issuers, ultimately driving a well oversubscribed orderbook, broad investor distribution and competitive pricing at the tight-end of the marketed range. In the automotive space, Daimler Canada Finance issued a C$750 million dual-tranche senior offering across 4-year fixed and 2-year FRN tranches with RBC acting as a joint bookrunner. The transaction follows Daimler's three-tranche trade in November 2017 and brings total auto supply to C$6.1 billion on the year, nearly double the level of auto finance supply in recent years over the comparable YTD period. Also among financials, Manulife Financial Corp priced a very successful C$600 million 10NC5-year subordinated offering that represented the issuer's inaugural C$ Green Bond and second holdco sub-debt offering to date; RBC acted as lead left bookrunner on the trade, which generated a well oversubscribed and broadly distributed orderbook. First National Financial also priced a well-received ~C$605 million NHA MBS offering with RBC acting as joint bookrunner, after last accessing the market in July 2015. The real estate sector continued its strong pace of issuance this year with Morguard Corp printing a C$200 million 3-year with RBC acting as sole bookrunner, bringing total real estate supply to C$4.2 billion for 2018. Rounding out issuance, BP Capital Markets priced its first trade since 2013 with a C$450 million 7-year Maple. Away from the primary market, RBC announced a fixed income investor roadshow for DBS Group Holdings to be hold today in Toronto and tomorrow in New York. From a tone perspective, credit markets continue to remain conducive to new issue supply as demonstrated by strong reception on all trades last week, and supported by a busy and growing roadshow calendar coupled with a constructive market backdrop.

The secondary market experienced an active week of trading characterized by balanced flow over the course of the week. Deposit notes were fairly active with some net selling occurring over the course of the week and into Thursday's session, after which buying resumed in size. Among corporate sectors, select short-dated retail names and long utilities were the

most active on the week trading two-way in size, while insurance names saw net selling on the back of the Manulife deal. On average, corporate credit spreads closed unchanged versus the prior week.

The government market had an active week with C$2.1 billion pricing across four 10-year provincial offerings. British Columbia completed a new C$500 million 10-year benchmark dated December 2028, Ontario completed a C$750 million 10-year re-opening, Quebec printed a C$500 million 10-year re-opening, and Saskatchewan completed a C$400 million offering of its new December dated 10-year benchmark. In the secondary market provincial spreads continued to tighten through the week on relatively modest volumes, while CMBs tightened slightly on net better selling. Overall Provincials were 2.5-3.5bps tighter while CMBs were 1 bp tighter.

CANADIAN NEW ISSUES

Corporates

Mon, May 7 – Manulife Financial Corporation (A(L)/-/A-) – C$600 million fixed-to-floating 10NC5-year subordinated Green Bond offering at GoC+115bps

Mon, May 7 – 407 International Inc. (A/-/A) – C$500 million 3.720% 30-year senior secured notes at GoC +130bps

Tue, May 8 – Daimler Finance Canada Inc. (A/A2/A) – C$750 million dual-tranche senior offering (C$500 million 3.05% 4-year at GoC+92bps; C$250 million 2-year FRN at CDOR+35bps)

Thu, May 10 – First National Financial (AAA/Aaa/AAA) – ~C$605 million 2.39% 5-year (WAL 3.968 years) NHA MBS offering at GoC+47bps

Thu, May 10 – Morguard Corporation (BBB(L)/-/-) – C$200 million 4.085% 3-year senior unsecured debentures at GoC+200bps

Thu, May 10 – BP Capital Markets (-/A1/A-) – C$450 million 3.47% 7-year senior Maple offering at GoC +113bps

Government

Wed, May 9 – Province of Québec (A(H)/Aa2/AA-) – C$500 million 2.75% 10-year notes at GoC +62bps

Thu, May 10 – Province of British Columbia (AA(H)/Aaa/AAA) – C$500 million 2.95% 10-year notes at GoC +57.5bps

Thu, May 10 – Province of Ontario (AA(L)/Aa2/A+) – C$750 million 2.90% 10-year notes at GoC +65bps

Fri, May 11 – Province of Saskatchewan (AA/Aaa/AA) – C$400 million 3.05% 10-year notes at GoC +67.5bps

EQUITY MARKET UPDATE

North American equity markets closed the week with strong gains as international trade tensions eased in the near-term and earnings releases continued to track well ahead of expectations. In the US, the S&P 500 and Dow Jones both gained 2.3–2.4% during the week to cap the best week for US stocks in two months. The week saw bullish tone take hold in equities following a great earnings season for US corporations and the removal of some anxiety surrounding Sino-American trade relations and NAFTA developments. Furthermore, investor anxiety about a rapid rise in borrowing costs eased following a tame US inflation reading on Thursday. Canadian equity markets followed suit with the S&P/TSX index posting a 1.6% gain, largely driven by strength in energy companies that mirrored the rise in commodity prices with the front WTI contract hitting the highest level in 3 years. On that note, crude oil futures gained $0.85 to close the week at $70.57/bbl, while gold prices also rose $4.29 to finish the week at $1,318.79/oz. In currency markets, the Canadian dollar appreciated 0.4% to close at 1.2790 USDCAD.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,983	▲	1.6%
DJA	24,831	▲	2.3%
S&P 500	2,728	▲	2.4%
NASDAQ	7,403	▲	2.7%
Oil	$70.57	▲	$0.85
Gold	$1,318.79	▲	$4.29
USDCAD	1.2790	▼	0.4%

NORTH AMERICAN RATES UPDATE

North American government bond yields ended the session mostly higher on both sides of the border last week as constructive geopolitical and trade headlines in conjunction with top-tier economic data releases pushed investors out of risk haven assets. In the US, the Treasury curve flattened with the 2 and 5-year benchmark yields rising 4-5 bps, while the 10-year rose 2 bps and longs closed 2 bps lower. In headlines, US President Trump announced an end to the Iran nuclear deal on Tuesday, which was largely priced in by markets leading up to the event, though China's softened tone in Sino-American trade negotiations, further delays in NAFTA negotiations and positive tone surrounding a historic US-North Korea meeting took some near-term risk off the table for market participants. On the data front, Thursday's CPI reading of 0.2% MoM (vs. Exp. 0.3%) came fairly soft with the lack of broad-based gains in inflation likely continuing to point to a three-hike plan for the Fed in 2018. North of the border, the Government of Canada curve shifted in sympathy with its US counterpart as the front-end rose 5-7 bps while 30-years ended unchanged. Rising oil prices and a strong February GDP report coupled with BoC Governor Poloz's subsequent speech on fairly balanced Canadian household debt had driven good momentum into Friday. However, the employment report for April fell short of consensus with headline jobs slipping 1.1k versus consensus expectations for a 20k advance and perhaps putting a break

on a May rate increase. The market implied odds of a rate hike climbed to ~50% over recent weeks only to collapse back to ~30% following the jobs report. However, the odds of a hike by July have remained fairly unchanged at ~75% over this time. In international markets, the Bank of England left policy measures unchanged at its meeting last week.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.97%	▲ 6
5yr	2.21%	▲ 7
10yr	2.38%	▲ 5
30yr	2.41%	unch

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.53%	▲ 4
5yr	2.84%	▲ 5
10yr	2.97%	▲ 2
30yr	3.10%	▼ 2

MARKET IMPLIED BOC RATES

Meeting	Implied Rate
May 30, 2018	1.3150
July 11, 2018	1.4669
September 5, 2018	1.5820

SWAPS

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	36.25	▲ 0.25
3yr	42.00	▲ 0.25
5yr	39.25	▲ 0.25
7yr	38.50	▲ 0.25
10yr	36.00	▲ 0.25
30yr	36.75	▲ 0.75

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Tue, May 15	Existing Home Sales MoM	1.4%	1.3%
Wed, May 16	Manufacturing Sales MoM	1.4%	1.9%
Thu, May 17	Int'l Securities Transactions	--	C$3.96b
Fri, May 18	Retail Sales MoM	0.2%	0.4%
Fri, May 18	CPI NSA MoM	0.3%	0.3%
US Economic Data			
Tue, May 15	Retail Sales Ex Auto MoM	0.3%	0.6%
Tue, May 15	Total Net TIC Flows	--	$44.7b
Wed, May 16	Housing Starts	1310k	1319k
Wed, May 16	Building Permits	1350k	1354k
Wed, May 16	Industrial Production MoM	0.6%	0.5%
Wed, May 16	Capacity Utilization	78.4%	78.0%
International Economic Data			
Mon, May 14	China Industrial Production YoY	6.4%	6.0%
Mon, May 14	China Retail Sales YoY	10.0%	10.1%
Mon, May 14	Australia RBA May Meeting Minutes	--	--
Tue, May 15	Eurozone GDP SA QoQ	0.4%	0.4%
Tue, May 15	Germany GDP SA QoQ	0.4%	0.6%
Tue, May 15	Japan GDP SA QoQ	0.0%	0.4%
Wed, May 16	Eurozone CPI MoM	0.3%	1.0%
Wed, May 16	Australia Employment Change	20k	4.9k
Thu, May 17	Japan Natl CPI YoY	0.7%	1.1%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

NexGen Energy, ProMetic Life Sciences, Hydro One, Boyd Group Income Fund, Endeavour Mining Corp, Premium Brands Holdings Corp, Boardwalk Real Estate Investments, Linamar, Innergex Renewable Energy, ATS Automation Tooling Systems, Computer Modelling Group

US

Agilent Technologies, Home Depot, Synopsys, L Brands, Macy's, Take-Two Interactive Software, Cisco Systems, Applied Materials, Walmart, Nordstrom, Foot Locker, Campbell Soup, Deere & Co

Regards,

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Market Highlights

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UST

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Swaps	Spread (bps)	1 Week Δ(bps)
2yr	36.25	▲ 0.25
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5yr	39.25	▲ 0.25
7yr	38.50	▲ 0.25
10yr	36.00	▲ 0.25
30yr	36.75	▲ 0.75

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Tue, May 15	Existing Home Sales MoM	1.4%	1.3%
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International Economic Data			
Mon, May 14	China Industrial Production YoY	6.4%	6.0%
Mon, May 14	China Retail Sales YoY	10.0%	10.1%
Mon, May 14	Australia RBA May Meeting Minutes	--	--
Tue, May 15	Eurozone GDP SA QoQ	0.4%	0.4%
Tue, May 15	Germany GDP SA QoQ	0.4%	0.6%
Tue, May 15	Japan GDP SA QoQ	0.0%	0.4%
Wed, May 16	Eurozone CPI MoM	0.3%	1.0%
Wed, May 16	Australia Employment Change	20k	4.9k
Thu, May 17	Japan Natl CPI YoY	0.7%	1.1%

-- Confidential --

Bank Name	RBC
Date	15-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	**2.48%**	**2.49%**	**2.47%**	**2.45%**	**2.29%**	**2.13%**	6.6	8.4	12.9	12.5	14.1	10.6
Curve Adjustment (bp)	**0.0**	**0.2**	**1.3**	**0.9**	**2.0**	**2.3**	-	-0.2	-1.6	-	0.2	0.4
Spread to GoC Curve (bp)	**111**	**103**	**96**	**88**	**67**	**51**	-	-	-	-	-	-
Re-Offered Yield	3.59%	3.52%	3.45%	3.33%	2.98%	2.66%	6.6	8.2	11.3	12.5	14.3	11.0
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.62%**	**3.56%**	**3.49%**	**3.38%**	**3.06%**	**2.75%**	6.6	8.2	11.3	12.5	14.4	11.0

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	**76**	**76**	**75**	**65**	**41**	**26**	-3.0	-3.0	-3.5	-3.5	-4.5	-4.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**37**	**28**	**16**				-3.0	-1.0	-1.5
City of Toronto (AA/Aa1/AA)	**100**	**99**	**92**	**82**	**57**	**41**	-2.5	-3.0	-3.5	-3.0	-4.5	-3.5
Hydro One Inc. (A(H)/A3/A)	**135**	**n/a**	**n/a**	**99**	**71**	**61**	-1.0			-	-	-
Ontario Power Generation Inc. (A(low)/-/BBB+)	**155**	**n/a**	**n/a**	**117**	**82**	**72**	3.0			5.0	3.0	3.0
Toronto Hydro Corporation (A/-/A)	**130**	**n/a**	**n/a**	**95**	**64**	**54**	2.0			-	-	-
Canadian National Railway Co (A/A2/A)	**131**	**n/a**	**n/a**	**93**	**71**	**61**	1.0			-	-	-
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**110**	**n/a**	**n/a**	**87**	**63**	**53**	-2.0			-	-	-
NAV Canada (AA(low)/Aa2/AA-)	**101**	**n/a**	**n/a**	**85**	**62**	**52**	1.0			-	-	-

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.48%	2.49%	2.47%	2.45%	2.29%	2.13%						
Curve Adjustment (bp)	0.0	0.2	1.3	0.9	2.0	2.3						
Spread to GoC Curve (bp)	**141**	**133**	**126**	**118**	**97**	**81**	-	-	-	-	-	-
Re-Offered Yield	3.89%	3.82%	3.75%	3.63%	3.28%	2.96%	6.6	8.2	11.3	12.5	14.3	11.0
Commission (bp)	2.8	3.6	4.0	4.8	7.7	8.8	0.02	0.03	0.03	0.03	0.03	0.02
All-in Yield	**3.92%**	**3.86%**	**3.79%**	**3.68%**	**3.36%**	**3.05%**	6.6	8.2	11.3	12.5	14.4	11.0

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	75	65	41	26	-3.0	-3.0	-3.5	-3.5	-4.5	-4.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**80**	**60**	**n/a**				-	-2.0	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.48%	2.49%	2.47%	2.45%	2.29%	2.13%						
Curve Adjustment (bp)	0.0	0.2	1.3	0.9	2.0	2.3						
Spread to GoC Curve (bp)	**175**	**167**	**160**	**152**	**131**	**115**	-	-	-	-	-	-
Re-Offered Yield	4.23%	4.16%	4.09%	3.97%	3.62%	3.30%	6.6	8.2	11.3	12.5	14.3	11.0
Commission (bp)	3.0	3.7	4.1	4.9	7.7	8.8	0.02	0.03	0.03	0.03	0.03	0.02
All-in Yield	**4.26%**	**4.20%**	**4.13%**	**4.02%**	**3.70%**	**3.39%**	6.6	8.2	11.3	12.5	14.4	11.0

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76	76	75	65	41	26	-3.0	-3.0	-3.5	-3.5	-4.5	-4.0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year

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From:	Ricky Lai
To:	Mike Manning
Cc:	James Devine; Carlos Yep
Subject:	FHT spreads
Date:	Friday, April 20, 2018 8:15:45 AM
Attachments:	Fair Hydro price indications April 19 2018.xlsx

Good morning, please find attached the FHT spreads updated as of yesterday.
They all used 107 bps as spread to GoC for the 20 year senior note.
Thanks.
Ricky

FAIR HYDRO SPREADS

Week of April 19, 2018

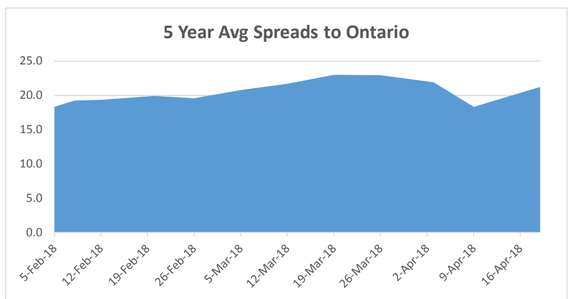
Senior Note

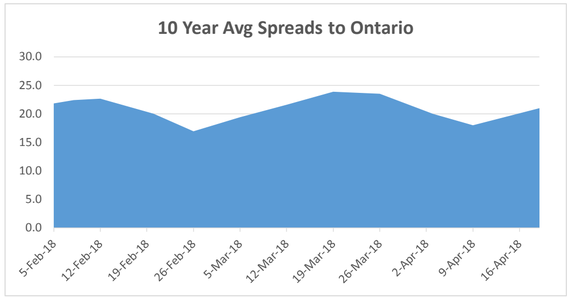
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
35.4	30.7	24.8	21.0	21.3	22.4

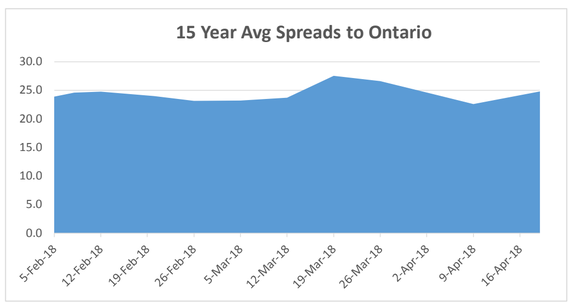
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
112.6	107.0	100.1	88.0	66.5	51.0
Last Week's	113.4	110.1	103.0	90.7	68.4	52.5
Change	-0.8	-3.1	-2.8	-2.7	-1.9	-1.5

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*BMO*	*GS*	*GS*	*TD*	*TD*
	106.0	107.0	97.0	77.0	60.0	45.0
Maximum	*Scotia*	*BMO*	*RBC*	*RBC*	*RBC*	*RBC*
	117.0	107.0	106.0	96.0	74.0	56.0







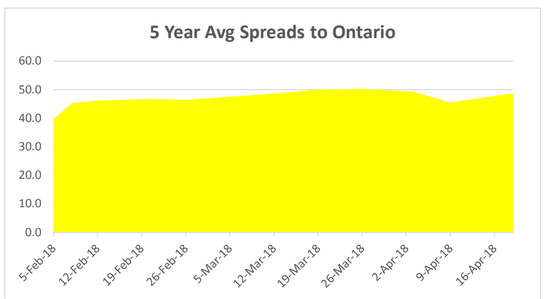
Sub Note

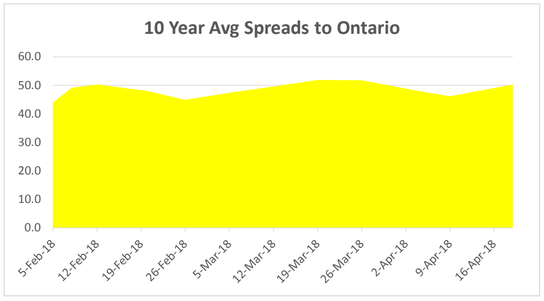
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
67.3	62.2	55.5	50.3	48.8	49.9

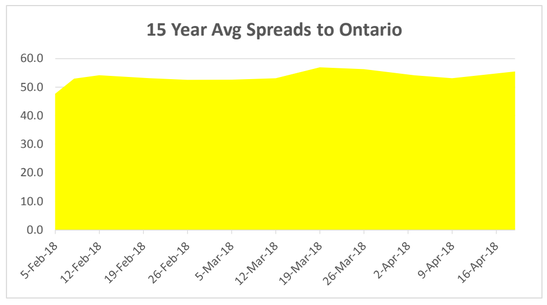
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
144.5	138.6	130.9	117.3	94.0	78.5
Last Week's	144.3	140.6	132.7	119.0	95.6	79.7
Change	0.2	-2.1	-1.8	-1.7	-1.6	-1.2

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*GS*	*CIBC*	*CIBC*	*NBF*	*NBF*
	137.5	132.0	126.0	108.0	88.0	73.0
Maximum	*GS*	*BMO*	*BMO*	*RBC*	*RBC*	*NBF*
	152.0	146.0	138.0	128.0	106.0	88.0







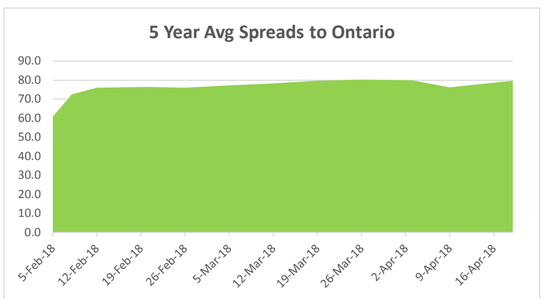
Junior Sub Note

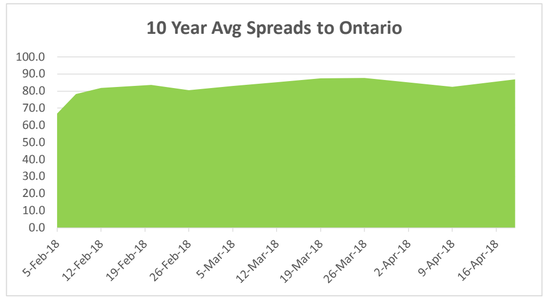
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
109.4	103.7	95.5	86.9	79.8	81.1

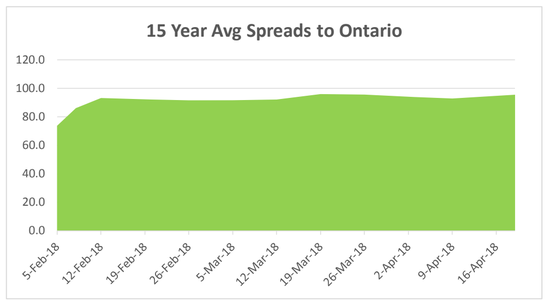
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
186.6	180.0	170.9	153.9	125.0	109.7
Last Week's	185.7	181.6	172.4	155.3	126.3	110.5
Change	0.9	-1.6	-1.6	-1.4	-1.3	-0.8

Spreads to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*BMO*	*NBF*	*NBF*
	164.5	161.0	153.0	135.0	107.0	92.0
Maximum	*BMO*	*BMO*	*BMO*	*GS*	*RBC*	*RBC*
	221.0	217.0	205.0	172.0	142.0	124.0







FAIR HYDRO SPREADS

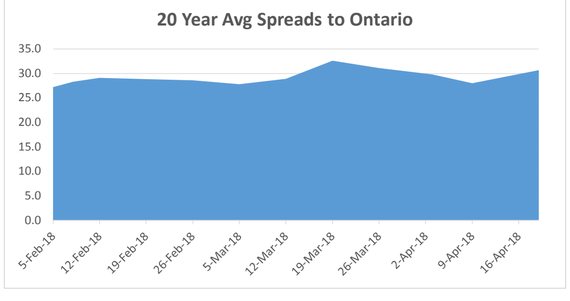
Week of April 19, 2018

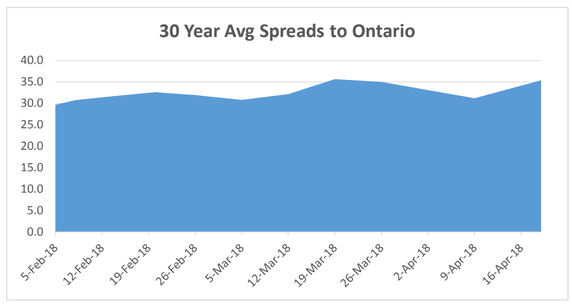
Senior Note

Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
35.4	30.7	24.8	21.0	21.3	22.4

Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
112.6	107.0	100.1	88.0	66.5	51.0
Last Week's	113.4	110.1	103.0	90.7	68.4	52.5
Change	-0.8	-3.1	-2.8	-2.7	-1.9	-1.5

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*BMO*	*GS*	*GS*	*TD*	*TD*
	106.0	107.0	97.0	77.0	60.0	45.0
Maximum	*Scotia*	*BMO*	*RBC*	*RBC*	*RBC*	*RBC*
	117.0	107.0	106.0	96.0	74.0	56.0



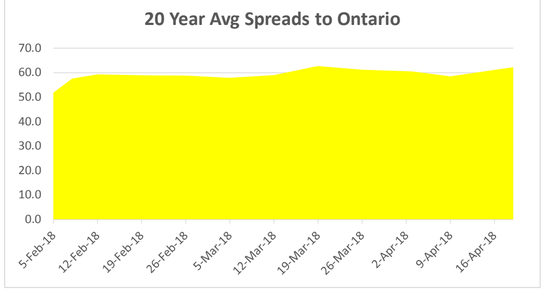


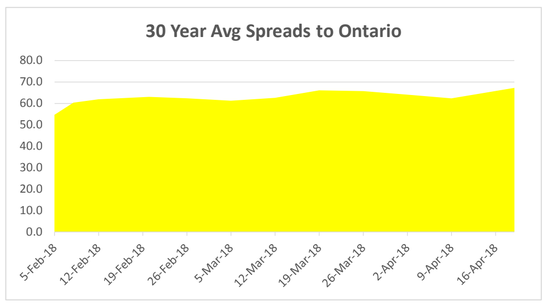
Sub Note

Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
67.3	62.2	55.5	50.3	48.8	49.9

Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
144.5	138.6	130.9	117.3	94.0	78.5
Last Week's	144.3	140.6	132.7	119.0	95.6	79.7
Change	0.2	-2.1	-1.8	-1.7	-1.6	-1.2

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*GS*	*CIBC*	*CIBC*	*NBF*	*NBF*
	137.5	132.0	126.0	108.0	88.0	73.0
Maximum	*GS*	*BMO*	*BMO*	*RBC*	*RBC*	*NBF*
	152.0	146.0	138.0	128.0	106.0	88.0





Junior Sub Note

Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
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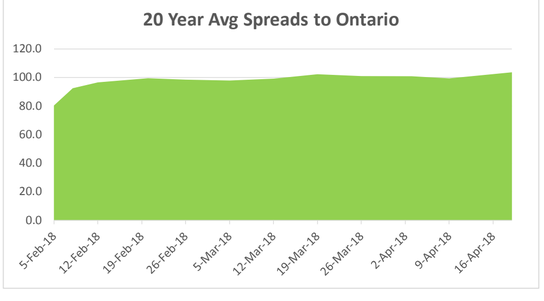
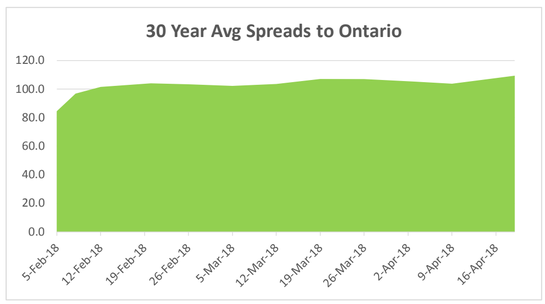
30-year	20-year	15-year	10-year	5-year	3-year
186.6	180.0	170.9	153.9	125.0	109.7
Last Week's	185.7	181.6	172.4	155.3	126.3	110.5
Change	0.9	-1.6	-1.6	-1.4	-1.3	-0.8

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*BMO*	*NBF*	*NBF*
	164.5	161.0	153.0	135.0	107.0	92.0
Maximum	*BMO*	*BMO*	*BMO*	*GS*	*RBC*	*RBC*
	221.0	217.0	205.0	172.0	142.0	124.0





Indicative New Issue Spreads
Week of April 19, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	BMO	BMO	BMO	CIBC	CIBC	CIBC	CIBC	CIBC	CIBC	GS	GS	GS	GS	GS	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	5.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.43%	2.42%	2.37%	2.33%	2.18%	1.99%	2.43%	2.44%	2.37%	2.32%	2.26%	2.15%	2.43%	2.44%	2.39%	2.31%			2.40%	2.39%
Curve Adjustment (bp)	0.0	0.6	1.9	1.7	1.5	6.9	0.0	0.6	(0.1)	(0.2)	(0.3)	1.5	0.0	0.6	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	108	107	100	90	66	50	111	107	99	81	62	48	117	107	97	77.0			115	107
Re-Offered Yield	3.51%	3.49%	3.39%	3.25%	2.85%	2.56%	3.53%	3.52%	3.36%	3.13%	2.88%	2.65%	3.60%	3.51%	3.36%	3.08%			3.55%	3.46%
Commission (bp)	2.7	3.4	3.4	4.6	7.5	6.9	2.7	2.7	2.4	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.54%**	**3.52%**	**3.43%**	**3.30%**	**2.92%**	**2.63%**	**3.56%**	**3.55%**	**3.38%**	**3.15%**	**2.90%**	**2.66%**	**3.62%**	**3.54%**	**3.39%**	**3.13%**			**3.58%**	**3.49%**
All-in Spread to GoC Curve (bp)	**110.66**	**110.43**	**103.37**	**94.64**	**73.45**	**56.88**	**113.23**	**109.73**	**101.40**	**83.07**	**63.76**	**49.22**	**118.67**	**109.50**	**100.33**	**82.00**			**117.73**	**110.50**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	65	43	28	75	75	73	65	46	28	74	75	71	67			78	79

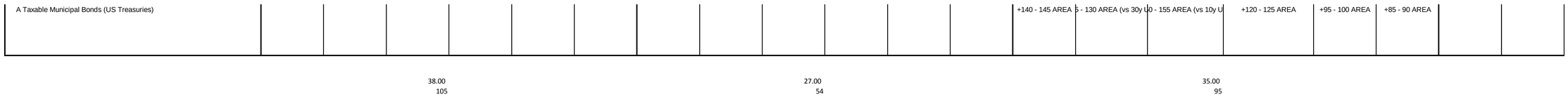
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							167	--	--	120	80	64								
Toronto Hydro Corporation (A/-/A)							132	--	--	96	69	57								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	99	0	0	82	57	52														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			140	134
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			123	117
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			145	138
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	88	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	82	67														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	67	52														
CMBs: (AAA/Aaa/AAA)	0	0	41	36	29	17														
PSP Investments (AAA/Aaa/AAA)	0	0	0	71	48	32														
CPP Investment Board (AAA/Aaa/AAA)	91	0	0	71	48	32														
BMO (Senior) (A+/A1/AA)	122	0	0	97	82	70														
Nova Scotia Power (BBB+ / - / A(l))							150	--	--	107	78	63								
FortisAlberta (A- / Baa1 / A(l))							138	--	--	98	70	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							245	--	--	180	127	105								
Bruce Power (BBB / Baa2 / BBB)							212	--	--	152	114	--								
City of Toronto (- / Aa1 / AA)							100	101	--	82	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																85 bps area				
AAA Taxable Municipal Bonds (US Treasuries)													+95 AREA	0-85 AREA (vs 30y U	95-110 AREA (vs 10y U	+75-80 AREA	+65 - 70 AREA	+55 - 60 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	01-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.43%	2.42%	2.37%	2.33%	2.18%	1.99%	2.43%	2.44%	2.37%	2.32%	2.26%	2.15%	2.43%	2.44%	2.39%	2.31%			2.40%	2.39%
Curve Adjustment (bp)	0.0	0.6	1.9	1.7	1.5	6.9	0.0	0.6	(0.1)	(0.2)	(0.3)	1.5	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	147	146	138	119	91	75	138	134	126	108	89	75	152	142	132	112			140	132
Re-Offered Yield	3.90%	3.88%	3.77%	3.54%	3.10%	2.81%	3.80%	3.79%	3.63%	3.40%	3.15%	2.92%	3.95%	3.86%	3.71%	3.43%			3.80%	3.71%
Commission (bp)	2.8	3.5	3.5	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.93%**	**3.92%**	**3.81%**	**3.59%**	**3.17%**	**2.88%**	**3.83%**	**3.82%**	**3.65%**	**3.42%**	**3.17%**	**2.93%**	**3.97%**	**3.89%**	**3.71%**	**3.48%**			**3.83%**	**3.74%**
All-in Spread to GoC Curve (bp)	**149.79**	**149.55**	**141.45**	**123.70**	**98.49**	**81.90**	**140.23**	**136.73**	**128.40**	**110.07**	**90.76**	**76.22**	**153.67**	**144.50**	**135.33**	**117.00**			**142.73**	**135.50**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			130	123
NAV Canada (AA-, AA low)																			100	97
GTAA (Aa3, A+)																			100	97
Hydro One (A3/A/A high)																			135	129
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	87														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	102														
BMO (Senior) (A+/A1/AA)	122	0	0	97	82	70														
Nav Canada (sub) (AA-/Aa2/AAL)	99	0	0	82	57	52														
City of Toronto (AA / Aa1 / AA)	96	95	93	82	59	42														
Bank ABS (AAA / - / AAA)							--	--	--	--	82	68								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	91	78								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	48	37								
AA CMBS (USD Swaps)																120 - 125 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+115 - 120 AREA	100 AREA (vs 30y US	5 - 130 AREA (vs 10y U	+100 - 105 AREA	+75 - 80 AREA	+60 - 65 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.43%	2.42%	2.37%	2.33%	2.18%	1.99%	2.43%	2.44%	2.37%	2.32%	2.26%	2.15%	2.43%	2.44%	2.39%	2.31%			2.40%	2.39%
Curve Adjustment (bp)	0.0	0.6	1.9	1.7	1.5	6.9	0.0	0.6	(0.1)	(0.2)	(0.3)	1.5	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	221	217	205	169	135	120	165	161	153	135	116	102	212	202	192	172			170	162
Re-Offered Yield	4.64%	4.59%	4.44%	4.04%	3.54%	3.26%	4.07%	4.06%	3.90%	3.67%	3.42%	3.19%	4.55%	4.46%	4.31%	4.03%			4.10%	4.01%
Commission (bp)	2.9	3.7	3.5	4.8	7.6	6.9	2.7	2.7	2.4	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.67%**	**4.63%**	**4.48%**	**4.09%**	**3.62%**	**3.33%**	**4.10%**	**4.09%**	**3.92%**	**3.69%**	**3.44%**	**3.20%**	**4.57%**	**4.49%**	**4.31%**	**4.08%**			**4.13%**	**4.04%**
All-in Spread to GoC Curve (bp)	**223.89**	**220.67**	**208.55**	**173.78**	**142.56**	**126.94**	**167.23**	**163.73**	**155.40**	**137.07**	**117.76**	**103.22**	**213.67**	**204.50**	**195.33**	**177.00**			**172.73**	**165.50**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			155.0	149.0
Highway 407 (A, A)																			130.0	123.3
Enbridge Gas Distribution (A-, A)																			130.0	124.8
Hydro One (A3/A/A high)																			135.0	129.0
Schedule 1 Bank ABS (A)																			200.0	193.3
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	153.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	135.0	-														
Hydro One (A/A3/AH)	137.0	-	-	100.0	75.0	62.0														
OPG (BBB+/-/AL)	166.0	-	-	119.0	94.0	81.0														
10-year A CMBS (USD Swaps)																160 -170 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+140 - 145 AREA
5 - 130 AREA (vs 30y U
0 - 155 AREA (vs 10y U
+120 - 125 AREA
+95 - 100 AREA
+85 - 90 AREA
38.00
105
27.00
54
35.00
95

Indicative New Issue Spreads
Week of April 19, 2018

NBF *NBF* *NBF* NBF

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	NBF Current			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.35%	2.30%	2.14%	2.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	103	90.00	67	52
Re-Offered Yield	3.38%	3.20%	2.81%	2.54%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.42%**	**3.25%**	**2.89%**	**2.63%**
All-in Spread to GoC Curve (bp)	**106.86**	**94.72**	**74.57**	**60.72**

Primary Comparable (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76	67	44	28

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	117	100	80	70
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	100	85	65	57
Schedule I Bank ABS (Aaa ; AAA ; AAA)	119	100	80	70
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.35%	2.30%	2.14%	2.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	126	112	88	73
Re-Offered Yield	3.61%	3.42%	3.02%	2.75%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.65%**	**3.47%**	**3.10%**	**2.84%**
All-in Spread to GoC Curve (bp)	**129.86**	**116.72**	**95.57**	**81.72**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
RBC Sr-Sub.				
Highway 407 (A, A)	104	85	65	55
NAV Canada (AA-, AA low)	89	80	55	45
GTAA (Aa3, A+)	89	80	55	45
Hydro One (A3/A/A high)	112	95	70	60
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.35%	2.30%	2.14%	2.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	156	135	107	92
Re-Offered Yield	3.91%	3.65%	3.21%	2.94%
Commission (bp)	3.9	4.7	7.6	8.7
All-in Yield	**3.95%**	**3.70%**	**3.29%**	**3.03%**
All-in Spread to GoC Curve (bp)	**159.86**	**139.72**	**114.57**	**100.72**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	132.0	115.0	90.0	75.0
Highway 407 (A, A)	104.1	85.0	65.0	55.0
Enbridge Gas Distribution (A-, A)	109.9	95.0	75.0	60.0
Hydro One (A3/A/A high)	112.0	95.0	70.0	60.0
Schedule 1 Bank ABS (A)	174.1	155.0	135.0	120.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads
Week of April 19, 2018

	RBC	RBC	RBC	*RBC*	*RBC*	RBC	Scotia	Scotia	Scotia	*Scotia*	*Scotia*	Scotia	TD	TD	TD	*TD*	*TD*	TD
	RBC						Scotia						TD					
Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Current						Current					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.44%	2.21%	2.16%	2.01%	1.92%	2.43%	2.41%	2.39%	2.33%	2.17%	2.04%	2.45%	2.44%	2.38%	2.35%	2.21%	2.05%
Curve Adjustment (bp)	0.0	0.6	2.9	2.4	0.6	1.1	0.0	0.6	(0.1)	1.4	1.4	1.3	0.0	0.6	2.5	1.6	0.0	1.6
Spread to GoC Curve (bp)	106	107	106	96.00	74	56	117	107	99	92	70	55	115	107	97	90	60	45
Re-Offered Yield	3.37%	3.52%	3.30%	3.14%	2.76%	2.50%	3.60%	3.49%	3.38%	3.26%	2.89%	2.61%	3.60%	3.52%	3.38%	3.26%	2.81%	2.52%
Commission (bp)	2.7	3.9	3.8	4.7	7.6	8.7	2.4	3.7	3.6	4.5	7.7	8.6	2.4	3.2	3.6	4.5	7.4	8.7
All-in Yield	**3.39%**	**3.56%**	**3.34%**	**3.19%**	**2.84%**	**2.58%**	**3.62%**	**3.53%**	**3.41%**	**3.31%**	**2.96%**	**2.69%**	**3.62%**	**3.55%**	**3.41%**	**3.31%**	**2.88%**	**2.61%**
All-in Spread to GoC Curve (bp)	**108.67**	**110.87**	**109.84**	**100.70**	**81.56**	**64.71**	**119.36**	**110.74**	**102.60**	**96.52**	**77.68**	**63.65**	**117.40**	**110.20**	**100.60**	**94.50**	**67.40**	**53.70**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	81	75	81	71	49	31	78	78	77	67	45	28	78	78	73	68	45	29

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	41	33	18												
City of Toronto (AA/Aa1/AA)	103	97	100	88	65	46												
Hydro One Inc. (A(H)/A3/A)	142	n/a	n/a	98	66	56							134	124	100	92	72	58
Ontario Power Generation Inc. (A(low)/-/BBB+)	162	n/a	n/a	120	89	77	165	0	0	120	95	81						
Toronto Hydro Corporation (A/-/A)	135	n/a	n/a	95	62	52												
Canadian National Railway Co (A/A2/A)	135	n/a	n/a	95	71	62												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	102	n/a	n/a	81	61	51												
NAV Canada (AA(low)/Aa2/AA-)	101	n/a	n/a	81	61	51												
OPB Finance Trust (AA+/-/AA(H))													107	97	92	88	65	44
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	85	66	53
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							82	0	0	72	49	32						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							132	0	0	102	86	76						
Golden Credit Card Trust							0	0	0	99	83	72						
Master Credit Card Trust							0	0	0	99	83	72						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	01-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.44%	2.21%	2.16%	2.01%	1.92%	2.43%	2.41%	2.39%	2.33%	2.17%	2.04%	2.45%	2.44%	2.38%	2.35%	2.21%	2.05%
Curve Adjustment (bp)	0.0	0.6	2.9	2.4	0.6	1.1	0.0	0.6	(0.1)	1.4	1.4	1.3	0.0	0.6	2.5	1.6	0.0	1.6
Spread to GoC Curve (bp)	138	137	138	128	106	88	152	142	129	122	100	85	145	137	127	120	90	75
Re-Offered Yield	3.69%	3.82%	3.62%	3.46%	3.08%	2.82%	3.95%	3.84%	3.68%	3.56%	3.19%	2.91%	3.90%	3.82%	3.68%	3.56%	3.11%	2.82%
Commission (bp)	2.8	0.0	3.9	4.8	7.6	8.8	2.4	3.7	3.6	4.5	7.7	8.6	2.4	3.2	3.6	4.5	7.4	8.7
All-in Yield	**3.71%**	**3.82%**	**3.66%**	**3.51%**	**3.16%**	**2.90%**	**3.97%**	**3.88%**	**3.71%**	**3.61%**	**3.26%**	**2.99%**	**3.92%**	**3.85%**	**3.71%**	**3.61%**	**3.18%**	**2.91%**
All-in Spread to GoC Curve (bp)	**140.78**	**137.00**	**141.92**	**132.78**	**113.62**	**96.76**	**154.36**	**145.74**	**132.60**	**126.52**	**107.68**	**93.65**	**147.40**	**140.20**	**130.60**	**124.50**	**97.40**	**83.70**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	n/a	n/a	n/a	83	63	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.44%	2.21%	2.16%	2.01%	1.92%	2.43%	2.41%	2.39%	2.33%	2.18%	2.04%	2.45%	2.44%	2.38%	2.35%	2.21%	2.05%
Curve Adjustment (bp)	0.0	0.6	2.9	2.4	0.6	1.1	0.0	0.6	(0.1)	1.4	1.4	1.3	0.0	0.6	2.5	1.6	0.0	1.6
Spread to GoC Curve (bp)	174	171	174	164	142	124	190	180	159	152	130	115	175	167	157	150	120	105
Re-Offered Yield	4.05%	4.16%	3.98%	3.82%	3.44%	3.18%	4.33%	4.22%	3.98%	3.86%	3.49%	3.21%	4.20%	4.12%	3.98%	3.86%	3.41%	3.12%
Commission (bp)	2.9	0.0	4.0	4.9	7.7	8.8	2.4	3.7	3.6	4.5	7.7	8.6	2.4	3.2	3.6	4.5	7.4	8.7
All-in Yield	**4.08%**	**4.16%**	**4.02%**	**3.87%**	**3.52%**	**3.26%**	**4.35%**	**4.26%**	**4.01%**	**3.91%**	**3.57%**	**3.29%**	**4.22%**	**4.15%**	**4.01%**	**3.91%**	**3.48%**	**3.21%**
All-in Spread to GoC Curve (bp)	**176.90**	**171.00**	**178.02**	**168.86**	**149.69**	**132.82**	**192.36**	**183.74**	**162.60**	**156.52**	**137.68**	**123.65**	**177.40**	**170.20**	**160.60**	**154.50**	**127.40**	**113.70**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			32.00 68					30.00 60					30.00 60					

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	24.0
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2
12-Mar-18	21.7	21.6	23.7
19-Mar-18	23.0	23.9	27.5
26-Mar-18	22.9	23.5	26.6
3-Apr-18	21.9	20.0	24.3
9-Apr-18	18.3	18.0	22.6
19-Apr-18	21.3	21.0	24.8

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
27.2	29.7	56.8	80.6	91.2	
28.3	30.8	59.3	81.4	92.0	
29.1	31.4	61.0	83.7	94.5	
28.8	32.6	59.8	82.1	94.1	
28.6	31.9	59.4	82.1	94.0	
27.8	30.8	63.4	84.9	96.7	
28.9	32.2	63.8	85.3	97.0	
32.6	35.7	63.7	86.6	97.4	
31.1	35.0	65.8	88.6	99.4	
29.8	32.8	68.0	90.6	102.5	
28.0	31.2	68.4	90.7	103.0	
30.7	35.4	66.5	88.0	100.1	107.0

	Ontario Spread to GOC				
30 Year	**5 Year**	**10 Year**	**15 Year**	**20 Year**	**30 Year**
99.1	38.5	58.8	67.3		69.4
100.4	40.1	59.0	67.4		69.7
103.6	41.7	61.0	69.7		72.2
104.8	39.8	62.0	70.4		72.2
104.6	39.8	65.1	70.8		72.7
107.1	42.7	65.5	73.5		76.3
107.9	42.2	63.7	73.3		75.8
108.6	40.7	62.7	69.9		72.9
110.6	42.8	65.0	72.8		75.5
113.0	46.1	70.6	78.2		80.2
113.4	50.1	72.8	80.4		82.3
112.6	45.3	67.0	75.3	76.3	77.3

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6
12-Mar-18	48.7	49.6	53.1
19-Mar-18	50.0	51.9	57.0
26-Mar-18	50.3	51.8	56.3
3-Apr-18	49.3	48.4	54.2
9-Apr-18	45.5	46.2	53.2
19-Apr-18	48.8	50.3	55.5

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
51.8	54.7	78.2	102.8	115.0	
57.6	60.3	85.4	108.2	120.4	
59.3	61.9	87.8	111.3	123.9	
58.9	63.0	86.6	110.1	123.6	
58.8	62.4	86.3	110.1	123.4	
57.9	61.2	90.3	112.9	126.1	
59.0	62.6	90.8	113.3	126.4	
62.7	66.1	90.7	114.6	126.8	
61.2	65.7	93.1	116.8	129.1	
60.5	63.8	95.3	119.0	132.3	
58.5	62.3	95.6	119.0	132.7	
62.2	67.3	94.0	117.3	130.9	138.6

30 Year	Ontario Spread to GOC 5 Year	10 Year	15 Year	20 Year	30 Year
124.1	38.5	58.8	67.3		69.4
130.0	40.1	59.0	67.4		69.7
134.1	41.7	61.0	69.7		72.2
135.2	39.8	62.0	70.4		72.2
135.1	39.8	65.1	70.8		72.7
137.6	42.7	65.5	73.5		76.3
138.3	42.2	63.7	73.3		75.8
139.0	40.7	62.7	69.9		72.9
141.3	42.8	65.0	72.8		75.5
144.0	46.1	70.6	78.2		80.2
144.3	50.1	72.8	79.5		81.9
144.5	45.3	67.0	75.3	76.3	77.3

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6
12-Mar-18	78.3	85.2	92.1
19-Mar-18	79.7	87.5	96.0
26-Mar-18	80.3	87.7	95.6
3-Apr-18	79.9	84.7	93.9
9-Apr-18	76.2	82.5	92.9
19-Apr-18	79.8	86.9	95.5

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
80.4	84.5	99.3	125.6	141.0	
92.5	96.8	112.7	137.3	153.5	
96.6	101.5	117.7	142.8	162.9	
99.5	104.0	116.3	145.6	162.6	
98.5	103.4	115.9	145.6	162.4	
97.9	102.2	119.9	148.5	165.1	
99.2	103.6	120.5	148.9	165.4	
102.3	107.1	120.3	150.1	165.8	
101.0	107.0	123.1	152.7	168.4	
100.9	105.3	126.0	155.3	172.1	
99.4	103.8	126.3	155.3	172.4	
103.7	109.4	125.0	153.9	170.9	180.0

30 Year	Ontario Spread to GOC 5 Year	10 Year	15 Year	20 year	30 Year
153.9	38.5	58.8	67.3		69.4
166.5	40.1	59.0	67.4		69.7
173.7	41.7	61.0	69.7		72.2
176.2	39.8	62.0	70.4		72.2
176.1	39.8	65.1	70.8		72.7
178.6	42.7	65.5	73.5		76.3
179.3	42.2	63.7	73.3		75.8
180.0	40.7	62.7	69.9		72.9
182.6	42.8	65.0	72.8		75.5
185.4	46.1	70.6	78.2		80.2
185.7	50.1	72.8	79.5		81.9
186.6	45.3	67.0	75.3	76.3	77.3

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.43%	2.42%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**108**	**107**
Re-Offered Yield	3.51%	3.49%
Commission (bp)	2.7	3.4
All-in Yield	**3.54%**	**3.52%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	75	75

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	91	
BMO (Senior) (A+/A1/AA)	122	
Nav Canada (sub) (AA-/Aa2/AAL)	99	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.43%	2.42%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**147**	**146**
Re-Offered Yield	3.90%	3.88%
Commission (bp)	2.8	3.5
All-in Yield	**3.93%**	**3.92%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	122	
Nav Canada (sub) (AA-/Aa2/AAL)	99	
City of Toronto (AA / Aa1 / AA)	96	95

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.43%	2.42%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**221**	**217**
Re-Offered Yield	4.64%	4.59%
Commission (bp)	2.9	3.7
All-in Yield	**4.67%**	**4.63%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	137	
OPG (BBB+/-/AL)	166	

Generic Corporate Credit Spreads AA	101	
Generic Corporate Credit Spreads A	159	
Generic Corporate Credit Spreads BBB	233	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.37%	2.33%	2.18%	1.99%	10bps	11bps	13bps	15bps	14bps
1.9	1.7	1.5	6.9	0bps	0bps	-1bps	-1bps	1bps
100	**90**	**66**	**50**	1bps	1bps	-2bps	-1bps	-1bps
3.39%	3.25%	2.85%	2.56%	11bps	12bps	10bps	13bps	13bps
3.4	4.6	7.5	6.9					
3.43%	**3.30%**	**2.92%**	**2.63%**	11bps	12bps	10bps	13bps	13bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
73	65	43	28	-7bps	-7bps	-7bps	-7bps	-7bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
		88						-1bps
		82	67					-1bps
		67	52					-1bps
41	36	29	17			-5bps	-5bps	-3bps
	71	48	32				-3bps	-3bps
	71	48	32	-3bps			-3bps	-3bps
	97	82	70	-1bps			-1bps	1bps
	82	57	52	-5bps			-5bps	-5bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.37%	2.33%	2.18%	1.99%	10bps	11bps	13bps	15bps	14bps
1.9	1.7	1.5	6.9	0bps	0bps	-1bps	-1bps	1bps
138	**119**	**91**	**75**	1bps	1bps	-2bps	-1bps	-1bps
3.77%	3.54%	3.10%	2.81%	11bps	12bps	10bps	13bps	13bps
3.5	4.7	7.5	6.9					
3.81%	**3.59%**	**3.17%**	**2.88%**	11bps	12bps	10bps	13bps	13bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
73	65	43	28	-7bps	-7bps	-7bps	-7bps	-7bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			87					
			102					
	97	82	70	-1bps			-1bps	1bps
	82	57	52	-5bps			-5bps	-5bps
93	82	58.5	41.5	-7bps	-7bps	-7bps	-7bps	-7bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.37%	2.33%	2.18%	1.99%	10bps	11bps	13bps	15bps	14bps
1.9	1.7	1.5	6.9	0bps	0bps	-1bps	-1bps	1bps
205	**169**	**135**	**120**	1bps	-1bps	-2bps	-1bps	-1bps
4.44%	4.04%	3.54%	3.26%	11bps	10bps	10bps	13bps	13bps
3.5	4.8	7.6	6.9					
4.48%	**4.09%**	**3.62%**	**3.33%**	11bps	10bps	10bps	13bps	13bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	65	43	28	-7bps	-7bps	-7bps	-7bps	-7bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		153						-1bps
		135						-1bps
	100	75	62	-5bps			-5bps	-5bps
	119	94	81	-6bps			-6bps	-6bps

	91	70		-4bps			-2bps	-2bps
	119	88		-4bps			-3bps	-2bps
	177	123		-4bps			-4bps	-4bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
19-Apr-18

3-year
10bps 1bps -2bps 9bps
9bps

3-year
-4bps

3-year
-2bps -2bps -1bps 0bps 0bps -2bps -3bps

3-year
10bps 1bps -2bps 9bps
9bps

3-year
-4bps

3-year
-2bps
-2bps
-2bps
-3bps
-4bps

3-year
10bps
1bps
-2bps
9bps
9bps

3-year
-4bps

3-year
-3bps
-4bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.43%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**111**
Re-Offered Yield	3.53%
Commission (bp)	2.7
All-in Yield	**3.56%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	167
Toronto Hydro (A / - / A)	132
Nova Scotia Power (BBB+ / - / A(l))	150
FortisAlberta (A- / Baa1 / A(l))	138
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	245
Bruce Power (BBB / Baa2 / BBB)	212
City of Toronto (- / Aa1 / AA)	100

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.43%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**138**
Re-Offered Yield	3.80%
Commission (bp)	2.7
All-in Yield	**3.83%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.43%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**165**
Re-Offered Yield	4.07%
Commission (bp)	2.7
All-in Yield	**4.10%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam	CIBC
Date	4/19/2018

Bank Nam	
Date	

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.444%	2.37%	2.32%	2.26%	2.15%	0.05%	0.06%	0.08%	0.10%	0.11%
0.6	(0.1)	(0.2)	(0.3)	1.5	0.0	(0.1)	0.1	0.1	0.1
107	**99**	**81**	**62**	**48**	-6	-7	-6	-8	-5
3.52%	3.36%	3.13%	2.88%	2.65%	0.00%	-0.01%	0.02%	0.03%	0.06%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
3.55%	**3.38%**	**3.15%**	**2.90%**	**2.66%**	**0.00%**	**-0.01%**	**0.02%**	**0.03%**	**0.06%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
75	73	65	46	28	-6	-6	-6	-8	-5

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	120	80	64	(8)	--	--	(5)	(3)
--	--	96	69	57	(4)	--	--	0	0
--	--	107	78	63	(3)	--	--	0	0
--	--	98	70	--	(2)	--	--	0	(1)
--	--	180	127	105	(2)	--	--	(5)	(3)
--	--	152	114	--	(8)	--	--	(8)	0
101	--	81.5	--	--	(6)	(5)	--	(6)	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.444%	2.37%	2.32%	2.26%	2.15%	0.05%	0.06%	0.08%	0.10%	0.11%
0.6	(0.1)	(0.2)	(0.3)	1.5	0	(0)	0	0	0
134	**126**	**108**	**89**	**75**	(6)	(7)	(6)	(8)	(5)
3.79%	3.63%	3.40%	3.15%	2.92%	0.00%	-0.01%	0.02%	0.03%	0.06%
2.7	2.4	2.1	1.8	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.82%	**3.65%**	**3.42%**	**3.17%**	**2.93%**	**0.00%**	**-0.01%**	**0.02%**	**0.03%**	**0.06%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
75	73	65	46	28	(6)	(6)	(6)	(8)	(5)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
--	--	--	82	68	--	--	--	--	-1
--	--	--	91	78	--	--	--	--	-1
--	--	--	48	37	--	--	--	--	0

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.444%	2.37%	2.32%	2.26%	2.15%	0.05%	0.06%	0.08%	0.10%	0.11%
0.6	(0.1)	(0.2)	(0.3)	1.5	0	(0)	0	0	0
161	**153**	**135**	**116**	**102**	(6)	(7)	(6)	(8)	(5)
4.06%	3.90%	3.67%	3.42%	3.19%	0.00%	-0.01%	0.02%	0.03%	0.06%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
4.09%	**3.92%**	**3.69%**	**3.44%**	**3.20%**	**0.00%**	**-0.01%**	**0.02%**	**0.03%**	**0.06%**

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
75	73	65	46	28	(6)	(6)	(6)	(8)	(5)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

CIBC
4/16/2018

3-year
-
-
0.10%
0.5
-3
0.08%
-
0.08%

3-year
-3

3-year
(3)
0
0
--
(2)
--
--

3-year
-
-
0.10%
1
(3)
0.08%
0.00%
0.08%

3-year
(3)

3-year
-2
-1
0

3-year
-
-
0.10%
1
(3)
0.08%
-
0.08%

3-year
(3)

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	5.000%
Benchmark Yield	2.431%	2.444%
Curve Adjustment (bp)	0.000%	0.006%
Spread to GoC Curve (bp)	**1.170%**	**1.070%**
Re-Offered Yield	3.601%	3.514%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.62%**	**3.54%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.7440%**	**0.74500%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+95 AREA	-85 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.431%	2.444%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.520%**	**1.420%**
Re-Offered Yield	3.951%	3.864%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.97%**	**3.89%**

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.7440%**	**0.74500%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+115 - 120 AREA	00 AREA (vs 30y US

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.431%	2.444%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**2.120%**	**2.020%**
Re-Offered Yield	4.551%	4.464%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.57%**	**4.49%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.7440%**	**0.74500%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+140 - 145 AREA	- 130 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.390%	2.312%			
0.049%	0.008%			
0.9700%	**0.770%**			
3.360%	3.082%			
0.033%	0.050%			
3.39%	**3.13%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.70600%	**0.66700%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-110 AREA (vs 10y	85 bps area +75-80 AREA	+65 - 70 AREA	+55 - 60 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.390%	2.312%			
0.049%	0.008%			
1.32000%	**1.120%**			
3.710%	3.432%			
0.033%	0.050%			
3.71%	**3.48%**			

Current				

15-year	10-year	5-year	3-year	30-year
0.70600%	**0.66700%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 130 AREA (vs 10y	120 - 125 bps AREA +100 - 105 AREA	+75 - 80 AREA	+60 - 65 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.390%	2.312%			
0.049%	0.008%			
1.920%	**1.720%**			
4.310%	4.032%			
0.033%	0.050%			
4.31%	**4.08%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.70600%	**0.66700%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 155 AREA (vs 10y	160 -170 bps AREA +120 - 125 AREA	+95 - 100 AREA	+85 - 90 AREA	+0 bps

Bank Name	GS
Date	4/19/2018

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	15-year	10-year	5-year	3-year

Versus 4.17.19 Template				
20-year	15-year	10-year	5-year	3-year
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Versus 4.17.19 Template				
20-year	15-year	10-year	5-year	3-year

Week over Week

20-year	15-year	10-year	5-year	3-year

Versus 4.17.19 Template				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Versus 4.17.19 Template				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.40%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	115
Re-Offered Yield	3.55%
Commission (bp)	2.7
All-in Yield	**3.58%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	140
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	123
Schedule I Bank ABS (Aaa ; AAA ; AAA)	145
FHT Series 2018-1	

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.40%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	140
Re-Offered Yield	3.80%
Commission (bp)	2.7
All-in Yield	**3.83%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	130
NAV Canada (AA-, AA low)	100
GTAA (Aa3, A+)	100
Hydro One (A3/A/A high)	135

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.40%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	170
Re-Offered Yield	4.10%
Commission (bp)	2.7
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	155
Highway 407 (A, A)	130
Enbridge Gas Distribution (A-, A)	130
Hydro One (A3/A/A high)	135
Schedule 1 Bank ABS (A)	200

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.39%	2.35%	2.30%	2.14%
0.0	0.0	0.0	0.0
107	103	90	67
3.46%	3.38%	3.20%	2.81%
3.5	3.9	4.7	7.6
3.49%	**3.42%**	**3.25%**	**2.89%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	76	66.5	44

Current			
20-year	**15-year**	**10-year**	**5-year**
134	117	100	80
117	100	85	65
138	119	100	80
	100		

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.39%	2.35%	2.30%	2.14%
0.0	0.0	0.0	0.0
132	126	112	88
3.71%	3.61%	3.42%	3.02%
3.5	3.9	4.7	7.6
3.74%	**3.65%**	**3.47%**	**3.10%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	76	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
123	104	85	65
97	89	80	55
97	89	80	55
129	112	95	70

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.39%	2.35%	2.30%	2.14%
0.0	0.0	0.0	0.0
162	156	135	107
4.01%	3.91%	3.65%	3.21%
3.5	3.9	4.7	7.6
4.04%	**3.95%**	**3.70%**	**3.29%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	76	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
149	132	115	90
123	104	85	65
125	110	95	75
129	112	95	70
193	174	155	135

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.02%	0.08%	0.09%	0.11%
0.0	0.0	0.0	0.0
52	-3	-8	-3
2.54%	0.05%	0.01%	0.08%
8.7	0.0	0.0	0.0
2.63%	**0.05%**	**0.01%**	**0.08%**

			Week
3-year	**30-year**	**20-year**	**15-year**
28	-5	-4	-5.5

			Week
3-year	**30-year**	**20-year**	**15-year**
70	0	0	0
57	0	0	0
70	0	0	0
	0	0	-2

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
2.02%	0.08%	0.09%	0.11%
0.0	0.0	0.0	0.0
73	-3	-8	-3
2.75%	0.05%	0.01%	0.08%
8.7	0.0	0.0	0.0
2.84%	**0.05%**	**0.01%**	**0.08%**

			Week
3-year	**30-year**	**20-year**	**15-year**
28	-5	-4	-6

			Week
3-year	**30-year**	**20-year**	**15-year**
55	-5	-5	-5
45	-5	-5	-5
45	-5	-5	-5
60	-5	-5	-5

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.02%	0.08%	0.09%	0.11%
0.0	0.0	0.0	0.0
92	-3	-8	-3
2.94%	0.05%	0.01%	0.08%
8.7	0.0	0.0	0.0
3.03%	**0.05%**	**0.01%**	**0.08%**

			Week
3-year	**30-year**	**20-year**	**15-year**
28	-5	-4	-6

			Week
3-year	**30-year**	**20-year**	**15-year**
75	-10	-10	-10
55	-5	-5	-5
60	-5	-5	-5
60	-5	-5	-5
120	0	0	0

Bank Name	National Bank of Canada
Date	4/19/2018

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.13%	0.13%	0.09%
0.0	0.0	0.0
-3	-3	-3
0.10%	0.10%	0.06%
0.0	0.0	0.0
0.10%	**0.10%**	**0.06%**

over Week		
10-year	**5-year**	**3-year**
-6	-5.5	-4

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
0	0	0
0	0	0

over Week		
10-year	**5-year**	**3-year**
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.13%	0.13%	0.09%
0.0	0.0	0.0
-3	-3	-3
0.10%	0.10%	0.06%
0.0	0.0	0.0
0.10%	**0.10%**	**0.06%**

over Week		
10-year	**5-year**	**3-year**
-6	-6	-4

over Week		
10-year	**5-year**	**3-year**
-5	0	0
-5	-5	-5
-5	-5	-5
-5	-5	0

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.13%	0.13%	0.09%
0.0	0.0	0.0
-3	-3	-3
0.10%	0.10%	0.06%
0.0	0.0	0.0
0.10%	**0.10%**	**0.06%**

over Week		
10-year	**5-year**	**3-year**
-6	-6	-4

over Week		
10-year	**5-year**	**3-year**
-10	-5	-5
-5	0	0
-5	-5	0
-5	-5	0
0	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.31%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**106**
Re-Offered Yield	3.37%
Commission (bp)	2.7
All-in Yield	**3.39%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**81**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**103**
Hydro One Inc. (A(H)/A3/A)	**142**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**162**
Toronto Hydro Corporation (A/-/A)	**135**
Canadian National Railway Co (A/A2/A)	**135**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**102**
NAV Canada (AA(low)/Aa2/AA-)	**101**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.31%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**138**
Re-Offered Yield	3.69%
Commission (bp)	2.8
All-in Yield	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	81

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.31%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**174**
Re-Offered Yield	4.05%
Commission (bp)	2.9
All-in Yield	**4.08%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	81

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

The indicative price is provided by way of example only, and is not intended to replace or supplant advice of your aud EVENT SHALL RBC OR ITS AGENTS OR OFFICERS BE LIABLE FOR ANY DAMAGES WHATSOEVER (INCLUDI the indicative price is adequate or appropriate for your purposes.

The information provided in this valuation (the “Information”) (i) is intended for your information only and is not to be d the fullest extent permissible by law, shall have no liability whatsoever to you or any other person or party for any loss

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.44%	**2.21%**	**2.16%**	**2.01%**
0.6	**2.9**	**2.4**	**0.6**
107	**106**	**96**	**74**
3.52%	3.30%	3.14%	2.76%
3.9	3.8	4.7	7.6
3.56%	**3.34%**	**3.19%**	**2.84%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	**81**	**71**	**49**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**41**	**33**
97	**100**	**88**	**65**
n/a	**n/a**	**98**	**66**
n/a	**n/a**	**120**	**89**
n/a	**n/a**	**95**	**62**
n/a	**n/a**	**95**	**71**
n/a	**n/a**	**81**	**61**
n/a	**n/a**	**81**	**61**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.44%	2.21%	2.16%	2.01%
0.6	2.9	2.4	0.6
137	**138**	**128**	**106**
3.82%	3.62%	3.46%	3.08%
0.0	3.9	4.8	7.6
3.82%	**3.66%**	**3.51%**	**3.16%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	81	71	49

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**83**	**63**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.44%	2.21%	2.16%	2.01%
0.6	2.9	2.4	0.6
171	**174**	**164**	**142**
4.16%	3.98%	3.82%	3.44%
0.0	4.0	4.9	7.7
4.16%	**4.02%**	**3.87%**	**3.52%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	81	71	49

Current			
20-year	**15-year**	**10-year**	**5-year**

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o any other existing or future transactions between you and RBC. The indicative price does not in any way amend, mo

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.92%	5.2	5.1	4.5	3.5	2.1
1.1	-	-0.1	0.1	0.5	0.2
56	-	-	-	-	1.0
2.50%	5.2	5.0	4.6	4.0	3.3
8.7	0.0	0.0	0.0	0.0	0.0
2.58%	5.2	5.0	4.6	4.0	3.3

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
31	0.5	-	-	-0.5	1.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
18				1.5	1.0
46	-	-	1.5	-0.5	2.0
56	1.0			1.0	1.0
77	-			-	-
52	-			-	-
62	1.0			2.0	2.0
51	1.0			1.0	1.0
51	1.0			1.0	1.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.92%					
1.1					
88	-	-	-	-	1.0
2.82%	5.2	5.0	4.6	4.0	3.3
8.8	0.02	0.02	0.01	0.01	0.01
2.90%	5.2	5.0	4.6	4.0	3.3

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
31	0.5	-	-	-0.5	1.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				15.0	18.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.92%					
1.1					
124	-	-	-	-	1.0
3.18%	5.2	5.0	4.6	4.0	3.3
8.8	0.02	0.02	0.01	0.01	0.01
3.26%	5.2	5.0	4.6	4.0	3.3

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
31	0.5	-	-	-0.5	1.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does n
dify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not comm

y at RBC by using the indicative price. The indicative price is provided without any warranty, express or implied, as to its legal effect or complet
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nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

RBC
19-Apr-18

	3-year
	1.7
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	1.0
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	0.5
	1.0
	-
	-
	1.0
	1.0
	1.0

	3-year
	-1.0
	1.0
	0.00
	1.0

	3-year
	-0.5

	3-year

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icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.43%	2.41%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+117**	**+107**
Re-Offered Yield	3.60%	3.49%
Commission (bp)	2.4	3.7
All-in Yield	**3.62%**	**3.53%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	165	
CPP	82	
BNS - Denior Deposit Notes	132	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.43%	2.41%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+152**	**+142**
Re-Offered Yield	3.95%	3.84%
Commission (bp)	2.4	3.7
All-in Yield	**3.97%**	**3.88%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.43%	2.41%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+190**	**+180**
Re-Offered Yield	4.33%	4.22%
Commission (bp)	2.4	3.7
All-in Yield	**4.35%**	**4.26%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.39%	2.33%	2.17%	2.04%	0.09%
(0.1)	1.4	1.4	1.3	0
+99	**+92**	**+70**	**+55**	14
3.38%	3.26%	2.89%	2.61%	0.23%
3.6	4.5	7.7	8.6	0
3.41%	**3.31%**	**2.96%**	**2.69%**	**0.23%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
76.5	67	45	28	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	120	95	81	0
	72	49	32	0
	102	86	76	0
	99	83	72	
	99	83	72	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.39%	2.33%	2.17%	2.04%	0.09%
(0.1)	1.4	1.4	1.3	0
+129	**+122**	**+100**	**+85**	15
3.68%	3.56%	3.19%	2.91%	0.24%
3.6	4.5	7.7	8.6	0
3.71%	**3.61%**	**3.26%**	**2.99%**	**0.24%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
76.5	67	45	28	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	99	83	72	
	99	83	72	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.39%	2.33%	2.18%	2.04%	0.09%
(0.1)	1.4	1.4	1.3	0
+159	**+152**	**+130**	**+115**	18
3.98%	3.86%	3.49%	3.21%	0.27%
3.6	4.5	7.7	8.6	0
4.01%	**3.91%**	**3.57%**	**3.29%**	**0.27%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
76.5	67	45	28	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	99	83	72	
	99	83	72	

Bank Name	BNS
Date	4/19/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.09%	0.09%	0.08%	0.06%	0.03%
0	0	0	0	1
5	3	5	2	3
0.14%	0.12%	0.13%	0.08%	0.07%
1	0	0	0	0
0.14%	**0.12%**	**0.13%**	**0.08%**	**0.07%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.09%	0.09%	0.08%	0.06%	0.03%
0	0	0	0	1
8	4	6	3	4
0.17%	0.13%	0.14%	0.09%	0.08%
1	0	0	0	0
0.17%	**0.13%**	**0.14%**	**0.10%**	**0.08%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		0	0	0
		0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.09%	0.09%	0.08%	0.06%	0.03%
0	0	0	0	1
13	4	6	3	4
0.22%	0.13%	0.14%	0.10%	0.08%
1	0	0	0	0
0.22%	**0.13%**	**0.14%**	**0.10%**	**0.08%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		0	0	0
		0	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.45%	2.44%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**115**	**107**
Re-Offered Yield	3.60%	3.52%
Commission (bp)	2.4	3.2
All-in Yield	**3.62%**	**3.55%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	107	97
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	134	124

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.45%	2.44%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**145**	**137**
Re-Offered Yield	3.90%	3.82%
Commission (bp)	2.4	3.2
All-in Yield	**3.92%**	**3.85%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	78	78

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.45%	2.44%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**175**	**167**
Re-Offered Yield	4.20%	4.12%
Commission (bp)	2.4	3.2
All-in Yield	**4.22%**	**4.15%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Bank Name	TD Securuties
Date	4/16/2018

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.38%	2.35%	2.21%	2.05%	0.082%
2.5	1.6	0.0	1.6	-
97	**90**	**60**	**45**	-2
3.38%	3.26%	2.81%	2.52%	0.06%
3.6	4.5	7.4	8.7	-
3.41%	**3.31%**	**2.88%**	**2.61%**	**0.06%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
73	68	45	29	(5.0)

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
92	88	65	44	(9)
N/A	85	66	53	N/A
100	92	72	58	(4)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.38%	2.35%	2.21%	2.05%	0.082%
2.5	1.6	0.0	1.6	-
127	**120**	**90**	**75**	-2
3.68%	3.56%	3.11%	2.82%	0.06%
3.6	4.5	7.4	8.7	-
3.71%	**3.61%**	**3.18%**	**2.91%**	**0.06%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**

73	68	45	29	(5.0)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.38%	2.35%	2.21%	2.05%	0.082%
2.5	1.6	0.0	1.6	-
157	**150**	**120**	**105**	-2
3.98%	3.86%	3.41%	3.12%	0.06%
3.6	4.5	7.4	8.7	-
4.01%	**3.91%**	**3.48%**	**3.21%**	**0.06%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
73	68	45	29	(5.0)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	4/16/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.090%	0.121%	0.134%	0.129%	0.084%
-	-	-	-	-
-2	-2	-2	-2	-2
0.07%	0.09%	0.11%	0.11%	0.06%
-	-	-	-	-
0.07%	**0.09%**	**0.11%**	**0.11%**	**0.06%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
(5.0)	(6.0)	(7.0)	(6.0)	(4.0)

20-year	**15-year**	**10-year**	**5-year**	**3-year**
(9)	-9	(4)	1	-2
N/A	N/A	(1)	-	2
(4)	-	-	2	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.090%	0.121%	0.134%	0.129%	0.084%
-	-	-	-	-
-2	-2	-2	-2	-2
0.07%	0.09%	0.11%	0.11%	0.06%
-	-	-	-	-
0.07%	**0.09%**	**0.11%**	**0.11%**	**0.06%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**

(5.0)	(6.0)	(7.0)	(6.0)	(4.0)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.090%	0.121%	0.134%	0.129%	0.084%
-	-	-	-	-
-2	-2	-2	-2	-2
0.07%	0.09%	0.11%	0.11%	0.06%
-	-	-	-	-
0.07%	**0.09%**	**0.11%**	**0.11%**	**0.06%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
(5.0)	(6.0)	(7.0)	(6.0)	(4.0)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	Hanslep, Malle (MOF)
To:	Ken Kandeepan; Mike Manning
Cc:	Tobias P. Whitfield (MOF)
Subject:	FW: Delivery of COLPA OPG Process Certificate
Date:	Tuesday, March 20, 2018 12:14:17 PM
Attachments:	COLPA Process Certificate - Signed.pdf

New Process certificate delivered today.

From: HAHN PARKER Janet -TREASURY [mailto:j.hahnparker@opg.com] **On Behalf Of** LEE John -TREASURY
Sent: March 20, 2018 12:12 PM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF)
Cc: LEE John -TREASURY; GRECO Clara -LAWDIV; HAHN PARKER Janet -TREASURY
Subject: FHP: Delivery of COLPA OPG Process Certificate

Attached is the Process Certificate of the CFO and Treasurer of Ontario Power Generation Inc., in its capacity as Financial Services Manager, pursuant to section 3.01 of the **Change of Law Process Agreement** made December 21, 2017 between OPG and the Province. This was faxed to the Minister and Deputy Minister of Finance today.

Thank you,

John Lee
Vice President, Treasurer
Ontario Power Generation Inc.
416 592-6392
John.s.lee@opg.com

THIS MESSAGE IS ONLY INTENDED FOR THE USE OF THE INTENDED RECIPIENT(S) AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, PROPRIETARY AND/OR CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any review, retransmission, dissemination, distribution, copying, conversion to hard copy or other use of this communication is strictly prohibited. If you are not the intended recipient and have received this message in error, please notify me by return e-mail and delete this message from your system. Ontario Power Generation Inc.

ONTARIO POWER GENERATION INC.,
in its capacity as FSM

PROCESS CERTIFICATE

Certificate of the CFO and Treasurer pursuant to section 3.01 of the Change of Law Process Agreement

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

RE: Floating Rate Variable Funding Senior Notes, Series 2017-1 (the "**Series 2017-1 Senior Notes**") in the maximum aggregate principal amount of C$800,000,000, of which $234,600,000 will be drawn on March 22, 2018, resulting in a total drawn amount of $335,890,000

AND RE: Floating Rate Variable Funding Subordinated Notes, Series 2017-1 (the "**Series 2017-1 Subordinated Notes**") in the maximum aggregate principal amount of C$611,764,706 principal amount, of which $179,400,000 will be drawn on March 22, 2018, resulting in a total drawn amount of $256,857,000

AND RE: Floating Rate Variable Funding Junior Subordinated Notes, Series 2017-1 (the "**Series 2017-1 Junior Subordinated Notes**") in the maximum available aggregate principal amount of C$156,862,745, of which $46,000,000 will be drawn on March 22, 2018, resulting in a total drawn amount of $65,860,000 (the Series 2017-1 Junior Subordinated Notes together with the Series 2017-1 Senior Notes and the Series 2017-1 Subordinated Notes, the "**Funding Obligations**")

AND RE: Process Certificate of Ontario Power Generation Inc. in its capacity as FSM delivered pursuant to clause 3.01 of the Change of Law Process Agreement (as defined below) on December 21, 2017 (the "**Original Process Certificate**").

Reference is made to the Change of Law Process Agreement dated December 21, 2017 among the Province of Ontario and Ontario Power Generation Inc. (the "**Change of Law Process Agreement**"). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Change of Law Process Agreement.

Each of the undersigned, being the Chief Financial Officer and Treasurer of OPG acting in its capacity as FSM and holding the offices set forth under their names and signatures below, pursuant to and in accordance with clause 3.01 of the Change of Law Process Agreement, hereby certifies for and on behalf of OPG, in its capacity as Financial Services Manager, and not in such officer's personal capacity and intending that this certificate may be relied on by the addressees hereof without independent inquiry, that:

1. I have read and understand the provisions of the Change of Law Process Agreement and all other documents and materials necessary to enable me to deliver this certificate.

2. The material terms of the Funding Obligations, excluding the drawn principal amounts outstanding and identified on the preceding page, remain unchanged and are as described in Schedules A, B and C of the Original Process Certificate.

3. The Funding Obligations:

   (a) will arise under terms and conditions that are Substantially in the Form of the Reference Documentation applicable thereto;

   (b) in my opinion, are reasonably incurred or effected in compliance with the Act, the General Regulation, any other enactments related thereto and the Financing Plan;

   (c) are of a type and are on terms that a reasonably prudent financial services manager would incur in similar circumstances; and

   (d) reflect, in all material respects, arm's length terms and conditions.

4. No Disclosure Document was used in connection with the offering and sale of the Funding Obligations.

5. Any disclosure made in respect of any of the Funding Obligations (including any Disclosure Document, press release or other written communication prepared for dissemination to third parties in relation to any of the Funding Obligations) that refers to or describes the terms, effect or adherence of or to the Change of Law Process Agreement or the Change of Law Protection Agreement has been made available to the Province prior to use or dissemination, other than where such disclosure was substantially the same as a disclosure previously made.

6. No Breach Event has occurred on or prior to the date hereof, unless such Breach Event has been waived by the Province in writing.

7. At the time the Funding Obligations are incurred, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Funding Obligations, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under all Approved Obligations, do not exceed the Protection Agreement Maximum applicable on the date hereof.

[Signature page follows]

DATED March 20, 2018.

Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

Name: John Lee
Title: Vice President - Treasurer

From: Hanslep, Malle (MOF)
To: Jonathan Tekle (CAB)
Cc: Tobias P. Whitfield (MOF); Thouin, Alena (ENERGY); Mike Manning; Ken Kandeepan
Subject: FW: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Date: Friday, January 05, 2018 5:19:19 PM

Hi Jonathan,

Did you receive the earlier email below with the time on it 4:55? I have not received it and it has been sent to many others. Have other received and been able to open the attachments?

Thanks

Malle

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: January-05-18 5:04 PM
To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: 'John Lee (john.s.lee@opg.com)'; 'Ken Ryfa (ken.ryfa@opg.com)'; 'WONG Leslie -LAWDIV'; LADAK Lubna - TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka
Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

All – just to clarify - we appreciate the Province will be reviewing the draft OM and may have comments on the disclosure which we would be happy to discuss once you have had a chance to review. Thanks,

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

From: Mansoori, Nina
Sent: January-05-18 4:55 PM
To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; 'Scott.Thompson@ontario.ca' <Scott.Thompson@ontario.ca>; 'Anna.Strathy@ofina.on.ca' <Anna.Strathy@ofina.on.ca>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; 'David.McLean@ontario.ca' <David.McLean@ontario.ca>; 'Jonathan.Tekle@ontario.ca' <Jonathan.Tekle@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; 'Ken.Kandeepan@ofina.on.ca' <Ken.Kandeepan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; 'tim.christine@ontario.ca' <tim.christine@ontario.ca>
Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>
Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Importance: High

All,

Reference is made to the Change of Law Process Agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the Province") and Ontario Power Generation Inc. ("OPG") to be dated as of December 21, 2017 (the "Change of Law Process Agreement"). All capitalized terms used and not defined in this email shall have their respective meanings in the Change of Law Process Agreement.

On behalf of OPG, we have hand-delivered today to the Ministers and the Deputy Ministers the forms of Transaction Documents set out in the attached cover letter. For ease of reference, we also attach these documents here and attach blacklines to the last versions of the term supplemental indentures circulated to you. If you would like a blackline of any other Transaction Document, please send us the version you reviewed last.

We consider these forms settled other than:

- There is one change that has been proposed by the dealers, and which is under discussion, that will impact the term supplemental indentures and will necessitate some additional disclosure to the term sheet. The dealers have advised that following a Principal Payment Date (i.e. the date on which all amounts owing under the notes are expected to be repaid in full), it would be typical for the interest payment dates to accelerate to monthly (instead of semi-annually). Once the dealers and OPG have an opportunity to discuss and come to an agreement on this point next week, the necessary changes to reflect this will be made to the term supplemental indentures and the term sheet
- there are still some bullets in these documents which will be addressed closer to closing (including dates, pricing information and the names of all of the Agents)
- we expect there will be some minor clean up to the OM (including making sure all of our cross-references are correct and that the glossary picks up all defined terms).

Please let us know if you have any questions.

Best Regards,

Nina
P. 416.865.7332

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From:	Anna Strathy
To:	John Psinas
Cc:	Mike Manning
Subject:	FW: Corrections re: April 21st Article: “Bad books”
Date:	Thursday, May 03, 2018 1:28:05 PM
Attachments:	GM Follow up Questions and Responses-Draft v1_OFA_Markup.docx

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Hi John, as discussed, attached are the edits provided back to OPCD yesterday.

From: Anna Strathy
Sent: Wednesday, May 02, 2018 9:49 AM
To: 'Hosick, Sarah (TBS)'
Cc: Gadi Mayman
Subject: RE: Corrections re: April 21st Article: “Bad books”

Hi Sarah,
Please find very minor edits from OFA in the attached. Happy to discuss.
Anna

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Tuesday, May 01, 2018 5:29 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Corrections re: April 21st Article: “Bad books”

Here is the document with a draft response for Q.6 per Cindy and Gadi’s conversation.
As stated below, if we could get this back asap in the morning would be appreciated!
Thanks
Sarah

From: Hosick, Sarah (TBS)
Sent: May 1, 2018 5:01 PM
To: 'Anna Strathy'
Subject: RE: Corrections re: April 21st Article: “Bad books”

Hi Anna
Lots of moving pieces on this –thanks for your patience! Gadi and Cindy just spoke at a meeting they were both at about the question that is currently blank. Cindy is drafting a response and I’ll send a revised version shortly.
At the meeting, the deputy mentioned that they want to get back to the reporter tomorrow now so if possible can we expedite and say 10am tomorrow latest (earlier if possible) for responses.
Will send you updated version shortly.

From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: May 1, 2018 4:18 PM
To: Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: “Bad books”

Thanks Sarah. Will do.

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Tuesday, May 01, 2018 4:14 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Corrections re: April 21st Article: “Bad books”

Darn, just missed him!

Attached is a very rough draft of how the answers are shaping. Can you please have his team review and provide edits/comments by noon tomorrow?
Mark Donaldson is also still adding comment/edits as well, so feel free to have your team reach out to him if they want to discuss anything
Thanks
Sarah

From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: May 1, 2018 4:00 PM
To: Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books"

Thanks Sarah. Unfortunately, I think Ken is already headed to the airport, but thank you for the head's up. His team will be able to review and provide input in his absence.
Anna

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Tuesday, May 01, 2018 3:47 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi Anna,
The reporter from the Globe and Mail has some follow-up technical questions in response to our request that clarifications and corrections were needed on some pieces of his April 21 article. [na01.safelinks.protection.outlook.com]
See below – for several questions we'll need OFA input. We're taking a first cut at the responses and will send your way for review/input likely this evening.
I understand Ken Kandeepan is on vacation starting tomorrow, so I'm sending this as a heads up in case he wants to weigh in with any points to consider before we are ready to send the draft responses.
Happy to discuss
Thanks
Sarah

From: Tharani, Alisha (TBS)
Sent: May 1, 2018 12:40 PM
To: Ue, Allison (TBS); Nelson, Dane (TBS); Skoberne, Vivienne (TBS); Hosick, Sarah (TBS)
Cc: Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS); Laughton, Patrick (TBS)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi DMO & OPCD colleagues,

I have received follow-up questions from Matt McClearn in follow-up to the table of corrections that was shared with him last week. See below:
"Just working through your document. Some of the issues you raise are quite technical in nature. I have a few questions and requests arising from them:

- Where does the borrowing of the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
- How does the borrowing of the Fair Hydro Trust affect the Province of Ontario's reported net

debt?

- How does OPG's borrowing related to the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
- How does OPG's borrowing related to the Fair Hydro Plan affect the Province of Ontario's reported net debt?
- The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.
- When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.
- When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"

We will work with OPCD to develop responses to the above.

Best,

Alisha

From: Tharani, Alisha (TBS)
Sent: April 25, 2018 1:25 PM
To: Skoberne, Vivienne (TBS); Ue, Allison (TBS); Nelson, Dane (TBS); Veinot, Cindy (TBS); Hosick, Sarah (TBS); Laughton, Patrick (TBS); Hadisi, Lawvin (TBS); Rubin, Jack (TBS)
Cc: Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi all,

Please see below for Matt McClearn's response.

Best,

Alisha

From: McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
Sent: April 25, 2018 1:18 PM
To: Tharani, Alisha (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books"

Alisha:
Thanks for these. We'll review this document and involve our public editor as necessary. Regards, Matt.

THE GLOBE AND MAIL

Matthew McClearn | Data journalist, Enterprise Team
p: 416.585.5487 | m: 416.705.6047 | e: mmcclearn@globeandmail.com

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From: Tharani, Alisha (TBS) [mailto:Alisha.Tharani@ontario.ca]
Sent: Wednesday, April 25, 2018 12:17 PM
To: McClearn, Matthew
Subject: Corrections re: April 21st Article: "Bad books"

Hi Matt,

In response to your article, "Bad books: How Ontario's new hydro accounting could cost taxpayers billions" published on April 21, 2018, we would like to address a few points that require correction and clarification.

Please see attached for a summary of corrections that we respectfully request that you acknowledge in your story.

We are happy to answer any questions you may have.

Thanks,

Alisha

Alisha Tharani
Treasury Board Secretariat
416-327-3803 | Alisha.Tharani@ontario.ca

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1. Where does the borrowing of the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
2. How does the borrowing of the Fair Hydro Trust affect the Province of Ontario's reported net debt?
3. How does OPG's borrowing related to the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
4. How does OPG's borrowing related to the Fair Hydro Plan affect the Province of Ontario's reported net debt?
5. The Auditor General has said that the Province ~~on~~ of Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.
6. When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.
7. When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"

1. Where does the borrowing of the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position? 3. How does OPG's borrowing related to the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?	As you noted in your article, the borrowing for the Global Adjustment Refinancing aspect of Fair Hydro Plan comes from more than one source. There is borrowing taken on by the Province, OPG and the Fair Hydro Trust (which is fully consolidated with the financial statements of OPG~~.~~). The borrowing for the Global Adjustment r~~R~~efinancing aspect of the Fair Hydro Plan commenced in July 2017, and will be reported as part of the 2017-18 Public Accounts for the year ended March 31, 2018~~7~~. There was no debt related to the Global Adjustment r~~R~~efinancing of the Fair Hydro Plan as of the end of the last fiscal year – March 31, 2017. The comments below relate to the plan for disclosure in the Province's consolidated financial statements for the year-ended March 31, 2018. Those financial statements are in the process of being prepared now, and the Auditor General generally issues her opinion on those financial statements in mid-August (last year the date of her opinion was August 18). The borrowing that the Province takes on directly, which is invested in OPG, will be included in the line item, labelled "Debt" within the Liabilities section of the Statement of Consolidated Financial Statement. The borrowing that ~~the~~ OPG and the Fair Hydro Trust issue will be included in the line item labelled "Investment in Government Business Enterprises", within the Financial Assets Section. The details of the Investment in Government Business Enterprises line is provided in Schedule 9 to the financial statements. This Schedule shows the

	detailed balances of each asset and liability category for each Government Business Enterprise. The debt of OPG and the Fair Hydro Trust related to the Global Adjustment r~~R~~efinancing of the Fair Hydro Plan will be included in the line labelled Long-Term Debt, within the Liabilities section, and under the column for OPG. This accounting is consistent with the PSAS standards for Government Business Enterprises. The debt of those entities is presented within the Investment in Government Business Enterprises line. As of March 31, 2017, the combined Long-Term Debt of Ontario's Government Business Enterprises was $16.7 Billion. The impact of adding the Long-Term debt of OPG and the Fair Hydro Trust as of March 31, 2018 will be an increase of approximately $1.x Billion. We are also planning to include additional details with respect to the assets and liabilities for the Fair Hydro Trust within schedule 9 to the financial statements, ensuring that the activities of the Trust are fully transparent to the readers of the financial statements. In addition, the stand-alone financial statements of both OPG and the Fair Hydro Trust will be included in Volume 2 of the Public Accounts.
2. How does the borrowing of the Fair Hydro Trust affect the Province of Ontario's reported net debt? 4. How does OPG's borrowing related to the Fair Hydro Plan affect the Province of Ontario's reported net debt?	Public Sector Accounting Standards discuss the computation and meaning of net debt as follows in Section 1100: > ***Net debt*** *is measured as the difference between a government's liabilities and financial assets. This difference bears directly on the government's future revenue requirements and on its ability to finance its activities and meet its liabilities and contractual obligations.* ***Net debt*** *provides a measure of the future revenues required to pay for past transactions and events. The extent of a government's* ***net debt*** *and the financial ability of the government to service that debt is an important test of the sustainability of that government. When a government's financial assets exceed its liabilities, this indicator of a government's financial position would be called "net financial assets" and it would provide a measure of the net financial assets on hand that can provide financial resources to finance future operations.* The borrowing of OPG and the Fair Hydro Trust for the Global Adjustment Refinancing aspect of the Fair Hydro Plan will not increase net debt of the Province. As explained in the response to your first question, the debt of OPG and the Fair Hydro Trust is recorded as part of the Province's investment in OPG and that investment is included in the line item labelled Investment in Government Business Enterprise. This outcome is consistent with the meaning of net debt. As PSAS notes, "***Net debt*** *provides a measure of the future revenues required to*

Commented [AS1]: Requires update

	pay for past transactions and events." Future revenues of government (e.g. taxation revenue) will not be used to pay for the reduction in electricity prices provided to ratepayers. The Fair Hydro Plan provides for collection from the ratepayers, including the cost of borrowing.
5. The Auditor General has said that the Province of~~a~~ Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.	~~[What is our standard response that is used for these types of requests?]~~ Note 19 of OPG's consolidated financial statements (available on OPG's website at: https://www.opg.com/about/finance/Documents/20180308CombinedNewsReleaseMDAOPGQ42017FINAL.pdf) includes the following disclosure of the guarantee provided by the Province. > The Province has provided a limited guarantee to specified creditors of the Fair Hydro Trust. The limited guarantee would be triggered in the event that the Trust's ability to receive amounts in respect of its Investment Interest to pay for certain funding obligations is adversely affected due to one or more of the following: the Province changes the Fair Hydro Act or any other legislation or regulation; a significant change in Ontario's electricity market undertaken by the Province; or a court declares that the Act is invalid or unconstitutional. Disclosure of the guarantee will also be included in the consolidated financial statements of the Province for the year-ended March 31, 2018, which will be released as part of the 2018 Public Accounts.
6. When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.	The consolidated financial statements of the government of Ontario records debt issued by a number of different controlled and consolidated entities. The form of the entity that issues the debt, whether it is a corporation, a trust or something else is not relevant to the accounting for the debt on the financial statements of the Province. The issuer of the debt depends on the nature of the debt and what source of income will be used to service the interest and debt. The debt recorded on the consolidated financial statements of the Province includes: • Debt issued directly by the Province for both provincial purposes and for the Ontario Electricity Financial Corporation – at March 31, 2017, the outstanding balance of this debt was $333 billion (see Note 2 to the 2016-17 consolidated financial statements)

Commented [AS2]: OFA (and MOF Legal) comfortable with the response provided – excerpted from the OPG financial statements

	• Debt issued by broader public sector organizations such as hospitals. At March 31, 2017, the outstanding balance of debt issued by broader public sector organizations was $5 billion (see Note 4 to the 2016-17 consolidated financial statements) • Debt relating to Alternative Financing and Procurement structures (AFPs), which can be for broader public sector organizations and the government directly. At March 31, 2017, the outstanding AFP debt was $8.7 Billion (see Note 4 to 2016-17 consolidated financial statements) • Debt of the government business enterprises (the accounting for which is discussed in the response to questions 1 and 3). At March 31, 2017, the debt of the government business enterprises was $16.7 Billion. See schedule 9 of the 2016-17 consolidated financial statements. Link to 2016-17 consolidated financial statements of the Province -- http://www.ontla.on.ca/library/repository/ser/15767/2016-2017/Consolidatedfinancialstatements.pdf
7. When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"	The term "gross" debt was used to differentiate it from net debt, and is reported a noted above in question 1 regarding the debt issued directly by the Province. Where Net Debt is calculated as all liabilities less financial assets, Gross Debt does not have such a subtraction. It is called Debt in the Consolidated Statement of Financial Position in Public Accounts (page 93 of the 2016-17 Public Accounts).

From: Anna Strathy
To: Mike Manning; John Psinas
Cc: Gadi Mayman; Ronald Kwan; Usman Zahid
Subject: FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
Date: Thursday, May 03, 2018 1:14:51 PM

Hi Mike, John,

The Globe and Mail has two follow-up questions; OPCD has asked that the OFA draft a response to the first. Could either/both of your teams prepare a response re: special purpose entities? OPCD has also suggested a call this afternoon to discuss the responses. I'll keep you posted on the timing of a potential call.

Anna

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Thursday, May 03, 2018 1:09 PM
To: Anna Strathy
Subject: FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi Anna,

The reporter has come back with further questions. We'll start drafting the second question, and can your team work on the first?

Cindy thinks a call would be helpful to quickly touch base. Does Gadi and/or team have time for a quick call between 2:45-3:45 or after 4:45pm?

Let me know

Thanks

Sarah

From: Tharani, Alisha (TBS) <Alisha.Tharani@ontario.ca>
Sent: Thursday, May 3, 2018 12:22 PM
To: Skoberne, Vivienne (TBS); Ue, Allison (TBS); Nelson, Dane (TBS); Hosick, Sarah (TBS)
Cc: Laughton, Patrick (TBS); Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi all,

We have received follow-up questions from Matt McClearn (G&M):

- I'm still not clear on when the government began using special purpose entities to raise debt. And I'd still like a list of all special purpose entities that have borrowed on behalf of the province.
- Also, if the Fair Hydro Trust borrows $1 billion, by what amount will the gross debt figure on the Province's consolidated financial statements increase by?

We will work with OPCD to develop responses and will share for DMO approval as soon as possible.

Best,

Alisha

From: Tharani, Alisha (TBS)
Sent: May 2, 2018 9:33 PM
To: Skoberne, Vivienne (TBS); Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS);

Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS); Hosick, Sarah (TBS); Laughton, Patrick (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
Hi all,

Confirming the response has been shared with the reporter.

Best,

Alisha

From: Skoberne, Vivienne (TBS)
Sent: May 2, 2018 9:20 PM
To: Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS); Tharani, Alisha (TBS); Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
Great, thank you everyone!! Again!

From: Sullivan, Bryant (TBS) <Bryant.J.Sullivan@ontario.ca>
Date: Wednesday, May 02, 2018, 8:34 PM
To: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>, DiMuzio, Sofie (TBS) <Sofie.DiMuzio@ontario.ca>, Vrancart, Kate (TBS) <Kate.Vrancart@ontario.ca>, Miller, Amanda (TBS) <Amanda.Miller@ontario.ca>
Cc: Ue, Allison (TBS) <Allison.Ue@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>, Tharani, Alisha (TBS) <Alisha.Tharani@ontario.ca>, Hosick, Sarah (TBS) <Sarah.Hosick@ontario.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
Hi all, confirming that Lawvin has also reviewed the response and didn't flag any concerns.
Alisha will be responding to the reporter when she gets back to her computer around 9pm tonight.
Copying Sarah H for awareness.
Thanks
Bryant

From: Sullivan, Bryant (TBS)
Sent: May 2, 2018 6:28 PM
To: Skoberne, Vivienne (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
For sure.
Re timing, I believe Helen had asked that this go to the reporter today. Alisha can send after 9pm if that's essential. If not we can do it first thing. Do you have a preference?

Sent with BlackBerry Work
(www.blackberry.com)

From: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>
Date: Wednesday, May 02, 2018, 5:57 PM
To: DiMuzio, Sofie (TBS) <Sofie.DiMuzio@ontario.ca>, Sullivan, Bryant (TBS) <Bryant.J.Sullivan@ontario.ca>, Vrancart, Kate (TBS) <Kate.Vrancart@ontario.ca>, Miller, Amanda (TBS) <Amanda.Miller@ontario.ca>
Cc: Ue, Allison (TBS) <Allison.Ue@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Jason has reviewed. He did not flag any concerns. Do you mind confirming with Lawvin?

From: Pichelli, Jason (TBS) <Jason.Pichelli@ontario.ca>
Date: Wednesday, May 02, 2018, 5:52 PM
To: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>
Cc: Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

I have reviewed, thanks

_____

Jason Pichelli
Chief of Staff
Office of the Hon. Eleanor McMahon
President of the Treasury Board
(416) 327-6619

From: Skoberne, Vivienne (TBS)
Sent: May 2, 2018 4:15 PM
To: Pichelli, Jason (TBS) <Jason.Pichelli@ontario.ca>
Cc: Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca>; Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi Jason,

Attached is the proposed response to the follow-up questions from the G&M reporter.

The responses have been fact checked by OTB/OPCD, OFA, and OPG.

Is your office able to review these responses in a short time frame so that we can respond to the G&M reporter soon?

Thanks.

Vivienne Skoberne
T: 416-325-9084 | C: 647-287-3429

From: Anna Strathy
To: Malle Hanslep (MOF)
Cc: Ronald Kwan; John Psinas; Mike Manning; Usman Zahid; Tobias P. Whitfield (MOF)
Subject: FW: Corrections re: April 21st Article: "Bad books"
Date: Wednesday, May 02, 2018 8:56:12 AM
Attachments: GM Follow up Questions and Responses.docx

Hi Malle,

OPCD has received a few follow-up questions from the Globe and Mail journalist that authored the April 21st article, "Bad Books". One of the questions below requires the OFA's review as it relates to the protection agreement. We don't have any concerns with the language OPCD has provided below (as taken from OPG's financial statements)– could you let us know whether you have any concerns? I understand that **OPCD is hoping to respond to the G&M by 10am** this morning.

5. The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.	[What is our standard response that is used for these types of requests?] Note 19 of OPG's consolidated financial statements (available on OPG's website at: https://www.opg.com/about/finance/Documents/20180308CombinedNewsReleaseMDAOPGQ42017FINAL.pdf) includes the following disclosure of the guarantee provided by the Province. The Province has provided a limited guarantee to specified creditors of the Fair Hydro Trust. The limited guarantee would be triggered in the event that the Trust's ability to receive amounts in respect of its Investment Interest to pay for certain funding obligations is adversely affected due to one or more of the following: the Province changes the Fair Hydro Act or any other legislation or regulation; a significant change in Ontario's electricity market undertaken by the Province; or a court declares that the Act is invalid or unconstitutional. Disclosure of the guarantee will also be included in the consolidated financial statements of the Province for the year-ended March 31, 2018, which will be released as part of the Public

From: John Psinas
Sent: Tuesday, May 01, 2018 9:30 PM
To: Anna Strathy
Cc: Ronald Kwan ; Usman Zahid ; Mike Manning
Subject: Fwd: Corrections re: April 21st Article: "Bad books"

Anna,
I was pondering how to respond to the Special Purpose Trust question, but OPCD came back and did a fair response on it. "Trust" is used loosely by people and it could mean many things.
OPCD's response for #1 and #3 may be too technical and convoluted for non-accountants to understand to be honest, but I don't see how to avoid it.

Our only action item appears to be highlighted in yellow in #5 about what is our standard response on guarantees to investors wrt the FH. I'll have to check with Mike first thing tomorrow morning if there is a prior blurb given to the public or a standard Q&A about guarantees in general.

Thanks.

John

Sent from my iPhone

Begin forwarded message:

> **From:** Anna Strathy <Anna.Strathy@ofina.on.ca>
> **Date:** May 1, 2018 at 9:05:05 PM EDT
> **To:** John Psinas <John.Psinas@ofina.on.ca>, George Sakura <George.Sakura@ofina.on.ca>, Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>
> **Subject: Fwd: Corrections re: April 21st Article: "Bad books"**
>
> As per my previous email.
>
> --
> Anna Strathy
> Special Policy Advisor to the CEO
> Ontario Financing Authority
> 416.325.8032
>
> Begin forwarded message:
>
> > **From:** "Hosick, Sarah (TBS)" <Sarah.Hosick@ontario.ca>
> > **Date:** May 1, 2018 at 5:28:49 PM EDT
> > **To:** "Strathy, Anna (OFA)" <Anna.Strathy@ofina.on.ca>
> > **Subject: RE: Corrections re: April 21st Article: "Bad books"**
> >
> > Here is the document with a draft response for Q.6 per Cindy and Gadi's conversation.
> > As stated below, if we could get this back asap in the morning would be appreciated!
> > Thanks
> > Sarah
> >
> > ---
> >
> > **From:** Hosick, Sarah (TBS)
> > **Sent:** May 1, 2018 5:01 PM
> > **To:** 'Anna Strathy'
> > **Subject:** RE: Corrections re: April 21st Article: "Bad books"
> > Hi Anna
> > Lots of moving pieces on this –thanks for your patience! Gadi and Cindy just spoke at a meeting they were both at about the question that is currently blank. Cindy is drafting a response and I'll send a revised version shortly.
> > At the meeting, the deputy mentioned that they want to get back to the reporter tomorrow now so if possible can we expedite and say 10am tomorrow latest (earlier if possible) for responses.
> > Will send you updated version shortly.
> >
> > ---
> >
> > **From:** Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
> > **Sent:** May 1, 2018 4:18 PM
> > **To:** Hosick, Sarah (TBS)
> > **Subject:** RE: Corrections re: April 21st Article: "Bad books"
> > Thanks Sarah. Will do.
> >
> > ---
> >
> > **From:** Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
> > **Sent:** Tuesday, May 01, 2018 4:14 PM
> > **To:** Anna Strathy <Anna.Strathy@ofina.on.ca>
> > **Subject:** RE: Corrections re: April 21st Article: "Bad books"
> > Darn, just missed him!
> > Attached is a very rough draft of how the answers are shaping. Can you please have his team review and provide edits/comments by noon tomorrow?
> > Mark Donaldson is also still adding comment/edits as well, so feel free to have your team reach out to him if they want to discuss anything
> > Thanks
> > Sarah
> >
> > ---

From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: May 1, 2018 4:00 PM
To: Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books"

Thanks Sarah. Unfortunately, I think Ken is already headed to the airport, but thank you for the head's up. His team will be able to review and provide input in his absence.

Anna

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Tuesday, May 01, 2018 3:47 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi Anna,

The reporter from the Globe and Mail has some follow-up technical questions in response to our request that clarifications and corrections were needed on some pieces of his April 21 article. [na01.safelinks.protection.outlook.com]

See below – for several questions we'll need OFA input. We're taking a first cut at the responses and will send your way for review/input likely this evening.

I understand Ken Kandeepan is on vacation starting tomorrow, so I'm sending this as a heads up in case he wants to weigh in with any points to consider before we are ready to send the draft responses.

Happy to discuss

Thanks

Sarah

From: Tharani, Alisha (TBS)
Sent: May 1, 2018 12:40 PM
To: Ue, Allison (TBS); Nelson, Dane (TBS); Skoberne, Vivienne (TBS); Hosick, Sarah (TBS)
Cc: Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS); Laughton, Patrick (TBS)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi DMO & OPCD colleagues,

I have received follow-up questions from Matt McClearn in follow-up to the table of corrections that was shared with him last week. See below:

"Just working through your document. Some of the issues you raise are quite technical in nature. I have a few questions and requests arising from them:

- Where does the borrowing of the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
- How does the borrowing of the Fair Hydro Trust affect the Province of Ontario's reported net debt?
- How does OPG's borrowing related to the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
- How does OPG's borrowing related to the Fair Hydro Plan affect the Province of Ontario's reported net debt?
- The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.
- When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.
- When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"

We will work with OPCD to develop responses to the above.

Best,

Alisha

From: Tharani, Alisha (TBS)
Sent: April 25, 2018 1:25 PM
To: Skoberne, Vivienne (TBS); Ue, Allison (TBS); Nelson, Dane (TBS); Veinot, Cindy (TBS); Hosick, Sarah

(TBS); Laughton, Patrick (TBS); Hadisi, Lawvin (TBS); Rubin, Jack (TBS)
Cc: Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi all,

Please see below for Matt McClearn's response.

Best,

Alisha

From: McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
Sent: April 25, 2018 1:18 PM
To: Tharani, Alisha (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books"

Alisha:

Thanks for these. We'll review this document and involve our public editor as necessary. Regards, Matt.

1. Where does the borrowing of the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
2. How does the borrowing of the Fair Hydro Trust affect the Province of Ontario's reported net debt?
3. How does OPG's borrowing related to the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
4. How does OPG's borrowing related to the Fair Hydro Plan affect the Province of Ontario's reported net debt?
5. The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.
6. When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.
7. When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"

1. Where does the borrowing of the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position? 3. How does OPG's borrowing related to the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?	As you noted in your article, the borrowing for the Global Adjustment Refinancing aspect of Fair Hydro Plan comes from more than one source. There is borrowing taken on by the Province, OPG and the Fair Hydro Trust (which is fully consolidated with the financial statements of OPG.) The borrowing for the Global Adjustment Refinancing aspect of the Fair Hydro Plan commenced in July 2017, and will be reported as part of the 2017-18 Public Accounts for the year ended March 31, 2017. There was no debt related to the Global Adjustment Refinancing of the Fair Hydro Plan as of the end of the last fiscal year – March 31, 2017. The comments below relate to the plan for disclosure in the Province's consolidated financial statements for the year-ended March 31, 2018. Those financial statements are in the process of being prepared now, and the Auditor General generally issues her opinion on those financial statements in mid-August (last year the date of her opinion was August 18). The borrowing that the Province takes on directly, which is invested in OPG, will be included in the line item, labeled Debt within the Liabilities section of the Statement of Consolidated Financial Statement. The borrowing that the OPG and the Fair Hydro Trust issue will be included in the line item labeled Investment in Government Business Enterprises, within the Financial Assets Section. The details of the Investment in Government Business Enterprises line is provided in

	Schedule 9 to the financial statements. This Schedule shows the detailed balances of each asset and liability category for each Government Business Enterprise. The debt of OPG and the Fair Hydro Trust related to the Global Adjustment Refinancing of the Fair Hydro Plan will be included in the line labeled Long-Term Debt, within the Liabilities section, and under the column for OPG. This accounting is consistent with the PSAS standards for Government Business Enterprises. The debt of those entities is presented within the Investment in Government Business Enterprises line. As of March 31, 2017, the combined Long-Term Debt of Ontario's Government Business Enterprises was $16.7 Billion. The impact of adding the Long-Term debt of OPG and the Fair Hydro Trust as of March 31, 2018 will be an increase of approximately $1.x Billion. We are also planning to include additional details with respect to the assets and liabilities for the Fair Hydro Trust within schedule 9 to the financial statements, ensuring that the activities of the Trust are fully transparent to the readers of the financial statements. In addition, the stand-alone financial statements of both OPG and the Fair Hydro Trust will be included in Volume 2 of the Public Accounts.
2. How does the borrowing of the Fair Hydro Trust affect the Province of Ontario's reported net debt? 4. How does OPG's borrowing related to the Fair Hydro Plan affect the Province of Ontario's reported net debt?	Public Sector Accounting Standards discuss the computation and meaning of net debt as follows in Section 1100: ***Net debt*** *is measured as the difference between a government's liabilities and financial assets. This difference bears directly on the government's future revenue requirements and on its ability to finance its activities and meet its liabilities and contractual obligations.* ***Net debt*** *provides a measure of the future revenues required to pay for past transactions and events. The extent of a government's* ***net debt*** *and the financial ability of the government to service that debt is an important test of the sustainability of that government. When a government's financial assets exceed its liabilities, this indicator of a government's financial position would be called "net financial assets" and it would provide a measure of the net financial assets on hand that can provide financial resources to finance future operations.* The borrowing of OPG and the Fair Hydro Trust for the Global Adjustment Refinancing aspect of the Fair Hydro Plan will not increase net debt of the Province. As explained in the response to your first question, the debt of OPG and the Fair Hydro Trust is recorded as part of the Province's investment in OPG and that investment is included in the line item labeled Investment in Government Business Enterprise. This outcome is consistent with the meaning of net debt. As PSAS

	notes, "***Net debt*** *provides a measure of the future revenues required to pay for past transactions and events.*" Future revenues of government (e.g. taxation revenue) will not be used to pay for the reduction in electricity prices provided to ratepayers. The Fair Hydro Plan provides for collection from the ratepayers, including the cost of borrowing.
5. The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.	[What is our standard response that is used for these types of requests?] Note 19 of OPG's consolidated financial statements (available on OPG's website at: https://www.opg.com/about/finance/Documents/20180308CombinedNewsReleaseMDAOPGQ42017FINAL.pdf) includes the following disclosure of the guarantee provided by the Province. > The Province has provided a limited guarantee to specified creditors of the Fair Hydro Trust. The limited guarantee would be triggered in the event that the Trust's ability to receive amounts in respect of its Investment Interest to pay for certain funding obligations is adversely affected due to one or more of the following: the Province changes the Fair Hydro Act or any other legislation or regulation; a significant change in Ontario's electricity market undertaken by the Province; or a court declares that the Act is invalid or unconstitutional. Disclosure of the guarantee will also be included in the consolidated financial statements of the Province for the year-ended March 31, 2018, which will be released as part of the Public
6. When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.	The consolidated financial statements of the government of Ontario records debt issued by a number of different controlled and consolidated entities. The form of the entity that issues the debt, whether it is a corporation, a trust or something else is not relevant to the accounting for the debt on the financial statements of the Province. The issuer of the debt depends on the nature of the debt and what source of income will be used to service the interest and debt. The debt recorded on the consolidated financial statements of the Province includes: • Debt issued directly by the Province for both provincial purposes and for the Ontario Electricity Financial Corporation – at March 31, 2017, the outstanding balance of this debt was $333 billion (see Note 2 to the 2016-17 consolidated financial statements)

	• Debt issued by broader public sector organizations such as hospitals. At March 31, 2017, the outstanding balance of debt issued by broader public sector organizations was $5 billion (see Note 4 to the 2016-17 consolidated financial statements) • Debt relating to Alternative Financing and Procurement structures (AFPs), which can be for broader public sector organizations and the government directly. At March 31, 2017, the outstanding AFP debt was $8.7 Billion (see Note 4 to 2016-17 consolidated financial statements) • Debt of the government business enterprises (the accounting for which is discussed in the response to questions 1 and 3). At March 31, 2017, the debt of the government business enterprises was $16.7 Billion. See schedule 9 of the 2016-17 consolidated financial statements. Link to 2016-17 consolidated financial statements of the Province -- http://www.ontla.on.ca/library/repository/ser/15767/2016-2017/Consolidatedfinancialstatements.pdf
7. When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"	The term "gross" debt was used to differentiate it from net debt, and is reported as noted above in question 1 regarding the debt issued directly by the Province.

From: Anna Strathy
To: "Hosick, Sarah (TBS)"
Cc: Mike Manning; John Psinas; Ronald Kwan; Usman Zahid; Gadi Mayman
Subject: FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
Date: Thursday, May 03, 2018 1:54:05 PM

Hi Sarah,

The School Board trust debt was the only example we could think of re: special purpose entities. There's an explanation of it on p. 67 of Public Accounts (excerpt below), but we don't know the rationale for why it was set up – John thought OPCD might have that answer. Furthermore, OPCD may want to check in with OPG on this response. It isn't the Province using a trust to raise debt, but rather OPG. Perhaps OPG should respond as to why they're using this structure instead of borrowing as OPG.

School Board Trust Debt

A School Board Trust was created in June 2003 to permanently refinance debt incurred by 55 school boards. The Trust issued 30-year sinking fund debentures amounting to $891 million, and provided $882 million of the proceeds to the 55 school boards in exchange for the irrevocable right to receive future transfer payments from the Province related to this debt. An annual transfer payment is made by the Ministry of Education to the Trust's sinking fund under the School Board Operating Grant program to retire the debt over 30 years. This debt, recorded net of the sinking fund of $239 million (2015–16, $217 million), is reflected in the Province's debt.

Happy to discuss should you have any further questions, but I don't think the OFA would be able to prepare a response to the first question.

Anna

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Thursday, May 03, 2018 1:09 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi Anna,

The reporter has come back with further questions. We'll start drafting the second question, and can your team work on the first?

Cindy thinks a call would be helpful to quickly touch base. Does Gadi and/or team have time for a quick call between 2:45-3:45 or after 4:45pm?

Let me know

Thanks

Sarah

From: Tharani, Alisha (TBS) <Alisha.Tharani@ontario.ca>
Sent: Thursday, May 3, 2018 12:22 PM
To: Skoberne, Vivienne (TBS); Ue, Allison (TBS); Nelson, Dane (TBS); Hosick, Sarah (TBS)
Cc: Laughton, Patrick (TBS); Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi all,

We have received follow-up questions from Matt McClearn (G&M):

- I'm still not clear on when the government began using special purpose entities

to raise debt. And I'd still like a list of all special purpose entities that have borrowed on behalf of the province.

- Also, if the Fair Hydro Trust borrows $1 billion, by what amount will the gross debt figure on the Province's consolidated financial statements increase by?

We will work with OPCD to develop responses and will share for DMO approval as soon as possible.
Best,

Alisha

From: Tharani, Alisha (TBS)
Sent: May 2, 2018 9:33 PM
To: Skoberne, Vivienne (TBS); Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS); Hosick, Sarah (TBS); Laughton, Patrick (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi all,

Confirming the response has been shared with the reporter.

Best,

Alisha

From: Skoberne, Vivienne (TBS)
Sent: May 2, 2018 9:20 PM
To: Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS); Tharani, Alisha (TBS); Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Great, thank you everyone!! Again!

From: Sullivan, Bryant (TBS) <Bryant.J.Sullivan@ontario.ca>
Date: Wednesday, May 02, 2018, 8:34 PM
To: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>, DiMuzio, Sofie (TBS) <Sofie.DiMuzio@ontario.ca>, Vrancart, Kate (TBS) <Kate.Vrancart@ontario.ca>, Miller, Amanda (TBS) <Amanda.Miller@ontario.ca>
Cc: Ue, Allison (TBS) <Allison.Ue@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>, Tharani, Alisha (TBS) <Alisha.Tharani@ontario.ca>, Hosick, Sarah (TBS) <Sarah.Hosick@ontario.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi all, confirming that Lawvin has also reviewed the response and didn't flag any concerns.
Alisha will be responding to the reporter when she gets back to her computer around 9pm tonight.
Copying Sarah H for awareness.
Thanks
Bryant

From: Sullivan, Bryant (TBS)
Sent: May 2, 2018 6:28 PM
To: Skoberne, Vivienne (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS)

Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

For sure.
Re timing, I believe Helen had asked that this go to the reporter today. Alisha can send after 9pm if that's essential. If not we can do it first thing. Do you have a preference?

Sent with BlackBerry Work
(www.blackberry.com)

From: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>
Date: Wednesday, May 02, 2018, 5:57 PM
To: DiMuzio, Sofie (TBS) <Sofie.DiMuzio@ontario.ca>, Sullivan, Bryant (TBS) <Bryant.J.Sullivan@ontario.ca>, Vrancart, Kate (TBS) <Kate.Vrancart@ontario.ca>, Miller, Amanda (TBS) <Amanda.Miller@ontario.ca>
Cc: Ue, Allison (TBS) <Allison.Ue@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Jason has reviewed. He did not flag any concerns. Do you mind confirming with Lawvin?

From: Pichelli, Jason (TBS) <Jason.Pichelli@ontario.ca>
Date: Wednesday, May 02, 2018, 5:52 PM
To: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>
Cc: Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

I have reviewed, thanks

_____

Jason Pichelli
Chief of Staff
Office of the Hon. Eleanor McMahon
President of the Treasury Board
(416) 327-6619

From: Skoberne, Vivienne (TBS)
Sent: May 2, 2018 4:15 PM
To: Pichelli, Jason (TBS) <Jason.Pichelli@ontario.ca>
Cc: Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca>; Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi Jason,

Attached is the proposed response to the follow-up questions from the G&M reporter.

The responses have been fact checked by OTB/OPCD, OFA, and OPG.

Is your office able to review these responses in a short time frame so that we can respond to the G&M reporter soon?

Thanks.

Vivienne Skoberne
T: 416-325-9084 | C: 647-287-3429

From:	John Kim
To:	LEE John -TREASURY; "LAURETA LAPIRA May -FIN & C CTRL"; "lubna.ladak@opg.com"; "RYFA Ken -TREASURY"; "Talwar, Shruti (ENERGY)"; "j.hahnparker@opg.com"; Tim Christie (ENERGY); Mike Manning; Ken Kandeepan
Subject:	FW: Draft Fair Hydro Investor Presentation.
Date:	Wednesday, January 03, 2018 2:43:31 PM
Attachments:	Fair Hydro Investor Presentation Comments - ENERGY - 20171229_Additions_v07Clean.docx

Hi,
Pls. see attached with our suggested comment additions in red. We are still waiting for comments from MOF Legal, if any.
Thanks,
John

Begin forwarded message:

> **From:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Date:** January 3, 2018 at 10:25:21 AM EST
> **To:** John LEE <john.s.lee@opg.com>
> **Cc:** Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>, LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>, LADAK Lubna -TREASURY <lubna.ladak@opg.com>, RYFA Ken -TREASURY <ken.ryfa@opg.com>, "Shruti.Talwar@ontario.ca" <Shruti.Talwar@ontario.ca>, HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>, "Tim Christie (ENERGY)" <Tim.Christie@ontario.ca>, Mike Manning <Mike.Manning@ofina.on.ca>
> **Subject: Re: Draft Fair Hydro Investor Presentation.**
>
> Hi,
> And we'll have a couple comments as well, and we looped in MOF Legal to take a quick look too.
> Thanks,
> Ron
>
> On Jan 3, 2018, at 10:15 AM, Mike Manning <Mike.Manning@ofina.on.ca> wrote:
>
> > Hi John:
> > I think Ken caught the main issues on my side as well.
> > Mike
> >
> > **From:** Ken Kandeepan
> > **Sent:** Wednesday, January 03, 2018 10:00 AM
> > **To:** 'LEE John -TREASURY' <john.s.lee@opg.com>
> > **Cc:** Mike Manning <Mike.Manning@ofina.on.ca>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>

Subject: RE: Draft Fair Hydro Investor Presentation.

Hi John

Happy new year, hope you had a few days off. Pls see some minor comments, I have limited my review to the Province's role in the OFHP. Mike may have others.

- Page 15 – last bullet; the $2 billion credit facility has been extended from the OFA, not the OEFC
- Page 25 - Change of law Process Agreement; I would add that the PAM is set and updated by the Financing Plan.

Thanks

Ken k

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: Thursday, December 21, 2017 5:33 PM
To: Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Cc: Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>
Subject: Draft Fair Hydro Investor Presentation.

Tim:

As discussed attached is the most current draft of the Investor Presentation. If you or the MOE or OFA have any comments please let us know.

The plan is to have another turn of the document in the 1st week in January. May will have the "pen" from our side.

Have a Merry Christmas.

John

John Lee | Vice President Treasurer |
Ontario Power Generation | 700 University Avenue, H18 A6, Toronto, Ontario M5G 1X6 |
416.592.6392 | john.s.lee@opg.com

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Fair Hydro Investor Presentation Comments

Slide #	Reference	Comment
Slide 4	Images	Consider removing the nuclear and large hydro images as the plan only covers costs form renewables procurements, gas and conservation.
Slide 6	First bullet	Suggest using "proxy consumer" instead of "average" in this context, which would be more accurate and consistent with legislation as covered later in the presentation.
Slide 6	Second bullet	Suggest changing "8% rebate in the provincial portion…" to " 8% rebate equivalent to the provincial portion…".
Slide 6	Third bullet	Language suggest that bills will increase back to status quo in 2021 – suggest adding language regarding increases back up to and past the status quo over time.
Slide 7	First bullet	Consider replacing the phrase starting from "in an amount…" with "in such an amount that the total OPG-held subordinated debt does not exceed 49% of all outstanding debt", for clarity.
Slide 11	First bullet	Suggest rewording to the following: "As part of the restructuring of Ontario's electricity industry under the Energy Competition Act, 1998, the municipal electricity utilities became municipally-owned business corporations, including local distribution companies ("LDCs")." – Some LDCs continue to be municipally-owned, while others have been sold to or acquired by Hydro One or private-sector owners."
Slide 14	Second bullet	Consider replacing "previously established regulated rate" with "regulated rate established in the first year of the Rate Reduction Period".
Slide 14	Last bullet	Similar to comment on Slide 6 above, suggest referencing increases back up to and beyond status quo over time.
Slide 15	Third bullet	Consider adding in the words "in favour of the Trust" at the end of the bullet [IESO Security Agreement]. Also, the $2 billion credit facility is provided by the Ontario Financing Authority, not the OEFC.
Slide 15	Last bullet	Also, consider rewording so as not to suggest that the $2 billion facility is solely for "carrying costs". Also, suggest that the last clause on security be a stand-alone bullet, not part of the OFA credit facility bullet.
Slide 16	Second bullet	Consider rephrasing to align better with the offering memorandum and legislation.
Slide 16	Third bullet	Consider adding in the word "mainly" before "in respect of …" [see O.Reg. 206/17 section 5].
Slide 16	Bill image	Consider removing as text description should be sufficient.
Slide 17	Second bullet	Consider replacing the words "dealt with" with "mitigated" to avoid suggesting that the risk is eliminated.

Slide 17	Number 2 in the process chart	Consider adding in the word “amount” at the end [O.Reg. 206/17 section 8(2)].
Slide 17	Number 6 in the process chart	Consider replacing the words “in a trust” with “in trust” [FHPA section 16(3)].
Slide 18	Chart	Consider adding explanation of readjustment amount.
Slide 20	OEB’s relationship with OPG in the diagram	Consider replacing “review of OPG Fees” with “review and approval of OPG Fees” to better align with the language in O. Reg. 206/17. Consider replacing “Management Agreement” with “Regulation”.
Slide 20	IESO’s relationship with the Fair Hydro Trust	Note that the Acknowledgement and Indemnity Agreement is made to the Indenture Trustee. Consider editing to avoid confusion.
Slide 20	Ontario Caption	Suggest just having “Province of Ontario” (i.e., omit “(Ministry of Energy)”)
Slide 21	"Suspension Notice"	May wish to consider noting in the sentence that post-suspension refinancing is covered by the guarantee. As this was something Torys made a point of including in the agreement for financeability, suggest including for investors.
Slide 23	Key Terms – Moratorium Period (bullet 3)	Consider replacing “(until May 1, 2021)” to “(until April 30, 2021) and up to July 31, 2021” [see section 21(4) of FHPA and section 9.1 of O. Reg. 206/17]. Consider removing “which will be offered, as regulatory assets, for transfer to the Trust in a subsequent period”, since this is not expressly provided in the MTSA [also see section 16 of O. Reg. 206/17].
Slide 28	Third bullet	Consider replacing “fit under the fair allocation curve” with “ensure reasonable alignment with fair allocation amounts”. [see paragraph 1 of section 21(3) of FHPA].
Slide 31	Chart	The post-FHP bill should not follow the status quo trajectory between 2025 and 2028 – bill should be above status quo including rebates as the FAA is positive for those years (Fair Adjustment would be used to offset the majority of the CEA but the amount of the FAA would remain).
Slide 36	First bullet	Consider removing references to “statutorily mandated”. Remittances from IESO are mandated under s. 9.1 of O. Reg. 206/17.
Slide 38	Political Risk	Consider reviewing the characterization of the risk to align with the risk as described in the Agreements.
Slide 38	Third bullet	Please note reference to ability to disconnect service for non-payment by LDCs isn’t fully reflective of the requirement, consider revising to be more reflective of the actual mechanism.

From: Mike Manning
To: James Devine; Ricky Lai
Subject: FW: EXTERNAL - Re: Indicative Spreads
Date: Friday, February 09, 2018 8:26:29 AM

Looks ok to me, but have a look.

Thanks, Mike

From: RYFA Ken -TREASURY [mailto:ken.ryfa@opg.com]
Sent: Thursday, February 08, 2018 7:07 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>
Subject: RE: EXTERNAL - Re: Indicative Spreads

For additional clarity we are only charging the trust the coupon rate and not the all-in rate. In future we will re-organize the worksheet to show the commission only on the senior but after the calculation of the spread as shown below:

New Issue Spreads - Senior Notes (AAA/Aa2)	**Senior**	**Sub**	**Jr Sub**
*Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-33	01-Jun-33
Benchmark Yield	2.438%	2.438%	2.438%
Curve Adjustment (bp)	-0.1	-0.1	-0.1
Spread to GoC Curve (bp)	92.0	119.5	153.4
Adjusted Spread to GoC Curve (bp)	91.9	119.4	153.3
Spread difference vs Senior (bp)		**28**	**60**
Coupon rate	**3.357%**	**3.637%**	**3.957%**
Commission (bp)	3.3		
All-in Rate	**3.390%**	**3.637%**	**3.957%**

From: RYFA Ken -TREASURY
Sent: Thursday, February 08, 2018 6:41 PM
To: 'Mike Manning' <Mike.Manning@ofina.on.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>
Subject: RE: EXTERNAL - Re: Indicative Spreads

Mike,
There may be some confusion around commissions with respect to the coupon rate. The approach that was used compared the "All in rate" across the different types of debt. The difference between

the All-in rate established the amount added to the Senior debt coupon rate. It isn't apparent that commissions have no net impact on the coupon rate for the sub debt so let me try a different way of explaining what we did.

I've taken the table that Sheen sent and reorganized the rows to show what was used for the spread. For example the spread over GOC for sub debt is 119.4 and for senior is 91.9 the difference between these spreads is 27.5 bps which we rounded to 28 for whole bps. This spread is added to the senior coupon rate of 3.357% to get 3.637%.

New Issue Spreads - Senior Notes (AAA/Aa2)	**Senior**	**Sub**	**Jr Sub**
*Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-33	01-Jun-33
Benchmark Yield	2.438%	2.438%	2.438%
Curve Adjustment (bp)	-0.1	-0.1	-0.1
Spread to GoC Curve (bp)	92.0	119.5	153.4
Adjusted Spread to GoC Curve (bp)	91.9	119.4	153.3
Spread difference vs Senior (bp)		**28**	**60**
Coupon rate	**3.357%**	**3.637%**	**3.957%**
Commission (bp)	3.3	3.3	3.4
All-in Rate	**3.390%**	**3.670%**	**3.991%**

For the senior debt, commissions are charged separately through the Agency Agreement rather than through the coupon rate. For sub debt – if OPG were to charge commission this would need to occur through a separate process rather than through the coupon rate.

Hope this explains things.
Thanks,
Ken

-----Original Message-----
From: Mike Manning [mailto:Mike.Manning@ofina.on.ca]
Sent: Thursday, February 08, 2018 5:16 PM
To: LIU Sheen -TREASURY <sheen.liu@opg.com>
Cc: RYFA Ken -TREASURY <ken.ryfa@opg.com>; LEE John -TREASURY <john.s.lee@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>
Subject: EXTERNAL - Re: Indicative Spreads

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Can talk tomorrow.
Mike

On Feb 8, 2018, at 4:43 PM, LIU Sheen -TREASURY
<sheen.liu@opg.com<mailto:sheen.liu@opg.com>> wrote:

Mike -
Attached for your reference please find the excel version of the Indicative Spreads calculation.
Please let us know if you have further questions.

Please also note that the sub debt coupon is set up as 3.637% as the credit spread was rounded.

Thanks

Sheen

<Summary Spreads Feb 8 2018.xlsx>

_____

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

From: LEE John -TREASURY
To: Mike Manning; Ken Kandeepan
Subject: FW: EXTERNAL – (BN) Ontario's Hydro Trust Offers C$300 Million of Debt To Cut Bills
Date: Tuesday, February 06, 2018 11:40:17 AM

---

fyi

From: Maciej Onoszko (BLOOMBERG/ NEWSROOM:) [mailto:monoszko@bloomberg.net]
Sent: Tuesday, February 06, 2018 11:24 AM
To: KELLY Neal -CORPCOMM <neal.kelly@opg.com>
Subject: EXTERNAL – (BN) Ontario's Hydro Trust Offers C$300 Million of Debt To Cut Bills

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this is the story

Maciej Onoszko
Markets reporter at Bloomberg News
Credit, government bonds, FX
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161 Bay St, Brookfield Place, Suite 4300
Toronto, ON M5J 2S1, Canada

Ontario's Hydro Trust Offers C$300 Million of Debt To Cut Bills
2018-02-06 16:00:57.947 GMT

By Maciej Onoszko
(Bloomberg) -- A unit of Ontario's largest energy provider is offering at least C$300 million ($239 million) of debut bonds as part of a program to lower electricity bills in Canada's most-populous province.
Ontario Power Generation Inc.'s Fair Hydro Trust is offering senior secured notes due in May 2033 to domestic investors at around 95 basis points above similar-maturity government bonds, according to a person familiar with the transaction. The sale is the first under a program that's expected to peak at almost C$20 billion outstanding by 2029 and mature in 2047.
The bond sale is part of Ontario's Fair Hydro Plan, an initiative announced by the Liberal government last March to refinance investments in power generation while reducing electricity costs in the short term. Premier Kathleen Wynne, slumping in the polls ahead of elections in June, pushed back the cost of the so-called global adjustment after consumers and companies complained about rising electricity bills.
The bonds will be backed by revenue raised from a new charge to be added to power bills starting in May 2021. In the

meantime, the notes will be serviced by the Independent Electricity System Operator.

Investors are offered the trust's senior bonds, which got a preliminary rating of AAA (sf) by DBRS and Aa2 (sf) by Moody's Investors Service. That debt represents 51 percent of the total offering, which also includes subordinated and junior subordinated debt. The subordinated tranches will be purchased by OPG itself, and will be primarily funded by equity injections from the province and the corporation's borrowing program.

The transaction's structure is outlined below (as shown in a presentation used in meetings with fixed income investors last week).

The Fair Hydro Plan was criticized by the Office of the Auditor General of Ontario. It said in October that the government created "a needlessly complex" accounting and financing structure with a goal to lower electricity prices, yet avoid showing a deficit or larger debt at the same time.

Both DBRS and Moody's listed a change of law as the top challenge to the trust's ratings. Moody's acknowledged that while Ontario has agreed to guarantee the trust's debt service payments upon legal changes, the pledge "is not as robust as the constitutional protection found in similar U.S. programs." The rating agency has thus linked its provisional rating to the Aa2 rating of the province.

The sale is managed by CIBC World Markets, Goldman Sachs and RBC Capital Markets.

To contact the reporter on this story:
Maciej Onoszko in Toronto at monoszko@bloomberg.net
To contact the editors responsible for this story:
Christopher DeReza at cdereza1@bloomberg.net
Rizal Tupaz, Jacqueline Thorpe

From:	Hanslep, Malle (MOF)
To:	Mike Manning; Ken Kandeepan; Ronald Kwan; Anna Strathy
Cc:	Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Subject:	FW: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 9:00:25 AM

Please see below.

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna - TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna - TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=iq9Fdi88j41X93tXkGun7WuWZKx5mYiyj-0pHBjYffg&s=AoKAjzrH9a9dR59NbEjMWkrD-_rwczISX9aFhVbxe4k&e= >

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

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Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John - TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com> <mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com> <mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Hanslep, Malle (MOF)
To:	Mike Manning; Ken Kandeepan; Anna Strathy; Ronald Kwan
Cc:	Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Subject:	FW: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 8:48:41 AM

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,

Malle
-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-05-18 8:40 AM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna - TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-04-18 4:11 PM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena

(ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Ramchandani, Rima
Sent: Thursday, January 4, 2018 15:17
To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes
(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes
(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes
(4) Agency Agreement
(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)
(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in

progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,
Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP
79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

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Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:
We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

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Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: EXTERNAL – RE: Waiver Process

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Thanks

Ken k

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Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks

Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc’ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Hanslep, Malle (MOF)
To:	Ken Kandeepan; Anna Strathy; Mike Manning; Ronald Kwan
Cc:	Tobias P. Whitfield (MOF); Thouin, Alena (ENERGY); Tim Christie (ENERGY); Veinot, Cindy (TBS)
Subject:	FW: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 11:27:44 AM

I don't know exactly what the content of our conversation at 3pm will be so maybe we should consider whether today is the appropriate time for OPG to deliver these final documents, including the OM?

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 11:22 AM

To: 'Ramchandani, Rima'

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I realize that there are other discussions taking place, but I would like to speak to Provincial staff about the plan to deliver final documents to the Ministers/DM's today since our internal call is not taking place until 3pm.

Thanks,

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 11:18 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim

(ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna - TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

OK. I expect to be in the office until 5 pm - if you think it will slip past that, please let me know. FYI, we are also planning on hand delivering the documents to the Ministers and Deputy Ministers as soon as possible this afternoon (hopefully that will happen before 3 pm).

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 11:10 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May - TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 10:50 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

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-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day

requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

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Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the

upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com> <mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -

TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com> <mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From: Carlos Yep
To: Mike Manning; James Devine; Ken Kandeepan; John Psinas; John Kim; Ronald Kwan
Subject: FW: EXTERNAL – FHP Questions - Funding Profile
Date: Thursday, February 15, 2018 12:52:03 PM

FYI

From: RYFA Ken -TREASURY [mailto:ken.ryfa@opg.com]
Sent: Wednesday, February 07, 2018 12:19 PM
To: Talwar, Shruti (ENERGY) ; Carlos Yep
Cc: Graham Young (MOI) ; LADAK Lubna -TREASURY ; LIU Sheen -TREASURY ; GO Matthew -TREASURY
Subject: RE: EXTERNAL – FHP Questions

Shruti,

Now that the FHT has issued term debt the funding composition is starting to get more complicated. To help understand this below is a summary of the overall funding in the FHT which is now split between warehouse funding and term funding:

			Term debt takeout		
Warehouse Funding		Initial Balance	(980,392,156.86)	Ending Balance	
Senior debt	B=51% x A	601,290,000.00	(500,000,000.00)	101,290,000.00	51%
Subordinated	39/51 X B	459,810,000.00	(382,353,000.00)	77,457,000.00	39%
Junior subordinated	10/51 X B	117,900,000.00	(98,040,000.00)	19,860,000.00	10%
		1,179,000,000.00	(980,393,000.00)	198,607,000.00	
Term Debt Funding					
Senior debt	51.00%		500,000,000.00	500,000,000.00	51%
Subordinated	39.00%		382,353,000.00	382,353,000.00	39%
Junior subordinated	10.00%		98,040,000.00	98,040,000.00	10%
		-	980,393,000.00	980,393,000.00	
Total Funding					
Senior debt	51.00%	601,290,000.00	-	601,290,000.00	51%
Subordinated	39.00%	459,810,000.00	-	459,810,000.00	39%
Junior subordinated	10.00%	117,900,000.00	-	117,900,000.00	10%
		1,179,000,000.00	-	1,179,000,000.00	

1) The equity injection in December was used to fund the subordinated warehouse notes not the term notes. The warehouse notes have a base rate representing all-in funding costs of the senior warehouse notes per s 2.03(b). This funding cost is variable so any rate provided will only apply to a particular period. The December rate was approximately 2.5%. Per s 2.04(b)(i) & (c)(i) the applicable spread for sub and jr sub of this issuance was set at 0.10%.
   The sub and jr sub term notes that correspond to the senior term notes priced yesterday are different. The actual rates are still under review for the sub and jr sub which should be finalized soon.
2) Yes, next equity injection is likely March but could be February as well. For March transaction we would clear out as much of the IESO variance account as possible most of which is reflected in the February month end balance.

Hope this helps.
Thanks,
Ken

From: Talwar, Shruti (ENERGY) [mailto:Shruti.Talwar@ontario.ca]
Sent: Wednesday, February 07, 2018 11:25 AM
To: RYFA Ken -TREASURY <ken.ryfa@opg.com>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>
Cc: Young, Graham (ENERGY) <Graham.Young@ontario.ca>
Subject: EXTERNAL – FHP Questions

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi Ken, Carlos,
Hope you are both well.
I have a couple of questions re: equity injection. They may be both for Ken, but Carlos may be useful to loop you in as well.

1) Can you please provide the interest rate for suboardinate and jr. suboardinate term notes for the transaction that closed on Dec 20, 2017. Per the interest protocol agreement, the interest rate is the 'applicable base rate' (defined in S 2.03) and 'applicable spread' (defined in S 2.04). Section 2.06 of the protocol notes the sharing of this information with ENERGY and OFA. We need this information as soon as possible.
2) What is the timing for the next equity injection? Are you thinking it will be as of the regulatory asset balance as at Feb 28, 2018? In which case, could we expect a request in early March? As you know, the transaction needs to close before March 31 to align with our approved allocations from Treasury Board.

Thank you. Feel free to give me a call with any questions.
Shruti

Shruti Talwar
Director, Strategic Policy and Analytics Branch
Strategic, Network and Agency Policy Division
Ontario Ministry of Energy
416.325-8698
shruti.talwar@ontario.ca

From:	Carlos Yep
To:	Mike Manning
Subject:	FW: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt
Date:	Monday, January 08, 2018 2:09:14 PM
Attachments:	Executed Subordinated Debt Pricing Protocol.pdf

From: MCAULEY Tyler -LAWDIV [mailto:tyler.mcauley@opg.com]
Sent: Monday, January 08, 2018 1:39 PM
To: Carlos Yep
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Hi Carlos,

Attached.

Tyler McAuley
Senior Counsel, Law Division
Ontario Power Generation
700 University Avenue, H18 G23
Toronto, ON, M5G 1X6
E: tyler.mcauley@opg.com
P: 416-592-4015

From: Carlos Yep [mailto:Carlos.Yep@ofina.on.ca]
Sent: Monday, January 08, 2018 12:24 PM
To: MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Tyler

Please forward an executed/signed document when you get a chance.

Thanks

Carlos

From: MCAULEY Tyler -LAWDIV [mailto:tyler.mcauley@opg.com]
Sent: Tuesday, December 19, 2017 3:28 PM
To: Talwar, Shruti (ENERGY) <Shruti.Talwar@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; Graham Young (MOI) <Graham.Young@ontario.ca>; Sud, Manu (ENERGY) <Manu.Sud@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Thanks, Shruti- will do. Could you kindly confirm who will be signing on behalf of the MoE?

Tyler

Tyler McAuley
Senior Counsel, Law Division
Ontario Power Generation
700 University Avenue, H18 G23
Toronto, ON, M5G 1X6
E: tyler.mcauley@opg.com
P: 416-592-4015

From: Talwar, Shruti (ENERGY) [mailto:Shruti.Talwar@ontario.ca]
Sent: Tuesday, December 19, 2017 2:37 PM
To: MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; Young, Graham (ENERGY) <Graham.Young@ontario.ca>; Sud, Manu (ENERGY) <Manu.Sud@ontario.ca>
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Hi Tyler,
I understand OFA has already signed and sent the document to you. After you sign, please send it to us and we can arrange for signature on our end.
Thank you
Shruti

From: MCAULEY Tyler -LAWDIV [mailto:tyler.mcauley@opg.com]
Sent: December 18, 2017 5:28 PM
To: Sawwaf, Khareem (ENERGY); Yep, Carlos (OFA)
Cc: Thouin, Alena (ENERGY); WONG Leslie -LAWDIV; LIU Sheen -TREASURY; LEE John -TREASURY; Manning, Mike (OFA); RYFA Ken -TREASURY; Talwar, Shruti (ENERGY)
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Blackline attached.
Regards,
Tyler

Tyler McAuley
Senior Counsel, Law Division
Ontario Power Generation
700 University Avenue, H18 G23
Toronto, ON, M5G 1X6
E: tyler.mcauley@opg.com
P: 416-592-4015

From: MCAULEY Tyler -LAWDIV
Sent: Monday, December 18, 2017 5:27 PM
To: 'Sawwaf, Khareem (ENERGY)' <Khareem.Sawwaf@ontario.ca>; 'Carlos.Yep@ofina.on.ca' <Carlos.Yep@ofina.on.ca>
Cc: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LIU Sheen -TREASURY <sheen.liu@opg.com>; LEE John -TREASURY <john.s.lee@opg.com>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'shruti.talwar@ontario.ca' <shruti.talwar@ontario.ca>
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

All,
Further to our earlier discussions, please find attached an execution copy of the Subordinated Debt Pricing Protocol as well as an incremental blackline that references the draft previously circulated. Subject to any additional comments or questions, could each of OFA and MOE coordinate execution and return a scan of your completed signature page. Upon receipt, we will circulate a fully executed

copy of the document.
Regards,
Tyler

Tyler McAuley
Senior Counsel, Law Division
Ontario Power Generation
700 University Avenue, H18 G23
Toronto, ON, M5G 1X6
E: tyler.mcauley@opg.com
P: 416-592-4015

From: MCAULEY Tyler -LAWDIV
Sent: Friday, December 15, 2017 5:22 PM
To: 'Sawwaf, Khareem (ENERGY)' <Khareem.Sawwaf@ontario.ca>; 'Carlos.Yep@ofina.on.ca' <Carlos.Yep@ofina.on.ca>
Cc: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LIU Sheen -TREASURY <sheen.liu@opg.com>; LEE John -TREASURY <john.s.lee@opg.com>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; 'shruti.talwar@ontario.ca' <shruti.talwar@ontario.ca>
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Hi Carlos,
Pleasure speaking with you this afternoon. In speaking with John further, I understand the MOE would be willing to sign the document confirming receipt, with the OFA signing the Protocol. Could OFA/MOE kindly confirm that this would be acceptable?
Thanks,
Tyler

Tyler McAuley
Senior Counsel, Law Division
Ontario Power Generation
700 University Avenue, H18 G23
Toronto, ON, M5G 1X6
E: tyler.mcauley@opg.com
P: 416-592-4015

From: MCAULEY Tyler -LAWDIV
Sent: Friday, December 15, 2017 3:30 PM
To: 'Sawwaf, Khareem (ENERGY)' <Khareem.Sawwaf@ontario.ca>; 'Carlos.Yep@ofina.on.ca' <Carlos.Yep@ofina.on.ca>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LIU Sheen -TREASURY <sheen.liu@opg.com>; LEE John -TREASURY <john.s.lee@opg.com>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Khareem/ Carlos,
The approach proposed below is not in line with what was agreed between John Lee and Gadi. It's our expectation that the document will be agreed as between two parties (as opposed to receipt

acknowledged). Could you please consult with your team and advise. If it's helpful, we are happy to coordinate a call to discuss.

Regards,

Tyler McAuley
Senior Counsel, Law Division
Ontario Power Generation
700 University Avenue, H18 G23
Toronto, ON, M5G 1X6
E: tyler.mcauley@opg.com
P: 416-592-4015

From: Sawwaf, Khareem (ENERGY) [mailto:Khareem.Sawwaf@ontario.ca]
Sent: Friday, December 15, 2017 1:54 PM
To: WONG Leslie -LAWDIV <leslie.wong@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Hi Les,
Further to our discussion this morning, OFA and the Ministry of Energy agreed that the best way to proceed will be acknowledging the Protocol Agreement in a manner of receipt. The following language will be included under the signature lines:
"On behalf of the OFA ,I acknowledge receipt of this document,
On behalf of the Ministry of Energy, I acknowledge receipt of this document,"
Kind regards,
Khareem Sawwaf

From: Sawwaf, Khareem (ENERGY)
Sent: December-14-17 12:49 PM
To: 'WONG Leslie -LAWDIV'
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Hi Les,
We can call you.
Khareem

From: WONG Leslie -LAWDIV [mailto:leslie.wong@opg.com]
Sent: December-14-17 12:19 PM
To: Sawwaf, Khareem (ENERGY); Thouin, Alena (ENERGY)
Cc: MCAULEY Tyler -LAWDIV; Kulasinghe, Meineka (MEDG/MRIS)
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Thanks. Would you be calling my office, or would like us to call you? Or will we need a call-in number?

From: Sawwaf, Khareem (ENERGY) [mailto:Khareem.Sawwaf@ontario.ca]
Sent: Thursday, December 14, 2017 12:18 PM
To: WONG Leslie -LAWDIV <leslie.wong@opg.com>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Cc: MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; Kulasinghe, Meineka (MEDG/MRIS) <Meineka.Kulasinghe@ontario.ca>
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Hi Les,
Thank you for your prompt response.
5pm should be fine.
Khareem

From: WONG Leslie -LAWDIV [mailto:leslie.wong@opg.com]
Sent: December-14-17 12:11 PM
To: Sawwaf, Khareem (ENERGY); Thouin, Alena (ENERGY)
Cc: MCAULEY Tyler -LAWDIV; Kulasinghe, Meineka (MEDG/MRIS)
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Yes, after 5 pm works. Let us know what time (e.g. 5 pm or 5:30).

From: Sawwaf, Khareem (ENERGY) [mailto:Khareem.Sawwaf@ontario.ca]
Sent: Thursday, December 14, 2017 12:10 PM
To: WONG Leslie -LAWDIV <leslie.wong@opg.com>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Cc: MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; Kulasinghe, Meineka (MEDG/MRIS) <Meineka.Kulasinghe@ontario.ca>
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Hi Les,
Can we schedule something for today after 5pm?
Regards,
Khareem

From: WONG Leslie -LAWDIV [mailto:leslie.wong@opg.com]
Sent: December-14-17 11:59 AM
To: Sawwaf, Khareem (ENERGY); Thouin, Alena (ENERGY)
Cc: MCAULEY Tyler -LAWDIV; Kulasinghe, Meineka (MEDG/MRIS)
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Khareem,
We will need to address any questions today, as we are arranging for signing of the Fair Hydro documents tomorrow. Tyler and I are available today between 12:30 pm and 1 pm and from 4:30 pm onward.
Let us know what works for you.
Regards,
Les

Leslie Wong
Senior Counsel
Ontario Power Generation Inc.
700 University Avenue, H18 G26.1, Toronto, ON M5G 1X6
T: (416) 592-3110 **|** E: leslie.wong@opg.com

From: Sawwaf, Khareem (ENERGY) [mailto:Khareem.Sawwaf@ontario.ca]
Sent: Thursday, December 14, 2017 11:52 AM
To: WONG Leslie -LAWDIV <leslie.wong@opg.com>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Cc: MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; Kulasinghe, Meineka (MEDG/MRIS) <Meineka.Kulasinghe@ontario.ca>
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Hi Les,
I hope all is well.
Alena and I were hoping to have another discussion with you either today or tomorrow regarding the protocol agreement. If you could let us know your availability, I would appreciate it.
Thanks,
Khareem

From: Sawwaf, Khareem (ENERGY)
Sent: December-06-17 3:48 PM
To: WONG Leslie -LAWDIV; Thouin, Alena (ENERGY)
Cc: MCAULEY Tyler -LAWDIV; Kulasinghe, Meineka (MEDG/MRIS)
Subject: Re: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Hi Les,

Do you mind if we push our meeting to 4:30? I hope that works for you and Tyler.

Look forward to your reply.

Kind regards,

Khareem Sawwaf

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: WONG Leslie -LAWDIV
Sent: Wednesday, December 6, 2017 11:10 AM
To: Sawwaf, Khareem (ENERGY); Thouin, Alena (ENERGY)
Cc: MCAULEY Tyler -LAWDIV; Kulasinghe, Meineka (MEDG/MRIS)
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt

Hi Khareem,

My colleague, Tyler McAuley, who drafted the agreement, and I are available for a call from 4:00-4:30. Would you like us to call you or Alena, or would you like to call us?

Also, if you had specific comments or questions, would it be possible to let us know in advance, to make the call more efficient? Thanks.

Regards,

Les
Leslie Wong
Senior Counsel
Ontario Power Generation Inc.
700 University Avenue, H18 G26.1, Toronto, ON M5G 1X6
T: (416) 592-3110 **|** E: leslie.wong@opg.com

-----Original Message-----
From: Sawwaf, Khareem (ENERGY) [mailto:Khareem.Sawwaf@ontario.ca]
Sent: Wednesday, December 06, 2017 11:00 AM
To: WONG Leslie -LAWDIV <leslie.wong@opg.com>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Cc: MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; Kulasinghe, Meineka (MEDG/MRIS) <Meineka.Kulasinghe@ontario.ca>
Subject: RE: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt
Hi Les,
Alena and I were hoping to arrange a call with you later today to discuss the Protocol Agreement. Are you available for a 30 minute call sometime between 4-5, preferably 4:00-4:30?
I look forward to your reply.
Kind regards,
Khareem Sawwaf
-----Original Message-----
From: WONG Leslie -LAWDIV [mailto:leslie.wong@opg.com]
Sent: December-04-17 1:17 PM
To: Thouin, Alena (ENERGY)
Cc: Sawwaf, Khareem (ENERGY); MCAULEY Tyler -LAWDIV
Subject: Re: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt
Alena - I am available at 5:15. My colleague, Tyler McAuley, who worked in the agreement, will also be available for a call then.
Let us know your preference on call logistics (who to call whom, or whether a call-in number would be preferable).
Regards,
Les
Sent from my BlackBerry 10 smartphone on the Bell network.
From: Thouin, Alena (ENERGY)
Sent: Monday, December 4, 2017 12:49 PM
To: WONG Leslie -LAWDIV
Cc: Sawwaf, Khareem (ENERGY)
Subject: EXTERNAL – RE: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt
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Hi Les
Hope you are well
I was hoping we can have a quick call on this (legal only at this point), just had some questions. I am around after 5:15 today?
Thanks
Alena
Alena Thouin
Deputy Director, Legal Services Branch

Ministries of Energy / Infrastructure / Economic Development & Growth / Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 Email: alena.thouin@ontario.ca>
This communication may be Solicitor/Client privileged and contain confidential information intended only for the individual or entity named in the message. If the reader of this message is not the intended recipient, or the agent responsible to deliver it to the intended recipient, you are hereby notified that any review, dissemination, distribution or copying of this communication is prohibited. If this communication was received in error, please notify us by reply e-mail and delete the original message. Thank you.
From: WONG Leslie -LAWDIV [mailto:leslie.wong@opg.com]
Sent: November 30, 2017 12:16 PM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF)
Cc: LEE John -TREASURY; LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; RYFA Ken -TREASURY; PRESTON Stuart -TREASURY
Subject: Fair Hydro Plan Protocol Agreement - Subordinated and Junior Subordinated Debt
Dear Alena and Malle,
Please find attached a draft of the protocol agreement relating to the determination of interest rates on the subordinated and junior subordinated debt to be issued to OPG by the Fair Hydro Trust. Most of this debt will be funded through equity injections by the Province into OPG. OPG's Treasury team has been working with Carlos Yep of the OFA on this agreement. I understand that Alena has previously seen a term sheet setting out the main terms of the agreement.
Let us know if you have any questions or comments on the draft.
Regards,
Les
Leslie Wong
Senior Counsel
Ontario Power Generation Inc.
700 University Avenue, H18 G26.1, Toronto, ON M5G 1X6
T: (416) 592-3110 | E: leslie.wong@opg.com>
_____
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_____
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RECIPIENT(S) AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, PROPRIETARY AND/OR CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any review, retransmission, dissemination, distribution, copying, conversion to hard copy or other use of this communication is strictly prohibited. If you are not the intended recipient and have received this message in error, please notify me by return e-mail and delete this message from your system. Ontario Power Generation Inc.

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Subordinated Debt Pricing Protocol

ONTARIO POWER GENERATION INC., a corporation incorporated under the laws of Ontario (**"OPG"**), solely in its capacity as financial services manager (the "**FSM**") of the **FAIR HYDRO TRUST** (the "**Issuer**"), a trust existing under the laws of the Province of Ontario and the **ONTARIO FINANCING AUTHORITY**, a crown agency of the Province of Ontario have agreed to enter into this subordinated debt pricing protocol (the "**Protocol**") wherein they have agreed to certain procedures for establishing the interest rate applicable to each Series of Subordinated Notes and Junior Subordinated Notes where such Notes are to be issued only to OPG or its Affiliates.

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Protocol, unless something in the subject matter or context is inconsistent therewith terms used herein have the meanings ascribed in the Trust Indenture. In addition, the following terms shall have the following meanings:

(a) "**Applicable Spread**" has the meaning ascribed to such term in section 2.04(c);

(b) "**Base Rate**" has the meaning ascribed to such term in section 2.03(a) or (b), as applicable;

(c) "**Junior Subordinated Term Note**" means a Junior Subordinated Note that is not incurred pursuant to a Warehouse Facility Agreement;

(d) "**Junior Subordinated Warehouse Note**" means a Junior Subordinated Note that is incurred pursuant to a Warehouse Facility Agreement;

(e) "**Subordinated Term Note**" means a Subordinated Note that is not incurred pursuant to a Warehouse Facility Agreement;

(f) "**Subordinated Warehouse Note**" means a Subordinated Note that is incurred pursuant to a Warehouse Facility Agreement;

(g) "**Trust Indenture"** means that certain trust indenture entered into between the Issuer and BNY Trust Company of Canada on December **,** 2017 (as supplemented from time to time).

ARTICLE 2 - INTEREST RATE PROTOCOLS

2.01 Interest Rate Protocols

The interest rate applicable to each Series of Subordinated Notes and Junior Subordinated Notes that are issued only to OPG or its Affiliates shall be established by the FSM in accordance with the procedures set out herein.

2.02 **Composite Interest Rate**

For any Series of Subordinated Notes or Junior Subordinated Notes that are issued only to OPG or its Affiliates, the interest rate shall be the aggregate of the applicable Base Rate and the Applicable Spread.

2.03 **Base Rate**

(a) For Subordinated Term Notes and Junior Subordinated Term Notes, the "Base Rate" shall be an annual rate of interest comprised of the applicable yield for the Benchmark Government of Canada bonds listed at the time and with the same term as that of the Series of Subordinated Notes or Series of Junior Subordinated Notes, as applicable. In the event that there are no such Benchmark Government of Canada bonds listed at the time of issuance, the applicable Base Rate of interest shall be established by interpolating, on a straight line basis, the terms of the two Benchmark Government of Canada bonds that are closest to the term of the applicable Series of Subordinated Term Notes or Series of Junior Subordinated Term Notes, as applicable, one being for a longer term and the other being for a shorter term; and

(b) For Subordinated Warehouse Notes and Junior Subordinated Warehouse Notes, the "Base Rate" shall be an annual interest rate equal to the all-in funding costs under the related Warehouse Obligations, expressed as a rate per annum, as determined by the FSM acting reasonably, or at any time when there are no Warehouse Obligations outstanding the "Base Rate" shall be the average of the posted "prime rate of interest" published by the five largest Canadian banks at such time.

2.04 **Applicable Spread**

(a) Prior to the issuance of any new Subordinated Term Notes or Junior Subordinated Term Notes, the FSM will solicit from at least five investment dealers in Canada, a survey of indicative spreads over the applicable Base Rate (collectively, the "**Indicative Spreads**" and each an "**Indicative Spread**") applicable to capital market debt issuances having features comparable to each of the proposed Series of Subordinated Term Notes and Junior Subordinated Term Notes, having regard to the expected credit rating and tenor. Such solicitation of Indicative Spreads shall occur on the pricing date of the applicable Series of Subordinated Term Notes and Junior Subordinated Term Notes and may, at the FSM's option, also occur on other dates selected by the FSM provided that no such date is more than one week prior to the pricing date. The Applicable Spread for Subordinated Term Notes or Junior Subordinated Term Notes, as applicable, will be the simple average of the respective Indicative Spreads after excluding the highest and the lowest Indicative Spread for each day (not more than one week prior to the pricing date) that Indicative Spreads were provided;

(b) The Applicable Spread for Subordinated Warehouse Notes shall be:

(i) for the initial issuance:10 bps; and

(ii) for all subsequent issuances of Subordinated Warehouse Notes the FSM will solicit from time to time, but no less frequently than on an annual basis, from at least five investment dealers in Canada, a survey of Indicative Spreads over the applicable Base Rate applicable to commercial paper issuances having features comparable to the Subordinated Warehouse Notes including credit rating and tenor. The Applicable Spread for Subordinated Warehouse Notes will be the simple average of the respective Indicative Spreads, after excluding the highest and the lowest Indicative Spread.

(c) The Applicable Spread for Junior Subordinated Warehouse Notes shall be:

(i) for the initial issuance: 10 bps; and

(ii) for all subsequent issuances of Junior Subordinated Warehouse Notes, equal to the Applicable Spread derived from Section 2.04(b) for the Subordinated Warehouse Notes, provided the Junior Subordinated Term Notes are rated Investment Grade. In such subsequent issuances, if the Junior Subordinated Term Notes are rated below Investment Grade, the Applicable Spread for the Junior Subordinated Warehouse Notes will equal to the Applicable Spread for the Subordinated Warehouse Notes plus 100 bps.

For the purposes of this section "Investment Grade" means an "approved rating" from at least one "designated rating organization" (as such terms are defined for securities law purposes).

2.05 **Credit Ratings**

In order to facilitate the survey of Indicative Spreads, the FSM will solicit from time to time, from an approved rating organization (as such term is defined for securities laws purposes), a credit rating, which may include a shadow rating, for the Subordinated Notes and the Junior Subordinated Notes.

2.06 **Reporting**

The FSM will share with the OFA and the Ministry of Energy, within a reasonable time period following receipt, a copy of all Indicative Spreads obtained pursuant to Section 2.04 and all Credit Ratings obtained pursuant to Section 2.05.

2.07 **Governing Law**

This Protocol is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. For the purpose of all legal proceedings this Protocol will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have exclusive jurisdiction to entertain any action arising under this Protocol. The parties hereby attorn to the exclusive jurisdiction of the courts of the Province of Ontario.

2.08 **Counterparts**

This Protocol may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

2.09 **Electronic Execution**

Any party may deliver an executed signature page to this Protocol by electronic transmission and such delivery will be as effective as delivery of a manually executed copy of the Protocol by such party.

[REMAINDER OF THE PAGE INTENTIONALLY DELETED]

ONTARIO POWER GENERATION INC.
solely in its capacity as Financial Services Manager of the Fair Hydro Trust

Per: _____

Per: _____

THE ONTARIO FINANCING AUTHORITY

Per: _____
Michael Manning
Executive Director & Chief Investment Officer, Capital Markets

Acknowledged on behalf of the Ministry of Energy by:

MINISTRY OF ENERGY

Per: _____
By: CAROLYN CALWELL
Title: ADM, STRATEGIC, NETWORK + AGENCY POLICY DIVISION

From: Mike Manning
To: Ricky Lai
Subject: FW: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
Date: Friday, February 09, 2018 3:30:21 PM

Hi Ricky:
Could you please contact to get us on the distribution list.
Thanks, Mike

From: LADAK Lubna -TREASURY [mailto:lubna.ladak@opg.com]
Sent: Friday, February 09, 2018 3:29 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Subject: RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs

Hi Mike,

I would contact:

Katrian Niehaus (Managing Director, Investment Banking Division)

200 West Street | 7th Floor | New York, New York 10282-2198
Tel: 212-357-8161 | Fax: 212-256-5491
Katrina.Niehaus@gs.com

Or

Brian Delaney (Investment Analyst)
Goldman Sachs & Co. LLC
200 West Street | New York, NY 10282
Tel: 212.902.4585 | E-mail: brian.delaney@gs.com

Lubna Ladak | VP Treasury - FHP| Ontario Power Generation
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

From: Mike Manning [mailto:Mike.Manning@ofina.on.ca]
Sent: Friday, February 09, 2018 2:50 PM
To: LADAK Lubna -TREASURY <lubna.ladak@opg.com>
Subject: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs

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Thanks Lubna:

Do you know if there is a contact person at Goldman we can reach out to for future spread runs?

Thanks, Mike

From: LADAK Lubna -TREASURY [mailto:lubna.ladak@opg.com]
Sent: Thursday, February 08, 2018 4:52 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Cc: LIU Sheen -TREASURY <sheen.liu@opg.com>
Subject: Subdebt Pricing - Goldman Sachs

Mike,
Please find attached pricing spreads from Goldman Sachs.

Lubna Ladak | VP Treasury - FHP| Ontario Power Generation
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

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From: Hanslep, Malle (MOF)
To: Ken Kandeepan; Tobias P. Whitfield (MOF); Mike Manning
Subject: FW: EXTERNAL – RE: Waiver Process
Date: Thursday, January 04, 2018 12:27:31 PM

If OPG has a workplan that has a target date of Jan 15th for a launch, I would think that they have final versions of additional transaction documents which would become reference documents under the terms of the Process Agreement and in accordance with the process set out in there.
i.e. underwriting agreement, supplemental term indenture, info memo and possibly a selling agreement

We have not received anything nor have we received the closing documents from the warehouse closing on Dec 20th.

I don't really understand why they are making the 10 day period a critical decision point for this discussion at this time without providing us with any other information.

Malle

-----Original Message-----
From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-04-18 12:18 PM
To: Kandeepan, Ken (OFA)
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:
We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Thursday, January 04, 2018 9:36 AM
To: LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: EXTERNAL – RE: Waiver Process

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Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks

Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc’ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

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Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Ken Kandeepan
To:	Tim Christie (ENERGY)
Cc:	Mike Manning; Malle Hanslep (MOF); Tobias P. Whitfield (MOF); John Kim; Ronald Kwan
Subject:	FW: EXTERNAL – RE: Waiver Process
Date:	Thursday, January 04, 2018 4:24:42 PM

FYI, looks like the waiver is not an issue now.

Thanks

Ken k

-----Original Message-----
From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: Thursday, January 04, 2018 4:08 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>
Subject: FW: EXTERNAL – RE: Waiver Process

Ken/Steen:

Just a bit of an update, it appears that DBRS is unlikely to hit the earlier 15th date.
It is looking more likely that the marketing launch will fall back to the original target date of the 22nd.

John

-----Original Message-----
From: LEE John -TREASURY
Sent: Thursday, January 04, 2018 12:18 PM
To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:
We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Thursday, January 04, 2018 9:36 AM
To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks

Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

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Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV
<leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY
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<may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY
<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY
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<j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
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From: LEE John -TREASURY
To: Mike Manning; Ronald Kwan
Cc: RYFA Ken -TREASURY; LADAK Lubna -TREASURY
Subject: FW: EXTERNAL – **BOOKS OPEN** FAIR HYDRO TRUST
Date: Thursday, April 19, 2018 9:27:22 AM

FYI

Book has been opened.

From: Burrows, Scott - Debt Capital Markets [mailto:Scott.Burrows@cibc.com]
Sent: Thursday, April 19, 2018 9:24 AM
To: Burrows, Scott - Debt Capital Markets
Subject: EXTERNAL – **BOOKS OPEN** FAIR HYDRO TRUST

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Books are now open for the previously announced 2018-2 **Fair Hydro Trust** debt offering. The offering consists of a minimum $300 million of senior notes that will have room to grow, with an expected term to maturity of 20 years. Spread guidance has been set at +110 bps (+/-3 bps) vs. the GoC curve.
Pricing is expected later today. CIBC is Joint Lead, Joint Bookrunner and Structuring Lead on this transaction.
Details of today's launch are as follows:

****BOOKS OPEN** FAIR HYDRO TRUST**

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due May 15, 2038, Series 2018-2 (the "Series 2018-2 Senior Notes").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	Minimum $300,000,000
Initial % of Aggregate Notes:	51%
Launch Date:	April 19, 2018
Pricing Date:	April 19, 2018
Settlement Date:	April 24, 2018 (T+3)
Term:	20 years
Expected Maturity Date:	May 15, 2038
Principal Payment Default Date:	May 15, 2040
Par Call Date:	November 15, 2037
Interest Rate:	●% per annum
Issue Spread:	+110 bps (+/-3 bps) versus Government of Canada curve interpolated between CAN 5% due June 1, 2037 and CAN 4% due June 1, 2041 +● bps (including a ● bps curve adjustment and +● bps delay adjustment), versus the CAN 5% due June 1, 2037 (priced at $● to yield ●%)
Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-2 Senior Notes.
Interest Payment Dates:	May 15 and November 15 or next business day
Use of Proceeds:	The proceeds from the Series 2018-2 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-2 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.

Regards,
Scott

Scott Burrows | Managing Director | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.

161 Bay Street, 5th Floor, Toronto, ON, M5J 2S8| Tel: 416 956-3049| Cell: 416 786-4369 | Fax: 416 594-7760 | scott.burrows@cibc.com



From: Burrows, Scott - Debt Capital Markets

Sent: Wednesday, April 18, 2018 2:13 PM

To: Burrows, Scott - Debt Capital Markets

Subject: **ANNOUNCED** FAIR HYDRO TRUST

CIBC World Markets, Goldman Sachs, and RBC Capital Markets are pleased to announce the 2018-2 debt offering for **Fair Hydro Trust ("FHT" or the "Issuer")**. The proposed senior notes will be offered by way of private placement in Canada.

CIBC is a Joint Lead and Joint Bookrunner on this transaction.

****INDICATIVE DEAL TERMS****

Offering Type: CAD Private
Offered Certificates: Senior Notes
Rating Agencies: DBRS/Moody's (presale reports will be available via Rating Agency websites)

Class Note	Balance	Term*	Subordination	DBRS/Moody's**	Benchmark
Senior Notes	C$●	20	49.00%	AAA(sf)/Aa2(sf)	GOC+
Subordinated Notes	C$●	20	10.00%	AA(sf)/Aa2(sf)	Placed with OPG
Junior Subordinated Notes	C$●	20	0.00%	A(sf)/Aa2(sf)	Placed with OPG

* Years
** Expected Credit Ratings
Expected Pricing: Week of April 16, 2018
Expected Settlement: Week of April 23, 2018

Business of the Issuer: Fair Hydro Trust (the "Issuer"), a special purpose trust established under the laws of the Province of Ontario, and caused to be established by Ontario Power Generation Inc. ("OPG"), as Financial Services Manager, has created a program providing for the offering and issuance of senior notes. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017*; the Province of Ontario announced its Fair Hydro Plan on March 2, 2017, which proposed to lower the average electricity bill for eligible customers by 25%.

Previous Issue: FHT last accessed the Canadian Debt Capital Markets in February 2018 with a 15.25 year $500 million 3.357% Senior Notes offering due May 15, 2033.

Regards,

Scott

Scott Burrows | Managing Director | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.

161 Bay Street, 5th Floor, Toronto, ON, M5J 2S8| Tel: 416 956-3049| Cell: 416 786-4369 | Fax: 416 594-7760 | scott.burrows@cibc.com



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From:	LEE John -TREASURY
To:	Gadi Mayman; Steen Hume (CAB); Serge Imbrogno (ENERGY)
Cc:	HARTWICK Ken -FINANCE; ROWE Jennifer -CORPAFFAIRS; LADAK Lubna -TREASURY; Mike Manning; Ken Kandeepan; Tim Christie (ENERGY); Ronald Kwan; Alena.Thouin@ontario.ca; Malle Hanslep (MOF); WONG Leslie -LAWDIV
Subject:	FW: FHP - DBRS ratings
Date:	Friday, January 19, 2018 1:06:55 PM

Gadi/Steen/Serge:
DBRS has confirmed the rating of AAA for Senior, AA for sub, A for junior Sub for FHP debt. This was the last gating item for the launch.
The plan is to have the due diligence call Monday morning with the Dealer syndicate and send the Offering Memorandum and Investor Presentation shortly thereafter to potential Investors.
John

John Lee | Vice President Treasurer |
Ontario Power Generation | 700 University Avenue, H18 A6, Toronto, Ontario M5G 1X6 |
416.592.6392 | john.s.lee@opg.com

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From: Anna Strathy
To: Mike Manning
Cc: Ken Kandeepan; Gadi Mayman
Subject: FW: FHP Trust Offering
Date: Tuesday, February 06, 2018 2:15:35 PM

Hi Mike,

Please see question below from the Ministry of Energy (Deputy's EA). Could you please confirm?

Thanks, Anna

From: Schlaepfer, Martin (ENERGY) [mailto:Martin.Schlaepfer@ontario.ca]

Sent: Tuesday, February 06, 2018 2:14 PM

To: Anna Strathy

Cc: David McLean (MOF)

Subject: FHP Trust Offering

Hi Anna,

OPG has informed us that pricing has been confirmed at 3.357% and they financed $500m.

They are claiming this 92 bps over GOC. Can you confirm if this is correct or if it is a different number?

Thanks,

Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
M: 647-980-4634
E: martin.schlaepfer@ontario.ca

From:	Anna Strathy
To:	Mike Manning
Cc:	Ken Kandeepan; Gadi Mayman
Subject:	FW: FHP Trust Offering
Date:	Tuesday, February 06, 2018 2:20:02 PM

Hi Mike – a follow-up question from the Energy DMO (although I understand you may have already clarified all this for Serge over the phone via Gadi – but the EA may want it in an email).
Thanks, Anna

From: Schlaepfer, Martin (ENERGY) [mailto:Martin.Schlaepfer@ontario.ca]
Sent: Tuesday, February 06, 2018 2:19 PM
To: Anna Strathy
Cc: David McLean (MOF)
Subject: RE: FHP Trust Offering

Sorry. Just to clarify it would als be helpful to know how many basis points this is over provincial borrowing rates.
Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: February 6, 2018 2:14 PM
To: Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>
Cc: McLean, David (MOF) <David.McLean@ontario.ca>
Subject: FHP Trust Offering

Hi Anna,
OPG has informed us that pricing has been confirmed at 3.357% and they financed $500m.
They are claiming this 92 bps over GOC. Can you confirm if this is correct or if it is a different number?
Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
M: 647-980-4634
E: martin.schlaepfer@ontario.ca

From:	Ken Kandeepan
To:	Risa Thau; Alfonso Soriano
Cc:	John Psinas; George Sakura; Mike Manning; Carlos Yep
Subject:	FW: Fair Hydro - April equity injection
Date:	Wednesday, April 11, 2018 1:08:54 PM

FYI and action when we receive the share subscription notice.
Thanks
Ken k

From: Young, Graham (ENERGY) [mailto:Graham.Young@ontario.ca]
Sent: Wednesday, April 11, 2018 1:07 PM
To: Ken Kandeepan ; John Kim
Cc: Talwar, Shruti (ENERGY)
Subject: FW: Fair Hydro - April equity injection

Ken/John,
OPG will be requesting the next equity injection soon, likely before the end of the week The amount will be $65,560,000 and be needed by April 20th.
We will share the signed share subscription notice once we receive it and complete our review.
Thank you,
Graham

From: GRECO Clara -LAWDIV [mailto:clara.greco@opg.com]
Sent: April 11, 2018 11:09 AM
To: Talwar, Shruti (ENERGY)
Cc: LADAK Lubna -TREASURY
Subject: Fair Hydro - April equity injection

Good morning Shruti,
We will be completing another investment purchase with the IESO on April 20 for a purchase price of $149M. The corresponding required equity injection will be $65,560,000 and we will be sending along the subscription materials shortly.
Regards,
Clara

Clara Greco
Senior Counsel – FHP
Ontario Power Generation
700 University Avenue, H18 C19
Toronto, Ontario M5G 1X6
416-592-8226 | Cell 416-859-6416
clara.greco@opg.com

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Inc.

From: Whitfield, Tobias P. (MOF)
To: Ken Kandeepan; Mike Manning; Anna Strathy
Cc: Malle Hanslep (MOF)
Subject: FW: Fair Hydro - OM
Date: Thursday, January 18, 2018 11:12:22 AM

FYI,

Blake's has prepared a chart setting out the outstanding issues in the Investor Presentation and OM. The relevant issues for Finance seem to be item 6 in the Investor Presentation, and items 3, 4, 7, 12 and 13 of the OM.

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January 18, 2018 11:00 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF)
Cc: ASHBOURNE, STEPHEN
Subject: Fair Hydro - OM

Hi Malle, Toby and Alena,

We've reviewed the revised drafts of the OM and the Investor Presentation circulated by Torys yesterday. Based on our understanding of the Province's position and materiality threshold, we have drafted the tables below highlighting items that we thought might be considered consequential to the Province.

Once you have had a chance to review, please let me know if you'd like to arrange a call to discuss the items set out below.

The next step will be to raise any points with Torys/ OPG, or otherwise confirm that the circulated documents are acceptable. In regard to Les' email yesterday, we agree with Malle that you should not be boxed in to the initial draft of the OM. Rather, Les can be informed that once you are satisfied with the disclosure, you will waive any applicable 10 BD period.

Kind regards,

Jon

Investor Presentation				
No	**Item**	**Slide (corresponding to blackline)**	**Notes**	**Thoughts of Blakes**
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2	No mention of other potential financing entities	6	The Investor Presentation does not mention that other Financing Entities may have Investment Interests. Sentences such as "The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust…" may lead one to believe that other financing entities	Simplification is understandable. However, detached Investor Presentation is a possibility so a standalone read would omit the possibility of future Financing Entities and so could be practically important

			may not be involved in the Fair Hydro Program.	as limiting. We recommend some notation in the deck regarding other Financing Entities.
3	Description of Legislation stating CEAs are not collected between July 1, 2017 to April 30, 2021	16	On a slide titled "Legislation Overview, cont'd", a bullet states "CEAs are not permitted to be collected from Specified Consumers during this period [referring to the period between July 1, 2017 and April 30, 2021]." Consider whether simplifications of the Act as described in the Investor Presentation (such as this) are acceptable to you.	While there is no prohibition on the collection of CEAs during this period, the effect of a negative FAA is similar. They are conflating the restriction on IESO with charging of CEAs during this period. This is not a troublesome mis-disclosure as it overstates the restriction.
4	"Fair Allocation Amount" slide	19	The "Fair Allocation Amount" slide has been substantially revised and includes text. Please confirm whether you are comfortable with the disclosure on this slide, including the footnote that explains the "Readjustment Amount".	**MOE should specifically confirm the description, including references to past overcharges (in the footnote). Is this consistent with how the MOE views the concept of readjustment?**
5	Update of charts	32, 33	Please review the updated charts that indicate illustrative aggregate funding and repayment profile, and the RPP bill forecast	Blakes defers to the Province
6	Change of Law Protection Agreement description	22	Comments regarding the Change of Law Protection Agreement disclosure were not accepted in this draft, including: (i) describing OPG as FSM and Manager as a party to the agreement; and (ii) describing that the Province's obligations when performing on the Limited Guarantee are subject to limits on payment obligations following an acceleration.	See OM Chart. Blakes thinks it should be clear that amounts payable under the CLPA will differ depending on whether there has been an acceleration (similar to OM disclosure)

Offering Memorandum				
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2	Reference to Province as determining OPG's board	8, 19	Please confirm that you are fine with the statement "The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors."	No issue if accurate.
3	Deletion of details regarding Province's Subrogation Amounts	10, 33	Certain details regarding the priority of the Province's Subrogation Amounts and the Province's right to the benefit of the Collateral have been deleted.	While beneficial, we can think you can leave without the more detailed description.
4	Presupposing that Senior Notes are Approved Obligations	11, 34, 36	Language has been added that presupposes that the Senior Notes are Approved Obligations. For example: - "The [CLPA] will remain in full force and effect until the indefeasible payment…in full of the Approved Obligations, <u>including all Senior Notes"</u> - "Accordingly, subject to compliance with the [CLPA] any Senior Notes…that may be issued following a Suspension Event to refinance Senior Notes that were ~~Approved Obligations~~ issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee."	This is a technical point. It only becomes an issue regarding future Senior Notes since we know that these 2018-1 Notes will be Approved Obligations.
5	Definition of Fair Allocation Amount	12, 30	The description of the Fair Allocation Amount is generalized. Please confirm you are comfortable with this description.	The simplification is understandable although MOE may feel that sticking with a precise description avoids mischaracterization.
6	Removal of concept of Readjustment Amount	12-13, 30	The disclosure simplifies by removing references to the Readjustment Amount. Please confirm that you are comfortable with this simplification.	The simplification is understandable although MOE may feel that sticking with a precise description avoids mischaracterization.
7	Description of acceleration	13	No explanation that CEAs will automatically reflect principal repayments at maturity without the need to accelerate assuming a refinancing cannot be completed.	This mis-description could raise issues regarding investor expectations as to the timing of cash flows. We think it should be corrected.
8	Disclosure re RPP	23	The revised draft does not accept language proposed by the MOE: "At the request of the Ministry of Energy in 2004, ~~and in accordance~~	Blakes defers to the Province.

			~~with amendments to legislation~~, the OEB created the "Regulated Price Plan" Please confirm whether you are comfortable with this disclosure.	
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10	Removal of concept of Funding Rebates	25, 27	The revised draft does not mention the concept of "Funding Rebates". Please confirm whether you are comfortable with the simplification in the disclosure.	This simplification is not troublesome from the Province's standpoint, although more precision would be preferred.
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13	Change of Law Protection Agreement	106	The definition of the Change of Law Protection Agreement does not include OPG (as Manager and FSM)	This should be fixed.

	definition		as a party	

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499



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Blake, Cassels & Graydon LLP | Barristers & Solicitors | Patent & Trade-mark Agents
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From: Whitfield, Tobias P. (MOF)
To: Ken Kandeepan; Mike Manning; Anna Strathy
Cc: Malle Hanslep (MOF)
Subject: FW: Fair Hydro - OM
Date: Thursday, January 18, 2018 4:17:13 PM

FYI. Ken, I will give you a call to discuss the approach.

Thanks

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Thouin, Alena (ENERGY)
Sent: January 18, 2018 4:01 PM
To: Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF)
Cc: ASHBOURNE, STEPHEN; Cayley, Daniel (ENERGY); VINER, JON; Christie, Tim (ENERGY)
Subject: RE: Fair Hydro - OM

Hi all,

Steve/Jon – thank you for the very helpful table. We had a chance to review the table together with our client group. We have no show stoppers.

Our recommended plan as discussed on the call yesterday would be for me to respond Les not to consent to anything in specific, but to confirm with OPG whether they will be using the new version.

Toby/Malle – are you ok with this?

From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January 18, 2018 11:00 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF)
Cc: ASHBOURNE, STEPHEN
Subject: Fair Hydro - OM

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Jon Viner
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jon.viner@blakes.com
Dir: 416-863-2499

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From:	Hanslep, Malle (MOF)
To:	Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc:	Ken Kandeepan; Mike Manning; Tim Christie (ENERGY)
Subject:	FW: Fair Hydro Trust - Disclosure Documents
Date:	Wednesday, January 17, 2018 10:22:01 AM
Attachments:	Series 2018-1 Senior Notes Term Sheet (Fair Hydro Trust).docx Blackline_Series 2018-1 Senior Notes Term Sheet (Fair Hydro Trust).pdf Fair Hydro Trust - Confidential Offering Memorandum.docx Blackline_Fair Hydro Trust - Confidential Offering Memorandum.pdf

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Should we discuss this approach? It may have implications for future documents and transactions. I have not had the opportunity to review the changes that were accepted but if we think they are important it would be best to be able to preserve those as the version of the "OM" as a reference document under the Process Agreement for future transactions rather than the initial version they sent us. I realize there is a problem with the 10 days but if we could figure out a way to make the final version (or close to final) become the reference document that would be best. So I'm not sure that we want to write back and just agree with Les that we don't take a contrary view without considering carefully. Technically if the 10 days expire without the Province objecting the document becomes a reference document. I know Toby has drafted a delegation of the powers under the process agreement for MOF/OFA. Not sure what the timing of the deal is right now.

Thanks,

Malle

From: WONG Leslie -LAWDIV [mailto:leslie.wong@opg.com]

Sent: January-17-18 9:45 AM

To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF)

Cc: LEE John -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Saulnier, Brett; Ramchandani, Rima; Feldman, Michael; Mansoori, Nina

Subject: RE: Fair Hydro Trust - Disclosure Documents

Dear Alena and Malle,

You will have seen the revised draft of the OM and term sheet circulated by Torys (attached again for reference). A revised draft of the Investor Presentation is also in progress and will be circulated once available. We do not view the changes made to the OM, term sheet or the IP as material (in form or substance) and we would appreciate it if you could confirm that the Province does not take a contrary view. As you know, under the change of law process agreement, OPG is required to certify that these documents are substantially in the form as previously provided to the Province, which we believe is the case. Therefore, there is no reason for us to restart the 10 Business Day clock running following delivery of the revised documents. If you have any concerns with our interpretation or approach please let us know.

Regards,

Les

Leslie Wong

Senior Counsel

Ontario Power Generation Inc.

700 University Avenue, H18 G26.1, Toronto, ON M5G 1X6

T: (416) 592-3110 **|** E: leslie.wong@opg.com

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: Wednesday, January 17, 2018 1:31 AM
To: VINER, JON <JON.VINER@blakes.com>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>
Subject: EXTERNAL – RE: Fair Hydro Trust - Disclosure Documents
*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

All,
Please find attached revised versions of the Offering Memorandum and Term Sheet. We have accepted the majority of the Province's comments where appropriate and I have included blacklines of each document against the version circulated by Jon below. The attached also reflect comments received from the IESO and some additional clean-up changes made since the documents were provided to the Province on January 5.
In the interest of time, we are circulating these drafts to all parties concurrently. Accordingly, they remain subject to review and comment by OPG, IESO, the dealers and their respective counsel.
Thanks,
Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[na01.safelinks.protection.outlook.com]


[na01.safelinks.protection.outlook.com]

From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January-16-18 10:48 AM
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Subject: Fair Hydro Trust - Disclosure Documents

All,

Please find attached the Province's comments on the offering memorandum, investor presentation and term sheet.

We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,

Jon

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DRAFT: January 17, 2018

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January ●, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Capital Markets Platform" and "Description of Notes" sections of the confidential shelf offering memorandum which contain a more detailed description of certain terms of the Series 2018-1 Senior Notes and the trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture (the "Series 2018-1 Senior Supplemental Indenture") pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *January ●, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ●, Series 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Expected Credit Ratings:	DBRS: ● (●) Moody's: ● (●)
Principal Amount:	$●[(1)]
Term:	● years
Launch Date:	●, 2018
Pricing Date:	●, 2018
Settlement Date:	●, 2018 (T+3)
Interest Rate:	●% per annum (the "**Series 2018-1 Interest Rate**")
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● +● bps curve adjustment and +● bps curve delay adjustment, both versus the CAN ●% due ● (priced at $● to yield ●%)

(1) The Issuer may offer and sell Series 2018-1 Senior Notes having a principal amount greater than the amount shown above. In that event, the Principal Accumulation Amounts, the principal amounts of the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes and the use of proceeds amount will be increased proportionately.

Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-1 Senior Notes.
Agents Commission:	$● per $1,000 principal amount of Series 2018-1 Senior Notes sold (payable from existing cash resources of the Issuer)
Interest Payment Dates:	The Interest Payment Dates for the Series 2018-1 Senior Notes are as follows: (i) prior to the occurrence of an Amortization Event, interest on the Series 2018-1 Senior Notes shall be payable in equal (except the first interest payment) semi-annual instalments in arrears on April 15 and October 15 of each year, commencing April 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Senior Notes on each Payment Date thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event, the first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes. If an Interest Payment Date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis. The record date for each Interest Payment Date is the last day of the calendar month preceding such Interest Payment Date. "**Amortization Event**" means either (i) an Acceleration Event has occurred with respect to the Series 2018-1 Senior Notes, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes has not been paid in full on the Expected Principal Payment Date (as defined below). An "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the Master Trust Indenture, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes and all interest thereon is declared due and payable in accordance with the Indenture as a result of the occurrence of a Series 2018-1 Event of Default (as defined below).
Principal Payment Dates and Principal Payment Amount:	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on ● 15, 20● (such Payment Date, the "**Expected Principal Payment Date**"). Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date in respect of the Series 2018-1 Senior Notes and the then outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date.
Principal Payment Default Date:	●, 20●

Principal Accumulation Amounts: Subject to the occurrence of an Amortization Event, the Series 2018-1 Senior Notes shall have the following Principal Accumulation Amounts on the Payment Dates set out below:

Payment Date	Principal Accumulation Amounts
●, 20●	$●
●, 20●	$●
●, 20●	$●
●, 20●	$●

Following the occurrence of an Amortization Event, the Principal Accumulation Amount with respect to each Payment Date thereafter shall be an amount equal to the outstanding principal amount of the Series 2018-1 Senior Notes.

Subordination: Concurrent with the issuance of the Series 2018-1 Senior Notes, OPG will subscribe for (i) **$●** of ●% subordinated notes due ●, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**"); and (ii) $● of ●% junior subordinated notes due ●, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**"). The Series 2018-1 Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations), and the Series 2018-1 Junior Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations) and the Series 2018-1 Subordinated Notes (and all other Subordinated Funding Obligations), in each case in the manner described in the confidential shelf offering memorandum under the heading "*Capital Markets Platform – Subordination Provisions*".

Optional Redemption: The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption.

"**Par Call Date**" means ●, 20●.

"**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus ●% per annum.

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption),

such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

Limited Recourse: The Series 2018-1 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-1 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-1 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Series 2018-1 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under *"Change of Law Protection Agreement"*. The Series 2018-1 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

Use of Proceeds: The proceeds from the Series 2018-1 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement. See *"Consolidated Capitalization"*.

Ranking: Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.

Change of Law Protection Agreement: The Series 2018-1 Senior Notes are Approved Obligations under the Change of Law Protection Agreement.

Series 2018-1 Events of Default: In addition to the Events of Default contained in the Master Trust Indenture and described in the confidential shelf offering memorandum, each of the following events constitute a "**Series 2018-1 Events of Default**":

(a) failure to pay interest on the Series 2018-1 Senior Notes when due, subject to a 5-day cure period;

(b) failure to pay principal on the Principal Payment Default Date for the Series 2018-1 Senior Notes;

(c) breach of representation or warranty in the Series 2018-1 Senior Supplemental Indenture applicable to the Series 2018-1 Senior Notes, subject to materiality requirements and a 60-day cure period;

(d) breach of a covenant in the Series 2018-1 Senior Supplemental Indenture, subject to materiality requirements and a 60-day cure period; and

(e) an event occurs and as a result thereof, all or any portion of the principal amount of any other Senior Funding Obligation has been accelerated.

Acceleration upon a Series 2018-1 Event of Default:	Upon the occurrence of a Series 2018-1 Event of Default, the holders of Series 2018-1 Senior Notes may, by Ordinary Resolution, declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Senior Notes to be immediately due and payable, whether or not all Issuer Funding Obligations have been accelerated pursuant to the Master Trust Indenture. For a discussion of the consequences of such declaration, see the confidential shelf offering memorandum "*Capital Markets Platform – Acceleration and Remedies*" and "*Risk Factors – If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected*".
Rating Agency Condition:	"**Rating Agency Condition**" means with respect to any action in respect of the Series 2018-1 Senior Notes subject to such condition, the Issuer shall deliver written notice of the proposed action to such Rating Agency or Rating Agencies at least 10 business days prior to the effective date of such action (or if 10 business days prior notice is impractical, such advance notice as is practicable) and (i) the Rating Agencies shall not have informed the Issuer prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, DBRS shall have informed the Issuer in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action.
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	**[CIBC World Markets Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc. (as co-leads and co-bookrunners)]**, ●, ●, and ●.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a

lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017. ***[NTD: If there are subsequent draws on the warehouse before the launch of the Series 2018-1 Senior Notes Offering, this section to be updated.]***

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	$●
Debt		
Long-term debt, including current portion…….	Nil	$●
Short-term debt……...	$1,179,000,000.00[(2)]	$●
Bank indebtedness……..	Nil	$●
Total Debt……	$1,179,000,000.00[(2)]	$●
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	$1,179,010,000.01[(2)]	$●

(2) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short term debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes, Series 2017-1 held by OPG; and (iii) $117,900,000, or 10% of all short term debt, represented by Junior Subordinated Notes, Series 2017-1 held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On October 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, 2018, the Issuer had approximately $● outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' commission payable by the Issuer.

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January ●, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the ***"Capital Markets Platform" and*** *"Description of Notes"* ~~*section*~~***sections*** *of the confidential shelf offering memorandum which* ~~*contains*~~***contain*** *a more detailed description of certain terms of the Series 2018-1 Senior Notes and the* ~~*master*~~ *trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture* ***(the "Series 2018-1 Senior Supplemental Indenture")*** *pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.*

New Issue by Way of Private Placement *January ●, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ●, Series 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust ~~governed by~~**established under** the laws of the Province of Ontario.
Issue:	●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Expected Credit Ratings:	DBRS: ● (●) Moody's: ● (●)
Principal Amount:	$● **(1)**
Term:	● years[1]
Launch Date:	●, 2018
Pricing Date:	●, 2018

[1] ~~Please confirm if a single principal payment date is contemplated. Does this need to be reconciled with the "legal final maturity date" concept?~~

Settlement Date:	●, 2018 (T+3)
Interest Rate:	●% **per annum (the "Series 2018-1 Interest Rate")**
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● ~~+● bps (including a~~ ● bps curve adjustment~~)~~ **and +● bps curve delay adjustment, both** versus the CAN ●% due ● (priced at $● to yield ●%)

(1) The Issuer may offer and sell Series 2018-1 Senior Notes having a principal amount greater than the amount shown above. In that event, the Principal Accumulation Amounts, the principal amounts of the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes and the use of proceeds amount will be increased proportionately.

Issue Yield:	●%
Issue Price:	$● ~~for each~~**per** $1,000 principal amount of Series 2018-1 Senior Notes ~~sold~~.
Agents Commission:	$● **per $1,000 principal amount of Series 2018-1 Senior Notes sold (payable from existing cash resources of the Issuer)**
~~**Net Proceeds:**~~	~~$●~~
Interest Payment Dates:	~~Interest~~**The Interest Payment Dates** for the Series 2018-1 Senior Notes **are as follows: (i) prior to the occurrence of an Amortization Event, interest** on the Series 2018-1 Senior Notes shall be payable in equal (except the ~~initial~~**first** interest payment) semi-annual instalments in arrears on April 15 and October 15 of each year, commencing April 15, 2018 (short first coupon)**; and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Senior Notes on each Payment Date thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Interest Rate, multiplied by such outstanding principal amount and divided by two**. The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first ~~interest payment date for the Series 2018-1 Senior Notes.~~ ~~The~~**Interest Payment Date. Subject to the occurrence of an Acceleration Event, the** first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes. If an ~~interest payment date~~**Interest Payment Date** is not a business day in

Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis. **The record date for each Interest Payment Date is the last day of the calendar month preceding such Interest Payment Date.**

"Amortization Event" means either (i) an Acceleration Event has occurred with respect to the Series 2018-1 Senior Notes, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes has not been paid in full on the Expected Principal Payment Date (as defined below). An "Acceleration Event" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the Master Trust Indenture, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes and all interest thereon is declared due and payable in accordance with the Indenture as a result of the occurrence of a Series 2018-1 Event of Default (as defined below).

~~**Principal Accumulation Date(s) and Principal Accumulation Amount(s):**~~

~~Principal Accumulation Dates~~	~~Principal Accumulation Amounts~~
~~●, 20●~~	~~$●~~

Principal Payment ~~Date(s)~~Dates and Principal Payment Amount~~(s)~~:

~~Principal Payment Date~~	~~Principal Payment Amount~~
~~●, 20●~~	~~$●~~

Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on ● 15, 20● (such Payment Date, the "Expected Principal Payment Date"). Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date in respect of the Series 2018-1 Senior Notes and the then outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date.

Principal Payment Default Date: ●, 20●

Principal Accumulation Amounts: **Subject to the occurrence of an Amortization Event, the Series 2018-1 Senior Notes shall have the following Principal Accumulation Amounts on the Payment Dates set out below:**

Payment Date	Principal Accumulation Amounts
●, 20●	$●
●, 20●	$●
●, 20●	$●
●, 20●	$●

Following the occurrence of an Amortization Event, the Principal Accumulation Amount with respect to each Payment Date thereafter shall be an amount equal to the outstanding principal amount of the Series 2018-1 Senior Notes.

Subordination:	**Concurrent with the issuance of the Series 2018-1 Senior Notes, OPG will subscribe for (i) $● of ●% subordinated notes due ●, Series 2018-1 (the "Series 2018-1 Subordinated Notes"); and (ii) $● of ●% junior subordinated notes due ●, Series 2018-1 (the "Series 2018-1 Junior Subordinated Notes"). The Series 2018-1 Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations), and the Series 2018-1 Junior Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations) and the Series 2018-1 Subordinated Notes (and all other Subordinated Funding Obligations), in each case in the manner described in the confidential shelf offering memorandum under the heading "*Capital Markets Platform – Subordination Provisions*".**
Optional Redemption:	The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "**Par Call Date**" means ●, 20●. "**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third ~~Business Day~~**business day** preceding the date of redemption, plus ●% per annum. "**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to~~, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to,~~ **the remaining term to** the Par Call Date (calculated from the date of redemption), such yield being ~~expressed as a per annum rate equal to~~ the average of the ~~per annum~~ yields provided by two major Canadian investment dealers specified by the Issuer.
Limited Recourse:	The Series 2018-1 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-1 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-1 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to

	provide a limited guarantee in respect of the Series 2018-1 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under *"Change of Law Protection Agreement"*. The Series 2018-1 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.
Use of Proceeds:	The ~~net~~ proceeds from the Series 2018-1 Senior Notes Offering will be used ~~as follows: [(i)~~ to refinance $● of indebtedness of the Issuer ~~originally~~previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement~~ and (ii) to pay the Series 2018-1 Senior Notes Offering and related costs of the Issuer in an approximate amount of $●~~. See *"Consolidated Capitalization"*.~~]~~
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other ~~senior indebtedness~~Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Change of Law Protection Agreement:	The Series 2018-1 Senior Notes are Approved Obligations under the Change of Law Protection Agreement.
Series 2018-1 Events of Default:	In addition to the Events of Default contained in the Master Trust Indenture and described in the confidential shelf offering memorandum, each of the following events constitute a "Series 2018-1 Events of Default": (a) failure to pay interest on the Series 2018-1 Senior Notes when due, subject to a 5-day cure period; (b) failure to pay principal on the Principal Payment Default Date for the Series 2018-1 Senior Notes; (c) breach of representation or warranty in the Series 2018-1 Senior Supplemental Indenture applicable to the Series 2018-1 Senior Notes, subject to materiality requirements and a 60-day cure period; (d) breach of a covenant in the Series 2018-1 Senior Supplemental Indenture, subject to materiality requirements and a 60-day cure period; and (e) an event occurs and as a result thereof, all or any portion of the principal amount of any other Senior Funding Obligation has been accelerated.
Acceleration upon a Series 2018-1 Event of Default:	Upon the occurrence of a Series 2018-1 Event of Default, the holders of Series 2018-1 Senior Notes may, by Ordinary Resolution, declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Senior Notes to be immediately due and payable, whether or not all Issuer Funding Obligations have been accelerated pursuant to the Master

	Trust Indenture. For a discussion of the consequences of such declaration, see the confidential shelf offering memorandum "*Capital Markets Platform – Acceleration and Remedies*" and "*Risk Factors – If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected*".
Rating Agency Condition:	**"Rating Agency Condition" means with respect to any action in respect of the Series 2018-1 Senior Notes subject to such condition, the Issuer shall deliver written notice of the proposed action to such Rating Agency or Rating Agencies at least 10 business days prior to the effective date of such action (or if 10 business days prior notice is impractical, such advance notice as is practicable) and (i) the Rating Agencies shall not have informed the Issuer prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, DBRS shall have informed the Issuer in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action.**
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	**[CIBC World Markets Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc. (as co-leads and co-bookrunners)]**, ●, ●, and ●.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading

in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer"~~,~~ of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017. ***[NTD: If there are subsequent draws on the warehouse before the launch of the Series 2018-1 Senior Notes Offering, this section to be updated.]***

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for~~:(i) $● of ●% subordinated notes due ●~~, the Series 2018-1~~; and(ii) $● of ●% subordinated junior notes due ●~~, Subordinated Notes and the Series 2018-~~1.~~ 1 Junior Subordinated Notes.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	~~Nil~~$●
Debt		
Long-term debt, including current portion……	Nil	$●
Short-term debt……...	$~~[~~1,179,000,000.00~~]~~(~~1~~2)	$~~[1,179,000,000.00]~~●
Bank indebtedness……..	Nil	~~Nil~~$●
Total Debt……	$~~[~~1,179,000,000.00~~]~~(~~1~~2)	$●
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	$~~[~~1,179,010,000.01~~]~~(~~1~~2)	$●

(~~1~~2) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short~~-~~ term debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes,

Series 2017-1 held by OPG; and (iii) $~~117,900,000 of which,~~**117,900,000,** or 10% of all short term debt, represented by Junior Subordinated Notes**, Series 2017-1** held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On October 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer"~~,~~ of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, **2018,** the Issuer had approximately $● ~~billion~~ outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' ~~fee~~**commission** payable by the Issuer**.**

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

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Deletions	68
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Moved to	1
Style change	0
Format changed	0
Total changes	144

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement

January ■, 2018

FAIR HYDRO TRUST

Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (together with the regulations promulgated thereunder, the "**FHPA**"). Under the FHPA, OPG is appointed as financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this

confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended, supplemented, restated or otherwise modified from time to time.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the

investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. An index of defined terms used in this confidential shelf offering memorandum is provided starting on page [104] of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*, *"Subordinated Debt"* and *"Risk Factors"* of this confidential shelf offering memorandum and *"Fair Allocation Amount"*, *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"* and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval of all Series.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.
- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Power outages could impair payment of the Senior Notes.
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.
- If any Electricity Vendor or the IESO were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against such Electricity Vendor or the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS, AND THEIR RESPECTIVE REPRESENTATIVES, TO WHOM IT IS TRANSMITTED, SOLELY TO ENABLE SUCH PERSONS TO EVALUATE AN INVESTMENT IN THE NOTES DESCRIBED IN THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM. BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER.

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective

purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. An index of defined terms used in this summary is provided starting on page [104] of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See "*— Change of Law Protection Agreement*".
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "FHPA"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[1] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[2] for that period. Under the FHPA, OPG is appointed as Financial Services Manager and is given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Notes are Funding Obligations being offered for the purposes of the FHPA. See "*Ontario's Fair Hydro Plan — Background*".

[1] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[2] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of Series, in one or several Offerings. A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the Master Trust Indenture, as supplemented by a Supplemental Indenture authorizing that Series.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a not-for-profit corporation established under the *Electricity Act, 1998* (Ontario). As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy. The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market. Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from Specified Consumers before May 1, 2021. Pursuant to the Master Transfer and Servicing Agreement, the IESO may, on a monthly basis, offer to Transfer specified portions of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"The Transferor and Servicer"*.
Investment Interest:	Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.
Clean Energy Adjustment:	The FHPA imposes an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager and will be converted by the OEB into a cent per kWh rate and added to the electricity invoices sent to Specified Consumers. See *"— Statutory Duties of the OEB"* below. The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs, derivative payments, required deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the

	True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period. The "**True-up Amount**" is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period. Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. Based on the Fair Allocation Amount provided by the Province, from July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.
Non-bypassability:	The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.
Payment of Carrying Costs until July 31, 2021:	The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement, the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used to pay the Issuer's Carrying Costs. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest.

As security for the performance of its obligation under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount & Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See "— *Subordinated Debt*" below.

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g. OEB licensees) in Ontario's electricity market, including the activities

of transmitters and distributors as well as the IESO (all Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided by the IESO to the OEB. See *"— Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*The Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA requires Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of all Financing Entities, of which the Issuer is the first, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts and hold such amounts in trust for the benefit of the Financing Entities until remitted to the IESO for the benefit of the Financing Entities (initially, only the Issuer). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required is based on a formula as set out in the Master Transfer and Servicing Agreement and will be equal to: (a) (i) 50% of estimated Clean Energy Adjustment amounts that are to be collected over a twelve-month period by all such non-investment grade rated Electricity Vendors, (ii) multiplied by a fraction equal to 45/365 (representing the 45-day period during which funds are expected to be held by such non-investment grade rated Electricity Vendors prior to being remitted to the Issuer); or (b) such

other lesser amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. See *"The Electricity Industry in Ontario — Key Industry Participants — Ontario Power Generation Inc."* and *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of the Financing Entities (of which the Issuer is currently the only one), to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of the Financing Entities (of which the Issuer is currently the only one) and remit such amounts on a monthly basis, subject to daily remittance being required in certain limited circumstances. Pursuant to the Master Transfer and Servicing Agreement, monthly remittances of amounts received in respect of the Clean Energy Adjustment will occur on the 18th business day of each calendar month. In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing forecast information to the OEB and the Issuer, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts and fulfilling certain additional reporting requirements. Generally, all servicing duties provided by the IESO to the Issuer are provided at no

cost to the Issuer. However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which, provided that the Notes are Approved Obligations, includes payments of amounts that are due and payable in respect of Notes), although the amount of the Province of Ontario's payment obligations in a particular period may differ depending on whether an Acceleration has occurred. See *"Change of Law Protection Agreement"*. The Issuer and the Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*.

Generally, an "**Approved Obligation**" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or

commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including

Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture (in effect as of the date hereof).

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including all Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding

Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of Clean Energy Costs in proportion to the relative attribution of the value of Clean Energy Benefits among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount

	determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount. The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.
Subordinated Debt:	Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes. Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.
Use of Proceeds:	The proceeds from each Offering may be used to (i) acquire an Investment Interest pursuant to the FHPA and the Master Transfer and Servicing Agreement, (ii) refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) pay Offering and related costs of the Issuer and (iv) fund specific reserve accounts as required. The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.

Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount. In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering. See "*Capital Markets Platform — Security*".
Priority of Payments:	Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts

available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for Senior Funding Obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for Subordinated Funding Obligations;
- payments of or accumulations in respect of interest for Junior Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Warehouse Obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for Senior Funding Obligations (other than Warehouse Obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on Senior Funding Obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Junior Subordinated Funding Obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for Subordinated Funding Obligations or Junior Subordinated Funding Obligations);
- replenishment of Series Accounts established for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Junior Subordinated Funding Obligations;
- replenishment of Series Accounts established for Junior Subordinated Funding Obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on Senior Funding Obligations and payments under derivative agreements (other than termination payments), *pari passu*,

then Subordinated Funding Obligations (other than principal) and then Junior Subordinated Funding Obligations (other than principal);
- principal for Warehouse Obligations;
- *pari passu*, principal on Senior Funding Obligations (other than Warehouse Obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for Subordinated Funding Obligations and then Junior Subordinated Funding Obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 units of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103).

By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.

Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The following summary of the electricity industry in Ontario does not purport to be comprehensive or definitive. It is a general and high-level overview of the history and manner in which the industry operates, including how real-time energy supply needs are met.

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydropower, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from generating facilities to local areas and large directly connected consumers; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses using lower voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive wholesale electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of smaller scale wind and solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be scheduled and dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids by domestic loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Most generators in Ontario also have bilateral contracts with the IESO or receive regulated prices, or payment amounts, that provide for payments in addition to wholesale market settlements that are paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario). The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold the generation assets

of the former Ontario Hydro. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power facility. OPG's mandate is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for a significant portion of the total energy generated and injected into Ontario's electricity transmission system. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for managing the reliability of the provincial transmission system and operating the wholesale electricity markets in Ontario. The OPA was formed to plan the provincial power system and to procure electricity resources. The OPA entered into bilateral power purchase contracts with generators and other electricity resource providers. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors, which are also Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumers' economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

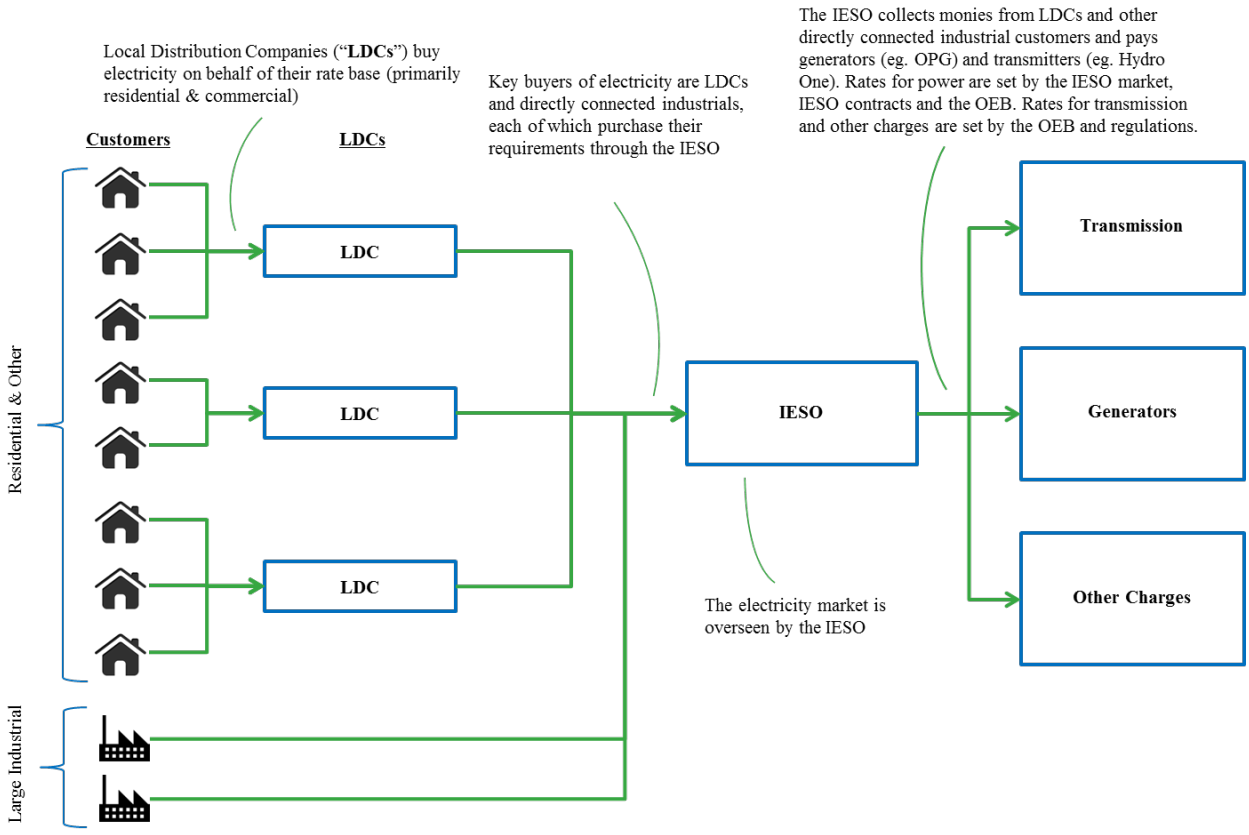
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or

reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures involving distributors, transmitters and other entities which it licenses. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB. The following diagram depicts the flow of funds between the key industry participants:



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are main components that make up the commodity cost of electricity in Ontario, the Hourly Ontario Energy Price ("**HOEP**") and the global adjustment charge.

- The HOEP is set by the IESO based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is established monthly by the IESO in accordance with regulations and is the amount necessary to pay certain other costs to generators and other suppliers that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to OPG pursuant to OEB-established payment amounts.

Prior to the FHPA being passed, the amount collected generally over an annual basis by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's current payables to generators and other electricity resource suppliers, subject to certain periodic true-ups, fees and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered prices primarily for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months by the OEB based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in previous periods. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from a licensed retailer pursuant to a retail contract that provides a rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the FHPA. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[3] less than the rate that would otherwise have been determined by the OEB for that period absent Ontario's Fair Hydro Plan (such adjustment, together with the further adjustments described below in this section, the "**Fair Adjustment**").

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

[3] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, the amounts charged to the IESO by the Issuer in respect of the Carrying Costs of the Issuer [and certain other amounts] ***[NTD: IESO to confirm what other amounts are included]*** in a variance account. The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from Specified Consumers before May 1, 2021. The IESO may, in accordance with the FHPA, Transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment and, as an owner of the Investment Interest, will be entitled to recover its Finance Amount (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest by accepting a Transfer of the corresponding specified portion of a Regulatory Asset, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the Transfer of a specified portion of the Regulatory Asset from the IESO, such Transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of Financing Entities that own an Investment Interest (among other things):

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest; and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers to cover the cost of financing the shortfall that results from the Fair Adjustment. The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer , or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that are payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a Funding Obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) amounts received during the period in respect of Carrying Costs;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

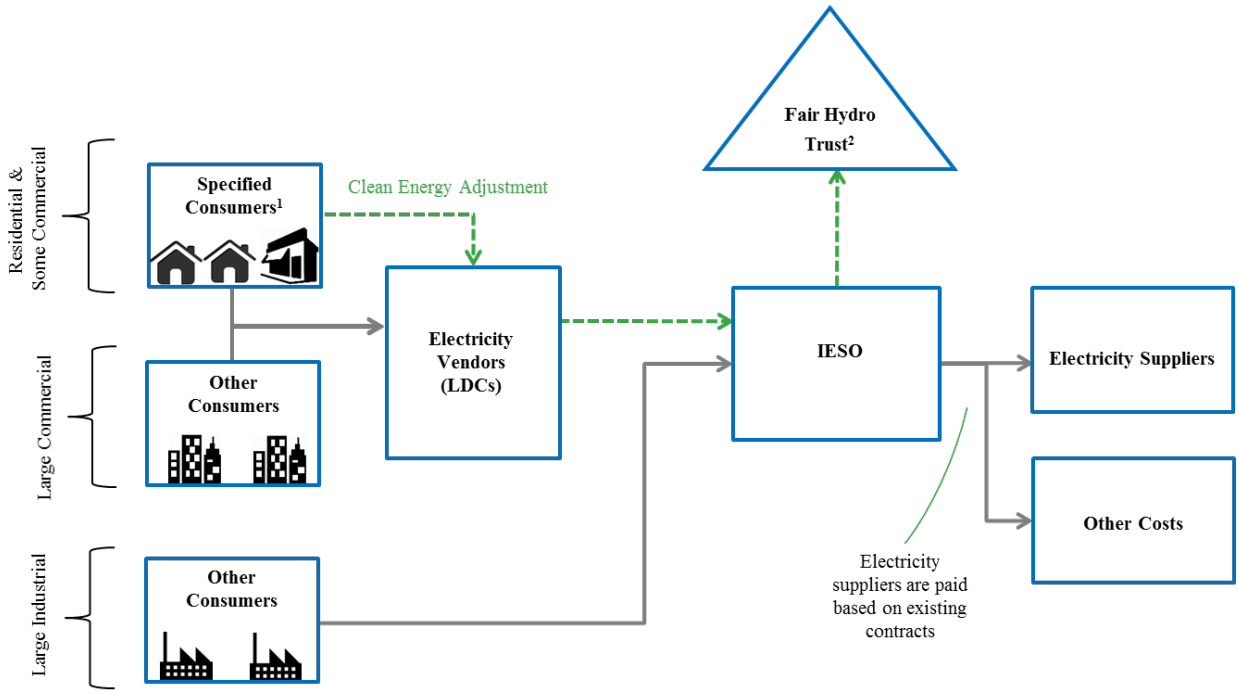
In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. The True-up Amount is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted

to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period of time by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period based on forecast information provided by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the Financing Entities (of which the Issuer is currently the only one), amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the Financing Entities (of which the Issuer is currently the only one) until remitted to the IESO for the benefit of the Financing Entities (of which the Issuer is currently the only one). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA. If there are any amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to the Issuer during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, directly to the IESO.

[2] Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer for a corresponding purchase price. Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset following payment by the Issuer of the corresponding purchase price, the Issuer will acquire an Investment Interest.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers. Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA, provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Payment of Carrying Costs until July 31, 2021

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes). The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest pursuant to the FHPA.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used to pay the Issuer's Carrying Costs. Furthermore, as security for the performance of its obligations under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account. The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period, divided by the number of months in such Reference Period.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Senior Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA or any portion thereof, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

in each case, that (X) adversely affects the ability of the Issuer to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable, in each case determined after taking

into account and having regard to (i) any funds available at such time to apply to such Approved Obligations, including in any finance reserve account, capital account or collateral posting account applicable under a derivative agreement, (ii) the availability of any credit enhancement agreement to which the Issuer is a party and (iii) any reasonably expected potential effect of a True-up Amount in the Reference Period immediately following the occurrence of an event described in any of clauses (i) to (v) above, or (Y) adversely affects the enforceability of, or adversely changes, the terms and conditions of the Change of Law Protection Agreement or of any of the agreements under which Approved Obligations arise; or

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued, provided that for purposes of determining voting rights with respect to Notes, Notes in which the Province of Ontario has an interest will be deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

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

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including the Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document to which the Limited Guarantee applies and which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment,

obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Issuer Trustee is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

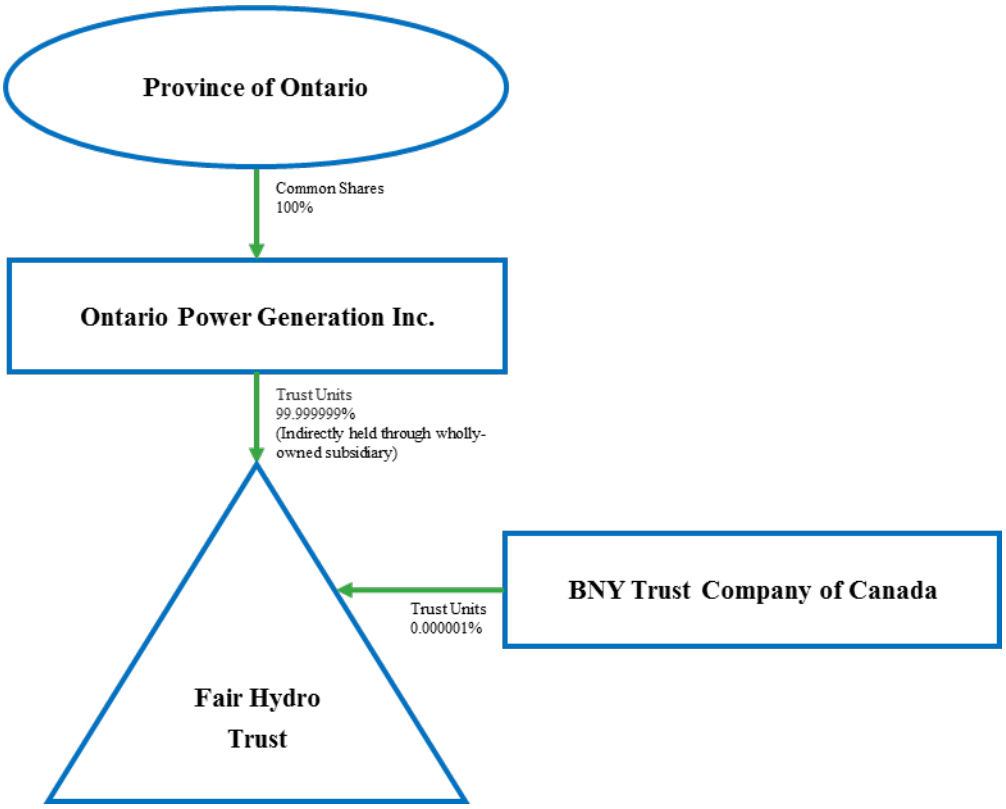
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, the Manager (on behalf of the Issuer) shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors – Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

SUBORDINATED DEBT

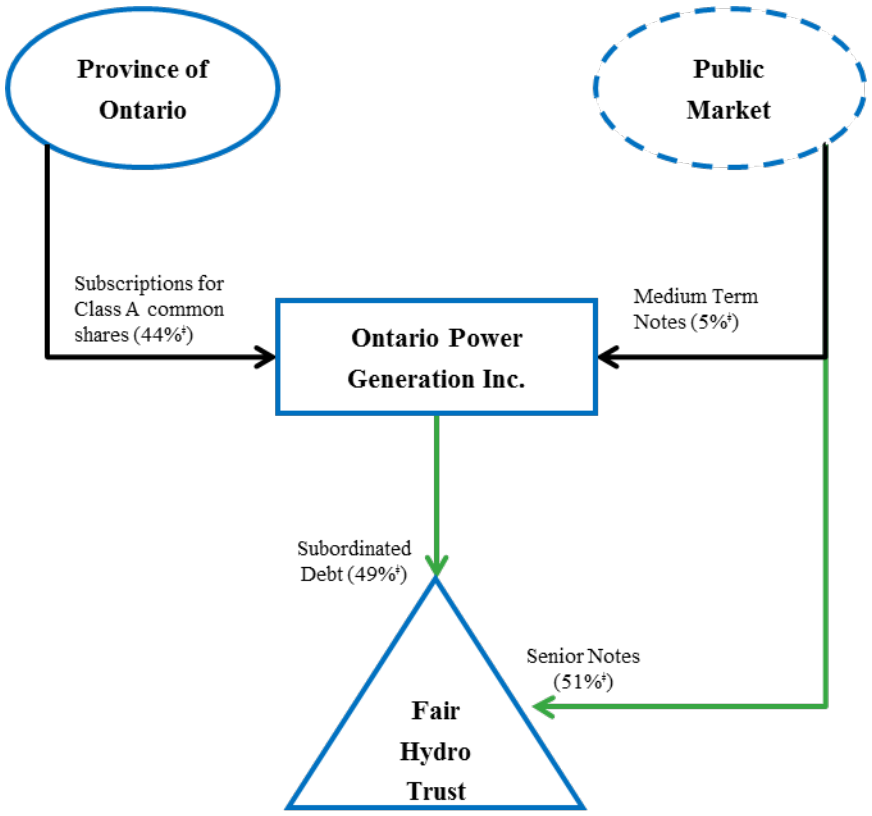
Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximate 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and

remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



ǂ OPG is expected to acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(a) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(b) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(c) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable

funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest on December 21, 2017.

THE TRANSFEROR AND SERVICER

Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to Transfer to the Issuer a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of receiving the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts received in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on the 18th business day of each month, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) providing forecast information to the OEB and the Issuer.

The IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions. The Master Transfer and Servicing Agreement provides for various limitations on the duties and responsibilities of the IESO including that: (i) the IESO provides no guarantee that collections of the Clean Energy Adjustment from

Electricity Vendors will equal amounts invoiced or that Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, (ii) the IESO is under no responsibility or obligation to the Issuer with respect to the nature or extent of the Investment Interest, the collectability of the Clean Energy Adjustment or that Clean Energy Adjustment amounts received will be sufficient to satisfy the Issuer's Funding Obligations, (iii) the IESO shall have no liability or responsibility to any person in respect of any forecasts or other information provided, provided only that such forecasts or other information has been prepared and provided in good faith and (iv) the IESO is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from Specified Consumers or not remitted by Electricity Vendors to the IESO.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA, including its obligation to pay the Issuer's Carrying Costs.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes. Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used to pay the Issuer's Carrying Costs.

As security for the performance of its obligation to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for Transfer to the Issuer in a subsequent period. Upon completion of such Transfer, the Issuer will acquire an Investment Interest pursuant to the FHPA.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors or such other number as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;

- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);

- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and

- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the Internal Revenue Code, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated

Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be

credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be

distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "*— Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount

(Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "— *Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series

Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "*— Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under “The Issuer”.

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may

only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel, each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;

- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;

- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;

- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;

- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;

- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;

- facilitate the issuance of foreign currency Issuer Funding Obligations;

- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;

- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or

- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture

Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of

any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on

Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"Capital Markets Platform"*.

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF SENIOR NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this *"Description of Senior Notes"* section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;
- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s), if any, and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;
- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;
- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;
- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;

- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and

- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Payment Dates on which such amount are to be accumulated for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than an expected Principal Payment Date if an optional redemption occurs and may receive principal payments later than an expected Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on an expected Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation

made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or

Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit were successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA should no longer be law in Ontario or that the FHPA should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See "*Change of Law Protection Agreement*". However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA referenced in the previous paragraph were amended or repealed through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the

Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Crown, nor may an order for execution or attachment be made against the Crown, although the remedy of damages is available. Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior Notes, and the Issuer must rely for payment of all of its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs. The amounts paid by the IESO cannot be applied on account of principal on the Senior Notes. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Issuer's Carrying Costs. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring September 30, 2022, which can be used to pay the Issuer's Carrying Costs. There can be no assurance that the IESO will continue to have sufficient funds available to pay the Issuer's Carrying Costs during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay the Issuer's Carrying Costs and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether

or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior Notes, and the Issuer must rely for payment of its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs. Amounts paid by the IESO are not available to pay principal on the Senior Notes. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt or general obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA, rights to enforcement of the FHPA and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the

collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform -- Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the

outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring Investment Interests. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the Transfer by the IESO of specified portions of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, the Investment Asset will be co-owned by all Financing Entities (including the Issuer) and consequently Clean Energy Adjustment amounts collected by or for the benefit of the Financing Entities will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA and the Master Transfer and Servicing Agreement impose new duties and obligations of the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Master Transfer and Servicing Agreement. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or providing forecast information, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.

The FHPA imposes new duties and obligations of OPG, as Financial Services Manager, and the Program Agreements impose new duties and obligations of OPG, as Manager. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA, including determining the Clean Energy Adjustment (inclusive of the True-up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated based upon a forecast of Specified Consumer usage to be newly developed based on forecast information provided by the IESO. Under the Regulations, the IESO is required to provide a forecast of electricity consumption of Specified Consumers. The amount of the Clean Energy Adjustment collected in any period will depend in part on actual electricity usage by Specified Consumers and the amount of collections and write-offs for Specified Consumers. If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or

unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. The FHPA does not require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in FHPA. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment. The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-up Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to provide indemnification, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°C. Winters include snow and icing conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were

to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.

Ordinarily, the interests of the Issuer as acquirer of an Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time the corresponding Regulatory Asset was Transferred to the Issuer. This could reduce the amounts that may be available to the Issuer in respect of the Investment Interest and, consequently, the holders of Senior Notes. Section 27(3) of the FHPA provides that at the time of the Transfer of the Regulatory Asset to a Financing Entity, such Transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the FHPA provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the Transfer and the property rights and interests acquired by the Transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the FHPA in such circumstances is untested. The Transfers of the Regulatory Asset to the Issuer will be made in accordance with section 26 of the FHPA. Section 27(1) of the FHPA provides that a Transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Transferee. Therefore, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Regulatory Asset. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO or such Electricity Vendor may be significantly impaired or delayed.

Under the Master Transfer and Servicing Agreement, collections received by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and

used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See "*Rating Agency Condition*".

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the

Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Capital Markets Platform — Covenants of the Issuer — Financial Statements; Statement as to Compliance"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These

remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in

contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

  (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

  (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "misrepresentation"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference therein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference therein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the Securities Act (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer. "Misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer will be liable if the person proves that

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

  (ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that;

(A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" means has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Change of Law Protection Agreement**" means the change of law protection agreement dated as of December 21, 2017 among the Province, the Issuer and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Ontario government related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c)

if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" means the declaration of trust made as of December 20, 2017 under which the Issuer was established, as amended, supplemented, restated or otherwise modified from time to time.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.

"**FHPA**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Entity**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligations**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on page (iii) of this confidential shelf offering memorandum.

"**Issuer**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" means the management agreement dated as of December 20, 2017 between the Manager and the Issuer, and acknowledged by the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Manitoba"*.

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**NI 31-103**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**NI 45-106**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**NL Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Newfoundland and Labrador"*.

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether

or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Offering Jurisdiction**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**OPA**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO*.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(i) every six-month period following the period mentioned in (a);

(ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Saskatchewan"*.

"**Section 130.1**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Ontario"*.

"**Section 150**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in New Brunswick"*.

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**Transfer**" has the meaning specified in the *Ontario Fair Hydro Plan Act, 2017*, and "**Transferred**" and "**Transferee**" shall have corresponding meanings.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" has the meaning set out under *"The Issuer"*.

"**U.S. Securities Act**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

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SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "****U.S. Securities Act****") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement

January ■, 2018

FAIR HYDRO TRUST
Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust ~~governed by~~**established under** the laws of the Province of Ontario~~, established~~ by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (**together with the regulations promulgated thereunder,** the "**FHPA**")~~, legislation [that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms).]~~[1]**.** Under the FHPA, OPG is appointed as~~ the initial~~ financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes ~~of~~**prescribed under** the FHPA.[2] The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be limited

[1] ~~**Note:** This narrative should be removed or, if necessary, it should track the purposes of the FHPA set out in Section 3 of the Act.~~
[2] ~~**Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.~~

recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended ~~or~~, supplemented ~~by supplemental indentures thereto~~**, restated or otherwise modified from time to time**.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale".*

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. **An index of defined terms used in this confidential shelf offering memorandum is provided starting on page [104] of this confidential shelf offering memorandum.** All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount ~~&~~**and** Financing Plan"*, *"Subordinated Debt"*~~, "■"[3]~~ and *"Risk Factors"* of this confidential shelf offering memorandum and ***"Fair Allocation Amount",*** *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"*~~, "■"[4]~~ and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA~~ or the Regulations~~ and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA~~, the Regulations~~, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. **Amounts paid by the IESO are not available to pay principal on the Senior Notes.**
- The Issuer's ability to enforce security granted by the IESO may be **significantly** impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval ~~by resolution of the holders~~ of all Series~~ of Senior Notes~~.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

~~[3] **Note:** Please complete.~~
~~[4] **Note:** Please complete.~~

- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager ~~of the Issuer~~.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- ~~Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.~~
- Power outages could impair payment of the Senior Notes.[5]
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO ~~or~~**were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.**
- **If** any Electricity Vendor **or the IESO** were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against **such Electricity Vendor or** the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

[5] ~~Is this relevant? Is the concern that the CEA would be spread across a relatively smaller base due to lower usage in a period?~~

- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

~~PRIOR TO RECEIVING~~ THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM~~, EACH PROSPECTIVE PURCHASER MUST HAVE ENTERED INTO A CONFIDENTIALITY UNDERTAKING WITH THE ISSUER (IN A FORM ACCEPTABLE TO THE ISSUER) WHICH PROVIDES THAT~~ **IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS, AND THEIR RESPECTIVE REPRESENTATIVES, TO WHOM IT IS TRANSMITTED, SOLELY TO ENABLE SUCH PERSONS TO EVALUATE AN INVESTMENT IN THE NOTES DESCRIBED IN THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM.** BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER.~~ ~~*[NTD: Logistics to be discussed between Dealers and OPG.]*~~

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

~~The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.~~

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not

misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at ~~https://www.ontario.ca/laws/statute/17o16.~~**www.ontario.ca/laws/statute/17o16.**

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. ***An index of defined terms used in this summary is provided starting on page [104] of this confidential shelf offering memorandum.***

Issuer:	Fair Hydro Trust, a special purpose trust ~~governed by~~**established under** the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"— Change of Law Protection Agreement"*.
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "FHPA"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[~~6~~**1**] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[~~7~~**2**] for that period. Under the FHPA, OPG is appointed as ~~the initial financial services manager (in such capacity, the "~~Financial Services Manager~~")~~ and is given the authority to, among other things, establish, or cause to be established, one or more ~~financing entities (each, a "~~Financing ~~**Entity**")~~**Entities** to incur ~~payment obligations (referred to as "~~Funding Obligations~~")~~ for the purposes ~~of~~**prescribed under** the

[~~6~~**1**] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[~~7~~**2**] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

FHPA ~~and the Regulations.~~[8] The Issuer is a Financing Entity[9] under the FHPA and the ~~Regulations and the~~ Notes are Funding Obligations being offered for the purposes of the FHPA ~~and the Regulations~~. See *"Ontario's Fair Hydro Plan — Background"*.

Summary of the Fair Hydro Financing Program:

The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of ~~series (each a "~~Series~~")~~, in one or several ~~offerings (each, an "**Offering**")~~**Offerings**. A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the ~~master trust indenture dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Trust Indenture**") between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**"), as supplemented by a supplemental indenture dated the date of the issuance of such Series between the Issuer and the Indenture Trustee (a "~~**Master Trust Indenture, as supplemented by a** Supplemental Indenture~~" and collectively with the Master Trust Indenture, the "**Indenture**")~~ authorizing that Series.

Transferor and Servicer:

The Independent Electricity System Operator (the "**IESO**") is a not-for-profit corporation established under the *Electricity Act, 1998* (Ontario). **As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy.** The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market.~~[10]~~

Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA ~~and the Regulations~~, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). ~~However, the FHPA provides that the IESO is not permitted to exercise such right before May 1, 2021 is limited under the FHPA. The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "~~**The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from Specified Consumers before May 1, 2021. Pursuant to the** Master Transfer and Servicing

~~[8] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.~~

~~[9] **Note**: Elsewhere, the disclosure refers only to the Issuer without adverting to the possibility of other future Financing Entities. To the extent that this simplification suggests in a particular context that other future Financing Entities would not be permitted or similarly treated, references to the Trust should be broadened to encompass the possibility of future Financing Entities.~~

~~[10] **Note:** Consider also referring to IESO's planning and procurement functions. They may be meaningful here to the extent they impact IESO objectives and governance generally.~~

Agreement~~") pursuant to which,~~ the IESO may, on a monthly basis, offer to ~~transfer a~~**Transfer** specified ~~portion~~**portions** of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"~~The~~ Transferor and Servicer"*.

Investment Interest:

Upon ~~acceptance~~**completion** of ~~the transfer~~**a Transfer** by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right ~~and interest~~ to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA ~~and the Regulations~~. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.

Clean Energy Adjustment:

The FHPA ~~and the Regulations impose~~**imposes** an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager ~~based on the calculations and parameters set out in the FHPA. The OEB is required to determine the rates at which Specified Consumers are to be invoiced in order to recover the Clean Energy Adjustment in respected of a specified Reference Period (which is generally a six month period, or a shorter period in certain circumstances). The rates are to be determined by reference to forecasted electricity consumption of Specified Consumers for a period and are expressed as a cent per KWh rate~~**and will be converted by the OEB into a cent per kWh rate and added to the electricity invoices sent to Specified Consumers**. See *"— Statutory Duties of the OEB"* below.

The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs, derivative payments, required deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is ~~required to be calculated by the Financial Services manager in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustment is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received~~**comprised of the cumulative Finance Amounts** in respect of ~~the~~**all preceding Reference Periods less the cumulative** Clean Energy Adjustment ~~during~~**amounts remitted to the Issuer in respect of all** preceding Reference Periods~~.~~

plus other anticipated shortfalls. The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and

variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA ~~and the Regulations~~. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

~~[~~Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. ~~From~~**Based on the Fair Allocation Amount provided by the Province, from** July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.~~]~~[11]

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs ~~during the Moratorium Period~~until July 31, 2021:

~~During the Moratorium Period and extending to July 31, 2021,~~[12] ~~the~~**The** IESO, which is rated A(high) by DBRS ~~Limited ("**DBRS**")~~ and Aa2 by Moody's ~~Investors Services, Inc. ("**Moody's**")~~, is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of ~~its~~ Carrying Costs~~.~~ **incurred in respect of the period from June 1, 2017 to July 31, 2021.** Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of

[11] ~~**Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) [*limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*]. In particular, the suggestion that CEAs cannot be collected in any circumstance during the Moratorium Period goes beyond 21(4) and presumes that there will be no Readjustment.~~

[12] ~~**Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending on July 31, 2021.~~

the Issuer (such as principal on the Senior Notes).[13]

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement,[14] the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, **September 30, 2022,** which is permitted to be used to pay the Issuer's Carrying Costs. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in a**the** variance account and form part of the Regulatory Asset that the IESO is expected to transfer**Transfer** to the Issuer in a subsequent period and, upon**. Upon** such transfer, will become part of**Transfer,** the Issuer's **will acquire a corresponding** Investment Interest pursuant to the Regulations.

As security for the performance of its obligation under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by **owing to** the IESO from Electricity Vendors**, including amounts owing** with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount and**&** Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would

[13] **Note:** Consider revising to conform with Section 9.3(3) of the General Regulation. This Section provides that "carrying costs" also include derivative payments, etc.

[14] **Note:** Not sure how this lines up with fee recovery.

otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.[15]

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g. OEB licensees) in Ontario's [electricity market][16], including the activities of transmitters and distributors as well as the IESO (all Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) the**a** forecast of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided to the OEB by the IESO **to the OEB**. See *"— Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "***The*** *Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA and the Regulations require**requires** Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of [**all Financing Entities, of which** the Issuer][17] **is the first**, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of [the Issuer][18]**Financing Entities** until remitted to the IESO for the benefit of [the owners of Investment Interests**the Financing Entities** (initially, only the Issuer)].[19] If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice **in the manner set out in the FHPA**.[20] It is a deemed condition of their distribution license issued by the OEB that

[15] **Note:** Add detailed descriptions to correspond to the limitation on cashflows during acceleration in the applicable detailed portions of the OM and specifically address in Risk Factors.
[16] **Note:** Technically, the IESO administers (supervises) the IESO-administered markets. There is no definition for "electricity market".
[17] **Note:** This and similar references to the Issuer should instead refer to Financing Entities (Investment Interest owners), of which the Trust is the first, and then cross-refer to the concept of co-ownership in order to facilitate additional financings in the future.
[18] **Note:** Please see note 17.
[19] **Note:** Please see note 17.
[20] **Note:** Please consider revising this to conform more closely to Section 17(4) of the FHPA.

Electricity Vendors comply with the FHPA.[21]

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required ~~from the IESO~~ is based on a formula as set out in the Master Transfer and Servicing Agreement and will **be** equal **to**: **(a)** (i) 50% of ~~forecasted~~**estimated** Clean Energy Adjustment amounts that are to be collected ~~by~~**over a twelve-month period by all** such non-investment grade rated Electricity Vendors ~~and held for 45 days prior to the funds~~**, (ii) multiplied by a fraction equal to 45/365 (representing the 45-day period during which funds are expected to be held by such non-investment grade rated Electricity Vendors prior to** being remitted to the Issuer**)**; or (~~ii~~**b**) such other **lesser** amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

~~OPG has entered into a management agreement (the "~~**Pursuant to the** Management Agreement~~") with the Issuer pursuant to which~~**,** the Issuer has delegated to OPG, as ~~manager (the "~~Manager~~")~~, all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer. ~~See *"The Manager".*~~

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA ~~and the Regulations~~, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA ~~and the Regulations~~, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and

[21] ~~**Note:** Please confirm.~~

administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. ~~See~~**The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. See *"The Electricity Industry in Ontario — Key Industry Participants — Ontario Power Generation Inc."* and** *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of ~~[~~**the Financing Entities (of which** the Issuer~~]~~[22] **is currently the only one)**, to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of ~~[~~**the Financing Entities (of which** the Issuer~~]~~ **is currently the only one)** and remit such amounts ~~to [the Issuer] [~~on a monthly basis, subject to daily remittance being required in certain limited circumstances.~~]~~[23] **Pursuant to the Master Transfer and Servicing Agreement, monthly remittances of amounts received in respect of the Clean Energy Adjustment will occur on the 18th business day of each calendar month.** In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing~~ forecast information regarding electricity consumption of Specified Consumers and providing such~~ forecast information to the OEB and the Issuer, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts ~~to [the Issuer]~~ and fulfilling certain additional reporting requirements. ~~[~~Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.~~]~~[24] However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement ~~in favour of the Indenture Trustee~~, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which, provided that the Notes are Approved Obligations, includes payments of amounts that are due and payable in respect of Notes), although the amount of **the** Province of Ontario's payment obligations in a particular period ~~will~~**may** differ depending on whether an Acceleration has occurred. See *"Change of Law Protection Agreement"*. The Issuer and **the** Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay ~~each~~ Specified ~~Creditor~~**Creditors** to whom ~~an amount is~~**amounts are** due and payable under an Approved Obligation **in accordance with the provisions of the Master Trust Indenture. See *"Capital***

[22] ~~**Note:** Please see note 17 regarding bracketed references to the "Issuer" in this paragraph..~~

[23] ~~**Note:** Please consider disclosing which IESO duties are statutory and which arise under the MTSA. For instance, in this sentence, these time requirements arise from the MTSA. Section 9(2) of the General Regulation requires that the IESO remit within a reasonable period of time.~~

[24] ~~**Note:** Please confirm.~~

Markets Platform".

Generally, an "**Approved Obligation**" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

(vi) in each case, that (X) adversely affects the ability of the Issuer to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable, in each case determined after taking into account and having regard to (i) any funds available at such time to apply to such Approved Obligations, including in any finance reserve account, capital account or collateral posting account applicable under a derivative agreement, (ii) the

availability of any credit enhancement agreement to which the Issuer is a party and (iii) any reasonably expected potential effect of a True-up Amount in the Reference Period immediately following the occurrence of an event described in any of clauses (i) to (v) above, or (Y) adversely affects the enforceability of, or adversely changes, the terms and conditions of the Change of Law Protection Agreement or of any of the agreements under which Approved Obligations arise; or

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

(c) **The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.**

(d) The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

(e) Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid~~. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations, such amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom~~.

(f) **Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any**

rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture (in effect as ~~at December 21, 2017.~~of the date hereof).

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations**, including all Senior Notes**.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material

respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA ~~and the Regulations~~ by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of ~~certain costs allocated to Specified Consumers in respect of the Ontario government's clean energy initiatives ("~~Clean Energy Costs~~")~~[25] in proportion to the relative attribution of the value of ~~benefits determined to be derived by or accruing to Specified Consumers as a result of such clean energy initiatives ("~~Clean Energy Benefits~~")~~ among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.[26]

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred~~, after~~

[25] ~~**Note:** Consider that "Clean Energy Costs" is more thoroughly defined in the Glossary. Through the OM, reconsider instances where there are two different definitions.~~

[26] ~~**Note:** The description of the fair allocation amount should more closely align to Section 20(1) of the FHPA.~~

~~reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period~~.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA.[27] Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

[28] ~~The Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the [ability to accelerate][29] their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount on subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.~~

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

Use of Proceeds:

The proceeds from each Offering may be used to (i) acquire an Investment Interest ~~from the IESO~~ pursuant to **the FHPA and** the

[27] ~~**Note:** We have omitted narrative regarding the purposes of the legislation that is not a strict recital of section 3 of the FHPA. The deleted language is not precise and draws a connection to clean energy benefits that is not in the FHPA nor entirely accurate.~~

[28] ~~**Note:** Fair allocation amount is a calculation amount. It is not based on an expectation – it is an absolute value at a point in time. We recommend deleting this language as it is inappropriate.~~

[29] ~~**Note:** CEAs will automatically step up at the original maturity date without the need to accelerate assuming a refinancing cannot be completed.~~

	Master Transfer and Servicing Agreement, (ii) refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) pay Offering and related costs of the Issuer and (iv) fund specific reserve accounts as required. The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
~~**Principal Accumulation Date(s) and**~~ **Principal Accumulation Amount(s):**	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", *"Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration"*.
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined

as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount.

In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for ~~senior obligations~~**Senior Funding Obligations**, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for ~~subordinated obligations~~**Subordinated Funding Obligations**;
- payments of or accumulations in respect of interest for ~~junior subordinated obligations~~**Junior Subordinated Funding Obligations**;
- payment of or accumulations in respect of principal for ~~warehouse obligations~~**Warehouse Obligations** (see *"Warehouse Facilities"*);
- accumulations in respect of principal for ~~senior obligations~~**Senior Funding Obligations** (other than ~~warehouse obligations~~**Warehouse Obligations**), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on ~~senior obligations~~**Senior Funding Obligations**;

- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for ~~subordinated obligations~~**Subordinated Funding Obligations**;
- fees and other amounts (other than principal and interest) on ~~subordinated obligations~~**Subordinated Funding Obligations**;
- payment of or accumulations in respect of principal for ~~junior subordinated obligations~~**Junior Subordinated Funding Obligations**;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for ~~subordinated obligations or junior subordinated obligations~~**Subordinated Funding Obligations or Junior Subordinated Funding Obligations**);
- replenishment of Series Accounts established for ~~subordinated obligations~~**Subordinated Funding Obligations**;
- fees and other amounts (other than principal and interest) on ~~junior subordinated obligations~~**Junior Subordinated Funding Obligations**;
- replenishment of Series Accounts established for ~~junior subordinated obligations~~**Junior Subordinated Funding Obligations**;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

- After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:
  - taxes;
  - trustee fees, expenses and reimbursement amounts;
  - interest, fees and other amounts (other than principal) on ~~senior obligations~~**Senior Funding Obligations** and payments under derivative agreements (other than

termination payments), *pari passu*, then ~~subordinated obligations~~**Subordinated Funding Obligations** (other than principal) and then ~~junior subordinated obligations~~**Junior Subordinated Funding Obligations** (other than principal);

- principal for ~~warehouse obligations~~**Warehouse Obligations**;
- *pari passu*, principal on ~~senior obligations~~**Senior Funding Obligations** (other than ~~warehouse obligations~~**Warehouse Obligations**) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for ~~subordinated obligations and then junior subordinated obligations~~**Subordinated Funding Obligations and then Junior Subordinated Funding Obligations**; and
- all other obligations not specifically dealt with above.

- Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.
- See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 **units** of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase

	the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103). By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.
Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The following summary of the electricity industry in Ontario does not purport to be comprehensive or definitive. It is a general and high-level overview of the history and manner in which the industry operates, including how real-time energy supply needs are met.

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydropower, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from generating facilities to local areas **and large directly connected consumers**; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses using lower voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive **wholesale** electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of ~~small~~**smaller** scale **wind and** solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be **scheduled and** dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids ~~to withdraw energy from a few flexible~~**by domestic** loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. ~~Virtually all~~**Most** generators in Ontario also have bilateral contracts with the IESO or receive regulated prices, or payment amounts, that provide for payments in addition to ~~the~~**wholesale** market ~~price of electricity~~**settlements** that ~~is~~**are** paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario)~~, whose sole shareholder is the~~**.** **The** Province of Ontario **is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors**. In 1999, when Ontario Hydro was split up in anticipation of

deregulation, OPG was formed to hold ~~all of~~ the generation assets **of the former Ontario Hydro**. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power ~~turbine~~**facility**. OPG's ~~mission~~**mandate** is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for ~~almost half~~**a significant portion** of the total energy generated and injected into Ontario's electricity transmission system~~, as reported by the IESO~~. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for **managing the reliability of the provincial transmission system and** operating the ~~real-time~~**wholesale** electricity markets in Ontario~~, as well as administering the market rules.~~ **.** The OPA was ~~the counterparty that~~**formed to plan the provincial power system and to procure electricity resources. The OPA** entered into bilateral power~~-or capacity~~ purchase contracts with generators **and other electricity resource providers**. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners~~, but it~~ **and** is governed by an independent ~~Board~~**board** of ~~Directors whose chair and~~ directors ~~are~~ appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors**,** which are also Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the ~~consumer~~**consumers**'~~s~~ economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

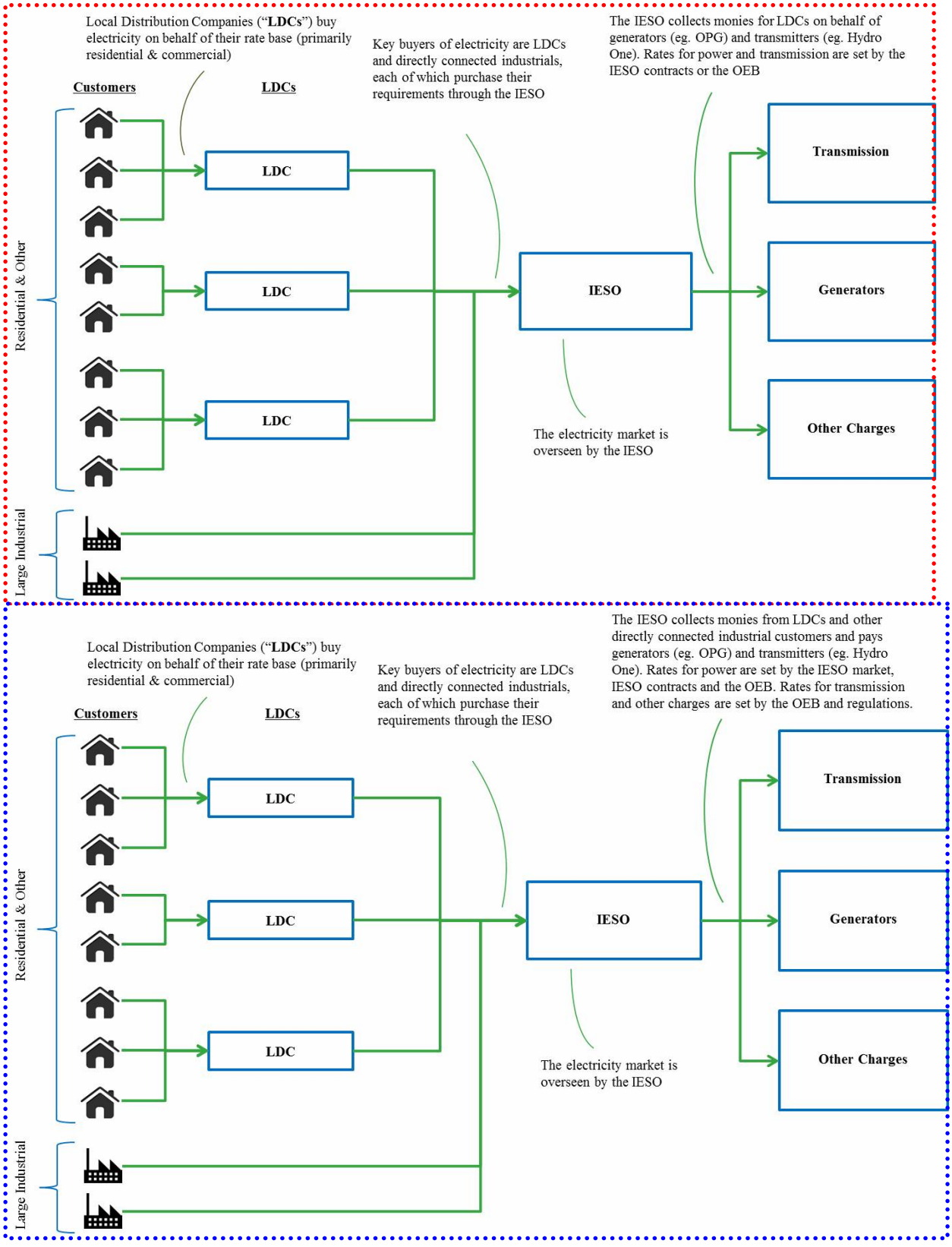
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures involving distributors, transmitters and other entities which it licenses. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB. The following diagram depicts ~~a simplified~~**the** flow of funds between the key industry participants:[30]

[30] ~~**Note:** Proposed revisions to the text in the chart: (i) "The electricity market is overseen administered by the IESO"; (ii) "Rates for power and transmission are set by the IESO contracts or the OEB Prices paid to generators are determined by IESO contracts or approved by the OEB. Transmission rates are approved by the OEB."~~



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are ~~two~~**main** components that make up the commodity cost of electricity in Ontario, the Hourly Ontario Energy Price ("**HOEP**") and the ~~Global Adjustment~~global adjustment charge.

- The HOEP is set by the IESO based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is ~~paid by all consumers. It is~~ established monthly by the IESO in accordance with regulations and is ~~used to collect funds used by the IESO~~**the amount necessary** to pay certain ~~"out of market"~~**other** costs **to generators and other suppliers** that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to ~~certain generators, including OPG, that are entitled to a regulated rate of return based on~~**OPG pursuant to** OEB-established payment amounts. ~~For all Specified Consumers[31] the global adjustment charge is based on electricity usage on a per unit basis.~~

Prior to the FHPA being passed, the amount collected **generally over an annual basis** by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's ~~liabilities in this regard~~**current payables to generators and other electricity resource suppliers**, subject to certain periodic true-ups**, fees** and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, ~~and in accordance with amendments to legislation,~~ the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered ~~commodity~~ prices **primarily** for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months **by the OEB** based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in previous periods. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from a licensed retailer pursuant to a retail contract that provides a ~~fixed~~ rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the ~~*Ontario Fair Hydro Plan Act, 2017*[32] (the "**FHPA**")[, legislation that reallocates certain electricity costs over time and provides immediate rate relief to consumers][33]~~ **FHPA**. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will **in effect** be the ~~rates~~**rate** that **would** result in a representative consumer being charged an invoice amount that is 25%~~[34]~~[3] less than the rate that would otherwise have been determined by the OEB for that period ~~(the "**Fair Adjustment**")~~ absent

~~[31] **Note:** Some consumers below 500 kw are not Specified Consumers.~~

~~[32] **Note:** The FHPA was Schedule 1 to omnibus legislation entitled the *Fair Hydro Act, 2017*. Further, already defined as the FHPA above.~~

~~[33] **Note:** This narrative should be removed, or if necessary, the description of the FHPA should track the purposes of the Act as set out in Section 3 to the Act.~~

[3] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government ~~and the shifting of certain support program costs from the rate base to the tax base~~.

Ontario's Fair Hydro Plan **(such adjustment, together with the further adjustments described below in this section, the "Fair Adjustment")**.

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated ~~its intention~~ that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as ~~the initial~~ Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more ~~financing entities (each, a "~~Financing ~~Entity")~~**Entities** to incur ~~payment obligations (such obligations, "~~Funding Obligations~~")~~ to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, **the amounts charged to the IESO by the Issuer in respect of the Carrying Costs of the Issuer [and certain other amounts]** ***[NTD: IESO to confirm what other***

amounts are included] in a variance account.[35] The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). ~~However, in accordance with the FHPA, the IESO is not~~**The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be** entitled to collect all or part of the balance recorded in the variance account ~~(which is the basis of the Regulatory Asset) from specified consumers~~**from Specified Consumers** before May 1, 2021. The IESO may, in accordance with the FHPA, ~~transfer~~**Transfer** a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment and, as an owner of the Investment Interest, will be entitled to recover its ~~"~~Finance Amount~~"~~ (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest ~~from the IESO~~**by accepting a Transfer of the corresponding specified portion of a Regulatory Asset**, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the ~~transfer~~**Transfer** of a specified portion of the Regulatory Asset from the IESO, such ~~transfer~~**Transfer** results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of **Financing Entities that own an** Investment Interest ~~owners~~ (among other things):[36]

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest~~, including any rights to receive a payment obligation incurred by the IESO as part of the transfer of the Regulatory Asset (such payment obligations incurred by the IESO being "**Funding Rebates**")~~; and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained

[35] ~~**Note:** Please consider disclosure of further details as to what is recorded in the variance account. For instance, paragraph 3 of Section 15 in the General Regulation states that amounts incurred by the IESO on or after May 1, 2017 but before the FHPA came into force may be recorded in the IESO deferral.~~

[36] ~~**Note:** Please consider disclosing in this section that the Investment Asset is a collective right of the Investment Interest owners. While this is explained in a risk factor ("The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities), additional explanation/ disclosure may be warranted here.~~

together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers ~~[~~to cover the cost of financing the shortfall that results from the Fair Adjustment~~]~~.[37] The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment~~,~~ redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer , or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that **are** payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a ~~funding obligation~~**Funding Obligation**, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

[37] ~~**Note:** Consider that the statutory definition of "Clean Energy Adjustment" states that it is "the amount determined under section 15 [of the FHPA] and payable by specified consumers". The FHPA does not expressly state the purpose of the Clean Energy Adjustment.~~

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) ~~for any period before May 1, 2021,~~ amounts received during the period in respect of Carrying Costs~~ and Funding Rebates and for any period on and after May 1, 2021, amounts received during the period in respect of Funding Rebates~~;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax ~~and to which the Issuer is entitled as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA~~ during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. ~~In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustments is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received~~**The True-up Amount is comprised of the cumulative Finance Amounts** in respect of ~~the~~**all preceding Reference Periods less the cumulative** Clean Energy Adjustment ~~during the~~**amounts remitted to the Issuer in respect of all** preceding Reference Periods **plus other anticipated shortfalls**. The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA~~ and the Regulations~~. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. **After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly.** The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period of time by (ii) ~~the~~**a** forecast of electricity consumption of Specified ~~Creditors~~**Consumers** in respect of such period~~,~~ based on forecast information provided ~~to the OEB~~ by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each

invoice. Electricity Vendors are required to collect, as agent of the ~~[Issuer],~~[38] **Financing Entities (of which the Issuer is currently the only one),** amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the ~~[Issuer]~~ **Financing Entities (of which the Issuer is currently the only one)** until remitted to the IESO for the benefit of the ~~[the owners of Investment Interests (initially, only~~**Financing Entities (of which** the Issuer **is currently the only one**)~~]~~. If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice **in the manner set out in the FHPA**.[39] It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.[40] If there are any amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to ~~[~~the Issuer~~]~~ during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. ~~[~~Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period.~~]~~[41] See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

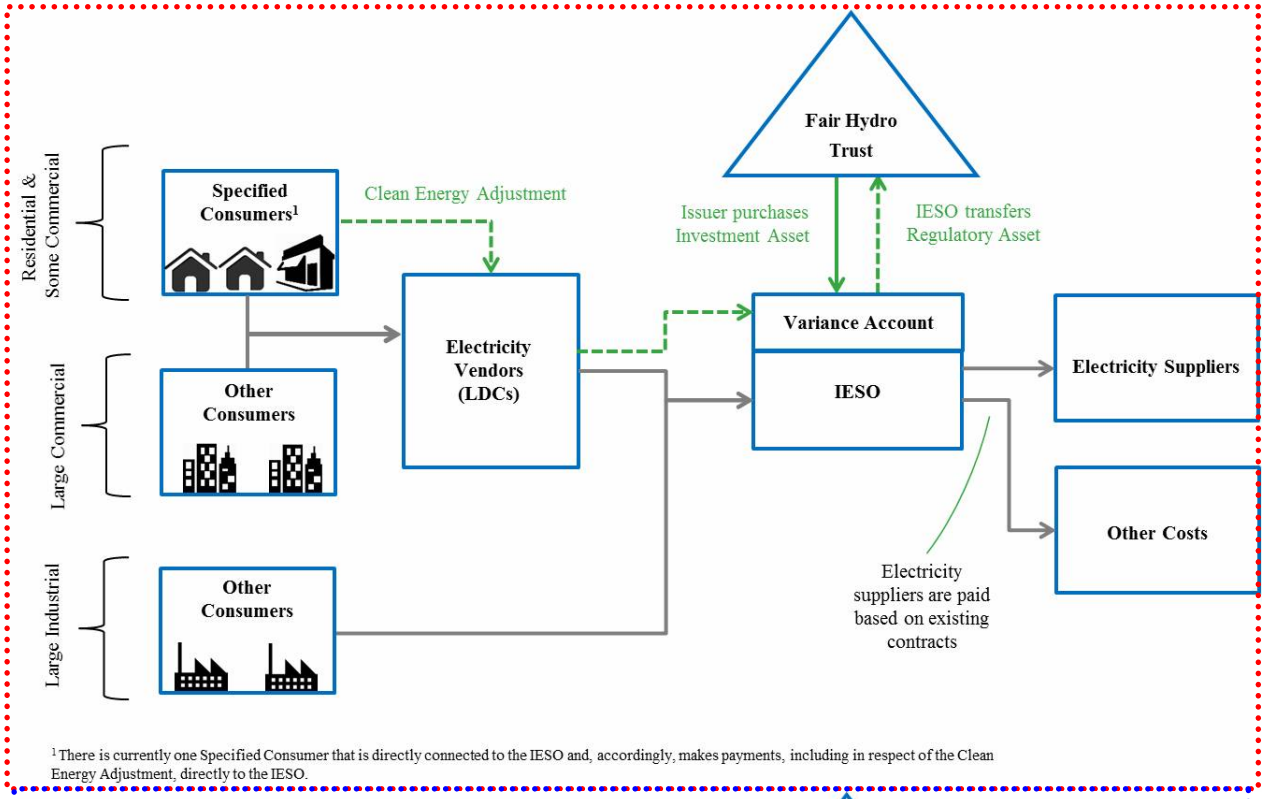
The following diagram illustrates the flow of funds under the Fair Hydro Plan.

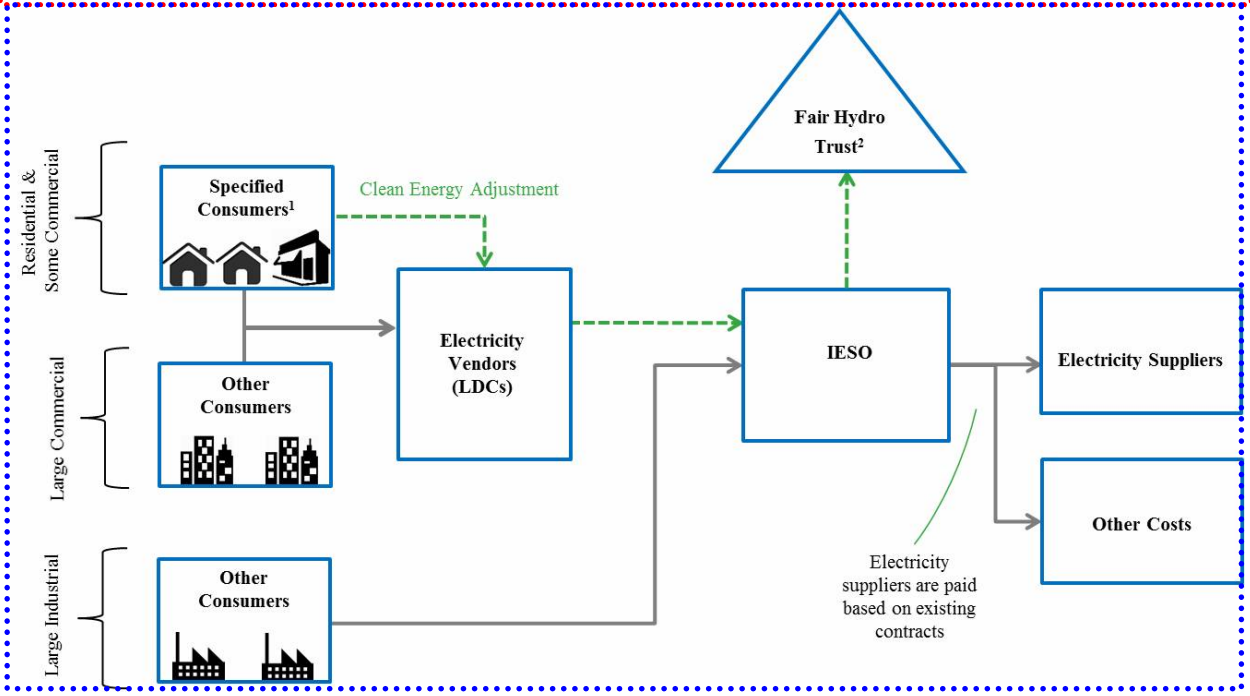
~~[38] **Note:** Please see note 17 regarding the placement of square brackets around "the Issuer" in this paragraph. The disclosure should indicate that amounts are collected for the Investment Interests owners (and that, as at the date of the OM, the Issuer is the only Investment Interest owner).~~

~~[39] **Note:** Please consider revising to conform more closely to Section 17(4) of the FHPA.~~

~~[40] **Note:** Please confirm.~~

~~[41] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) [*limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*].~~





[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, directly to the IESO.

[2] Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer for a corresponding purchase price. Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset following payment by the Issuer of the corresponding purchase price, the Issuer will acquire an Investment Interest.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers.[42] Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA , provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred~~, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period~~. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

~~The Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount of subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.~~

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

~~IESO~~ Payment of Carrying Costs ~~During the Moratorium Period~~until July 31, 2021

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. ~~During the Moratorium Period and extending to July 31, 2021,[43] the~~**The** IESO, which is rated A(high) by DBRS ~~Limited ("**DBRS**")~~ and Aa2 by Moody's ~~Investors Services, Inc. ("**Moody's**")~~, is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs~~.~~ **incurred in respect of the period from June 1, 2017 to July 31, 2021.** Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes).[44] The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in ~~a~~**the** variance account and form part of the Regulatory Asset that the IESO is expected to ~~transfer~~**Transfer** to the

[42] ~~**Note:** Please consider a description of the fair allocation amount that more closely aligns to Section 20(1) of the FHPA.~~

[43] ~~**Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending July 31, 2021.~~

[44] ~~**Note:** Consider revising to conform with the definition of "carrying costs" in Section 9.1(3) of the General Regulation.~~

Issuer in a subsequent period ~~and, upon~~**. Upon** such ~~transfer, will become part of~~**Transfer,** the Issuer~~'s~~ **will acquire a corresponding** Investment Interest pursuant to the ~~Regulations~~**FHPA**.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ~~■, 20■~~,**September 30, 2022,** which is permitted to be used to pay the Issuer's Carrying Costs. Furthermore, as security for the performance of its obligations under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all ~~of its~~ accounts receivable~~, which includes the amounts receivable by~~ **owing to** the IESO from Electricity Vendors**, including amounts owing** with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA ~~or the Regulations~~, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement ~~in favour of the Indenture Trustee~~, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account ~~(as hereinafter defined)~~. The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay ~~each~~ Specified ~~Creditor~~**Creditors** to whom ~~an amount is~~**amounts are** due and payable under an Approved Obligation **in accordance with the provisions of the Master Trust Indenture.** See *"Capital Markets Platform"*. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any ~~Obligation Secured~~**Senior Notes** on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any ~~Obligation Secured~~**Senior Notes** on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant

month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period ~~for purposes of [section 15(1) of the FHPA (in effect as at December 21, 2017), including section 6.1 of the General Regulation under the FHPA (in effect as at December 21, 2017)]~~[45], divided by the number of months in such Reference Period.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the **Senior** Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA~~, in whole~~ or ~~in part~~**any portion thereof**, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA **or any portion thereof**, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

in each case, that (X) adversely affects the ability of the Issuer to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable, in each case determined after taking into account and having regard to (i) any funds available at such time to apply to such Approved Obligations, including in any finance reserve account, capital account or collateral posting account applicable under a derivative agreement, (ii) the availability of any credit enhancement agreement to which the Issuer is a party and (iii) any reasonably expected potential effect of a True-up Amount in the Reference Period immediately following the occurrence of an event described in any of clauses (i) to (v)

[45] ~~Perhaps this should instead cross-reference a more detailed description and explanation of the "Acceleration" mechanics under 6.1 of the Regulation.~~

above, or (Y) adversely affects the enforceability of, or adversely changes, the terms and conditions of the Change of Law Protection Agreement or of any of the agreements under which Approved Obligations arise; or

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights ~~and interests~~ of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral ~~(as hereinafter defined)~~ and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture ~~and no person entitled under any Obligation Secured (including a Specified Creditor) that ranks equal with or subordinate to the Approved Obligation in respect of which the Province of Ontario is owed a Subrogation Amount will be entitled to make any claim or assert any right in or to the amounts paid or payable to the Province of Ontario, and no such person will have any right to the Collateral or any proceeds therefrom in respect of any Subrogation Amount~~. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued**, provided that for purposes of determining voting rights with respect to Notes, Notes in** which the Province of Ontario **has an interest will be deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes**.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

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

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations**, including the Senior Notes**.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document **to which the Limited Guarantee applies and** which was

previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA ~~or the Regulations~~; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were ~~Approved Obligations~~ issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust ~~governed by~~**established under** the laws of the Province of Ontario pursuant to ~~a declaration of trust made December 20, 2017 (the "~~**the** Declaration of Trust~~"). Computershare Trust Company of Canada (the "~~**. The** Issuer Trustee~~")~~ is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

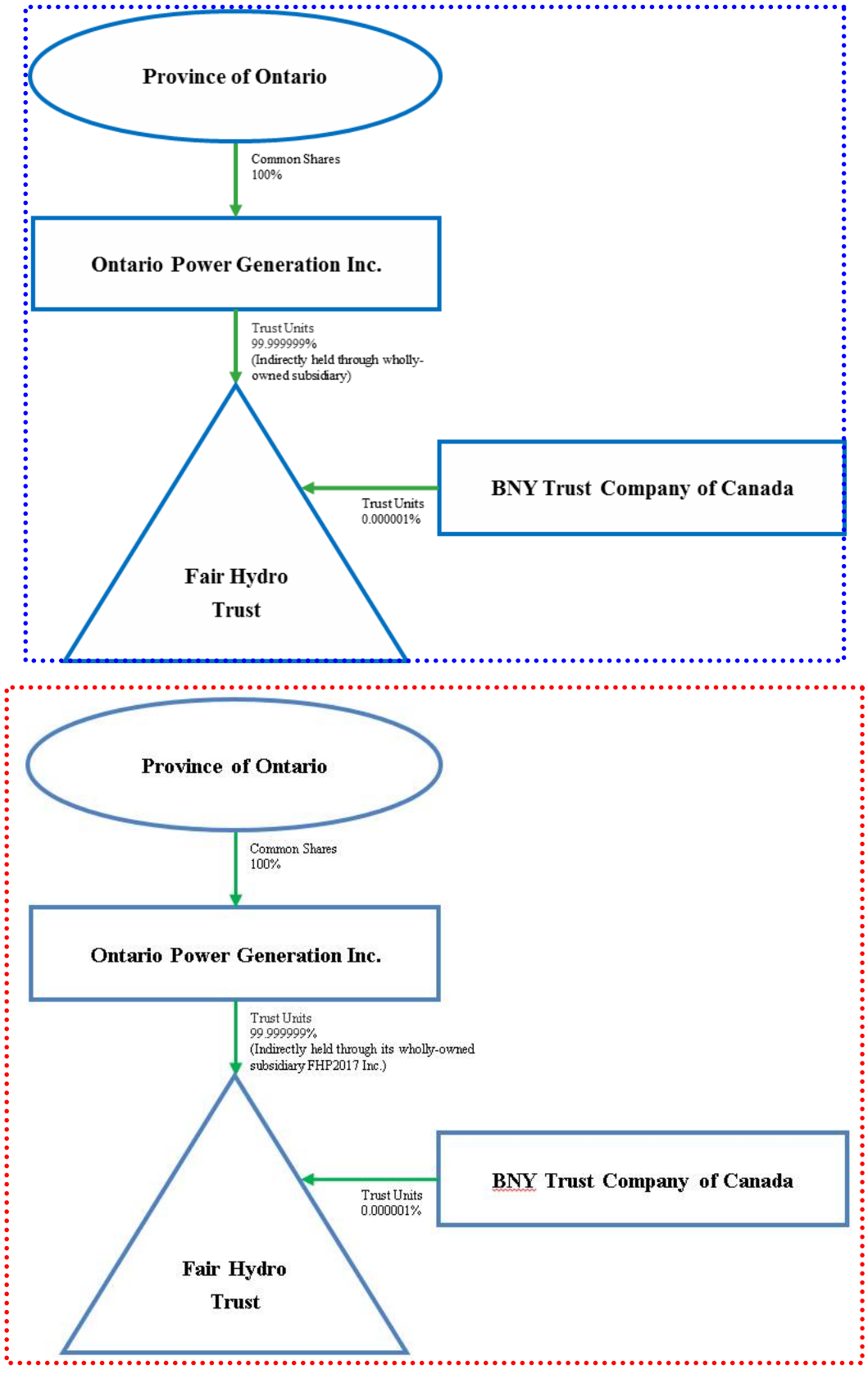
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

~~OPG has entered into a management agreement with the Issuer dated as of December 20, 2017 (the "~~**Pursuant to the** Management Agreement~~") pursuant to which~~**,** the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA ~~and the Regulations~~ when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA-

~~and the Regulations~~, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations,[46] the Manager **(on behalf of the Issuer)** shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA ~~and the Regulations~~, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests ~~in accordance with the FHPA or for the purposes of a Refinancing~~;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval ~~and the Regulations~~, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors – Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and* ***as*** *Manager* ~~*of the Issuer*~~*."*

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory

[46] ~~Please confirm the source of the right to review electricity vendor records under the Regulations. If this refers to Section 10(4) of the General Regulation, the right is that of the Issuer or the FSM.~~

authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA ~~or the Regulations~~ (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

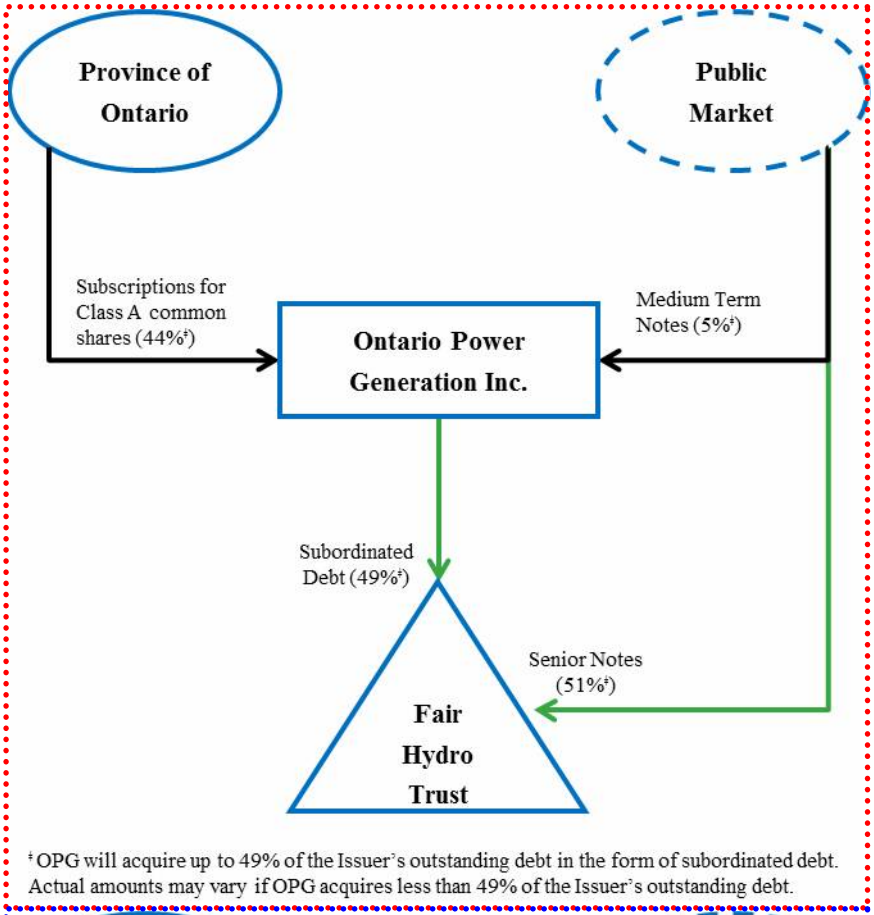
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximate 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes~~)~~.

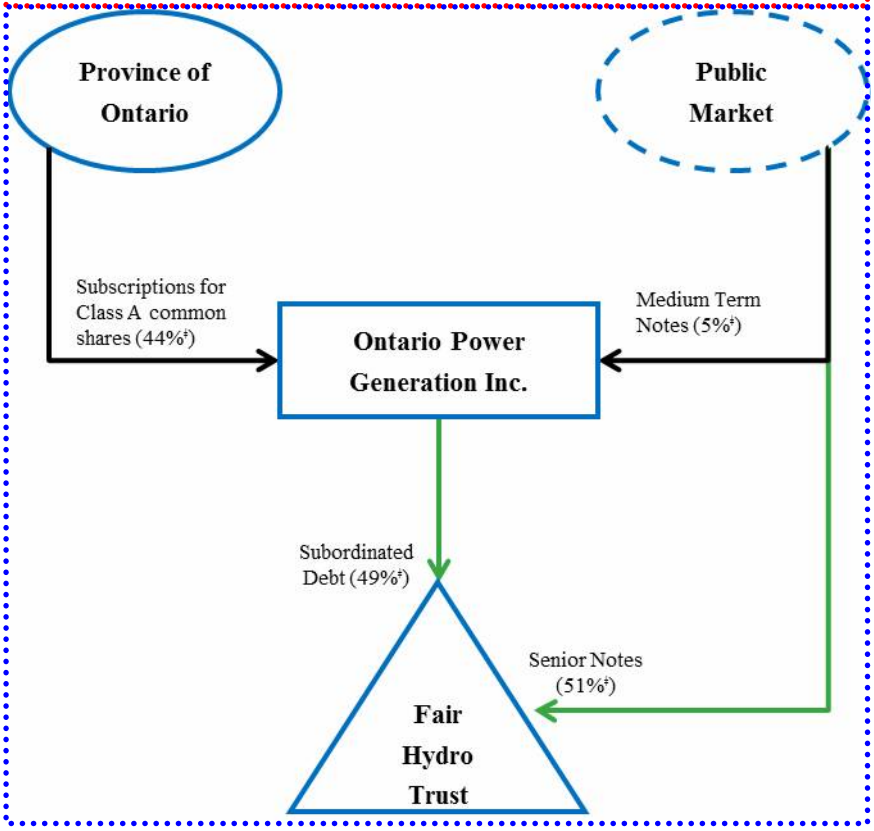
Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



‡ OPG will acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.



‡ OPG is expected to acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(~~i~~a) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(~~ii~~b) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(~~iii~~c) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest ~~from the IESO~~ on December 21, 2017.

THE TRANSFEROR AND SERVICER

~~The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (the "~~**Pursuant to the** Master Transfer and Servicing Agreement~~") pursuant to which~~**,** the IESO may periodically ~~transfer~~**Transfer** specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to ~~transfer~~**Transfer** to the Issuer ~~its right, title and interest in, to and under~~ a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of ~~collecting~~**receiving** the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts ~~collected~~**received** in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on ~~a monthly basis~~**the 18th business day of each month**, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) ~~forecasting the electricity consumption of Specified Consumers and~~ providing ~~such~~ forecast information to the OEB and the Issuer.

~~While the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that the Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, the IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions.~~**The** IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions. **The Master Transfer and Servicing Agreement provides for various limitations on the duties and responsibilities of the IESO including that: (i)** the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that **Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, (ii) the IESO is under no responsibility or obligation to the Issuer with respect to the nature or extent of the Investment Interest, the collectability of the Clean Energy Adjustment or that Clean Energy Adjustment amounts received will be sufficient to satisfy the Issuer's Funding Obligations, (iii) the IESO shall have no liability or responsibility to any person in respect of any forecasts or other information provided, provided only that such forecasts or other information has been prepared and provided in good faith and (iv) the IESO is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from Specified Consumers or not remitted by Electricity Vendors to the IESO.**

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA ~~and the Regulations~~ when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.[47] However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO

[47] ~~**Note:** Please confirm.~~

under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA ~~or the Regulations~~, including its obligation to pay the Issuer's Carrying Costs.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes.[48] Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ~~■, 20■,~~ **September 30, 2022,** which is permitted to be used to pay the Issuer's Carrying Costs.

As security for the performance of its obligation to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all ~~of its~~ accounts receivable~~, which includes the amounts receivable by the IESO~~ **owing to the IESO from Electricity Vendors, including amounts owing** with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in ~~a~~**the** variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for ~~transfer~~**Transfer** to the Issuer in a subsequent period~~, and, upon~~**. Upon** completion of such ~~transfer, shall become part of~~**Transfer,** the Issuer~~'s~~ **will acquire an** Investment Interest pursuant to the ~~Regulations~~**FHPA**.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors **or such other number as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition**.

[48] ~~**Note:** Consider a description of "carrying costs" that conforms to the definition set out in Section 9.1(3) of the General Regulation. Also note that the Glossary defines "Carrying Costs" as having the meaning ascribed to the term in the Regulations.~~

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA ~~or the Regulations~~ (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions",* "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);
- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and
- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise

of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior

Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the ~~United States~~ Internal Revenue Code ~~of 1986,~~, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without

preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").[49]

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

[49] ~~**Note:** Consider also including the floating charge in all of the property, assets and undertaking now owned or hereafter acquired by the Issuer in the definition of Collateral. (s. 2.01(b) of the Master Trust Indenture).~~

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO. **Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes.**

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the

applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "— *Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "— *IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "—*Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. **Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes.** Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual

Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "— *Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral~~,~~ and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "— *Conditions Precedent to Incurrence of Obligations Secured* —

Issuer Funding Obligations". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel,[50] each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

[50] ~~**Note:** Please confirm deletion of "external counsel". Please see definition of "Opinion of Counsel" and s. 13.19(c) in Master Trust Indenture.~~

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;
- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;
- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;
- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;
- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;
- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;
- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;
- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;
- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;
- facilitate the issuance of foreign currency Issuer Funding Obligations;
- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;
- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or
- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not

reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"Capital Markets Platform"*.[51]

[51] ~~**Note:** Please consider tracking the specific terms of section 6.1 of the General Regulation, and add detailed descriptions to correspond to the limitation on cashflows during acceleration in the applicable detailed portions of the OM and Risk Factors.~~

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF SENIOR NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this *"Description of ~~the~~ Senior Notes"* section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;

- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;

- the price at which such Series or Tranche of Senior Notes will be issued;

- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;

- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;

- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;

- the Principal Accumulation Date(s)**, if any,** and Principal Accumulation Amount(s) for such Series of Senior Notes;

- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;

- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;

- any events of default with respect to such Series or Tranche of Senior Notes;

- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;

- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;

- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;

- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and

- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not ~~be~~ insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term

Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the ~~Principal Accumulation Date(s)~~**Payment Dates on which such amount are to be accumulated** for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than ~~a~~**an expected** Principal Payment Date if an optional redemption occurs and may receive principal payments later than ~~a~~**an expected** Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on ~~a~~**an expected** Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions

of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "~~Depository~~**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the ~~Depository~~**depository** or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the ~~Depository~~**depository** evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the ~~Depository~~**depository** except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The ~~Depository~~**depository** will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the ~~Depository~~**depository** or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the ~~Depository~~**depository** or those contained in this confidential shelf offering memorandum and relating to the rules governing the ~~Depository~~**depository** or any action to be taken by the ~~Depository~~**depository** or at the direction of its Participants. The rules governing the ~~Depository~~**depository** provide that it acts as the agent and ~~Depository~~**depository** for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the ~~Depository~~**depository** in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the ~~Depository~~**depository** notifies the Issuer in writing that the ~~Depository~~**depository** is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the ~~Depository~~**depository** or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the

Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA ~~or the Regulations~~ and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA~~, the Regulations~~ or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA ~~or the Regulations~~.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA ~~or the Regulations~~ will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit ~~was~~**were** successful, and an

invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA~~, the Regulations~~, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA ~~or the Regulations~~ should no longer be law in Ontario or that the FHPA ~~or Regulations~~ should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See *"Change of Law Protection Agreement"*. However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA ~~or the Regulations~~ referenced in the previous paragraph were amended or ~~revoked~~**repealed** through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the ~~Province of Ontario~~**Crown, nor may an order for execution or attachment be made against the Crown**, although the remedy of damages is available.[~~52~~] Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against*

[~~52~~] ~~**Note:** Consider mentioning that section 21 of the *Proceedings Against the Crown Act* (Ontario) prohibits execution, attachment and process against the Province.~~

the Crown Act (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.[53]

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. ***Amounts paid by the IESO are not available to pay principal on the Senior Notes.***

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment **by the Issuer** of interest on the Senior Notes, and the Issuer must rely for payment of all of its ~~other~~ Carrying Costs, ~~solely~~ upon the IESO who is obligated under the Regulations to pay these Carrying Costs. **The amounts paid by the IESO cannot be applied on account of principal on the Senior Notes.** The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Issuer's Carrying Costs. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring ~~■, 20■~~ **September 30, 2022,** which ~~is permitted to~~**can** be used to pay the Issuer's Carrying Costs. ~~*[NTD: IESO credit facility description to be confirmed.]*~~[54] There can be no assurance that the IESO will continue to have sufficient funds available to pay ~~interest on the Senior Notes or to pay~~ the Issuer's ~~other~~ Carrying Costs during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay ~~interest on the Senior Notes or~~ the Issuer's ~~other~~ Carrying Costs and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising

~~[53] **Note:** Consider mentioning, as a mitigant, that section 22 of the *Proceedings Against the Crown Act* (Ontario), which states that "the Minister of Finance shall pay out of the Consolidated Revenue Fund the amount payable by the Crown, (a) under an order of a court that is final and not subject to appeal; (b) under a settlement of a proceeding in a court…".~~

~~[54] **Note:** Is there any other information to be added apart from the expiry date?~~

certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO ~~under the Master Transfer and Servicing Agreement~~.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment **by the Issuer** of interest on the Senior Notes, and the Issuer must rely for payment ~~of all~~ of its ~~other~~ Carrying Costs, ~~solely~~ upon the IESO who is obligated under the Regulations to pay these Carrying Costs. **Amounts paid by the IESO are not available to pay principal on the Senior Notes.** After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA ~~and the Regulations~~.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event ~~and delivery by the Indenture Trustee to the Province of Ontario of a written payment demand~~. See *"Change of Law Protection Agreement"*. The Senior Notes will be ~~limited recourse~~**nonrecourse** obligations, secured only by the collateral. ~~See "*Capital Markets Platform — Acceleration and Remedies — Limited Recourse*".~~ Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt~~, liability~~ or ~~other~~**general** obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. **However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.**

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA ~~and the Regulations~~, rights to enforcement of the FHPA~~, the Regulations~~ and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. ~~In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.~~

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See

"Capital Markets Platform – Acceleration and Remedies". The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform ~~--~~ Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse ~~Funding~~ Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring ~~an~~ Investment ~~Interest~~**Interests**. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the ~~transfer~~**Transfer** by the IESO of ~~a~~ specified ~~portion~~**portions** of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, **the Investment Asset will be co-owned by all Financing Entities (including the Issuer) and consequently** Clean Energy Adjustment amounts collected by or for the benefit of the ~~Issuer~~**Financing Entities** will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.[55]

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are

[55] ~~**Note:** Consider explaining under this risk factor that the Investment Asset is a bundle of rights and interests held collectively by all investment interest owners.~~

experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA~~, the Regulations~~ and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA~~, the Regulations~~ and the ~~Program Agreements~~**Master Transfer and Servicing Agreement** impose new duties and obligations of the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA~~, the Regulations~~ and the ~~Program Agreements~~**Master Transfer and Servicing Agreement**. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA~~, the Regulations~~ and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or ~~forecasting consumption~~**providing forecast information**, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor~~ or the IESO~~ fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager~~ of the Issuer~~.

The FHPA~~, the Regulations~~ **imposes new duties and obligations of OPG, as Financial Services Manager,** and the Program Agreements impose new duties and obligations of OPG, as ~~Financial Services~~ Manager~~ and as Manager of the Issuer~~. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA~~, the Regulations~~ and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA~~ and the Regulations~~, including determining the Clean Energy Adjustment (inclusive of the True-~~Up~~**up** Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated ~~in part~~ based upon a forecast of Specified Consumer usage to be newly developed **based on forecast information provided** by the IESO~~[, adjusted for expected billing lags and charge-offs] [including the effect of delinquencies and write-offs] *[Confirm whether the IESO forecast takes into account items noted in square brackets.]*~~. Under the Regulations, the IESO is required to provide ~~to the OEB~~**a** forecast ~~information regarding~~**of** electricity consumption of Specified Consumers. The amount ~~and the rate~~ of the Clean Energy Adjustment **collected in any period** will depend in part on actual electricity usage **by Specified Consumers** and the amount of collections and write-offs for Specified Consumers.[56] If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. ~~Neither the~~**The** FHPA ~~nor the Regulations~~**does not** require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information ~~to the IESO~~ regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in ~~the~~ FHPA ~~and the Regulations~~. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment. ~~For example, an Electricity Vendor's conditions of service may permit it to offer equal monthly billing plans to its consumers thereby delaying payments from one month to the next during the year or to enter into arrangements for the payment of arrears. In that event, collection of the Clean Energy Adjustment may be delayed or reduced until an adjustment is made.~~

~~[56] **Note:** Please confirm.~~

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment.[57] The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-**up** Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes**.**

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee~~, for itself and on behalf of the holders of Senior Notes and other creditors,~~ only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee~~, for itself and on behalf of the holders of Senior Notes and other creditors,~~ only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to ~~indemnify holders of Senior Notes~~**provide indemnification**, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach~~ and the fact that holders of Senior Notes will be unsecured creditors of OPG or the IESO, as applicable, with respect to any of these indemnification amounts. Neither OPG nor the IESO will indemnify any person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Senior Notes, or for any consequential damages, including any loss of market value of the Senior Notes resulting from a default or a downgrade of the ratings of the Senior Notes.~~

~~[57] **Note:** Please confirm source/ conform to wording in FHPA.~~

~~*Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.*~~~~The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True Up Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes~~.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°C. Winters include snow and icing conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be

borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

*If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the ~~transfers between~~**Transfers of specified portions of the Regulatory Asset by** the IESO~~ and the Issuer pursuant to the Master Transfer and Servicing Agreement~~ may not be respected as true sales of the ~~Investment Interest~~**Regulatory Asset**.*

Ordinarily, the interests of the Issuer as ~~transferee~~**acquirer** of ~~the~~**an** Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time ~~an Investment Interest is transferred~~**the corresponding Regulatory Asset was Transferred** to the Issuer~~, which~~**. This** could reduce the amounts that may be available to the Issuer **in respect of the Investment Interest** and, consequently, the holders of Senior Notes. Section 27(3) of the FHPA provides that at the time of the ~~transfer~~**Transfer of the Regulatory Asset** to a Financing Entity ~~under the FHPA~~, such ~~transfer~~**Transfer** shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the FHPA provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the ~~transfer~~**Transfer** and the property rights and interests acquired by the ~~transferee~~**Transferee** shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the FHPA in such circumstances is untested. The ~~IESO will treat the transactions described herein as a transfer~~**Transfers** of the Regulatory Asset to the Issuer~~. Such transfers~~ will be made in accordance with ~~Section~~**section** 26 of the FHPA. Section 27(1) of the FHPA provides that a ~~transfer~~**Transfer** of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the ~~transferee. As a transfer~~**Transferee. Therefore**, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the ~~Investment Interest~~**Regulatory Asset**. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

*If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO **or such Electricity Vendor** may be significantly impaired or delayed.*

~~While the IESO is the servicer under~~**Under** the Master Transfer and Servicing Agreement, collections ~~held~~**received** by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding

under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the ~~FHPA~~***Fair Hydro Act, 2017* (Ontario)**, provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, ~~2017,~~[58]**2017* (Ontario),** in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws ~~would~~ generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

~~[58] The *Fair Hydro Act, 2017* (Ontario), which provided in Schedule 1 the *Ontario Fair Hydro Plan Act, 2017*, amends two other statutes: the *Electricity Act, 1998* (see section 43) and the *Ontario Energy Board Act, 1998* (see section 44).~~

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior

Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a

foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority

to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents

to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"~~Description of Senior Notes — Reporting Requirements of Senior Notes~~**Capital Markets Platform — Covenants of the Issuer — Financial Statements; Statement as to Compliance**"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

  (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

  (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "misrepresentation"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which

case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference therein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference therein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the Securities Act (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed

to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer. "Misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer will be liable if the person proves that

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person

had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

(ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that;

(A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent

to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

~~*[NTD: Glossary in progress. For ease of reference, Torys is considering adding an index or replacing glossary with an index for terms that are defined in the body.]*~~

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" ~~means the agents designated by the Issuer from time to time and identified in the Term Sheet applicable to such Offering to sell the Senior Notes as described under *"Plan of Distribution"*~~**has the meaning set out on page (ii) of this confidential shelf offering memorandum**.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" means ~~CDS Clearing and Depository Services Inc~~**has the meaning set out on page (ii) of this confidential shelf offering memorandum**.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"Change of Law Protection Agreement" means the change of law protection agreement dated as of December 21, 2017 among the Province, the Issuer and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(b)

(i) renewable energy generation or capacity;

(ii)

(iii) conservation and demand management;

(iv)

(v) energy storage;

(vi)

(vii) energy efficiency; and

(viii)

(ix) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(x)

(c) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(d)

(e) such other costs or estimated costs as may be prescribed by the Regulations.

(f)

"**Clean Energy Initiative**" means the policies of the ~~Government of~~ Ontario **government** related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b)

(c) removing barriers to and promoting opportunities for clean and renewable energy sources and

technologies;

(d)

(e) promoting conservation, demand management and energy efficiency; and

(f)

(g) investing in energy infrastructure to ensure a clean, modern and reliable system.

(h)

"**Clearstream, Luxembourg**" ~~means~~**has the meaning set out under *"Depository Services . — DTC, Euroclear and* Clearstream ~~Banking, société anonyme~~*, Luxembourg"**.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" ~~has the meaning set out under *"The Issuer"*~~**means the declaration of trust made as of December 20, 2017 under which the Issuer was established, as amended, supplemented, restated or otherwise modified from time to time**.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"~~**Depository**~~**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" ~~means The Depositary Trust Company~~**has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"***.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b)

(c) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(d)

(e) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(f)

(g) such other person as may be prescribed by the Regulations.

(h)

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the

Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" ~~means Euroclear Bank S.A./N.V., as operator of the~~**has the meaning set out under *"Depository Services . — DTC, Euroclear System and Clearstream, Luxembourg"***.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.[59]

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.[60]

"**FHPA**" ~~means~~**has** the ~~*Ontario Fair Hydro Plan Act, 2017*~~.**meaning set out on the face page of this confidential**

[59] ~~**Note:** Please consider revising the definition of "Fair Adjustment" if this concept is to be used in the OM. The definition of the "Fair Adjustment" indicates that this term only refers to the rate reduction from July 1, 2017 until April 30, 2018. When the term is then later used in narrative [ex. "…the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment…"] it refers to the electricity rates that result from the entire fair hydro program.~~

[60] ~~**Note:** Please consider a description of the Fair Allocation Amount that more closely aligns to Section 20(1) of the FHPA.~~

shelf offering memorandum.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" ~~means OPG, in its capacity as financial services manager appointed under the FHPA to perform the duties assigned to it thereunder~~has the meaning set out on the face page of this confidential shelf offering memorandum.[61]

"**Financing Entity**" has the meaning set out ~~under *"Ontario's Fair Hydro Plan — Background"*~~on the face page of this confidential shelf offering memorandum.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

~~"**Funding Obligation**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.~~

~~"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any credit enhancement agreement or any derivative agreement.~~

"**Funding ~~Rebate~~Obligations**" has the meaning set out ~~under *"Ontario's Fair Hydro Plan — Investment Interest"*~~on the face page of this confidential shelf offering memorandum.

"Funding Obligation Agreement" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all

[61] ~~**Note:** Please consider whether there should be disclosure indicating that the FSM is a statutory role from which OPG may be removed.~~

settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on ~~the face~~ page **(iii)** of this confidential shelf offering memorandum.

"**Issuer**" ~~means Fair Hydro Trust, a special purpose trust governed by the laws of the Province of Ontario~~**has the meaning set out on the face page of this confidential shelf offering memorandum**.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" ~~has the meaning set out under *"The Manager"*~~**means the management agreement dated as of December 20, 2017 between the Manager and the Issuer, and acknowledged by the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time**.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" ~~means *The Securities Act* (Manitoba)~~**has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Manitoba"***.

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

~~"**MW**" means megawatts.~~[62]

"**NI 31-103**" ~~means National Instrument 31-103 — *Registration Requirements, Exemptions and Ongoing Registrant Obligations*~~**has the meaning set out on page (ii) of this confidential shelf offering memorandum**.

"**NI 45-106**" ~~means National Instrument 45-106 — *Prospectus Exemptions*~~**has the meaning set out on page (ii) of this confidential shelf offering memorandum**.

"**NL Act**" ~~means the *Securities Act* (~~**has the meaning set out under *"Statutory Rights of Action — Rights for***

~~[62] **Note:** Definition not used.~~

Purchasers in Newfoundland and Labrador).".

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" means an offering of senior secured notes pursuant to**has the meaning set out on page (ii) of** this confidential shelf offering memorandum and the related Term Sheet as described under *"Plan of Distribution"*.

"**Offering Jurisdiction**" means each of the provinces of Canada**has the meaning set out under *"Representations and Agreements of Purchasers"***.

"**OPA**" means Ontario Power Authority**has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO***.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry*

Participants — The IESO".

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date ~~occurring on or after the Principal Accumulation Date for such Series~~, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates ~~after the Principal Accumulation Date for such Series~~ which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected

by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

~~"**Readjustment amount**" has the meaning ascribed to the term "readjustment amount" in the FHPA and Regulations.~~

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b)

(c) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(d)

(i) every six-month period following the period mentioned in (a);

(ii)

(iii) any period shorter than six months, as may be prescribed by the Regulations.

(iv)

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" ~~means *The Securities Act, 1988* (~~**has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in* Saskatchewan~~)~~***"***.

"**Section 130.1**" ~~means section 130.1 of the *Securities Act* (Ontario)~~**has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Ontario"***.

"**Section 150**" ~~means section 150 of the *Securities Act* (~~**has the meaning set out under *"Statutory Rights of Action***

— Rights for Purchasers in New Brunswick)".

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

~~"**Subrogation Amounts**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.~~

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"Transfer" has the meaning specified in the *Ontario Fair Hydro Plan Act, 2017*, and "Transferred" and "Transferee" shall have corresponding meanings.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" ~~means FHP2017 Inc., a wholly-owned subsidiary of OPG, and the Indenture Trustee~~**has the meaning set out under *"The Issuer"***.

"U.S. Securities Act" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

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SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

Document comparison by Workshare Compare on January-17-18 1:28:55 AM

Input:	
Document 1 ID	file://C:\Users\bsaulnie\Desktop\23287504-v7-Fair Hydro OM - Comments of the Province.DOCX
Description	23287504-v7-Fair Hydro OM - Comments of the Province
Document 2 ID	C:\NRPortbl\TorysAtWork\BSAULNIE\24401808_10.docx
Description	C:\NRPortbl\TorysAtWork\BSAULNIE\24401808_10.docx
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	584
Deletions	616
Moved from	10
Moved to	10
Style change	0
Format changed	0
Total changes	1220

From:	Ken Kandeepan
To:	Tim Christie (ENERGY)
Cc:	Steen Hume (CAB); Mike Manning
Subject:	FW: Fair Hydro Trust - Disclosure Documents
Date:	Wednesday, January 17, 2018 11:35:50 AM

Tim
Unfortunately Mike or I will most likely be not available for this call, wonder if you have a few minutes to call me between now and 1 PM so that I can give you my take on this issue.
Thanks
Ken k
416-325-9814

From: Mike Manning
Sent: Wednesday, January 17, 2018 11:20 AM
To: Tobias P. Whitfield (MOF) ; Malle Hanslep (MOF) ; Thouin, Alena (ENERGY) ; ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Ken Kandeepan ; Tim Christie (ENERGY) ; Anna Strathy
Subject: RE: Fair Hydro Trust - Disclosure Documents
Unfortunately not around after 2:30.
Mike

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Wednesday, January 17, 2018 11:08 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com) <STEPHEN.ASHBOURNE@blakes.com>
Cc: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Fair Hydro Trust - Disclosure Documents
I am available at any time today.
Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Hanslep, Malle (MOF)
Sent: January 17, 2018 10:30 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY); Strathy, Anna (OFA)
Subject: RE: Fair Hydro Trust - Disclosure Documents
Hi – Adding Anna Strathy to the email group.

From: Hanslep, Malle (MOF)
Sent: January-17-18 10:27 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents
Sure.

From: Thouin, Alena (ENERGY)

Sent: January-17-18 10:26 AM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Thanks Malle. Can we set up a call to discuss?
Thank you

Sent with BlackBerry Work
(www.blackberry.com[blackberry.com])

From: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>
Date: Wednesday, Jan 17, 2018, 10:21 AM
To: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>, Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>, ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com) <STEPHEN.ASHBOURNE@blakes.com>
Cc: Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>, Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>, Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>
Subject: FW: Fair Hydro Trust - Disclosure Documents

Should we discuss this approach? It may have implications for future documents and transactions. I have not had the opportunity to review the changes that were accepted but if we think they are important it would be best to be able to preserve those as the version of the "OM" as a reference document under the Process Agreement for future transactions rather than the initial version they sent us. I realize there is a problem with the 10 days but if we could figure out a way to make the final version (or close to final) become the reference document that would be best. So I'm not sure that we want to write back and just agree with Les that we don't take a contrary view without considering carefully. Technically if the 10 days expire without the Province objecting the document becomes a reference document. I know Toby has drafted a delegation of the powers under the process agreement for MOF/OFA. Not sure what the timing of the deal is right now.
Thanks,
Malle

From: WONG Leslie -LAWDIV [mailto:leslie.wong@opg.com]
Sent: January-17-18 9:45 AM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF)
Cc: LEE John -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Saulnier, Brett; Ramchandani, Rima; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro Trust - Disclosure Documents

Dear Alena and Malle,

You will have seen the revised draft of the OM and term sheet circulated by Torys (attached again for reference). A revised draft of the Investor Presentation is also in progress and will be circulated once available. We do not view the changes made to the OM, term sheet or the IP as material (in form or substance) and we would appreciate it if you could confirm that the Province does not take a contrary view. As you know, under the change of law process agreement, OPG is required to certify that these documents are substantially in the form as previously provided to the Province, which we believe is the case. Therefore, there is no reason for us to restart the 10 Business Day clock running following delivery of the revised documents. If you have any concerns with our interpretation or approach please let us know.

Regards,
Les
Leslie Wong
Senior Counsel
Ontario Power Generation Inc.
700 University Avenue, H18 G26.1, Toronto, ON M5G 1X6
T: (416) 592-3110 **|** E: leslie.wong@opg.com

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: Wednesday, January 17, 2018 1:31 AM
To: VINER, JON <JON.VINER@blakes.com>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>
Subject: EXTERNAL – RE: Fair Hydro Trust - Disclosure Documents
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All,
Please find attached revised versions of the Offering Memorandum and Term Sheet. We have accepted the majority of the Province's comments where appropriate and I have included blacklines of each document against the version circulated by Jon below. The attached also reflect comments received from the IESO and some additional clean-up changes made since the documents were provided to the Province on January 5.
In the interest of time, we are circulating these drafts to all parties concurrently. Accordingly, they remain subject to review and comment by OPG, IESO, the dealers and their respective counsel.
Thanks,
Brett
Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[na01.safelinks.protection.outlook.com]

TORYS LLP[na01.safelinks.protection.outlook.com]

From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January-16-18 10:48 AM

To: LEE John -TREASURY <john.s.lee@opg.com>; 'ken.ryfa@opg.com' <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Ramchandani, Rima <rramchandani@torys.com>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>
Subject: Fair Hydro Trust - Disclosure Documents

All,

Please find attached the Province's comments on the offering memorandum, investor presentation and term sheet. We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,

Jon
Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499

———————————

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From:	Mike Manning
To:	Ricky Lai
Subject:	FW: Fair Hydro Trust - Indicative New Issue Spreads 02/08/2018
Date:	Thursday, February 08, 2018 11:52:37 AM
Attachments:	20180208.xlsx

Hi Ricky:

Not sure you gort this one.

Mike

From: Scotiabank - Global Banking and Markets (Scotiabank) [mailto:scdebtcapitalmarkets@scotiabank.com]
Sent: Thursday, February 08, 2018 11:09 AM
To: 'Sheen.Liu@opg.com' <Sheen.Liu@opg.com>
Cc: 'john.s.lee@opg.com' <john.s.lee@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Linda Smith <Linda.Smith@ofina.on.ca>; Brett Kichiy <Brett.Kichiy@ofina.on.ca>; ken.mason@rbc.com; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; Kevin Shvarts <Kevin.Shvarts@ofina.on.ca>; Doug Noe (Scotiabank GBM) <doug.noe@scotiabank.com>; Nick Mantas (Scotiabank GBM) <nick.mantas@scotiabank.com>
Subject: Fair Hydro Trust - Indicative New Issue Spreads 02/08/2018

Sheen,

In light of current market conditions we would like to take this opportunity to provide the attached updated spread guidance for the Fair Hydro Trust notes.

Let us know if you have any questions.

Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

Scotiabank | Global Banking and Markets
40 King Street West, 68th floor, Toronto, Ontario, Canada M5H 1H1

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+94**	**+93**	**+87**	**+78**	**+59**	**+43**	-1	1	0	1	0	1
Re-Offered Yield	3.41%	3.40%	3.31%	3.17%	2.75%	2.41%	0.10%	0.12%	0.10%	0.10%	0.06%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.44%**	**3.44%**	**3.35%**	**3.21%**	**2.83%**	**2.49%**	**0.11%**	**0.12%**	**0.11%**	**0.10%**	**0.05%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	-1	1	0	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+119**	**+116**	**+107**	**+98**	**+79**	**+63**	-1	1	0	1	0	1
Re-Offered Yield	3.66%	3.63%	3.51%	3.37%	2.95%	2.61%	0.10%	0.12%	0.10%	0.10%	0.06%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.69%**	**3.67%**	**3.55%**	**3.41%**	**3.03%**	**2.69%**	**0.11%**	**0.12%**	**0.11%**	**0.10%**	**0.05%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	-1	1	0	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+144**	**+139**	**+127**	**+118**	**+99**	**+83**	-1	1	0	1	0	1
Re-Offered Yield	3.91%	3.86%	3.71%	3.57%	3.15%	2.81%	0.10%	0.12%	0.11%	0.10%	0.06%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.94%**	**3.90%**	**3.75%**	**3.61%**	**3.23%**	**2.89%**	**0.11%**	**0.12%**	**0.11%**	**0.10%**	**0.05%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	-1	1	0	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	5	5	5	5	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.05%**	**0.05%**	**0.05%**	**0.05%**	**0.05%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	15	15	15	15	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.15%**	**0.15%**	**0.15%**	**0.15%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	25	25	25	25	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.25%**	**0.25%**	**0.25%**	**0.25%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

From:	Hanslep, Malle (MOF)
To:	Anna Strathy
Cc:	Ken Kandeepan; Tobias P. Whitfield (MOF); Ronald Kwan; Mike Manning
Subject:	FW: Fair Hydro Trust - Term Debt Issuance Closing Books
Date:	Tuesday, March 20, 2018 12:41:56 PM

Hi – We received the USB key with the closing documents for the term loan. I will send it to Anna like I did for the warehouse facility and I think that you decided that Documentation might be a good area to take care of saving the documents. We have a USB key here too.
Thanks,
Malle

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: March 1, 2018 4:02 PM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); Kobrinsky, Liza (MOF); Christie, Tim (ENERGY)
Cc: Ramchandani, Rima; Mansoori, Nina
Subject: RE: Fair Hydro Trust - Term Debt Issuance Closing Books

Thanks, all. I'll confirm tomorrow morning the approximate time the courier will make the delivery.

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679

From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: March-01-18 3:59 PM
To: Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Saulnier, Brett <bsaulnier@torys.com>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Kobrinsky, Liza (MOF) <Liza.Kobrinsky@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>
Cc: Ramchandani, Rima <rramchandani@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: RE: Fair Hydro Trust - Term Debt Issuance Closing Books

Thanks. Agreed.
The recipients are fine, but would be helpful to have timing.

Alena Thouin
Deputy Director, Legal Services Branch
Ministries of Energy / Infrastructure / Economic Development & Growth /
Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 **Email:** alena.thouin@ontario.ca
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Ontario

From: Whitfield, Tobias P. (MOF)
Sent: March 1, 2018 2:11 PM

To: Saulnier, Brett; Hanslep, Malle (MOF); Kobrinsky, Liza (MOF); Thouin, Alena (ENERGY); Christie, Tim (ENERGY)
Cc: Ramchandani, Rima; Mansoori, Nina
Subject: Re: Fair Hydro Trust - Term Debt Issuance Closing Books

Brett,
Those recipients are fine for MOF.
Can you please let us know approximately when to expect the package?
Thanks
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Saulnier, Brett
Sent: Thursday, March 1, 2018 12:40 PM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Kobrinsky, Liza (MOF); Tekle, Jonathan (MOF); Thouin, Alena (ENERGY); Christie, Tim (ENERGY)
Cc: Ramchandani, Rima; Mansoori, Nina
Subject: Fair Hydro Trust - Term Debt Issuance Closing Books

Hi all,

We will be couriering two USB copies of the closing books for the term debt financing, which closed on February 9, 2018, to each of the Ministry of Finance and Ministry of Energy tomorrow.

As for the last closing book delivery, we will give the following instructions to the courier:

- Ministry of Finance: Package will be to the attention of Liza Kobrinsky and Lejla Avdic. The courier will call Lejla Avdic at 416-325-0400 on arrival.
- Ministry of Energy: The courier will call Hillary at 416-832-0338 on arrival.

Please let us know if we should change these delivery instructions. If you also could please confirm once each package has been received, it would be much appreciated.

Thanks,
Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

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From: Ken Kandeepan
To: "LEE John -TREASURY"
Cc: Mike Manning
Subject: FW: Fair Hydro Trust -- Term Closing
Date: Monday, February 12, 2018 10:42:09 AM
Attachments: Letter to Province - Process Certificate.pdf

Hi John

Hope all is well, just a quick question, I had understood that the senior debt will be 51% with the sub and junior sub making up respectively 44% and 5%. The Process Certificate shows that the senior debt issued is $500M, the percentages don't match the debt issued in the other two categories.

It's possible my numbers are off, much appreciated if you can let me know, if you want to have a conversation that's fine as well, I am free today after 2PM.

Thanks

Ken k

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: February 8, 2018 4:40 PM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Mansoori, Nina
Subject: RE: Fair Hydro Trust -- Term Closing

All,

Further to Rima's email, please find attached a letter enclosing the process certificate and the agreements that Rima mentions below. The attached will be delivered by fax shortly to the each of the Ministers and Deputy Ministers at the fax numbers in the notice provisions of the Change of Law Process Agreement.

Thanks,

Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

From: Ramchandani, Rima
Sent: February-08-18 2:22 PM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Cc: 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Ramchandani, Rima <rramchandani@torys.com>
Subject: Fair Hydro Trust -- Term Closing

Alena, Malle and Toby, hope you are all well. In case you have not been made aware, we wanted to let you know that we are closing the Fair Hydro Trust term deal tomorrow morning and will be delivering, on behalf of OPG, the required process certificate by fax to the attention of the Ministers and Deputy Ministers later today. As with the warehouse closing, Brett Saulnier from Torys will send all of you an email with a PDF of the signed process certificate and accompanying cover letter for your records.

Just FYI, you will see that the cover letter will also reference the delivery (pursuant to Section 2.01(c) of the process agreement) of a brief 2-page agreement that will be entered into between the Trust and the warehouse lenders on closing tomorrow which simply permits delivery of the

decrease notice 2 business days prior to closing and repayment of the warehouse notes on a day other than the 15th business day of the month.

Thanks,

Rima

Rima Ramchandani
P. 416.865.7666

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Brett Saulnier
bsaulnier@torys.com
P. 416.865.8148

February 8, 2018

CONFIDENTIAL

Ministry of Finance
7 Queen's Park Crescent, 7th Floor
Toronto, Ontario M7A 1Y7

Attention: Minister of Finance
Deputy Minister of Finance

Ministry of Energy
Hearst Block 4th Floor, 900 Bay Street
Toronto, Ontario M7A 2E1

Attention: Minister of Energy
Deputy Ministry of Energy

Dear Sirs/Mesdames:

Re: Fair Hydro Plan – Deliveries under Change of Law Process Agreement

Reference is made to the Change of Law Process Agreement dated as of December 21, 2017 between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance, and Ontario Power Generation Inc. (the "**Change of Law Process Agreement**"). Capitalized terms used and not defined herein shall have their respective meanings in the Change of Law Process Agreement.

On February 9, 2018, Fair Hydro Trust (the "**Issuer**") will issue (i) C$500,000,000 aggregate principal amount of 3.357% Senior Notes due May 15, 2033, Series 2018-1 in accordance with the terms of an agency agreement dated as of February 6, 2018 among the Issuer, Ontario Power Generation Inc. ("**OPG**") and the dealers named therein, (ii) C$382,353,000 aggregate principal amount of 3.637% Subordinated Notes due May 15, 2033, Series 2018-1 and (iii) C$98,040,000 aggregate principal amount of 3.957% Junior Subordinated Notes due May 15, 2033, Series 2018-1 (collectively, the "**Funding Obligations**").

On behalf of Ontario Power Generation Inc. and pursuant to section 3.01 of the Change of Law Process Agreement, please find enclosed a Process Certificate in respect of the Funding Obligations.

On behalf of Ontario Power Generation Inc. and pursuant to section 2.01(c) of the Change of Law Process Agreement, please find enclosed one Special Payment Date Agreement in respect of each of the Warehouse Senior Series 2017-1 Supplemental Indenture dated as of December 21, 2017 among, *inter alios*, the Issuer, Royal Bank of Canada and BNY Trust Company of Canada (the "**Indenture Trustee**"), the Warehouse Subordinated Series 2017-1 Supplemental

Indenture dated as of December 21, 2017 among the Issuer, OPG and the Indenture Trustee and the Warehouse Junior Subordinated Series 2017-1 Supplemental Indenture dated as of December 21, 2017 among the Issuer, OPG and the Indenture Trustee (collectively, the "**Warehouse Facilities**"). Such Special Payment Date Agreements permit a partial repayment of the Warehouse Facilities using proceeds from the Funding Obligations on a date that is not the 15th day of a given calendar month and allow the decrease notice to be delivered within two business days of such repayment (rather than five business days).

Yours truly,



Brett Saulnier

Encl.

cc: Rima Ramchandani, *Torys LLP*
John Lee, *Ontario Power Generation Inc.*
Lubna Ladak, *Ontario Power Generation Inc.*
Leslie Wong, *Ontario Power Generation Inc.*

24966160.1

ONTARIO POWER GENERATION INC.,
in its capacity as FSM

PROCESS CERTIFICATE

Certificate of the CFO and Treasurer pursuant to section 3.01 of the Change of Law Process Agreement

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

RE: C$500,000,000 aggregate principal amount of 3.357% Senior Notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Senior Notes**")

AND RE: C$382,353,000 aggregate principal amount of 3.637% Subordinated Notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**")

AND RE: C$98,040,000 aggregate principal amount of 3.957% Junior Subordinated Notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**")

AND RE: Agency agreement between Fair Hydro Trust (the "**Issuer**"), Ontario Power Generation Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Goldman Sachs Canada Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Morgan Stanley Canada Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Desjardins Securities Inc. and Casgrain & Company Limited dated as of February 6, 2018 (the "**Agency Agreement**" and together with the Series 2018-1 Senior Notes, the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes, the "**Funding Obligations**")

Reference is made to the Change of Law Process Agreement dated December 21, 2017 among the Province and Ontario Power Generation Inc. (the "**Change of Law Process Agreement**"). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Change of Law Process Agreement.

Each of the undersigned, being the Chief Financial Officer and Treasurer of OPG acting in its capacity as FSM and holding the offices set forth under their names and signatures below, pursuant to and accordance with section 3.01 of the Change of Law Process Agreement, hereby certifies for and on behalf of OPG, in its capacity as Financial Services Manager, and not in such officer's personal capacity and intending that this certificate may be relied on by the addressees hereof without independent inquiry, that:

1. I have read and understand the provisions of the Change of Law Process Agreement and all other documents and materials necessary to enable me to deliver this certificate.

2. The material terms of the Series 2018-1 Senior Notes are set forth in Schedule A.

3. The material terms of the Series 2018-1 Subordinated Notes are set forth in Schedule B.

4. The material terms of the Series 2018-1 Junior Subordinated Notes are set forth in Schedule C.

5. The material terms of the Agency Agreement are set forth in Schedule D.

6. The Funding Obligations:

   (a) will arise under terms and conditions that are Substantially in the Form of the Reference Documentation applicable thereto;

   (b) in my opinion, are reasonably incurred or effected in compliance with the Act, the General Regulation, any other enactments related thereto and the Financing Plan;

   (c) are of a type and are on terms that a reasonably prudent financial services manager would incur in similar circumstances; and

   (d) reflect, in all material respects, arm's length terms and conditions.

7. The Disclosure Document used in connection with the offering and sale of the Series 2018-1 Senior Notes is Substantially in the Form of the Reference Documentation. No Disclosure Document was used in connection with the offering and sale of the Series 2018-1 Subordinated Notes or Series 2018-1 Junior Subordinated Notes.

8. Any disclosure made in respect of any of the Funding Obligations (including any Disclosure Document, press release or other written communication prepared for dissemination to third parties in relation to any of the Funding Obligations) that refers to or describes the terms, effect or adherence of or to the Change of Law Process Agreement or the Change of Law Protection Agreement has been made available to the Province prior to use or dissemination, other than where such disclosure was substantially the same as a disclosure previously made.

9. No Breach Event has occurred on or prior to the date hereof, unless such Breach Event has been waived by the Province in writing.

10. At the time the Funding Obligations are incurred, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Funding Obligations, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under all Approved Obligations, do not exceed the Protection Agreement Maximum applicable on the date hereof.

[Remainder of page intentionally left blank.]

DATED as of the 9th day of February, 2018.

Name: Ken Hartwick
Title: Chief Financial Officer and
Senior Vice President

Name: John Lee
Title: Vice President – Treasurer

[Signature page to Process Certificate]

SCHEDULE A

SERIES 2018-1 SENIOR NOTES TERM SHEET	
Principal Amount	Unlimited but initially C$500,000,000
Interest Rate	3.357% per annum (the "**Series 2018-1 Senior Interest Rate**")
Interest Payments	The "**Interest Payment Dates**" for the Series 2018-1 Senior Notes are as follows: (i) prior to the occurrence of an Amortization Event (as defined below), interest on the Series 2018-1 Senior Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Senior Notes on each Payment Date (as defined in the Master Trust Indenture dated December 21, 2017 between the Issuer and BNY Trust Company of Canada, as supplemented (the "**MTI**")) thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Senior Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Senior Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, February 9, 2018 to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event (as defined below), the first interest payment will be in an amount equal to C$8.73739726 per C$1,000 principal amount of Series 2018-1 Senior Notes. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-1 Senior Notes, or the outstanding principal amount of the Series 2018-1 Senior Notes has not been paid in full on May 15, 2033. "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the MTI, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes and all interest thereon is declared due and payable in accordance with the MTI as a result of the occurrence of certain events of default.
Issue Price	C$1,000.03 per C$1,000 principal amount of Series 2018-1 Senior Notes
Fees	See Schedule D under the heading "Fees"
Term to Maturity	15.25 years
Amortization	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on May 15, 2033. Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date (as defined in the MTI) in respect of the Series 2018-1 Senior Notes and the then outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date. A failure to pay principal on May 15, 2033 for the Series 2018-1 Senior Notes will constitute an event of default upon the occurrence of which the holders of Series 2018-1 Senior Notes may declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Senior Notes to be immediately due and payable. Subject to the occurrence of an Amortization Event, the Series 2018-1 Senior Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix 1 hereto.
Extension	N/A
Redemption	The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date (as defined below), the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price (as defined below) and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "**Par Call Date**" means November 15, 2032. "**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield (as defined below) calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus 0.23% per annum. "**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

APPENDIX 1

PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
January 15, 2030	C$3,655,755.29
February 15, 2030	C$7,626,564.99
March 15, 2030	C$8,257,633.61
April 15, 2030	C$8,191,586.84
May 15, 2030	C$7,890,462.63
June 15, 2030	C$7,584,364.60
July 15, 2030	C$9,084,874.20
August 15, 2030	C$11,442,279.18
September 15, 2030	C$12,391,444.77
October 15, 2030	C$12,750,308.92
November 15, 2030	C$11,982,236.88
December 15, 2030	C$11,293,079.64
January 15, 2031	C$10,793,983.66
February 15, 2031	C$10,722,332.46
March 15, 2031	C$11,500,665.58
April 15, 2031	C$11,354,192.22
May 15, 2031	C$10,817,597.00
June 15, 2031	C$10,295,734.83
July 15, 2031	C$9,657,558.16
August 15, 2031	C$9,972,812.07
September 15, 2031	C$10,763,812.68
October 15, 2031	C$11,008,621.17
November 15, 2031	C$10,283,044.04
December 15, 2031	C$9,663,858.15
January 15, 2032	C$11,614,637.47
February 15, 2032	C$14,086,300.93
March 15, 2032	C$15,155,597.37
April 15, 2032	C$15,258,171.67
May 15, 2032	C$14,584,770.10
June 15, 2032	C$13,686,506.16
July 15, 2032	C$14,172,728.13
August 15, 2032	C$16,021,396.29
September 15, 2032	C$17,345,995.76
October 15, 2032	C$17,773,273.46
November 15, 2032	C$16,598,773.70
December 15, 2032	C$15,634,984.01
January 15, 2033	C$16,715,366.47
February 15, 2033	C$18,464,628.87
March 15, 2033	C$19,935,085.13
April 15, 2033	C$19,792,624.35
May 15, 2033	C$4,174,356.56

SCHEDULE B

SERIES 2018-1 SUBORDINATED NOTES TERM SHEET	
Principal Amount	Unlimited but initially C$382,353,000
Interest Rate	3.637% per annum (the "**Series 2018-1 Subordinated Interest Rate**")
Interest Payments	The "**Interest Payment Dates**" for the Series 2018-1 Subordinated Notes are as follows: (i) prior to the occurrence of an Amortization Event (as defined below), interest on the Series 2018-1 Subordinated Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Subordinated Notes on each Payment Date (as defined in the Master Trust Indenture dated December 21, 2017 between the Issuer and BNY Trust Company of Canada, as supplemented (the "**MTI**")) thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Subordinated Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Subordinated Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Subordinated Notes will include accrued and unpaid interest for the period from, and including, February 9, 2018 to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event (as defined below), the first interest payment will be in an amount equal to C$9.466164384 per C$1,000 principal amount of Series 2018-1 Subordinated Notes. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-1 Subordinated Notes, or the outstanding principal amount of the Series 2018-1 Subordinated Notes has not been paid in full on May 15, 2033. "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the MTI, or (ii) the outstanding principal amount of the Series 2018-1 Subordinated Notes and all interest thereon is declared due and payable in accordance with the MTI as a result of the occurrence of certain events of default.
Issue Price	C$1,000 per C$1,000 principal amount of Series 2018-1 Subordinated Notes
Fees	N/A
Term to Maturity	15.25 years
Amortization	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Subordinated Notes shall be due and payable on May 15, 2033. Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date (as defined in the MTI) in respect of the Series 2018-1 Subordinated Notes and the then outstanding principal amount of the Series 2018-1 Subordinated Notes shall be due and payable on each such Payment Date. A failure to pay principal on May 15, 2033 for the Series 2018-1 Subordinated Notes will constitute an event of default upon the occurrence of which the holders of Series 2018-1 Subordinated Notes may declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Subordinated Notes to be immediately due and payable. Subject to the occurrence of an Amortization Event, the Series 2018-1 Subordinated Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix 2 hereto.
Extension	N/A
Redemption	The Series 2018-1 Subordinated Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date (as defined below), the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price (as defined below) and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "**Par Call Date**" means November 15, 2032. "**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Subordinated Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield (as defined below) calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus 0.30% per annum. "**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Subordinated Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

APPENDIX 2

PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
January 15, 2030	C$2,795,577.57
February 15, 2030	C$5,832,079.11
March 15, 2030	C$6,314,661.00
April 15, 2030	C$6,264,154.64
May 15, 2030	C$6,033,883.19
June 15, 2030	C$5,799,808.22
July 15, 2030	C$6,947,256.74
August 15, 2030	C$8,749,978.20
September 15, 2030	C$9,475,810.71
October 15, 2030	C$9,750,236.23
November 15, 2030	C$9,162,887.03
December 15, 2030	C$8,635,884.43
January 15, 2031	C$8,254,222.80
February 15, 2031	C$8,199,430.70
March 15, 2031	C$8,794,626.62
April 15, 2031	C$8,682,617.58
May 15, 2031	C$8,272,280.06
June 15, 2031	C$7,873,208.99
July 15, 2031	C$7,385,191.53
August 15, 2031	C$7,626,268.05
September 15, 2031	C$8,231,150.87
October 15, 2031	C$8,418,357.37
November 15, 2031	C$7,863,504.27
December 15, 2031	C$7,390,009.17
January 15, 2032	C$8,881,781.59
February 15, 2032	C$10,771,877.18
March 15, 2032	C$11,589,574.46
April 15, 2032	C$11,668,013.63
May 15, 2032	C$11,153,059.49
June 15, 2032	C$10,466,151.77
July 15, 2032	C$10,837,968.57
August 15, 2032	C$12,251,655.99
September 15, 2032	C$13,264,584.99
October 15, 2032	C$13,591,326.76
November 15, 2032	C$12,693,179.89
December 15, 2032	C$11,956,164.24
January 15, 2033	C$12,782,339.07
February 15, 2033	C$14,120,010.31
March 15, 2033	C$15,244,476.86
April 15, 2033	C$15,135,536.27
May 15, 2033	C$3,192,213.85

SCHEDULE C

SERIES 2018-1 JUNIOR SUBORDINATED NOTES TERM SHEET	
Principal Amount	Unlimited but initially C$98,040,000
Interest Rate	3.957% per annum (the "**Series 2018-1 Junior Subordinated Interest Rate**")
Interest Payments	The "**Interest Payment Dates**" for the Series 2018-1 Junior Subordinated Notes are as follows: (i) prior to the occurrence of an Amortization Event (as defined below), interest on the Series 2018-1 Junior Subordinated Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Junior Subordinated Notes on each Payment Date (as defined in the Master Trust Indenture dated December 21, 2017 between the Issuer and BNY Trust Company of Canada, as supplemented (the "**MTI**")) thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Junior Subordinated Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Junior Subordinated Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Junior Subordinated Notes will include accrued and unpaid interest for the period from, and including, February 9, 2018 to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event (as defined below), the first interest payment will be in an amount equal to C$10.299041096 per C$1,000 principal amount of Series 2018-1 Junior Subordinated Notes. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-1 Junior Subordinated Notes, or the outstanding principal amount of the Series 2018-1 Junior Subordinated Notes has not been paid in full on May 15, 2033. "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the MTI, or (ii) the outstanding principal amount of the Series 2018-1 Junior Subordinated Notes and all interest thereon is declared due and payable in accordance with the MTI as a result of the occurrence of certain events of default.
Issue Price	C$1,000 per C$1,000 principal amount of Series 2018-1 Junior Subordinated Notes
Fees	N/A
Term to Maturity	15.25 years
Amortization	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Junior Subordinated Notes shall be due and payable on May 15, 2033. Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date (as defined in the MTI) in respect of the Series 2018-1 Junior Subordinated Notes and the then outstanding principal amount of the Series 2018-1 Junior Subordinated Notes shall be due and payable on each such Payment Date. A failure to pay principal on May 15, 2033 for the Series 2018-1 Junior Subordinated Notes will constitute an event of default upon the occurrence of which the holders of Series 2018-1 Junior Subordinated Notes may declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Junior Subordinated Notes to be immediately due and payable. Subject to the occurrence of an Amortization Event, the Series 2018-1 Junior Subordinated Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix 3 hereto.
Extension	N/A
Redemption	The Series 2018-1 Junior Subordinated Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date (as defined below), the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price (as defined below) and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "**Par Call Date**" means November 15, 2032. "**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Junior Subordinated Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield (as defined below) calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus 0.38% per annum. "**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Junior Subordinated Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

APPENDIX 3

PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
January 15, 2030	C$716,814.76
February 15, 2030	C$1,495,404.90
March 15, 2030	C$1,619,143.85
April 15, 2030	C$1,606,193.50
May 15, 2030	C$1,547,149.54
June 15, 2030	C$1,487,130.31
July 15, 2030	C$1,781,347.88
August 15, 2030	C$2,243,584.15
September 15, 2030	C$2,429,695.05
October 15, 2030	C$2,500,060.57
November 15, 2030	C$2,349,458.21
December 15, 2030	C$2,214,329.34
January 15, 2031	C$2,116,467.38
February 15, 2031	C$2,102,418.13
March 15, 2031	C$2,255,032.47
April 15, 2031	C$2,226,312.20
May 15, 2031	C$2,121,097.45
June 15, 2031	C$2,018,771.54
July 15, 2031	C$1,893,638.85
August 15, 2031	C$1,955,453.35
September 15, 2031	C$2,110,551.51
October 15, 2031	C$2,158,553.17
November 15, 2031	C$2,016,283.15
December 15, 2031	C$1,894,874.15
January 15, 2032	C$2,277,379.90
February 15, 2032	C$2,762,019.79
March 15, 2032	C$2,971,685.76
April 15, 2032	C$2,991,798.37
May 15, 2032	C$2,859,758.84
June 15, 2032	C$2,683,628.66
July 15, 2032	C$2,778,966.30
August 15, 2032	C$3,141,450.25
September 15, 2032	C$3,401,175.64
October 15, 2032	C$3,484,955.58
November 15, 2032	C$3,254,661.51
December 15, 2032	C$3,065,683.14
January 15, 2033	C$3,277,522.84
February 15, 2033	C$3,620,515.46
March 15, 2033	C$3,908,840.22
April 15, 2033	C$3,880,906.74
May 15, 2033	C$819,285.59

SCHEDULE D

AGENCY AGREEMENT TERMS	
Appointment	The Issuer appoints the Agents to act as its sole and exclusive agents to effect the solicitation and private placement of Series 2018-1 Senior Notes to "accredited investors", as such term is defined under applicable securities laws, in the Provinces of Canada (the "**Offering**").
Fees	In consideration of the services provided to the Issuer by the Agents, the Issuer agrees to pay the Agents a fee equal to 0.50% of the aggregate principal amount of Series 2018-1 Senior Notes sold in the Offering.
Representations and Warranties	Representations and warranties in favour of the Agents from each of the Issuer and OPG customary for a private placement of notes, including representations that the disclosure document used in connection with the Offering does not contain a "misrepresentation", as such term is defined under applicable securities laws.
Conditions to Closing	As conditions to the closing of the Offering, the Issuer must provide, or arrange to have provided, certain standard certificates, legal opinions and other deliverables to the Agents.
Termination	The Agents have customary rights to terminate their obligations on the occurrence of certain events, including legal or other proceedings resulting in a material adverse change, a material adverse change in respect of the Issuer and financial disasters.
Indemnity	Each of the Issuer and OPG provides an indemnity to each of the Agents for any losses resulting from, among other things, breaches of representations, warranties and covenants, breaches of securities laws or a "misrepresentation" in the disclosure document used in connection with the Offering.

SPECIAL PRINCIPAL PAYMENT DATE AGREEMENT
(Senior Warehouse Supplemental Indenture)

Reference is made to:

(a) the Trust Indenture dated as of December 21, 2017 (the "**Trust Indenture**") between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee;

(b) the Warehouse Senior Series 2017-1 Supplemental Indenture (the "**Senior Warehouse Supplemental Indenture**") made as of December 21, 2017 between the undersigned signatories to this Special Principal Payment Date Agreement;

(c) an expected issuance on or about February 9, 2018 of Senior Notes bearing the full designation "3.357% Senior Notes due May 15, 2033, Series 2018-1" pursuant to a new Supplemental Indenture to be entered into (the "**Expected Term Issuance**").

Terms with initial capital letters in this Special Principal Payment Date Agreement have the meanings given to them in, or for the purposes of, the Senior Warehouse Supplemental Indenture and the Trust Indenture.

The undersigned hereby agree as follows:

1. Notwithstanding the terms of the Senior Warehouse Supplemental Indenture, the date of issuance of the Senior Notes pursuant to the Expected Term Issuance (the "**Special Principal Payment Date**") will be a Principal Payment Date and a Decrease Date as such terms are defined under, and for the purposes of, the Senior Warehouse Supplemental Indenture.

2. Each of the Principal Payment Amount and the Decrease Amount for such Special Principal Payment Date shall be $500,000,000.

3. Proceeds of the Expected Term Issuance will be applied pursuant to the provisions of the Trust Indenture and the Senior Warehouse Supplemental Indenture to the payment of the Principal Payment Amount.

4. For greater certainty, it is acknowledged that the Special Principal Payment Date will not be an Interest Payment Date under the Senior Warehouse Supplemental Indenture and that accrued interest in respect of the principal amount of the Series 2017-1 Senior Notes repaid on the Special Principal Payment Date will be paid on the next Payment Date.

5. Notwithstanding Section 3.4(a) of the Senior Warehouse Supplemental Indenture, the Decrease Notice in respect of the Decrease occurring on the Special Principal Payment Date may be delivered no later than the second Business Day prior to the Special Principal Payment Date.

6. This Special Principal Payment Date Agreement applies only to the proceeds of the Expected Term Issuance and shall not be relied upon to complete any other repayment of principal of Series 2017-1 Senior Notes. If the Special Principal Payment Date has not

occurred by February 28, 2018 this Special Principal Payment Date Agreement shall cease of be of any force and effect.

7. Except as modified hereby, the provisions of the Senior Warehouse Supplemental Indenture remain in full force and effect unamended.

8. Each Series 2017-1 Senior Noteholder acknowledges and consents to the foregoing and directs the Indenture Trustee to enter into this Special Principal Payment Date Agreement.

[Signature Page Follows]

DATED this 7th day of February, 2018.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer

By: **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

BNY TRUST COMPANY OF CANADA, as
Indenture Trustee

By: _____
Name: Ahmad Adam
Title: Vice-President

ROYAL BANK OF CANADA, as Administrative Agent

Ca

By: _____
Name: Ian Benaiah
Title: Authorized Signatory

By: _____
Name:
Title: Nur Khan
Authorized Signatory

CIBC MELLON TRUST COMPANY, in its capacity as trustee of **LAKESHORE TRUST**, by its Financial Services Agent, **ROYAL BANK OF CANADA**, as a CP Conduit Purchaser

By: _____
Name Ian Benaiah
Title: Authorized Signatory

By: _____
Name:
Title: Nur Khan
Authorized Signatory

ROYAL BANK OF CANADA, as a Group Bank

By: _____
Name: Ian Benaiah
Title: Authorized Signatory

By: _____
Name:
Title: Nur Khan
Authorized Signatory

CANADIAN IMPERIAL BANK OF COMMERCE, as a Group Bank

By: _____
Name: Andrew Maciel
Title: Authorized Signatory

By: _____
Name: Sunil Adalja
Title: Authorized Signatory

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **SOUND TRUST**, by its Financial Services Agent, **CANADIAN IMPERIAL BANK OF COMMERCE**, as a CP Conduit Purchaser

By: _____
Name: Andrew Maciel
Title: Authorized Signatory

By: _____
Name: Sunil Adalja
Title: Authorized Signatory

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **SURE TRUST**, by its Financial Services Agent, **CANADIAN IMPERIAL BANK OF COMMERCE**, as a CP Conduit Purchaser

By: _____
Name: Andrew Maciel
Title: Authorized Signatory

By: _____
Name: Sunil Adalja
Title: Authorized Signatory

GOLDMAN SACHS CANADA INC.

By: _____
Name: JASON ROWE
Title: Managing Director

[Signature page to Global Direction and Receipt]

SPECIAL PRINCIPAL PAYMENT DATE AGREEMENT
(Subordinated Warehouse Supplemental Indenture)

Reference is made to:

(a) the Trust Indenture dated as of December 21, 2017 (the "**Trust Indenture**") between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee;

(b) the Warehouse Subordinated Series 2017-1 Supplemental Indenture (the "**Subordinated Warehouse Supplemental Indenture**") made as of December 21, 2017 between the undersigned signatories to this Special Principal Payment Date Agreement;

(c) an expected issuance on or about February 9, 2018 of Subordinated Notes bearing the full designation "3.637% Subordinated Notes due May 15, 2033, Series 2018-1" pursuant to a new Supplemental Indenture to be entered into (the "**Expected Term Issuance**").

Terms with initial capital letters in this Special Principal Payment Date Agreement have the meanings given to them in, or for the purposes of, the Senior Warehouse Supplemental Indenture and the Trust Indenture.

The undersigned hereby agree as follows:

1. Notwithstanding the terms of the Subordinated Warehouse Supplemental Indenture, the date of issuance of the Subordinated Notes pursuant to the Expected Term Issuance (the "**Special Principal Payment Date**") will be a Principal Payment Date and a Decrease Date as such terms are defined under, and for the purposes of, the Subordinated Warehouse Supplemental Indenture.

2. Each of the Principal Payment Amount and the Decrease Amount for such Special Principal Payment Date shall be $382,353,000.

3. Proceeds of the Expected Term Issuance will be applied pursuant to the provisions of the Trust Indenture and the Subordinated Warehouse Supplemental Indenture to the payment of the Principal Payment Amount.

4. For greater certainty, it is acknowledged that the Special Principal Payment Date will not be an Interest Payment Date under the Subordinated Warehouse Supplemental Indenture and that accrued interest in respect of the principal amount of the Series 2017-1 Subordinated Notes repaid on the Special Principal Payment Date will be paid on the next Payment Date.

5. Notwithstanding Section 3.4 of the Subordinated Warehouse Supplemental Indenture, the Decrease Notice in respect of the Decrease occurring on the Special Principal Payment Date may be delivered no later than the second Business Day prior to the Special Principal Payment Date.

6. This Special Principal Payment Date Agreement applies only to the proceeds of the Expected Term Issuance and shall not be relied upon to complete any other repayment of principal of Series 2017-1 Subordinated Notes. If the Special Principal Payment Date has not occurred by February 28, 2018 this Special Principal Payment Date Agreement shall cease of be of any force and effect.

7. Except as modified hereby, the provisions of the Subordinated Warehouse Supplemental Indenture remain in full force and effect unamended.

8. Ontario Power Generation Inc. acknowledges and consents to the foregoing and directs the Indenture Trustee to enter into this Special Principal Payment Date Agreement.

[Signature Page Follows]

DATED this 7th day of February, 2018.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer

By: **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

BNY TRUST COMPANY OF CANADA, as
Indenture Trustee

By: _____
Name: Ahmad Adam
Title: Vice-President

[Signature page to Special Principal Payment Date Agreement – Subordinated Warehouse]

ONTARIO POWER GENERATION INC.

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and
Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

SPECIAL PRINCIPAL PAYMENT DATE AGREEMENT
(Junior Subordinated Warehouse Supplemental Indenture)

Reference is made to:

(a) the Trust Indenture dated as of December 21, 2017 (the "**Trust Indenture**") between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee;

(b) the Warehouse Junior Subordinated Series 2017-1 Supplemental Indenture (the "**Junior Subordinated Warehouse Supplemental Indenture**") made as of December 21, 2017 between the undersigned signatories to this Special Principal Payment Date Agreement;

(c) an expected issuance on or about February 9, 2018 of Junior Subordinated Notes bearing the full designation "3.957% Junior Subordinated Notes due May 15, 2033, Series 2018-1" pursuant to a new Supplemental Indenture to be entered into (the "**Expected Term Issuance**").

Terms with initial capital letters in this Special Principal Payment Date Agreement have the meanings given to them in, or for the purposes of, the Senior Warehouse Supplemental Indenture and the Trust Indenture.

The undersigned hereby agree as follows:

1. Notwithstanding the terms of the Junior Subordinated Warehouse Supplemental Indenture, the date of issuance of the Junior Subordinated Notes pursuant to the Expected Term Issuance (the "**Special Principal Payment Date**") will be a Principal Payment Date and a Decrease Date as such terms are defined under, and for the purposes of, the Junior Subordinated Warehouse Supplemental Indenture.

2. Each of the Principal Payment Amount and the Decrease Amount for such Special Principal Payment Date shall be $98,040,000.

3. Proceeds of the Expected Term Issuance will be applied pursuant to the provisions of the Trust Indenture and the Junior Subordinated Warehouse Supplemental Indenture to the payment of the Principal Payment Amount.

4. For greater certainty, it is acknowledged that the Special Principal Payment Date will not be an Interest Payment Date under the Junior Subordinated Warehouse Supplemental Indenture and that accrued interest in respect of the principal amount of the Series 2017-1 Junior Subordinated Notes repaid on the Special Principal Payment Date will be paid on the next Payment Date.

5. Notwithstanding Section 3.4 of the Junior Subordinated Warehouse Supplemental Indenture, the Decrease Notice in respect of the Decrease occurring on the Special Principal Payment Date may be delivered no later than the second Business Day prior to the Special Principal Payment Date.

6. This Special Principal Payment Date Agreement applies only to the proceeds of the Expected Term Issuance and shall not be relied upon to complete any other repayment of principal of Series 2017-1 Junior Subordinated Notes. If the Special Principal Payment Date has not occurred by February 28, 2018 this Special Principal Payment Date Agreement shall cease of be of any force and effect.

7. Except as modified hereby, the provisions of the Junior Subordinated Warehouse Supplemental Indenture remain in full force and effect unamended.

8. Ontario Power Generation Inc. acknowledges and consents to the foregoing and directs the Indenture Trustee to enter into this Special Principal Payment Date Agreement.

[Signature Page Follows]

DATED this 7th day of February, 2018.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer

By: **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

BNY TRUST COMPANY OF CANADA, as
Indenture Trustee

By: _____
Name: Ahmad Adam
Title: Vice-President

ONTARIO POWER GENERATION INC.

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and
Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

From:	Hanslep, Malle (MOF)
To:	Anna Strathy; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning
Subject:	FW: Fair Hydro Trust -- Term Closing
Date:	Friday, February 09, 2018 10:43:36 AM
Attachments:	FAX-Recd-2018-02-09_Torys-LLP_Fair-Hydro-Plan_Chg-of-Law-Process-Agreement.pdf

This confirms that it was delivered to DMO. Thanks.

From: Dupuis, Paul (MOF)
Sent: February 9, 2018 10:35 AM
To: Hanslep, Malle (MOF)
Cc: Krasic, Aida (MOF); McLean, David (MOF); Spadoni, Peter (MOF); Cook, Karen (MOF)
Subject: FW: Fair Hydro Trust -- Term Closing

Hi Malle,

As requested please see attached. I have also copied Karen Cook (MO Office Mgr) and Peter Spadoni (Mgr of MoF Correspondence) as it may have also been sent to their fax machines as it is also address to the Min.

Aida, can you please log and close with Malle's italicized comments in the note field and I will bring you the original incoming FAX.

Thank you,

Paul

From: McLean, David (MOF)
Sent: February 9, 2018 10:26 AM
To: Hanslep, Malle (MOF); Kobrinsky, Liza (MOF)
Cc: Strathy, Anna (OFA); Whitfield, Tobias P. (MOF); Dupuis, Paul (MOF)
Subject: RE: Fair Hydro Trust -- Term Closing

Will do, Malle. Copying Paul.

From: Hanslep, Malle (MOF)
Sent: February 9, 2018 10:25 AM
To: McLean, David (MOF); Kobrinsky, Liza (MOF)
Cc: Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: Fair Hydro Trust -- Term Closing

Hi Dave,

Would you please scan it and send a copy to me and also to Anna Strathy? Anna: please confirm if it should be sent to you or someone else at the OFA. We do have an advance copy but think it would be prudent for you to scan and send the one you receive to us.

The delivery of this certificate is a requirement of the Process Agreement entered into by the Province and the Fair Hydro Trust in order to keep the Province advised of the Fair Hydro Trust obligations that are covered by the Province's Change of Law Assurance Agreement. Fair Hydro Trust is required to deliver the certificate prior to entering into the obligations (i.e. the closing date) and confirm a number of items to the Province including the material terms and that they are to be issued under terms and conditions substantially similar to the terms of reference documentation for the program, that the terms are in compliance with law and the Financing Plan, are of a type and terms that a reasonably prudent financial services manager would incur in similar circumstances and reflect arm's length terms and conditions.

As part of the closing of the term deal by Fair Hydro Trust, the Trust must confirm that it has

delivered the certificate to the Province.
If you have any other questions please let us know.
Thank you.
Malle
Malle Hanslep
Deputy Director
Ministry of the Attorney General
Ministry of Finance Legal Services Branch
Telephone: 416-325-1457
Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you.

From: McLean, David (MOF)
Sent: February 9, 2018 10:13 AM
To: Hanslep, Malle (MOF); Kobrinsky, Liza (MOF)
Cc: Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: Fair Hydro Trust -- Term Closing

Yes, we received the fax. Paul in our office just picked it up. Do you need us to do anything with it (I haven't had a chance to review it)?

From: Hanslep, Malle (MOF)
Sent: February 9, 2018 10:10 AM
To: Kobrinsky, Liza (MOF)
Cc: McLean, David (MOF); Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: FW: Fair Hydro Trust -- Term Closing
Hi Liza,
Would you please let us know if you have received the attached certificate by fax? Thank you.
Malle
Malle Hanslep
Deputy Director
Ministry of the Attorney General
Ministry of Finance Legal Services Branch
Telephone: 416-325-1457
Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you.

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: February 8, 2018 4:40 PM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Mansoori, Nina
Subject: RE: Fair Hydro Trust -- Term Closing
All,
Further to Rima's email, please find attached a letter enclosing the process certificate and the agreements that Rima mentions below. The attached will be delivered by fax shortly to the each of the Ministers and Deputy Ministers at the fax numbers in the notice provisions of the Change of Law Process Agreement.

Thanks,
Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

From: Ramchandani, Rima
Sent: February-08-18 2:22 PM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Cc: 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Ramchandani, Rima <rramchandani@torys.com>
Subject: Fair Hydro Trust -- Term Closing

Alena, Malle and Toby, hope you are all well. In case you have not been made aware, we wanted to let you know that we are closing the Fair Hydro Trust term deal tomorrow morning and will be delivering, on behalf of OPG, the required process certificate by fax to the attention of the Ministers and Deputy Ministers later today. As with the warehouse closing, Brett Saulnier from Torys will send all of you an email with a PDF of the signed process certificate and accompanying cover letter for your records.

Just FYI, you will see that the cover letter will also reference the delivery (pursuant to Section 2.01(c) of the process agreement) of a brief 2-page agreement that will be entered into between the Trust and the warehouse lenders on closing tomorrow which simply permits delivery of the decrease notice 2 business days prior to closing and repayment of the warehouse notes on a day other than the 15th business day of the month.

Thanks,
Rima

Rima Ramchandani
P. 416.865.7666

This email and any attachments are for the sole use of the intended recipients and may be privileged or confidential. Any distribution, printing or other use by anyone else is prohibited. If you are not an intended recipient, please contact the sender immediately, and permanently delete this email and attachments.

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TORYS LLP

79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada
P. 416.865.0040 | F. 416.865.7380
www.torys.com

Brett Saulnier
bsaulnier@torys.com
P. 416.865.8148

February 8, 2018

CONFIDENTIAL

Ministry of Finance
7 Queen's Park Crescent, 7th Floor
Toronto, Ontario M7A 1Y7

RECEIVED
FEB - 9 2018
MINISTRY OF FINANCE
DEPUTY MINISTER'S OFFICE

Attention: Minister of Finance
Deputy Minister of Finance

Ministry of Energy
Hearst Block 4th Floor, 900 Bay Street
Toronto, Ontario M7A 2E1

Attention: Minister of Energy
Deputy Ministry of Energy

Dear Sirs/Mesdames:

Re: Fair Hydro Plan – Deliveries under Change of Law Process Agreement

Reference is made to the Change of Law Process Agreement dated as of December 21, 2017 between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance, and Ontario Power Generation Inc. (the "**Change of Law Process Agreement**"). Capitalized terms used and not defined herein shall have their respective meanings in the Change of Law Process Agreement.

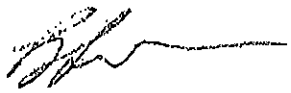
On February 9, 2018, Fair Hydro Trust (the "**Issuer**") will issue (i) C$500,000,000 aggregate principal amount of 3.357% Senior Notes due May 15, 2033, Series 2018-1 in accordance with the terms of an agency agreement dated as of February 6, 2018 among the Issuer, Ontario Power Generation Inc. ("**OPG**") and the dealers named therein, (ii) C$382,353,000 aggregate principal amount of 3.637% Subordinated Notes due May 15, 2033, Series 2018-1 and (iii) C$98,040,000 aggregate principal amount of 3.957% Junior Subordinated Notes due May 15, 2033, Series 2018-1 (collectively, the "**Funding Obligations**").

On behalf of Ontario Power Generation Inc. and pursuant to section 3.01 of the Change of Law Process Agreement, please find enclosed a Process Certificate in respect of the Funding Obligations.

On behalf of Ontario Power Generation Inc. and pursuant to section 2.01(c) of the Change of Law Process Agreement, please find enclosed one Special Payment Date Agreement in respect of each of the Warehouse Senior Series 2017-1 Supplemental Indenture dated as of December 21, 2017 among, *inter alios*, the Issuer, Royal Bank of Canada and BNY Trust Company of Canada (the "**Indenture Trustee**"), the Warehouse Subordinated Series 2017-1 Supplemental

Indenture dated as of December 21, 2017 among the Issuer, OPG and the Indenture Trustee and the Warehouse Junior Subordinated Series 2017-1 Supplemental Indenture dated as of December 21, 2017 among the Issuer, OPG and the Indenture Trustee (collectively, the "**Warehouse Facilities**"). Such Special Payment Date Agreements permit a partial repayment of the Warehouse Facilities using proceeds from the Funding Obligations on a date that is not the 15th day of a given calendar month and allow the decrease notice to be delivered within two business days of such repayment (rather than five business days).

Yours truly,



Brett Saulnier

Encl.

cc: Rima Ramchandani, *Torys LLP*
John Lee, *Ontario Power Generation Inc.*
Lubna Ladak, *Ontario Power Generation Inc.*
Leslie Wong, *Ontario Power Generation Inc.*

24966160.1

ONTARIO POWER GENERATION INC.,
in its capacity as FSM

PROCESS CERTIFICATE

Certificate of the CFO and Treasurer pursuant to section 3.01 of the Change of Law Process Agreement

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

RE: C$500,000,000 aggregate principal amount of 3.357% Senior Notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Senior Notes**")

AND RE: C$382,353,000 aggregate principal amount of 3.637% Subordinated Notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**")

AND RE: C$98,040,000 aggregate principal amount of 3.957% Junior Subordinated Notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**")

AND RE: Agency agreement between Fair Hydro Trust (the "**Issuer**"), Ontario Power Generation Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Goldman Sachs Canada Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Morgan Stanley Canada Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Desjardins Securities Inc. and Casgrain & Company Limited dated as of February 6, 2018 (the "**Agency Agreement**" and together with the Series 2018-1 Senior Notes, the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes, the "**Funding Obligations**")

Reference is made to the Change of Law Process Agreement dated December 21, 2017 among the Province and Ontario Power Generation Inc. (the "**Change of Law Process Agreement**"). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Change of Law Process Agreement.

Each of the undersigned, being the Chief Financial Officer and Treasurer of OPG acting in its capacity as FSM and holding the offices set forth under their names and signatures below, pursuant to and accordance with section 3.01 of the Change of Law Process Agreement, hereby certifies for and on behalf of OPG, in its capacity as Financial Services Manager, and not in such officer's personal capacity and intending that this certificate may be relied on by the addressees hereof without independent inquiry, that:

1. I have read and understand the provisions of the Change of Law Process Agreement and all other documents and materials necessary to enable me to deliver this certificate.

2. The material terms of the Series 2018-1 Senior Notes are set forth in Schedule A.

3. The material terms of the Series 2018-1 Subordinated Notes are set forth in Schedule B.

4. The material terms of the Series 2018-1 Junior Subordinated Notes are set forth in Schedule C.

5. The material terms of the Agency Agreement are set forth in Schedule D.

6. The Funding Obligations:

   (a) will arise under terms and conditions that are Substantially in the Form of the Reference Documentation applicable thereto;

   (b) in my opinion, are reasonably incurred or effected in compliance with the Act, the General Regulation, any other enactments related thereto and the Financing Plan;

   (c) are of a type and are on terms that a reasonably prudent financial services manager would incur in similar circumstances; and

   (d) reflect, in all material respects, arm's length terms and conditions.

7. The Disclosure Document used in connection with the offering and sale of the Series 2018-1 Senior Notes is Substantially in the Form of the Reference Documentation. No Disclosure Document was used in connection with the offering and sale of the Series 2018-1 Subordinated Notes or Series 2018-1 Junior Subordinated Notes.

8. Any disclosure made in respect of any of the Funding Obligations (including any Disclosure Document, press release or other written communication prepared for dissemination to third parties in relation to any of the Funding Obligations) that refers to or describes the terms, effect or adherence of or to the Change of Law Process Agreement or the Change of Law Protection Agreement has been made available to the Province prior to use or dissemination, other than where such disclosure was substantially the same as a disclosure previously made.

9. No Breach Event has occurred on or prior to the date hereof, unless such Breach Event has been waived by the Province in writing.

10. At the time the Funding Obligations are incurred, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Funding Obligations, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under all Approved Obligations, do not exceed the Protection Agreement Maximum applicable on the date hereof.

[Remainder of page intentionally left blank.]

DATED as of the 9th day of February, 2018.

Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

Name: John Lee
Title: Vice President – Treasurer

[Signature page to Process Certificate]

SCHEDULE A

SERIES 2018-1 SENIOR NOTES TERM SHEET	
Principal Amount	Unlimited but initially C$500,000,000
Interest Rate	3.357% per annum (the "**Series 2018-1 Senior Interest Rate**")
Interest Payments	The "**Interest Payment Dates**" for the Series 2018-1 Senior Notes are as follows: (i) prior to the occurrence of an Amortization Event (as defined below), interest on the Series 2018-1 Senior Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Senior Notes on each Payment Date (as defined in the Master Trust Indenture dated December 21, 2017 between the Issuer and BNY Trust Company of Canada, as supplemented (the "**MTI**")) thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Senior Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Senior Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, February 9, 2018 to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event (as defined below), the first interest payment will be in an amount equal to C$8.73739726 per C$1,000 principal amount of Series 2018-1 Senior Notes. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-1 Senior Notes, or the outstanding principal amount of the Series 2018-1 Senior Notes has not been paid in full on May 15, 2033. "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the MTI, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes and all interest thereon is declared due and payable in accordance with the MTI as a result of the occurrence of certain events of default.
Issue Price	C$1,000.03 per C$1,000 principal amount of Series 2018-1 Senior Notes
Fees	See Schedule D under the heading "Fees"
Term to Maturity	15.25 years
Amortization	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on May 15, 2033. Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date (as defined in the MTI) in respect of the Series 2018-1 Senior Notes and the then outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date. A failure to pay principal on May 15, 2033 for the Series 2018-1 Senior Notes will constitute an event of default upon the occurrence of which the holders of Series 2018-1 Senior Notes may declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Senior Notes to be immediately due and payable. Subject to the occurrence of an Amortization Event, the Series 2018-1 Senior Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix 1 hereto.
Extension	N/A
Redemption	The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date (as defined below), the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price (as defined below) and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "**Par Call Date**" means November 15, 2032. "**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield (as defined below) calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus 0.23% per annum. "**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

APPENDIX 1

PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
January 15, 2030	C$3,655,755.29
February 15, 2030	C$7,626,564.99
March 15, 2030	C$8,257,633.61
April 15, 2030	C$8,191,586.84
May 15, 2030	C$7,890,462.63
June 15, 2030	C$7,584,364.60
July 15, 2030	C$9,084,874.20
August 15, 2030	C$11,442,279.18
September 15, 2030	C$12,391,444.77
October 15, 2030	C$12,750,308.92
November 15, 2030	C$11,982,236.88
December 15, 2030	C$11,293,079.64
January 15, 2031	C$10,793,983.66
February 15, 2031	C$10,722,332.46
March 15, 2031	C$11,500,665.58
April 15, 2031	C$11,354,192.22
May 15, 2031	C$10,817,597.00
June 15, 2031	C$10,295,734.83
July 15, 2031	C$9,657,558.16
August 15, 2031	C$9,972,812.07
September 15, 2031	C$10,763,812.68
October 15, 2031	C$11,008,621.17
November 15, 2031	C$10,283,044.04
December 15, 2031	C$9,663,858.15
January 15, 2032	C$11,614,637.47
February 15, 2032	C$14,086,300.93
March 15, 2032	C$15,155,597.37
April 15, 2032	C$15,258,171.67
May 15, 2032	C$14,584,770.10
June 15, 2032	C$13,686,506.16
July 15, 2032	C$14,172,728.13
August 15, 2032	C$16,021,396.29
September 15, 2032	C$17,345,995.76
October 15, 2032	C$17,773,273.46
November 15, 2032	C$16,598,773.70
December 15, 2032	C$15,634,984.01
January 15, 2033	C$16,715,366.47
February 15, 2033	C$18,464,628.87
March 15, 2033	C$19,935,085.13
April 15, 2033	C$19,792,624.35
May 15, 2033	C$4,174,356.56

SCHEDULE B

SERIES 2018-1 SUBORDINATED NOTES TERM SHEET	
Principal Amount	Unlimited but initially C$382,353,000
Interest Rate	3.637% per annum (the "**Series 2018-1 Subordinated Interest Rate**")
Interest Payments	The "**Interest Payment Dates**" for the Series 2018-1 Subordinated Notes are as follows: (i) prior to the occurrence of an Amortization Event (as defined below), interest on the Series 2018-1 Subordinated Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Subordinated Notes on each Payment Date (as defined in the Master Trust Indenture dated December 21, 2017 between the Issuer and BNY Trust Company of Canada, as supplemented (the "MTI")) thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Subordinated Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Subordinated Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Subordinated Notes will include accrued and unpaid interest for the period from, and including, February 9, 2018 to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event (as defined below), the first interest payment will be in an amount equal to C$9.466164384 per C$1,000 principal amount of Series 2018-1 Subordinated Notes. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-1 Subordinated Notes, or the outstanding principal amount of the Series 2018-1 Subordinated Notes has not been paid in full on May 15, 2033. "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the MTI, or (ii) the outstanding principal amount of the Series 2018-1 Subordinated Notes and all interest thereon is declared due and payable in accordance with the MTI as a result of the occurrence of certain events of default.
Issue Price	C$1,000 per C$1,000 principal amount of Series 2018-1 Subordinated Notes
Fees	N/A
Term to Maturity	15.25 years
Amortization	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Subordinated Notes shall be due and payable on May 15, 2033. Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date (as defined in the MTI) in respect of the Series 2018-1 Subordinated Notes and the then outstanding principal amount of the Series 2018-1 Subordinated Notes shall be due and payable on each such Payment Date. A failure to pay principal on May 15, 2033 for the Series 2018-1 Subordinated Notes will constitute an event of default upon the occurrence of which the holders of Series 2018-1 Subordinated Notes may declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Subordinated Notes to be immediately due and payable. Subject to the occurrence of an Amortization Event, the Series 2018-1 Subordinated Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix 2 hereto.
Extension	N/A
Redemption	The Series 2018-1 Subordinated Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date (as defined below), the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price (as defined below) and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "**Par Call Date**" means November 15, 2032. "**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Subordinated Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield (as defined below) calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus 0.30% per annum. "**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Subordinated Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

APPENDIX 2

PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
January 15, 2030	C$2,795,577.57
February 15, 2030	C$5,832,079.11
March 15, 2030	C$6,314,661.00
April 15, 2030	C$6,264,154.64
May 15, 2030	C$6,033,883.19
June 15, 2030	C$5,799,808.22
July 15, 2030	C$6,947,256.74
August 15, 2030	C$8,749,978.20
September 15, 2030	C$9,475,810.71
October 15, 2030	C$9,750,236.23
November 15, 2030	C$9,162,887.03
December 15, 2030	C$8,635,884.43
January 15, 2031	C$8,254,222.80
February 15, 2031	C$8,199,430.70
March 15, 2031	C$8,794,626.62
April 15, 2031	C$8,682,617.58
May 15, 2031	C$8,272,280.06
June 15, 2031	C$7,873,208.99
July 15, 2031	C$7,385,191.53
August 15, 2031	C$7,626,268.05
September 15, 2031	C$8,231,150.87
October 15, 2031	C$8,418,357.37
November 15, 2031	C$7,863,504.27
December 15, 2031	C$7,390,009.17
January 15, 2032	C$8,881,781.59
February 15, 2032	C$10,771,877.18
March 15, 2032	C$11,589,574.46
April 15, 2032	C$11,668,013.63
May 15, 2032	C$11,153,059.49
June 15, 2032	C$10,466,151.77
July 15, 2032	C$10,837,968.57
August 15, 2032	C$12,251,655.99
September 15, 2032	C$13,264,584.99
October 15, 2032	C$13,591,326.76
November 15, 2032	C$12,693,179.89
December 15, 2032	C$11,956,164.24
January 15, 2033	C$12,782,339.07
February 15, 2033	C$14,120,010.31
March 15, 2033	C$15,244,476.86
April 15, 2033	C$15,135,536.27
May 15, 2033	C$3,192,213.85

SCHEDULE C

SERIES 2018-1 JUNIOR SUBORDINATED NOTES TERM SHEET	
Principal Amount	Unlimited but initially C$98,040,000
Interest Rate	3.957% per annum (the "**Series 2018-1 Junior Subordinated Interest Rate**")
Interest Payments	The "**Interest Payment Dates**" for the Series 2018-1 Junior Subordinated Notes are as follows: (i) prior to the occurrence of an Amortization Event (as defined below), interest on the Series 2018-1 Junior Subordinated Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Junior Subordinated Notes on each Payment Date (as defined in the Master Trust Indenture dated December 21, 2017 between the Issuer and BNY Trust Company of Canada, as supplemented (the "MTI")) thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Junior Subordinated Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Junior Subordinated Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Junior Subordinated Notes will include accrued and unpaid interest for the period from, and including, February 9, 2018 to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event (as defined below), the first interest payment will be in an amount equal to C$10.299041096 per C$1,000 principal amount of Series 2018-1 Junior Subordinated Notes. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-1 Junior Subordinated Notes, or the outstanding principal amount of the Series 2018-1 Junior Subordinated Notes has not been paid in full on May 15, 2033. "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the MTI, or (ii) the outstanding principal amount of the Series 2018-1 Junior Subordinated Notes and all interest thereon is declared due and payable in accordance with the MTI as a result of the occurrence of certain events of default.
Issue Price	C$1,000 per C$1,000 principal amount of Series 2018-1 Junior Subordinated Notes
Fees	N/A
Term to Maturity	15.25 years
Amortization	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Junior Subordinated Notes shall be due and payable on May 15, 2033. Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date (as defined in the MTI) in respect of the Series 2018-1 Junior Subordinated Notes and the then outstanding principal amount of the Series 2018-1 Junior Subordinated Notes shall be due and payable on each such Payment Date. A failure to pay principal on May 15, 2033 for the Series 2018-1 Junior Subordinated Notes will constitute an event of default upon the occurrence of which the holders of Series 2018-1 Junior Subordinated Notes may declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Junior Subordinated Notes to be immediately due and payable. Subject to the occurrence of an Amortization Event, the Series 2018-1 Junior Subordinated Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix 3 hereto.
Extension	N/A
Redemption	The Series 2018-1 Junior Subordinated Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date (as defined below), the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price (as defined below) and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "**Par Call Date**" means November 15, 2032. "**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Junior Subordinated Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield (as defined below) calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus 0.38% per annum. "**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Junior Subordinated Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

APPENDIX 3

PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
January 15, 2030	C$716,814.76
February 15, 2030	C$1,495,404.90
March 15, 2030	C$1,619,143.85
April 15, 2030	C$1,606,193.50
May 15, 2030	C$1,547,149.54
June 15, 2030	C$1,487,130.31
July 15, 2030	C$1,781,347.88
August 15, 2030	C$2,243,584.15
September 15, 2030	C$2,429,695.05
October 15, 2030	C$2,500,060.57
November 15, 2030	C$2,349,458.21
December 15, 2030	C$2,214,329.34
January 15, 2031	C$2,116,467.38
February 15, 2031	C$2,102,418.13
March 15, 2031	C$2,255,032.47
April 15, 2031	C$2,226,312.20
May 15, 2031	C$2,121,097.45
June 15, 2031	C$2,018,771.54
July 15, 2031	C$1,893,638.85
August 15, 2031	C$1,955,453.35
September 15, 2031	C$2,110,551.51
October 15, 2031	C$2,158,553.17
November 15, 2031	C$2,016,283.15
December 15, 2031	C$1,894,874.15
January 15, 2032	C$2,277,379.90
February 15, 2032	C$2,762,019.79
March 15, 2032	C$2,971,685.76
April 15, 2032	C$2,991,798.37
May 15, 2032	C$2,859,758.84
June 15, 2032	C$2,683,628.66
July 15, 2032	C$2,778,966.30
August 15, 2032	C$3,141,450.25
September 15, 2032	C$3,401,175.64
October 15, 2032	C$3,484,955.58
November 15, 2032	C$3,254,661.51
December 15, 2032	C$3,065,683.14
January 15, 2033	C$3,277,522.84
February 15, 2033	C$3,620,515.46
March 15, 2033	C$3,908,840.22
April 15, 2033	C$3,880,906.74
May 15, 2033	C$819,285.59

SCHEDULE D

AGENCY AGREEMENT TERMS	
Appointment	The Issuer appoints the Agents to act as its sole and exclusive agents to effect the solicitation and private placement of Series 2018-1 Senior Notes to "accredited investors", as such term is defined under applicable securities laws, in the Provinces of Canada (the "**Offering**").
Fees	In consideration of the services provided to the Issuer by the Agents, the Issuer agrees to pay the Agents a fee equal to 0.50% of the aggregate principal amount of Series 2018-1 Senior Notes sold in the Offering.
Representations and Warranties	Representations and warranties in favour of the Agents from each of the Issuer and OPG customary for a private placement of notes, including representations that the disclosure document used in connection with the Offering does not contain a "misrepresentation", as such term is defined under applicable securities laws.
Conditions to Closing	As conditions to the closing of the Offering, the Issuer must provide, or arrange to have provided, certain standard certificates, legal opinions and other deliverables to the Agents.
Termination	The Agents have customary rights to terminate their obligations on the occurrence of certain events, including legal or other proceedings resulting in a material adverse change, a material adverse change in respect of the Issuer and financial disasters.
Indemnity	Each of the Issuer and OPG provides an indemnity to each of the Agents for any losses resulting from, among other things, breaches of representations, warranties and covenants, breaches of securities laws or a "misrepresentation" in the disclosure document used in connection with the Offering.

SPECIAL PRINCIPAL PAYMENT DATE AGREEMENT
(Senior Warehouse Supplemental Indenture)

Reference is made to:

(a) the Trust Indenture dated as of December 21, 2017 (the "**Trust Indenture**") between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee;

(b) the Warehouse Senior Series 2017-1 Supplemental Indenture (the "**Senior Warehouse Supplemental Indenture**") made as of December 21, 2017 between the undersigned signatories to this Special Principal Payment Date Agreement;

(c) an expected issuance on or about February 9, 2018 of Senior Notes bearing the full designation "3.357% Senior Notes due May 15, 2033, Series 2018-1" pursuant to a new Supplemental Indenture to be entered into (the "**Expected Term Issuance**").

Terms with initial capital letters in this Special Principal Payment Date Agreement have the meanings given to them in, or for the purposes of, the Senior Warehouse Supplemental Indenture and the Trust Indenture.

The undersigned hereby agree as follows:

1. Notwithstanding the terms of the Senior Warehouse Supplemental Indenture, the date of issuance of the Senior Notes pursuant to the Expected Term Issuance (the "**Special Principal Payment Date**") will be a Principal Payment Date and a Decrease Date as such terms are defined under, and for the purposes of, the Senior Warehouse Supplemental Indenture.

2. Each of the Principal Payment Amount and the Decrease Amount for such Special Principal Payment Date shall be $500,000,000.

3. Proceeds of the Expected Term Issuance will be applied pursuant to the provisions of the Trust Indenture and the Senior Warehouse Supplemental Indenture to the payment of the Principal Payment Amount.

4. For greater certainty, it is acknowledged that the Special Principal Payment Date will not be an Interest Payment Date under the Senior Warehouse Supplemental Indenture and that accrued interest in respect of the principal amount of the Series 2017-1 Senior Notes repaid on the Special Principal Payment Date will be paid on the next Payment Date.

5. Notwithstanding Section 3.4(a) of the Senior Warehouse Supplemental Indenture, the Decrease Notice in respect of the Decrease occurring on the Special Principal Payment Date may be delivered no later than the second Business Day prior to the Special Principal Payment Date.

6. This Special Principal Payment Date Agreement applies only to the proceeds of the Expected Term Issuance and shall not be relied upon to complete any other repayment of principal of Series 2017-1 Senior Notes. If the Special Principal Payment Date has not

occurred by February 28, 2018 this Special Principal Payment Date Agreement shall cease of be of any force and effect.

7. Except as modified hereby, the provisions of the Senior Warehouse Supplemental Indenture remain in full force and effect unamended.

8. Each Series 2017-1 Senior Noteholder acknowledges and consents to the foregoing and directs the Indenture Trustee to enter into this Special Principal Payment Date Agreement.

[Signature Page Follows]

DATED this 7th day of February, 2018.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of
FAIR HYDRO TRUST, as Issuer
By: **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By: _____

Name: Ahmad Adam
Title: Vice-President

[Signature page to Special Principal Payment Date Agreement – Senior Warehouse]

ROYAL BANK OF CANADA, as Administrative Agent

Ca

By: _____
Name: Ian Benaiah
Title: Authorized Signatory

By: _____
Name:
Title: Nur Khan
Authorized Signatory

CIBC MELLON TRUST COMPANY, in its capacity as trustee of **LAKESHORE TRUST**, by its Financial Services Agent, **ROYAL BANK OF CANADA**, as a CP Conduit Purchaser

By: _____
Name Ian Benaiah
Title: Authorized Signatory

By: _____
Name:
Title: Nur Khan
Authorized Signatory

ROYAL BANK OF CANADA, as a Group Bank

By: _____
Name; Ian Benaiah
Title: Authorized Signatory

By: _____
Name:
Title: Nur Khan
Authorized Signatory

CANADIAN IMPERIAL BANK OF COMMERCE, as a Group Bank

By: _____
Name: Andrew Maciel
Title: Authorized Signatory

By: _____
Name: Sunil Adalja
Title: Authorized Signatory

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **SOUND TRUST**, by its Financial Services Agent, **CANADIAN IMPERIAL BANK OF COMMERCE**, as a CP Conduit Purchaser

By: _____
Name: Andrew Maciel
Title: Authorized Signatory

By: _____
Name: Sunil Adalja
Title: Authorized Signatory

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **SURE TRUST**, by its Financial Services Agent, **CANADIAN IMPERIAL BANK OF COMMERCE**, as a CP Conduit Purchaser

By: _____
Name: Andrew Maciel
Title: Authorized Signatory

By: _____
Name: Sunil Adalja
Title: Authorized Signatory

GOLDMAN SACHS CANADA INC.

By: Goldman Sachs Canada
Name: JASON KOWE
Title: Managing Director

[Signature page to Global Direction and Receipt]

SPECIAL PRINCIPAL PAYMENT DATE AGREEMENT
(Subordinated Warehouse Supplemental Indenture)

Reference is made to:

(a) the Trust Indenture dated as of December 21, 2017 (the "**Trust Indenture**") between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee;

(b) the Warehouse Subordinated Series 2017-1 Supplemental Indenture (the "**Subordinated Warehouse Supplemental Indenture**") made as of December 21, 2017 between the undersigned signatories to this Special Principal Payment Date Agreement;

(c) an expected issuance on or about February 9, 2018 of Subordinated Notes bearing the full designation "3.637% Subordinated Notes due May 15, 2033, Series 2018-1" pursuant to a new Supplemental Indenture to be entered into (the "**Expected Term Issuance**").

Terms with initial capital letters in this Special Principal Payment Date Agreement have the meanings given to them in, or for the purposes of, the Senior Warehouse Supplemental Indenture and the Trust Indenture.

The undersigned hereby agree as follows:

1. Notwithstanding the terms of the Subordinated Warehouse Supplemental Indenture, the date of issuance of the Subordinated Notes pursuant to the Expected Term Issuance (the "**Special Principal Payment Date**") will be a Principal Payment Date and a Decrease Date as such terms are defined under, and for the purposes of, the Subordinated Warehouse Supplemental Indenture.

2. Each of the Principal Payment Amount and the Decrease Amount for such Special Principal Payment Date shall be $382,353,000.

3. Proceeds of the Expected Term Issuance will be applied pursuant to the provisions of the Trust Indenture and the Subordinated Warehouse Supplemental Indenture to the payment of the Principal Payment Amount.

4. For greater certainty, it is acknowledged that the Special Principal Payment Date will not be an Interest Payment Date under the Subordinated Warehouse Supplemental Indenture and that accrued interest in respect of the principal amount of the Series 2017-1 Subordinated Notes repaid on the Special Principal Payment Date will be paid on the next Payment Date.

5. Notwithstanding Section 3.4 of the Subordinated Warehouse Supplemental Indenture, the Decrease Notice in respect of the Decrease occurring on the Special Principal Payment Date may be delivered no later than the second Business Day prior to the Special Principal Payment Date.

6. This Special Principal Payment Date Agreement applies only to the proceeds of the Expected Term Issuance and shall not be relied upon to complete any other repayment of principal of Series 2017-1 Subordinated Notes. If the Special Principal Payment Date has not occurred by February 28, 2018 this Special Principal Payment Date Agreement shall cease of be of any force and effect.

7. Except as modified hereby, the provisions of the Subordinated Warehouse Supplemental Indenture remain in full force and effect unamended.

8. Ontario Power Generation Inc. acknowledges and consents to the foregoing and directs the Indenture Trustee to enter into this Special Principal Payment Date Agreement.

[Signature Page Follows]

DATED this 7th day of February, 2018.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer

By: **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

BNY TRUST COMPANY OF CANADA, as
Indenture Trustee

By: _____
Name: Ahmed Adam
Title: Vice-President

[Signature page to Special Principal Payment Date Agreement – Subordinated Warehouse]

ONTARIO POWER GENERATION INC.

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and
Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

[Signature page to Special Principal Payment Date Agreement – Subordinated Warehouse]

SPECIAL PRINCIPAL PAYMENT DATE AGREEMENT
(Junior Subordinated Warehouse Supplemental Indenture)

Reference is made to:

(a) the Trust Indenture dated as of December 21, 2017 (the "**Trust Indenture**") between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee;

(b) the Warehouse Junior Subordinated Series 2017-1 Supplemental Indenture (the "**Junior Subordinated Warehouse Supplemental Indenture**") made as of December 21, 2017 between the undersigned signatories to this Special Principal Payment Date Agreement;

(c) an expected issuance on or about February 9, 2018 of Junior Subordinated Notes bearing the full designation "3.957% Junior Subordinated Notes due May 15, 2033, Series 2018-1" pursuant to a new Supplemental Indenture to be entered into (the "**Expected Term Issuance**").

Terms with initial capital letters in this Special Principal Payment Date Agreement have the meanings given to them in, or for the purposes of, the Senior Warehouse Supplemental Indenture and the Trust Indenture.

The undersigned hereby agree as follows:

1. Notwithstanding the terms of the Junior Subordinated Warehouse Supplemental Indenture, the date of issuance of the Junior Subordinated Notes pursuant to the Expected Term Issuance (the "**Special Principal Payment Date**") will be a Principal Payment Date and a Decrease Date as such terms are defined under, and for the purposes of, the Junior Subordinated Warehouse Supplemental Indenture.

2. Each of the Principal Payment Amount and the Decrease Amount for such Special Principal Payment Date shall be $98,040,000.

3. Proceeds of the Expected Term Issuance will be applied pursuant to the provisions of the Trust Indenture and the Junior Subordinated Warehouse Supplemental Indenture to the payment of the Principal Payment Amount.

4. For greater certainty, it is acknowledged that the Special Principal Payment Date will not be an Interest Payment Date under the Junior Subordinated Warehouse Supplemental Indenture and that accrued interest in respect of the principal amount of the Series 2017-1 Junior Subordinated Notes repaid on the Special Principal Payment Date will be paid on the next Payment Date.

5. Notwithstanding Section 3.4 of the Junior Subordinated Warehouse Supplemental Indenture, the Decrease Notice in respect of the Decrease occurring on the Special Principal Payment Date may be delivered no later than the second Business Day prior to the Special Principal Payment Date.

6. This Special Principal Payment Date Agreement applies only to the proceeds of the Expected Term Issuance and shall not be relied upon to complete any other repayment of principal of Series 2017-1 Junior Subordinated Notes. If the Special Principal Payment Date has not occurred by February 28, 2018 this Special Principal Payment Date Agreement shall cease of be of any force and effect.

7. Except as modified hereby, the provisions of the Junior Subordinated Warehouse Supplemental Indenture remain in full force and effect unamended.

8. Ontario Power Generation Inc. acknowledges and consents to the foregoing and directs the Indenture Trustee to enter into this Special Principal Payment Date Agreement.

[Signature Page Follows]

DATED this 7th day of February, 2018.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of
FAIR HYDRO TRUST, as Issuer
By: **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

BNY TRUST COMPANY OF CANADA, as
Indenture Trustee

By: _____
Name: Ahmad Adam
Title: Vice-President

[Signature page to Special Principal Payment Date Agreement – Junior Subordinated Warehouse]

ONTARIO POWER GENERATION INC.

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and
Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

[Signature page to Special Principal Payment Date Agreement – Junior Subordinated Warehouse]

From: Anna Strathy
To: Gadi Mayman; Ronald Kwan; Ken Kandeepan; Mike Manning
Subject: FW: Fair Hydro Trust -- Term Closing
Date: Friday, February 09, 2018 10:29:46 AM

Good morning,
A process certificate was received in the DMO from OPG. A scan is being sent to me – does anyone have a view that the scan should go to someone else here? Or are you comfortable with me forwarding it on to this group once I receive it?
Anna

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, February 09, 2018 10:25 AM
To: David McLean (MOF) ; Kobrinsky, Liza (MOF)
Cc: Anna Strathy ; Tobias P. Whitfield (MOF)
Subject: RE: Fair Hydro Trust -- Term Closing

Hi Dave,
Would you please scan it and send a copy to me and also to Anna Strathy? Anna: please confirm if it should be sent to you or someone else at the OFA. We do have an advance copy but think it would be prudent for you to scan and send the one you receive to us.
The delivery of this certificate is a requirement of the Process Agreement entered into by the Province and the Fair Hydro Trust in order to keep the Province advised of the Fair Hydro Trust obligations that are covered by the Province's Change of Law Assurance Agreement. Fair Hydro Trust is required to deliver the certificate prior to entering into the obligations (i.e. the closing date) and confirm a number of items to the Province including the material terms and that they are to be issued under terms and conditions substantially similar to the terms of reference documentation for the program, that the terms are in compliance with law and the Financing Plan, are of a type and terms that a reasonably prudent financial services manager would incur in similar circumstances and reflect arm's length terms and conditions.
As part of the closing of the term deal by Fair Hydro Trust, the Trust must confirm that it has delivered the certificate to the Province.
If you have any other questions please let us know.
Thank you.
Malle
Malle Hanslep
Deputy Director
Ministry of the Attorney General
Ministry of Finance Legal Services Branch
Telephone: 416-325-1457
Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you.

From: McLean, David (MOF)
Sent: February 9, 2018 10:13 AM
To: Hanslep, Malle (MOF); Kobrinsky, Liza (MOF)
Cc: Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: Fair Hydro Trust -- Term Closing
Yes, we received the fax. Paul in our office just picked it up. Do you need us to do anything with it (I

haven't had a chance to review it)?

From: Hanslep, Malle (MOF)
Sent: February 9, 2018 10:10 AM
To: Kobrinsky, Liza (MOF)
Cc: McLean, David (MOF); Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: FW: Fair Hydro Trust -- Term Closing

Hi Liza,
Would you please let us know if you have received the attached certificate by fax? Thank you.
Malle

Malle Hanslep
Deputy Director
Ministry of the Attorney General
Ministry of Finance Legal Services Branch
Telephone: 416-325-1457

Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you.

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: February 8, 2018 4:40 PM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Mansoori, Nina
Subject: RE: Fair Hydro Trust -- Term Closing

All,
Further to Rima's email, please find attached a letter enclosing the process certificate and the agreements that Rima mentions below. The attached will be delivered by fax shortly to the each of the Ministers and Deputy Ministers at the fax numbers in the notice provisions of the Change of Law Process Agreement.
Thanks,
Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com



From: Ramchandani, Rima
Sent: February-08-18 2:22 PM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Cc: 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Ramchandani, Rima <rramchandani@torys.com>
Subject: Fair Hydro Trust -- Term Closing

Alena, Malle and Toby, hope you are all well. In case you have not been made aware, we wanted to let you know that we are closing the Fair Hydro Trust term deal tomorrow morning and will be delivering, on behalf of OPG, the required process certificate by fax to the attention of the Ministers and Deputy Ministers later today. As with the warehouse closing, Brett Saulnier from Torys will send all of you an email with a PDF of the signed process certificate and accompanying

cover letter for your records.
Just FYI, you will see that the cover letter will also reference the delivery (pursuant to Section 2.01(c) of the process agreement) of a brief 2-page agreement that will be entered into between the Trust and the warehouse lenders on closing tomorrow which simply permits delivery of the decrease notice 2 business days prior to closing and repayment of the warehouse notes on a day other than the 15th business day of the month.
Thanks,
Rima
Rima Ramchandani
P. 416.865.7666

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From:	Hanslep, Malle (MOF)
To:	Mike Manning; Ken Kandeepan; Anna Strathy; Ronald Kwan
Cc:	Tobias P. Whitfield (MOF)
Subject:	FW: Fair Hydro Trust -- Term Closing
Date:	Thursday, February 08, 2018 4:53:09 PM
Attachments:	Letter to Province - Process Certificate.pdf

FYI

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: February 8, 2018 4:40 PM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Mansoori, Nina
Subject: RE: Fair Hydro Trust -- Term Closing

All,

Further to Rima's email, please find attached a letter enclosing the process certificate and the agreements that Rima mentions below. The attached will be delivered by fax shortly to the each of the Ministers and Deputy Ministers at the fax numbers in the notice provisions of the Change of Law Process Agreement.

Thanks,

Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

From: Ramchandani, Rima
Sent: February-08-18 2:22 PM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Cc: 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Ramchandani, Rima <rramchandani@torys.com>
Subject: Fair Hydro Trust -- Term Closing

Alena, Malle and Toby, hope you are all well. In case you have not been made aware, we wanted to let you know that we are closing the Fair Hydro Trust term deal tomorrow morning and will be delivering, on behalf of OPG, the required process certificate by fax to the attention of the Ministers and Deputy Ministers later today. As with the warehouse closing, Brett Saulnier from Torys will send all of you an email with a PDF of the signed process certificate and accompanying cover letter for your records.

Just FYI, you will see that the cover letter will also reference the delivery (pursuant to Section 2.01(c) of the process agreement) of a brief 2-page agreement that will be entered into between the Trust and the warehouse lenders on closing tomorrow which simply permits delivery of the decrease notice 2 business days prior to closing and repayment of the warehouse notes on a day other than the 15th business day of the month.

Thanks,
Rima
Rima Ramchandani
P. 416.865.7666

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TORYS LLP

79 Wellington St. W., 30th Floor
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P. 416.865.0040 | F. 416.865.7380
www.torys.com

Brett Saulnier
bsaulnier@torys.com
P. 416.865.8148

February 8, 2018

CONFIDENTIAL

Ministry of Finance
7 Queen's Park Crescent, 7th Floor
Toronto, Ontario M7A 1Y7

Attention: Minister of Finance
Deputy Minister of Finance

Ministry of Energy
Hearst Block 4th Floor, 900 Bay Street
Toronto, Ontario M7A 2E1

Attention: Minister of Energy
Deputy Ministry of Energy

Dear Sirs/Mesdames:

Re: Fair Hydro Plan – Deliveries under Change of Law Process Agreement

Reference is made to the Change of Law Process Agreement dated as of December 21, 2017 between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance, and Ontario Power Generation Inc. (the "**Change of Law Process Agreement**"). Capitalized terms used and not defined herein shall have their respective meanings in the Change of Law Process Agreement.

On February 9, 2018, Fair Hydro Trust (the "**Issuer**") will issue (i) C$500,000,000 aggregate principal amount of 3.357% Senior Notes due May 15, 2033, Series 2018-1 in accordance with the terms of an agency agreement dated as of February 6, 2018 among the Issuer, Ontario Power Generation Inc. ("**OPG**") and the dealers named therein, (ii) C$382,353,000 aggregate principal amount of 3.637% Subordinated Notes due May 15, 2033, Series 2018-1 and (iii) C$98,040,000 aggregate principal amount of 3.957% Junior Subordinated Notes due May 15, 2033, Series 2018-1 (collectively, the "**Funding Obligations**").

On behalf of Ontario Power Generation Inc. and pursuant to section 3.01 of the Change of Law Process Agreement, please find enclosed a Process Certificate in respect of the Funding Obligations.

On behalf of Ontario Power Generation Inc. and pursuant to section 2.01(c) of the Change of Law Process Agreement, please find enclosed one Special Payment Date Agreement in respect of each of the Warehouse Senior Series 2017-1 Supplemental Indenture dated as of December 21, 2017 among, *inter alios*, the Issuer, Royal Bank of Canada and BNY Trust Company of Canada (the "**Indenture Trustee**"), the Warehouse Subordinated Series 2017-1 Supplemental

Indenture dated as of December 21, 2017 among the Issuer, OPG and the Indenture Trustee and the Warehouse Junior Subordinated Series 2017-1 Supplemental Indenture dated as of December 21, 2017 among the Issuer, OPG and the Indenture Trustee (collectively, the "**Warehouse Facilities**"). Such Special Payment Date Agreements permit a partial repayment of the Warehouse Facilities using proceeds from the Funding Obligations on a date that is not the 15th day of a given calendar month and allow the decrease notice to be delivered within two business days of such repayment (rather than five business days).

Yours truly,



Brett Saulnier

Encl.

cc: Rima Ramchandani, *Torys LLP*
John Lee, *Ontario Power Generation Inc.*
Lubna Ladak, *Ontario Power Generation Inc.*
Leslie Wong, *Ontario Power Generation Inc.*

24966160.1

ONTARIO POWER GENERATION INC.,
in its capacity as FSM

PROCESS CERTIFICATE

Certificate of the CFO and Treasurer pursuant to section 3.01 of the Change of Law Process Agreement

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

RE: C$500,000,000 aggregate principal amount of 3.357% Senior Notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Senior Notes**")

AND RE: C$382,353,000 aggregate principal amount of 3.637% Subordinated Notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**")

AND RE: C$98,040,000 aggregate principal amount of 3.957% Junior Subordinated Notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**")

AND RE: Agency agreement between Fair Hydro Trust (the "**Issuer**"), Ontario Power Generation Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Goldman Sachs Canada Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Morgan Stanley Canada Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Desjardins Securities Inc. and Casgrain & Company Limited dated as of February 6, 2018 (the "**Agency Agreement**" and together with the Series 2018-1 Senior Notes, the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes, the "**Funding Obligations**")

Reference is made to the Change of Law Process Agreement dated December 21, 2017 among the Province and Ontario Power Generation Inc. (the "**Change of Law Process Agreement**"). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Change of Law Process Agreement.

Each of the undersigned, being the Chief Financial Officer and Treasurer of OPG acting in its capacity as FSM and holding the offices set forth under their names and signatures below, pursuant to and accordance with section 3.01 of the Change of Law Process Agreement, hereby certifies for and on behalf of OPG, in its capacity as Financial Services Manager, and not in such officer's personal capacity and intending that this certificate may be relied on by the addressees hereof without independent inquiry, that:

1. I have read and understand the provisions of the Change of Law Process Agreement and all other documents and materials necessary to enable me to deliver this certificate.

2. The material terms of the Series 2018-1 Senior Notes are set forth in Schedule A.

3. The material terms of the Series 2018-1 Subordinated Notes are set forth in Schedule B.

4. The material terms of the Series 2018-1 Junior Subordinated Notes are set forth in Schedule C.

5. The material terms of the Agency Agreement are set forth in Schedule D.

6. The Funding Obligations:

   (a) will arise under terms and conditions that are Substantially in the Form of the Reference Documentation applicable thereto;

   (b) in my opinion, are reasonably incurred or effected in compliance with the Act, the General Regulation, any other enactments related thereto and the Financing Plan;

   (c) are of a type and are on terms that a reasonably prudent financial services manager would incur in similar circumstances; and

   (d) reflect, in all material respects, arm's length terms and conditions.

7. The Disclosure Document used in connection with the offering and sale of the Series 2018-1 Senior Notes is Substantially in the Form of the Reference Documentation. No Disclosure Document was used in connection with the offering and sale of the Series 2018-1 Subordinated Notes or Series 2018-1 Junior Subordinated Notes.

8. Any disclosure made in respect of any of the Funding Obligations (including any Disclosure Document, press release or other written communication prepared for dissemination to third parties in relation to any of the Funding Obligations) that refers to or describes the terms, effect or adherence of or to the Change of Law Process Agreement or the Change of Law Protection Agreement has been made available to the Province prior to use or dissemination, other than where such disclosure was substantially the same as a disclosure previously made.

9. No Breach Event has occurred on or prior to the date hereof, unless such Breach Event has been waived by the Province in writing.

10. At the time the Funding Obligations are incurred, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Funding Obligations, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under all Approved Obligations, do not exceed the Protection Agreement Maximum applicable on the date hereof.

[Remainder of page intentionally left blank.]

DATED as of the 9th day of February, 2018.

Name: Ken Hartwick
Title: Chief Financial Officer and
Senior Vice President

Name: John Lee
Title: Vice President – Treasurer

[Signature page to Process Certificate]

SCHEDULE A

SERIES 2018-1 SENIOR NOTES TERM SHEET	
Principal Amount	Unlimited but initially C$500,000,000
Interest Rate	3.357% per annum (the "**Series 2018-1 Senior Interest Rate**")
Interest Payments	The "**Interest Payment Dates**" for the Series 2018-1 Senior Notes are as follows: (i) prior to the occurrence of an Amortization Event (as defined below), interest on the Series 2018-1 Senior Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Senior Notes on each Payment Date (as defined in the Master Trust Indenture dated December 21, 2017 between the Issuer and BNY Trust Company of Canada, as supplemented (the "**MTI**")) thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Senior Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Senior Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, February 9, 2018 to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event (as defined below), the first interest payment will be in an amount equal to C$8.73739726 per C$1,000 principal amount of Series 2018-1 Senior Notes. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-1 Senior Notes, or the outstanding principal amount of the Series 2018-1 Senior Notes has not been paid in full on May 15, 2033. "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the MTI, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes and all interest thereon is declared due and payable in accordance with the MTI as a result of the occurrence of certain events of default.
Issue Price	C$1,000.03 per C$1,000 principal amount of Series 2018-1 Senior Notes
Fees	See Schedule D under the heading "Fees"
Term to Maturity	15.25 years
Amortization	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on May 15, 2033. Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date (as defined in the MTI) in respect of the Series 2018-1 Senior Notes and the then outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date. A failure to pay principal on May 15, 2033 for the Series 2018-1 Senior Notes will constitute an event of default upon the occurrence of which the holders of Series 2018-1 Senior Notes may declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Senior Notes to be immediately due and payable. Subject to the occurrence of an Amortization Event, the Series 2018-1 Senior Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix 1 hereto.
Extension	N/A
Redemption	The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date (as defined below), the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price (as defined below) and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "**Par Call Date**" means November 15, 2032. "**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield (as defined below) calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus 0.23% per annum. "**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

APPENDIX 1

PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
January 15, 2030	C$3,655,755.29
February 15, 2030	C$7,626,564.99
March 15, 2030	C$8,257,633.61
April 15, 2030	C$8,191,586.84
May 15, 2030	C$7,890,462.63
June 15, 2030	C$7,584,364.60
July 15, 2030	C$9,084,874.20
August 15, 2030	C$11,442,279.18
September 15, 2030	C$12,391,444.77
October 15, 2030	C$12,750,308.92
November 15, 2030	C$11,982,236.88
December 15, 2030	C$11,293,079.64
January 15, 2031	C$10,793,983.66
February 15, 2031	C$10,722,332.46
March 15, 2031	C$11,500,665.58
April 15, 2031	C$11,354,192.22
May 15, 2031	C$10,817,597.00
June 15, 2031	C$10,295,734.83
July 15, 2031	C$9,657,558.16
August 15, 2031	C$9,972,812.07
September 15, 2031	C$10,763,812.68
October 15, 2031	C$11,008,621.17
November 15, 2031	C$10,283,044.04
December 15, 2031	C$9,663,858.15
January 15, 2032	C$11,614,637.47
February 15, 2032	C$14,086,300.93
March 15, 2032	C$15,155,597.37
April 15, 2032	C$15,258,171.67
May 15, 2032	C$14,584,770.10
June 15, 2032	C$13,686,506.16
July 15, 2032	C$14,172,728.13
August 15, 2032	C$16,021,396.29
September 15, 2032	C$17,345,995.76
October 15, 2032	C$17,773,273.46
November 15, 2032	C$16,598,773.70
December 15, 2032	C$15,634,984.01
January 15, 2033	C$16,715,366.47
February 15, 2033	C$18,464,628.87
March 15, 2033	C$19,935,085.13
April 15, 2033	C$19,792,624.35
May 15, 2033	C$4,174,356.56

SCHEDULE B

SERIES 2018-1 SUBORDINATED NOTES TERM SHEET	
Principal Amount	Unlimited but initially C$382,353,000
Interest Rate	3.637% per annum (the "**Series 2018-1 Subordinated Interest Rate**")
Interest Payments	The "**Interest Payment Dates**" for the Series 2018-1 Subordinated Notes are as follows: (i) prior to the occurrence of an Amortization Event (as defined below), interest on the Series 2018-1 Subordinated Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Subordinated Notes on each Payment Date (as defined in the Master Trust Indenture dated December 21, 2017 between the Issuer and BNY Trust Company of Canada, as supplemented (the "**MTI**")) thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Subordinated Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Subordinated Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Subordinated Notes will include accrued and unpaid interest for the period from, and including, February 9, 2018 to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event (as defined below), the first interest payment will be in an amount equal to C$9.466164384 per C$1,000 principal amount of Series 2018-1 Subordinated Notes. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-1 Subordinated Notes, or the outstanding principal amount of the Series 2018-1 Subordinated Notes has not been paid in full on May 15, 2033. "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the MTI, or (ii) the outstanding principal amount of the Series 2018-1 Subordinated Notes and all interest thereon is declared due and payable in accordance with the MTI as a result of the occurrence of certain events of default.
Issue Price	C$1,000 per C$1,000 principal amount of Series 2018-1 Subordinated Notes
Fees	N/A
Term to Maturity	15.25 years
Amortization	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Subordinated Notes shall be due and payable on May 15, 2033. Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date (as defined in the MTI) in respect of the Series 2018-1 Subordinated Notes and the then outstanding principal amount of the Series 2018-1 Subordinated Notes shall be due and payable on each such Payment Date. A failure to pay principal on May 15, 2033 for the Series 2018-1 Subordinated Notes will constitute an event of default upon the occurrence of which the holders of Series 2018-1 Subordinated Notes may declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Subordinated Notes to be immediately due and payable. Subject to the occurrence of an Amortization Event, the Series 2018-1 Subordinated Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix 2 hereto.
Extension	N/A
Redemption	The Series 2018-1 Subordinated Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date (as defined below), the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price (as defined below) and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "**Par Call Date**" means November 15, 2032. "**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Subordinated Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield (as defined below) calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus 0.30% per annum. "**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Subordinated Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

APPENDIX 2

PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
January 15, 2030	C$2,795,577.57
February 15, 2030	C$5,832,079.11
March 15, 2030	C$6,314,661.00
April 15, 2030	C$6,264,154.64
May 15, 2030	C$6,033,883.19
June 15, 2030	C$5,799,808.22
July 15, 2030	C$6,947,256.74
August 15, 2030	C$8,749,978.20
September 15, 2030	C$9,475,810.71
October 15, 2030	C$9,750,236.23
November 15, 2030	C$9,162,887.03
December 15, 2030	C$8,635,884.43
January 15, 2031	C$8,254,222.80
February 15, 2031	C$8,199,430.70
March 15, 2031	C$8,794,626.62
April 15, 2031	C$8,682,617.58
May 15, 2031	C$8,272,280.06
June 15, 2031	C$7,873,208.99
July 15, 2031	C$7,385,191.53
August 15, 2031	C$7,626,268.05
September 15, 2031	C$8,231,150.87
October 15, 2031	C$8,418,357.37
November 15, 2031	C$7,863,504.27
December 15, 2031	C$7,390,009.17
January 15, 2032	C$8,881,781.59
February 15, 2032	C$10,771,877.18
March 15, 2032	C$11,589,574.46
April 15, 2032	C$11,668,013.63
May 15, 2032	C$11,153,059.49
June 15, 2032	C$10,466,151.77
July 15, 2032	C$10,837,968.57
August 15, 2032	C$12,251,655.99
September 15, 2032	C$13,264,584.99
October 15, 2032	C$13,591,326.76
November 15, 2032	C$12,693,179.89
December 15, 2032	C$11,956,164.24
January 15, 2033	C$12,782,339.07
February 15, 2033	C$14,120,010.31
March 15, 2033	C$15,244,476.86
April 15, 2033	C$15,135,536.27
May 15, 2033	C$3,192,213.85

SCHEDULE C

SERIES 2018-1 JUNIOR SUBORDINATED NOTES TERM SHEET	
Principal Amount	Unlimited but initially C$98,040,000
Interest Rate	3.957% per annum (the "**Series 2018-1 Junior Subordinated Interest Rate**")
Interest Payments	The "**Interest Payment Dates**" for the Series 2018-1 Junior Subordinated Notes are as follows: (i) prior to the occurrence of an Amortization Event (as defined below), interest on the Series 2018-1 Junior Subordinated Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Junior Subordinated Notes on each Payment Date (as defined in the Master Trust Indenture dated December 21, 2017 between the Issuer and BNY Trust Company of Canada, as supplemented (the "**MTI**")) thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Junior Subordinated Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Junior Subordinated Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Junior Subordinated Notes will include accrued and unpaid interest for the period from, and including, February 9, 2018 to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event (as defined below), the first interest payment will be in an amount equal to C$10.299041096 per C$1,000 principal amount of Series 2018-1 Junior Subordinated Notes. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-1 Junior Subordinated Notes, or the outstanding principal amount of the Series 2018-1 Junior Subordinated Notes has not been paid in full on May 15, 2033. "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the MTI, or (ii) the outstanding principal amount of the Series 2018-1 Junior Subordinated Notes and all interest thereon is declared due and payable in accordance with the MTI as a result of the occurrence of certain events of default.
Issue Price	C$1,000 per C$1,000 principal amount of Series 2018-1 Junior Subordinated Notes
Fees	N/A
Term to Maturity	15.25 years
Amortization	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Junior Subordinated Notes shall be due and payable on May 15, 2033. Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date (as defined in the MTI) in respect of the Series 2018-1 Junior Subordinated Notes and the then outstanding principal amount of the Series 2018-1 Junior Subordinated Notes shall be due and payable on each such Payment Date. A failure to pay principal on May 15, 2033 for the Series 2018-1 Junior Subordinated Notes will constitute an event of default upon the occurrence of which the holders of Series 2018-1 Junior Subordinated Notes may declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Junior Subordinated Notes to be immediately due and payable. Subject to the occurrence of an Amortization Event, the Series 2018-1 Junior Subordinated Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix 3 hereto.
Extension	N/A
Redemption	The Series 2018-1 Junior Subordinated Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date (as defined below), the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price (as defined below) and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "**Par Call Date**" means November 15, 2032. "**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Junior Subordinated Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield (as defined below) calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus 0.38% per annum. "**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Junior Subordinated Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

APPENDIX 3

PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
January 15, 2030	C$716,814.76
February 15, 2030	C$1,495,404.90
March 15, 2030	C$1,619,143.85
April 15, 2030	C$1,606,193.50
May 15, 2030	C$1,547,149.54
June 15, 2030	C$1,487,130.31
July 15, 2030	C$1,781,347.88
August 15, 2030	C$2,243,584.15
September 15, 2030	C$2,429,695.05
October 15, 2030	C$2,500,060.57
November 15, 2030	C$2,349,458.21
December 15, 2030	C$2,214,329.34
January 15, 2031	C$2,116,467.38
February 15, 2031	C$2,102,418.13
March 15, 2031	C$2,255,032.47
April 15, 2031	C$2,226,312.20
May 15, 2031	C$2,121,097.45
June 15, 2031	C$2,018,771.54
July 15, 2031	C$1,893,638.85
August 15, 2031	C$1,955,453.35
September 15, 2031	C$2,110,551.51
October 15, 2031	C$2,158,553.17
November 15, 2031	C$2,016,283.15
December 15, 2031	C$1,894,874.15
January 15, 2032	C$2,277,379.90
February 15, 2032	C$2,762,019.79
March 15, 2032	C$2,971,685.76
April 15, 2032	C$2,991,798.37
May 15, 2032	C$2,859,758.84
June 15, 2032	C$2,683,628.66
July 15, 2032	C$2,778,966.30
August 15, 2032	C$3,141,450.25
September 15, 2032	C$3,401,175.64
October 15, 2032	C$3,484,955.58
November 15, 2032	C$3,254,661.51
December 15, 2032	C$3,065,683.14
January 15, 2033	C$3,277,522.84
February 15, 2033	C$3,620,515.46
March 15, 2033	C$3,908,840.22
April 15, 2033	C$3,880,906.74
May 15, 2033	C$819,285.59

SCHEDULE D

AGENCY AGREEMENT TERMS	
Appointment	The Issuer appoints the Agents to act as its sole and exclusive agents to effect the solicitation and private placement of Series 2018-1 Senior Notes to "accredited investors", as such term is defined under applicable securities laws, in the Provinces of Canada (the "**Offering**").
Fees	In consideration of the services provided to the Issuer by the Agents, the Issuer agrees to pay the Agents a fee equal to 0.50% of the aggregate principal amount of Series 2018-1 Senior Notes sold in the Offering.
Representations and Warranties	Representations and warranties in favour of the Agents from each of the Issuer and OPG customary for a private placement of notes, including representations that the disclosure document used in connection with the Offering does not contain a "misrepresentation", as such term is defined under applicable securities laws.
Conditions to Closing	As conditions to the closing of the Offering, the Issuer must provide, or arrange to have provided, certain standard certificates, legal opinions and other deliverables to the Agents.
Termination	The Agents have customary rights to terminate their obligations on the occurrence of certain events, including legal or other proceedings resulting in a material adverse change, a material adverse change in respect of the Issuer and financial disasters.
Indemnity	Each of the Issuer and OPG provides an indemnity to each of the Agents for any losses resulting from, among other things, breaches of representations, warranties and covenants, breaches of securities laws or a "misrepresentation" in the disclosure document used in connection with the Offering.

SPECIAL PRINCIPAL PAYMENT DATE AGREEMENT
(Senior Warehouse Supplemental Indenture)

Reference is made to:

(a) the Trust Indenture dated as of December 21, 2017 (the "**Trust Indenture**") between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee;

(b) the Warehouse Senior Series 2017-1 Supplemental Indenture (the "**Senior Warehouse Supplemental Indenture**") made as of December 21, 2017 between the undersigned signatories to this Special Principal Payment Date Agreement;

(c) an expected issuance on or about February 9, 2018 of Senior Notes bearing the full designation "3.357% Senior Notes due May 15, 2033, Series 2018-1" pursuant to a new Supplemental Indenture to be entered into (the "**Expected Term Issuance**").

Terms with initial capital letters in this Special Principal Payment Date Agreement have the meanings given to them in, or for the purposes of, the Senior Warehouse Supplemental Indenture and the Trust Indenture.

The undersigned hereby agree as follows:

1. Notwithstanding the terms of the Senior Warehouse Supplemental Indenture, the date of issuance of the Senior Notes pursuant to the Expected Term Issuance (the "**Special Principal Payment Date**") will be a Principal Payment Date and a Decrease Date as such terms are defined under, and for the purposes of, the Senior Warehouse Supplemental Indenture.

2. Each of the Principal Payment Amount and the Decrease Amount for such Special Principal Payment Date shall be $500,000,000.

3. Proceeds of the Expected Term Issuance will be applied pursuant to the provisions of the Trust Indenture and the Senior Warehouse Supplemental Indenture to the payment of the Principal Payment Amount.

4. For greater certainty, it is acknowledged that the Special Principal Payment Date will not be an Interest Payment Date under the Senior Warehouse Supplemental Indenture and that accrued interest in respect of the principal amount of the Series 2017-1 Senior Notes repaid on the Special Principal Payment Date will be paid on the next Payment Date.

5. Notwithstanding Section 3.4(a) of the Senior Warehouse Supplemental Indenture, the Decrease Notice in respect of the Decrease occurring on the Special Principal Payment Date may be delivered no later than the second Business Day prior to the Special Principal Payment Date.

6. This Special Principal Payment Date Agreement applies only to the proceeds of the Expected Term Issuance and shall not be relied upon to complete any other repayment of principal of Series 2017-1 Senior Notes. If the Special Principal Payment Date has not

occurred by February 28, 2018 this Special Principal Payment Date Agreement shall cease of be of any force and effect.

7. Except as modified hereby, the provisions of the Senior Warehouse Supplemental Indenture remain in full force and effect unamended.

8. Each Series 2017-1 Senior Noteholder acknowledges and consents to the foregoing and directs the Indenture Trustee to enter into this Special Principal Payment Date Agreement.

[Signature Page Follows]

DATED this 7th day of February, 2018.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer

By: **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

BNY TRUST COMPANY OF CANADA, as
Indenture Trustee

By: _____
Name: Ahmad Adam
Title: Vice-President

ROYAL BANK OF CANADA, as Administrative Agent

Ca

By: _____
Name: Ian Benaiah
Title: Authorized Signatory

By: _____
Name:
Title: Nur Khan
Authorized Signatory

CIBC MELLON TRUST COMPANY, in its capacity as trustee of **LAKESHORE TRUST**, by its Financial Services Agent, **ROYAL BANK OF CANADA**, as a CP Conduit Purchaser

By: _____
Name Ian Benaiah
Title: Authorized Signatory

By: _____
Name:
Title: Nur Khan
Authorized Signatory

ROYAL BANK OF CANADA, as a Group Bank

By: _____
Name: Ian Benaiah
Title: Authorized Signatory

By: _____
Name:
Title: Nur Khan
Authorized Signatory

CANADIAN IMPERIAL BANK OF COMMERCE, as a Group Bank

By: _____
Name: Andrew Maciel
Title: Authorized Signatory

By: _____
Name: Sunil Adalja
Title: Authorized Signatory

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **SOUND TRUST**, by its Financial Services Agent, **CANADIAN IMPERIAL BANK OF COMMERCE**, as a CP Conduit Purchaser

By: _____
Name: Andrew Maciel
Title: Authorized Signatory

By: _____
Name: Sunil Adalja
Title: Authorized Signatory

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **SURE TRUST**, by its Financial Services Agent, **CANADIAN IMPERIAL BANK OF COMMERCE**, as a CP Conduit Purchaser

By: _____
Name: Andrew Maciel
Title: Authorized Signatory

By: _____
Name: Sunil Adalja
Title: Authorized Signatory

GOLDMAN SACHS CANADA INC.

By: _____
Name: JASON ROWE
Title: Managing Director

[Signature page to Global Direction and Receipt]

SPECIAL PRINCIPAL PAYMENT DATE AGREEMENT
(Subordinated Warehouse Supplemental Indenture)

Reference is made to:

(a) the Trust Indenture dated as of December 21, 2017 (the "**Trust Indenture**") between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee;

(b) the Warehouse Subordinated Series 2017-1 Supplemental Indenture (the "**Subordinated Warehouse Supplemental Indenture**") made as of December 21, 2017 between the undersigned signatories to this Special Principal Payment Date Agreement;

(c) an expected issuance on or about February 9, 2018 of Subordinated Notes bearing the full designation "3.637% Subordinated Notes due May 15, 2033, Series 2018-1" pursuant to a new Supplemental Indenture to be entered into (the "**Expected Term Issuance**").

Terms with initial capital letters in this Special Principal Payment Date Agreement have the meanings given to them in, or for the purposes of, the Senior Warehouse Supplemental Indenture and the Trust Indenture.

The undersigned hereby agree as follows:

1. Notwithstanding the terms of the Subordinated Warehouse Supplemental Indenture, the date of issuance of the Subordinated Notes pursuant to the Expected Term Issuance (the "**Special Principal Payment Date**") will be a Principal Payment Date and a Decrease Date as such terms are defined under, and for the purposes of, the Subordinated Warehouse Supplemental Indenture.

2. Each of the Principal Payment Amount and the Decrease Amount for such Special Principal Payment Date shall be $382,353,000.

3. Proceeds of the Expected Term Issuance will be applied pursuant to the provisions of the Trust Indenture and the Subordinated Warehouse Supplemental Indenture to the payment of the Principal Payment Amount.

4. For greater certainty, it is acknowledged that the Special Principal Payment Date will not be an Interest Payment Date under the Subordinated Warehouse Supplemental Indenture and that accrued interest in respect of the principal amount of the Series 2017-1 Subordinated Notes repaid on the Special Principal Payment Date will be paid on the next Payment Date.

5. Notwithstanding Section 3.4 of the Subordinated Warehouse Supplemental Indenture, the Decrease Notice in respect of the Decrease occurring on the Special Principal Payment Date may be delivered no later than the second Business Day prior to the Special Principal Payment Date.

6. This Special Principal Payment Date Agreement applies only to the proceeds of the Expected Term Issuance and shall not be relied upon to complete any other repayment of principal of Series 2017-1 Subordinated Notes. If the Special Principal Payment Date has not occurred by February 28, 2018 this Special Principal Payment Date Agreement shall cease of be of any force and effect.

7. Except as modified hereby, the provisions of the Subordinated Warehouse Supplemental Indenture remain in full force and effect unamended.

8. Ontario Power Generation Inc. acknowledges and consents to the foregoing and directs the Indenture Trustee to enter into this Special Principal Payment Date Agreement.

[Signature Page Follows]

DATED this 7th day of February, 2018.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer

By: **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

BNY TRUST COMPANY OF CANADA, as
Indenture Trustee

By: _____
Name: Ahmad Adam
Title: Vice-President

[Signature page to Special Principal Payment Date Agreement – Subordinated Warehouse]

ONTARIO POWER GENERATION INC.

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and
Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

SPECIAL PRINCIPAL PAYMENT DATE AGREEMENT
(Junior Subordinated Warehouse Supplemental Indenture)

Reference is made to:

(a) the Trust Indenture dated as of December 21, 2017 (the "**Trust Indenture**") between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee;

(b) the Warehouse Junior Subordinated Series 2017-1 Supplemental Indenture (the "**Junior Subordinated Warehouse Supplemental Indenture**") made as of December 21, 2017 between the undersigned signatories to this Special Principal Payment Date Agreement;

(c) an expected issuance on or about February 9, 2018 of Junior Subordinated Notes bearing the full designation "3.957% Junior Subordinated Notes due May 15, 2033, Series 2018-1" pursuant to a new Supplemental Indenture to be entered into (the "**Expected Term Issuance**").

Terms with initial capital letters in this Special Principal Payment Date Agreement have the meanings given to them in, or for the purposes of, the Senior Warehouse Supplemental Indenture and the Trust Indenture.

The undersigned hereby agree as follows:

1. Notwithstanding the terms of the Junior Subordinated Warehouse Supplemental Indenture, the date of issuance of the Junior Subordinated Notes pursuant to the Expected Term Issuance (the "**Special Principal Payment Date**") will be a Principal Payment Date and a Decrease Date as such terms are defined under, and for the purposes of, the Junior Subordinated Warehouse Supplemental Indenture.

2. Each of the Principal Payment Amount and the Decrease Amount for such Special Principal Payment Date shall be $98,040,000.

3. Proceeds of the Expected Term Issuance will be applied pursuant to the provisions of the Trust Indenture and the Junior Subordinated Warehouse Supplemental Indenture to the payment of the Principal Payment Amount.

4. For greater certainty, it is acknowledged that the Special Principal Payment Date will not be an Interest Payment Date under the Junior Subordinated Warehouse Supplemental Indenture and that accrued interest in respect of the principal amount of the Series 2017-1 Junior Subordinated Notes repaid on the Special Principal Payment Date will be paid on the next Payment Date.

5. Notwithstanding Section 3.4 of the Junior Subordinated Warehouse Supplemental Indenture, the Decrease Notice in respect of the Decrease occurring on the Special Principal Payment Date may be delivered no later than the second Business Day prior to the Special Principal Payment Date.

6. This Special Principal Payment Date Agreement applies only to the proceeds of the Expected Term Issuance and shall not be relied upon to complete any other repayment of principal of Series 2017-1 Junior Subordinated Notes. If the Special Principal Payment Date has not occurred by February 28, 2018 this Special Principal Payment Date Agreement shall cease of be of any force and effect.

7. Except as modified hereby, the provisions of the Junior Subordinated Warehouse Supplemental Indenture remain in full force and effect unamended.

8. Ontario Power Generation Inc. acknowledges and consents to the foregoing and directs the Indenture Trustee to enter into this Special Principal Payment Date Agreement.

[Signature Page Follows]

DATED this 7th day of February, 2018.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer

By: **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

BNY TRUST COMPANY OF CANADA, as
Indenture Trustee

By: _____
Name: Ahmad Adam
Title: Vice-President

ONTARIO POWER GENERATION INC.

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and
Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

From:	Anna Strathy
To:	Gadi Mayman; Ronald Kwan; Mike Manning; Ken Kandeepan
Cc:	Usman Zahid; Opal Kandelas
Subject:	FW: Fair Hydro Trust -- Term Closing
Date:	Tuesday, April 24, 2018 2:26:40 PM
Attachments:	Re Fair Hydro Plan - Deliveries under Change of Law Process Agreement.pdf

FYI

From: Krasic, Aida (MOF) [mailto:Aida.Krasic@ontario.ca]

Sent: Tuesday, April 24, 2018 1:06 PM

To: Malle Hanslep (MOF)

Cc: David McLean (MOF) ; Paul Dupuis (MOF) ; Peter Spadoni (MCYS) ; Cook, Karen (MOF) ; Anna Strathy

Subject: RE: Fair Hydro Trust -- Term Closing

Hello Male,

Please find attached fax that DMO received from TORYS LLP regarding the Fair Hydro Plan –Deliveries under Change of Law Process Agreement.

As per Paul's email from Feb 9th, I am copying all on this email as well.

Thanks

Aida

From: Dupuis, Paul (MOF)

Sent: February 9, 2018 10:35 AM

To: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>

Cc: Krasic, Aida (MOF) <Aida.Krasic@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Spadoni, Peter (MOF) <Peter.Spadoni@ontario.ca>; Cook, Karen (MOF) <Karen.Cook@ontario.ca>

Subject: FW: Fair Hydro Trust -- Term Closing

This message has been archived. View the original item

Hi Malle,

As requested please see attached. I have also copied Karen Cook (MO Office Mgr) and Peter Spadoni (Mgr of MoF Correspondence) as it may have also been sent to their fax machines as it i

Attachments:

image001.jpg	(5 KB)
FAX-Recd-2018-02-09_Torys-LLP_Fair-Hydro-Plan_Chg-of-Law-Process-Agreement.pdf	(1.3 MB)

900-1

TORYS LLP

FIN5167DM-2018-69

XRF: FIN5167DM-2018-15

79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada
P. 416.865.0040 | F. 416.865.7380
www.torys.com

Date	April 23, 2018		
From	Brett Saulnier	**Direct Tel**	416-865-8148
Page(s)	30 (including this cover page)		39953-2002

Recipient	Fax Number	Tel Number
Ministry of Finance (Minister)	(416) 325-0374	
Ministry of Finance (Deputy)	(416) 325-1595	
Ministry of Energy (Minister)	(416) 327-6754	
Ministry of Energy (Deputy)	(416) 327-6755	

Comments See attached

RECEIVED
APR 24 2018
MINISTRY OF FINANCE
DEPUTY MINISTER'S OFFICE

If there are problems with this transmission, please call the FAX department at 416.865.7692.

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TORYS LLP

79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada
P. 416.865.0040 | F. 416.865.7380
www.torys.com

Brett Saulnier
bsaulnier@torys.com
P. 416.865.8148

April 23, 2018

CONFIDENTIAL

Ministry of Finance
7 Queen's Park Crescent, 7th Floor
Toronto, Ontario M7A 1Y7

Attention: Minister of Finance
Deputy Minister of Finance

Ministry of Energy
Hearst Block 4th Floor, 900 Bay Street
Toronto, Ontario M7A 2E1

Attention: Minister of Energy
Deputy Ministry of Energy

Dear Sirs/Mesdames:

Re: Fair Hydro Plan – Deliveries under Change of Law Process Agreement

Reference is made to the Change of Law Process Agreement dated as of December 21, 2017 between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance, and Ontario Power Generation Inc. (the "**Change of Law Process Agreement**"). Capitalized terms used and not defined herein shall have their respective meanings in the Change of Law Process Agreement.

On April 24, Fair Hydro Trust (the "**Issuer**") will issue (i) C$400,000,000 aggregate principal amount of 3.52% Senior Notes due May 15, 2038, Series 2018-2 in accordance with the terms of an agency agreement dated as of April 19, 2018 among the Issuer, Ontario Power Generation Inc. ("**OPG**") and the dealers named therein, (ii) C$305,882,000 aggregate principal amount of 3.834% Subordinated Notes due May 15, 2038, Series 2018-2 and (iii) C$78,431,000 aggregate principal amount of 4.214% Junior Subordinated Notes due May 15, 2038, Series 2018-2 (collectively, the "**Funding Obligations**").

On behalf of Ontario Power Generation Inc. and pursuant to section 3.01 of the Change of Law Process Agreement, please find enclosed a Process Certificate in respect of the Funding Obligations.

On behalf of Ontario Power Generation Inc. and pursuant to section 2.01(c) of the Change of Law Process Agreement, please find enclosed one Special Payment Date Agreement in respect of each of the Warehouse Senior Series 2017-1 Supplemental Indenture dated as of December 21, 2017 among, *inter alios*, the Issuer, Royal Bank of Canada and BNY Trust Company of Canada (the "**Indenture Trustee**"), the Warehouse Subordinated Series 2017-1 Supplemental

Indenture dated as of December 21, 2017 among the Issuer, OPG and the Indenture Trustee and the Warehouse Junior Subordinated Series 2017-1 Supplemental Indenture dated as of December 21, 2017 among the Issuer, OPG and the Indenture Trustee (collectively, the "**Warehouse Facilities**"). Such Special Payment Date Agreements permit a partial repayment of the Warehouse Facilities using proceeds from the Funding Obligations on a date that is not the 15th day of a given calendar month and allow the decrease notice to be delivered within two business days of such repayment (rather than five business days).

Yours truly,



Brett Saulnier

Encl.

cc: Rima Ramchandani, *Torys LLP*
John Lee, *Ontario Power Generation Inc.*
Lubna Ladak, *Ontario Power Generation Inc.*
Clara Greco, *Ontario Power Generation Inc.*

25407780.3

ONTARIO POWER GENERATION INC.,
in its capacity as FSM

PROCESS CERTIFICATE (2018-2)

Certificate of the CFO and Treasurer pursuant to section 3.01 of the Change of Law Process Agreement

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

RE: C$400,000,000 aggregate principal amount of 3.52% Senior Notes due May 15, 2038, Series 2018-2 (the "**Series 2018-2 Senior Notes**")

AND RE: C$305,882,000 aggregate principal amount of 3.834% Subordinated Notes due May 15, 2038, Series 2018-2 (the "**Series 2018-2 Subordinated Notes**")

AND RE: C$78,431,000 aggregate principal amount of 4.214% Junior Subordinated Notes due May 15, 2038, Series 2018-2 (the "**Series 2018-2 Junior Subordinated Notes**")

AND RE: Agency agreement between Fair Hydro Trust (the "**Issuer**"), Ontario Power Generation Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Goldman Sachs Canada Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Morgan Stanley Canada Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Desjardins Securities Inc. and Casgrain & Company Limited dated as of April 19, 2018 (the "**Agency Agreement**" and together with the Series 2018-2 Senior Notes, the Series 2018-2 Subordinated Notes and the Series 2018-2 Junior Subordinated Notes, the "**Funding Obligations**")

Reference is made to the Change of Law Process Agreement dated December 21, 2017 among the Province and Ontario Power Generation Inc. (the "**Change of Law Process Agreement**"). Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the Change of Law Process Agreement.

Each of the undersigned, being the Chief Financial Officer and Treasurer of OPG acting in its capacity as FSM and holding the offices set forth under their names and signatures below, pursuant to and accordance with section 3.01 of the Change of Law Process Agreement, hereby certifies for and on behalf of OPG, in its capacity as Financial Services Manager, and not in such officer's personal capacity and intending that this certificate may be relied on by the addressees hereof without independent inquiry, that:

1. I have read and understand the provisions of the Change of Law Process Agreement and all other documents and materials necessary to enable me to deliver this certificate.

2. The material terms of the Series 2018-2 Senior Notes are set forth in Schedule A.

3. The material terms of the Series 2018-2 Subordinated Notes are set forth in Schedule B.

4. The material terms of the Series 2018-2 Junior Subordinated Notes are set forth in Schedule C.

5. The material terms of the Agency Agreement are set forth in Schedule D.

6. The Funding Obligations:

   (a) will arise under terms and conditions that are Substantially in the Form of the Reference Documentation applicable thereto;

   (b) in my opinion, are reasonably incurred or effected in compliance with the Act, the General Regulation, any other enactments related thereto and the Financing Plan;

   (c) are of a type and are on terms that a reasonably prudent financial services manager would incur in similar circumstances; and

   (d) reflect, in all material respects, arm's length terms and conditions.

7. The Disclosure Document used in connection with the offering and sale of the Series 2018-2 Senior Notes is Substantially in the Form of the Reference Documentation. No Disclosure Document was used in connection with the offering and sale of the Series 2018-2 Subordinated Notes or Series 2018-2 Junior Subordinated Notes.

8. Any disclosure made in respect of any of the Funding Obligations (including any Disclosure Document, press release or other written communication prepared for dissemination to third parties in relation to any of the Funding Obligations) that refers to or describes the terms, effect or adherence of or to the Change of Law Process Agreement or the Change of Law Protection Agreement has been made available to the Province prior to use or dissemination, other than where such disclosure was substantially the same as a disclosure previously made.

9. No Breach Event has occurred on or prior to the date hereof, unless such Breach Event has been waived by the Province in writing.

10. At the time the Funding Obligations are incurred, the maximum aggregate payment amounts due or becoming due in the future in respect of Repayments under the Funding Obligations, together with all other outstanding amounts due or becoming due in the future in respect of Repayments under all Approved Obligations, do not exceed the Protection Agreement Maximum applicable on the date hereof.

[Remainder of page intentionally left blank.]

DATED as of the 24th day of April, 2018.

Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

Name: John Lee
Title: Vice President – Treasurer

[Signature page to Process Certificate (2018-2)]

SCHEDULE A

SERIES 2018-2 SENIOR NOTES TERM SHEET	
Principal Amount	Unlimited but initially C$400,000,000
Interest Rate	3.52% per annum (the "Series 2018-2 Senior Interest Rate")
Interest Payments	The "Interest Payment Dates" for the Series 2018-2 Senior Notes are as follows: (i) prior to the occurrence of an Amortization Event (as defined below), interest on the Series 2018-2 Senior Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-2 Senior Notes on each Payment Date (as defined in the Master Trust Indenture dated December 21, 2017 between the Issuer and BNY Trust Company of Canada, as supplemented (the "MTI")) thereafter at a rate equal to the monthly equivalent of the Series 2018-2 Senior Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-2 Senior Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-2 Senior Notes will include accrued and unpaid interest for the period from, and including, April 24, 2018 to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event (as defined below), the first interest payment will be in an amount equal to C$2.02520548 per C$1,000 principal amount of Series 2018-2 Senior Notes. "Amortization Event" means either an Acceleration Event has occurred with respect to the Series 2018-2 Senior Notes, or the outstanding principal amount of the Series 2018-2 Senior Notes has not been paid in full on May 15, 2038. "Acceleration Event" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the MTI, or (ii) the outstanding principal amount of the Series 2018-2 Senior Notes and all interest thereon is declared due and payable in accordance with the MTI as a result of the occurrence of certain events of default.
Issue Price	C$1,000.02 per C$1,000 principal amount of Series 2018-2 Senior Notes
Fees	See Schedule D under the heading "Fees"
Term to Maturity	20 years
Amortization	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-2 Senior Notes shall be due and payable on May 15, 2038. Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date (as defined in the MTI) in respect of the Series 2018-2 Senior Notes and the then outstanding principal amount of the Series 2018-2 Senior Notes shall be due and payable on each such Payment Date. A failure to pay principal on May 15, 2038 for the Series 2018-2 Senior Notes will constitute an event of default upon the occurrence of which the holders of Series 2018-2 Senior Notes may declare the outstanding principal and all accrued and unpaid interest on the Series 2018-2 Senior Notes to be immediately due and payable. Subject to the occurrence of an Amortization Event, the Series 2018-2 Senior Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix I hereto.
Extension	N/A
Redemption	The Series 2018-2 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date (as defined below), the redemption price will be equal to the greater of (i) the Series 2018-2 Canada Yield Price (as defined below) and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "Par Call Date" means November 15, 2037. "Series 2018-2 Canada Yield Price" means a price equal to the price of the Series 2018-2 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield (as defined below) calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus 0.265% per annum. "Government of Canada Yield" on any date means, in respect of the Series 2018-2 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

APPENDIX 1

PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
June 15, 2037	C$33,333,333.33
July 15, 2037	C$33,333,333.33
August 15, 2037	C$33,333,333.33
September 15, 2037	C$33,333,333.33
October 15, 2037	C$33,333,333.33
November 15, 2037	C$33,333,333.33
December 15, 2037	C$33,333,333.33
January 15, 2038	C$33,333,333.33
February 15, 2038	C$33,333,333.33
March 15, 2038	C$33,333,333.33
April 15, 2038	C$33,333,333.33
May 15, 2038	C$33,333,333.37

SCHEDULE B

SERIES 2018-2 SUBORDINATED NOTES TERM SHEET	
Principal Amount	Unlimited but initially C$305,882,000
Interest Rate	3.834% per annum (the "**Series 2018-2 Subordinated Interest Rate**")
Interest Payments	The "**Interest Payment Dates**" for the Series 2018-2 Subordinated Notes are as follows: (i) prior to the occurrence of an Amortization Event (as defined below), interest on the Series 2018-2 Subordinated Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-2 Subordinated Notes on each Payment Date (as defined in the Master Trust Indenture dated December 21, 2017 between the Issuer and BNY Trust Company of Canada, as supplemented (the "**MTI**")) thereafter at a rate equal to the monthly equivalent of the Series 2018-2 Subordinated Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-2 Subordinated Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-2 Subordinated Notes will include accrued and unpaid interest for the period from, and including, April 24, 2018 to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event (as defined below), the first interest payment will be in an amount equal to C$2.20586301 per C$1,000 principal amount of Series 2018-2 Subordinated Notes. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-2 Subordinated Notes, or the outstanding principal amount of the Series 2018-2 Subordinated Notes has not been paid in full on May 15, 2038. "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the MTI, or (ii) the outstanding principal amount of the Series 2018-2 Subordinated Notes and all interest thereon is declared due and payable in accordance with the MTI as a result of the occurrence of certain events of default.
Issue Price	C$1,000 per C$1,000 principal amount of Series 2018-2 Subordinated Notes
Fees	N/A
Term to Maturity	20 years
Amortization	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-2 Subordinated Notes shall be due and payable on May 15, 2038. Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date (as defined in the MTI) in respect of the Series 2018-2 Subordinated Notes and the then outstanding principal amount of the Series 2018-2 Subordinated Notes shall be due and payable on each such Payment Date. A failure to pay principal on May 15, 2038 for the Series 2018-2 Subordinated Notes will constitute an event of default upon the occurrence of which the holders of Series 2018-2 Subordinated Notes may declare the outstanding principal and all accrued and unpaid interest on the Series 2018-2 Subordinated Notes to be immediately due and payable. Subject to the occurrence of an Amortization Event, the Series 2018-2 Subordinated Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix 2 hereto.
Extension	N/A
Redemption	The Series 2018-2 Subordinated Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date (as defined below), the redemption price will be equal to the greater of (i) the Series 2018-2 Canada Yield Price (as defined below) and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "**Par Call Date**" means November 15, 2037. "**Series 2018-2 Canada Yield Price**" means a price equal to the price of the Series 2018-2 Subordinated Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield (as defined below) calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus 0.345% per annum. "**Government of Canada Yield**" on any date means, in respect of the Series 2018-2 Subordinated Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

APPENDIX 2

PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
June 15, 2037	C$25,490,166.67
July 15, 2037	C$25,490,166.67
August 15, 2037	C$25,490,166.67
September 15, 2037	C$25,490,166.67
October 15, 2037	C$25,490,166.67
November 15, 2037	C$25,490,166.67
December 15, 2037	C$25,490,166.67
January 15, 2038	C$25,490,166.67
February 15, 2038	C$25,490,166.67
March 15, 2038	C$25,490,166.67
April 15, 2038	C$25,490,166.67
May 15, 2038	C$25,490,166.63

SCHEDULE C

SERIES 2018-2 JUNIOR SUBORDINATED NOTES TERM SHEET	
Principal Amount	Unlimited but initially C$78,431,000
Interest Rate	4.214% per annum (the "Series 2018-2 Junior Subordinated Interest Rate")
Interest Payments	The "Interest Payment Dates" for the Series 2018-2 Junior Subordinated Notes are as follows: (i) prior to the occurrence of an Amortization Event (as defined below), interest on the Series 2018-2 Junior Subordinated Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-2 Junior Subordinated Notes on each Payment Date (as defined in the Master Trust Indenture dated December 21, 2017 between the Issuer and BNY Trust Company of Canada, as supplemented (the "MTI")) thereafter at a rate equal to the monthly equivalent of the Series 2018-2 Junior Subordinated Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-2 Junior Subordinated Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-2 Junior Subordinated Notes will include accrued and unpaid interest for the period from, and including, April 24, 2018 to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event (as defined below), the first interest payment will be in an amount equal to C$2.424493.15 per C$1,000 principal amount of Series 2018-2 Junior Subordinated Notes. "Amortization Event" means either an Acceleration Event has occurred with respect to the Series 2018-2 Junior Subordinated Notes, or the outstanding principal amount of the Series 2018-2 Junior Subordinated Notes has not been paid in full on May 15, 2038. "Acceleration Event" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the MTI, or (ii) the outstanding principal amount of the Series 2018-2 Junior Subordinated Notes and all interest thereon is declared due and payable in accordance with the MTI as a result of the occurrence of certain events of default.
Issue Price	C$1,000 per C$1,000 principal amount of Series 2018-2 Junior Subordinated Notes
Fees	N/A
Term to Maturity	20 years
Amortization	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-2 Junior Subordinated Notes shall be due and payable on May 15, 2038. Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date (as defined in the MTI) in respect of the Series 2018-2 Junior Subordinated Notes and the then outstanding principal amount of the Series 2018-2 Junior Subordinated Notes shall be due and payable on each such Payment Date. A failure to pay principal on May 15, 2038 for the Series 2018-2 Junior Subordinated Notes will constitute an event of default upon the occurrence of which the holders of Series 2018-2 Junior Subordinated Notes may declare the outstanding principal and all accrued and unpaid interest on the Series 2018-2 Junior Subordinated Notes to be immediately due and payable. Subject to the occurrence of an Amortization Event, the Series 2018-2 Junior Subordinated Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix 3 hereto.
Extension	N/A
Redemption	The Series 2018-2 Junior Subordinated Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date (as defined below), the redemption price will be equal to the greater of (i) the Series 2018-2 Canada Yield Price (as defined below) and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "Par Call Date" means November 15, 2037. "Series 2018-2 Canada Yield Price" means a price equal to the price of the Series 2018-2 Junior Subordinated Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield (as defined below) calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus 0.440% per annum. "Government of Canada Yield" on any date means, in respect of the Series 2018-2 Junior Subordinated Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

APPENDIX 3

PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
June 15, 2037	C$6,535,916.67
July 15, 2037	C$6,535,916.67
August 15, 2037	C$6,535,916.67
September 15, 2037	C$6,535,916.67
October 15, 2037	C$6,535,916.67
November 15, 2037	C$6,535,916.67
December 15, 2037	C$6,535,916.67
January 15, 2038	C$6,535,916.67
February 15, 2038	C$6,535,916.67
March 15, 2038	C$6,535,916.67
April 15, 2038	C$6,535,916.67
May 15, 2038	C$6,535,916.63

SCHEDULE D

AGENCY AGREEMENT TERMS	
Appointment	The Issuer appoints the Agents to act as its sole and exclusive agents to effect the solicitation and private placement of Series 2018-2 Senior Notes to "accredited investors", as such term is defined under applicable securities laws, in the Provinces of Canada (the "Offering").
Fees	In consideration of the services provided to the Issuer by the Agents, the Issuer agrees to pay the Agents a fee equal to 0.55% of the aggregate principal amount of Series 2018-2 Senior Notes sold in the Offering.
Representations and Warranties	Representations and warranties in favour of the Agents from each of the Issuer and OPG customary for a private placement of notes, including representations that the disclosure document used in connection with the Offering does not contain a "misrepresentation", as such term is defined under applicable securities laws.
Conditions to Closing	As conditions to the closing of the Offering, the Issuer must provide, or arrange to have provided, certain standard certificates, legal opinions and other deliverables to the Agents.
Termination	The Agents have customary rights to terminate their obligations on the occurrence of certain events, including legal or other proceedings resulting in a material adverse change, a material adverse change in respect of the Issuer and financial disasters.
Indemnity	Each of the Issuer and OPG provides an indemnity to each of the Agents for any losses resulting from, among other things, breaches of representations, warranties and covenants, breaches of securities laws or a "misrepresentation" in the disclosure document used in connection with the Offering.

SPECIAL PRINCIPAL PAYMENT DATE AGREEMENT (2018-2)
(Senior Warehouse Supplemental Indenture)

Reference is made to:

(a) the Trust Indenture dated as of December 21, 2017 (the "**Trust Indenture**") between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee;

(b) the Warehouse Senior Series 2017-1 Supplemental Indenture (the "**Senior Warehouse Supplemental Indenture**") made as of December 21, 2017 between the undersigned signatories to this Special Principal Payment Date Agreement;

(c) an expected issuance on or about April 24, 2018 of Senior Notes bearing the full designation "3.52% Senior Notes due May 15, 2038, Series 2018-2" pursuant to a new Supplemental Indenture to be entered into (the "**Expected Term Issuance**").

Terms with initial capital letters in this Special Principal Payment Date Agreement have the meanings given to them in, or for the purposes of, the Senior Warehouse Supplemental Indenture and the Trust Indenture.

The undersigned hereby agree as follows:

1. Notwithstanding the terms of the Senior Warehouse Supplemental Indenture, the date of issuance of the Senior Notes pursuant to the Expected Term Issuance (the "**Special Principal Payment Date**") will be a Principal Payment Date and a Decrease Date as such terms are defined under, and for the purposes of, the Senior Warehouse Supplemental Indenture.

2. Each of the Principal Payment Amount and the Decrease Amount for such Special Principal Payment Date shall be $400,000,000.

3. Proceeds of the Expected Term Issuance will be applied pursuant to the provisions of the Trust Indenture and the Senior Warehouse Supplemental Indenture to the payment of the Principal Payment Amount.

4. For greater certainty, it is acknowledged that the Special Principal Payment Date will not be an Interest Payment Date under the Senior Warehouse Supplemental Indenture and that accrued interest in respect of the principal amount of the Series 2017-1 Senior Notes repaid on the Special Principal Payment Date will be paid on the next Payment Date.

5. Notwithstanding Section 3.4(a) of the Senior Warehouse Supplemental Indenture, the Decrease Notice in respect of the Decrease occurring on the Special Principal Payment Date may be delivered no later than the second Business Day prior to the Special Principal Payment Date.

6. This Special Principal Payment Date Agreement applies only to the proceeds of the Expected Term Issuance and shall not be relied upon to complete any other repayment of principal of Series 2017-1 Senior Notes. If the Special Principal Payment Date has not

occurred by May 15, 2018 this Special Principal Payment Date Agreement shall cease to be of any force and effect.

7. Except as modified hereby, the provisions of the Senior Warehouse Supplemental Indenture remain in full force and effect unamended.

8. Each Series 2017-1 Senior Noteholder acknowledges and consents to the foregoing and directs the Indenture Trustee to enter into this Special Principal Payment Date Agreement.

[Signature Page Follows]

DATED this 20th day of April, 2018.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

[Signature page to Special Principal Payment Date Agreement (2018-2) – Senior Warehouse]

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BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By: _____
Name: Ahmad Adam
Title: Vice-President

[Signature page to Special Principal Payment Date Agreement (2018-2) – Senior Warehouse]

ROYAL BANK OF CANADA, as Administrative Agent

By: _____
Name: Ian Benaiah
Title: Authorized Signatory

By: _____
Name:
Title: NUR KHAN
MANAGING DIRECTOR

CIBC MELLON TRUST COMPANY, in its capacity as trustee of **LAKESHORE TRUST**, by its Financial Services Agent, **ROYAL BANK OF CANADA**, as a CP Conduit Purchaser

By: _____
Name: Ian Benaiah
Title: Authorized Signatory

By: _____
Name:
Title: NUR KHAN
MANAGING DIRECTOR

ROYAL BANK OF CANADA, as a Group Bank

By: _____
Name: Ian Benaiah
Title: Authorized Signatory

By: _____
Name:
Title: NUR KHAN
MANAGING DIRECTOR

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CANADIAN IMPERIAL BANK OF COMMERCE, as a Group Bank

By: _____
Name: Andrew Maciel
Title: Authorized Signatory

By: _____
Name: Sunil Adalja
Title: Authorized Signatory

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **SOUND TRUST**, by its Financial Services Agent, **CANADIAN IMPERIAL BANK OF COMMERCE**, as a CP Conduit Purchaser

By: _____
Name: Andrew Maciel
Title: Authorized Signatory

By: _____
Name: Sunil Adalja
Title: Authorized Signatory

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **SURE TRUST**, by its Financial Services Agent, **CANADIAN IMPERIAL BANK OF COMMERCE**, as a CP Conduit Purchaser

By: _____
Name: Andrew Maciel
Title: Authorized Signatory

By: _____
Name: Sunil Adalja
Title: Authorized Signatory

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GOLDMAN SACHS BANK USA,
as a Non-Conduit Purchaser

By: _____
Name: Charles D. Johnston
Title: Authorized Signatory

By: _____
Name:
Title:

[Signature page to Special Principal Payment Date Agreement (2018-2) – Senior Warehouse]

SPECIAL PRINCIPAL PAYMENT DATE AGREEMENT (2018-2)
(Subordinated Warehouse Supplemental Indenture)

Reference is made to:

(a) the Trust Indenture dated as of December 21, 2017 (the "**Trust Indenture**") between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee;

(b) the Warehouse Subordinated Series 2017-1 Supplemental Indenture (the "**Subordinated Warehouse Supplemental Indenture**") made as of December 21, 2017 between the undersigned signatories to this Special Principal Payment Date Agreement;

(c) an expected issuance on or about April 24, 2018 of Subordinated Notes bearing the full designation "3.834% Subordinated Notes due May 15, 2038, Series 2018-2" pursuant to a new Supplemental Indenture to be entered into (the "**Expected Term Issuance**").

Terms with initial capital letters in this Special Principal Payment Date Agreement have the meanings given to them in, or for the purposes of, the Senior Warehouse Supplemental Indenture and the Trust Indenture.

The undersigned hereby agree as follows:

1. Notwithstanding the terms of the Subordinated Warehouse Supplemental Indenture, the date of issuance of the Subordinated Notes pursuant to the Expected Term Issuance (the "**Special Principal Payment Date**") will be a Principal Payment Date and a Decrease Date as such terms are defined under, and for the purposes of, the Subordinated Warehouse Supplemental Indenture.

2. Each of the Principal Payment Amount and the Decrease Amount for such Special Principal Payment Date shall be $305,882,000.

3. Proceeds of the Expected Term Issuance will be applied pursuant to the provisions of the Trust Indenture and the Subordinated Warehouse Supplemental Indenture to the payment of the Principal Payment Amount.

4. For greater certainty, it is acknowledged that the Special Principal Payment Date will not be an Interest Payment Date under the Subordinated Warehouse Supplemental Indenture and that accrued interest in respect of the principal amount of the Series 2017-1 Subordinated Notes repaid on the Special Principal Payment Date will be paid on the next Payment Date.

5. Notwithstanding Section 3.4 of the Subordinated Warehouse Supplemental Indenture, the Decrease Notice in respect of the Decrease occurring on the Special Principal Payment Date may be delivered no later than the second Business Day prior to the Special Principal Payment Date.

6. This Special Principal Payment Date Agreement applies only to the proceeds of the Expected Term Issuance and shall not be relied upon to complete any other repayment of principal of Series 2017-1 Subordinated Notes. If the Special Principal Payment Date has not occurred by May 15, 2018 this Special Principal Payment Date Agreement shall cease to be of any force and effect.

7. Except as modified hereby, the provisions of the Subordinated Warehouse Supplemental Indenture remain in full force and effect unamended.

8. Ontario Power Generation Inc. acknowledges and consents to the foregoing and directs the Indenture Trustee to enter into this Special Principal Payment Date Agreement.

[Signature Page Follows]

DATED this 20th day of April, 2018.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

By: _____
Name: John Lee
Title: Vice President - Treasurer

[Signature page to Special Principal Payment Date Agreement (2018-2) – Subordinated Warehouse]

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By: 

Name: Ahmad Adam
Title: Vice-President

[Signature page to Special Principal Payment Date Agreement (2018-2) – Subordinated Warehouse]

ONTARIO POWER GENERATION INC.

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and
Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

[Signature page to Special Principal Payment Date Agreement (2018-2) – Subordinated Warehouse]

SPECIAL PRINCIPAL PAYMENT DATE AGREEMENT (2018-2)
(Junior Subordinated Warehouse Supplemental Indenture)

Reference is made to:

(a) the Trust Indenture dated as of December 21, 2017 (the "**Trust Indenture**") between Computershare Trust Company of Canada in its capacity as trustee of Fair Hydro Trust and BNY Trust Company of Canada, as indenture trustee;

(b) the Warehouse Junior Subordinated Series 2017-1 Supplemental Indenture (the "**Junior Subordinated Warehouse Supplemental Indenture**") made as of December 21, 2017 between the undersigned signatories to this Special Principal Payment Date Agreement;

(c) an expected issuance on or about April 24, 2018 of Junior Subordinated Notes bearing the full designation "4.214% Junior Subordinated Notes due May 15, 2033, Series 2018-1" pursuant to a new Supplemental Indenture to be entered into (the "**Expected Term Issuance**").

Terms with initial capital letters in this Special Principal Payment Date Agreement have the meanings given to them in, or for the purposes of, the Senior Warehouse Supplemental Indenture and the Trust Indenture.

The undersigned hereby agree as follows:

1. Notwithstanding the terms of the Junior Subordinated Warehouse Supplemental Indenture, the date of issuance of the Junior Subordinated Notes pursuant to the Expected Term Issuance (the "**Special Principal Payment Date**") will be a Principal Payment Date and a Decrease Date as such terms are defined under, and for the purposes of, the Junior Subordinated Warehouse Supplemental Indenture.

2. Each of the Principal Payment Amount and the Decrease Amount for such Special Principal Payment Date shall be $78,431,000.

3. Proceeds of the Expected Term Issuance will be applied pursuant to the provisions of the Trust Indenture and the Junior Subordinated Warehouse Supplemental Indenture to the payment of the Principal Payment Amount.

4. For greater certainty, it is acknowledged that the Special Principal Payment Date will not be an Interest Payment Date under the Junior Subordinated Warehouse Supplemental Indenture and that accrued interest in respect of the principal amount of the Series 2017-1 Junior Subordinated Notes repaid on the Special Principal Payment Date will be paid on the next Payment Date.

5. Notwithstanding Section 3.4 of the Junior Subordinated Warehouse Supplemental Indenture, the Decrease Notice in respect of the Decrease occurring on the Special Principal Payment Date may be delivered no later than the second Business Day prior to the Special Principal Payment Date.

6. This Special Principal Payment Date Agreement applies only to the proceeds of the Expected Term Issuance and shall not be relied upon to complete any other repayment of principal of Series 2017-1 Junior Subordinated Notes. If the Special Principal Payment Date has not occurred by May 15, 2018 this Special Principal Payment Date Agreement shall cease to be of any force and effect.

7. Except as modified hereby, the provisions of the Junior Subordinated Warehouse Supplemental Indenture remain in full force and effect unamended.

8. Ontario Power Generation Inc. acknowledges and consents to the foregoing and directs the Indenture Trustee to enter into this Special Principal Payment Date Agreement.

[Signature Page Follows]

DATED this 20th day of April, 2018.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

By: _____
Name: John Lee
Title: Vice President - Treasurer

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By: 

Name: Ahmad Adam
Title: Vice-President

[Signature page to Special Principal Payment Date Agreement(2018-2) – Junior Subordinated Warehouse]

ONTARIO POWER GENERATION INC.

By: _____
Name: Ken Hartwick
Title: Chief Financial Officer and Senior Vice President

By: _____
Name: John Lee
Title: Vice President – Treasurer

[Signature page to Special Principal Payment Date Agreement (2018-2) – Junior Subordinated Warehouse]

From:	Carlos Yep
To:	Mike Manning; Ken Kandeepan; John Psinas; John Kim; Ronald Kwan; Gadi Mayman; Anna Strathy
Subject:	FW: Fair Hydro Trust, 2018-1 Senior Notes, due 15 May 2033 - in bond index as Corporate securitized ABS
Date:	Tuesday, February 13, 2018 11:29:55 AM
Attachments:	image001.png

FYI

From: PC-Bond Index Team [mailto:pcbond@FTSERussell.com]
Sent: Friday, February 02, 2018 11:07 AM
To: PC-Bond Index Team
Subject: Fair Hydro Trust, 2018-1 Senior Notes, due 15 May 2033

Dear FTSE TMX Client,

A new issuer is being brought to market – Fair Hydro Trust, 2018-1 Senior Notes, due 15 May 2033

Based on review of information available thus far, FTSE Russell would expect to classify this security as **Corporate Securitized ABS,** given the structure of the issuer and in particular its bankruptcy remote nature**,** for the purposes of Index Consideration.

For further information please contact FTSE Russell at ftsebond@ftserussell.com or call 416.572.7979

Regards,

PC-Bond Index Team

FTSE TMX Global Debt Capital Markets Inc.

FTSE Russell
70 York St, Suite 1520
Toronto, Ontario Canada L4J 8Z7
Tel: +1 416 572 7979
www.ftserussell.com[ftserussell.com]

Follow us on Twitter[twitter.com] | Find us on LinkedIn[linkedin.com]

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FTSE
Russell

From: Anna Strathy
To: Bonnie Lemcke; Ken Kandeepan
Cc: Usman Zahid; Mike Manning
Subject: FW: For Review - SCOPA QAs
Date: Thursday, February 01, 2018 10:17:39 AM
Attachments: SCOPA QAs_MOF_20180122 v3.docx

Hi Bonnie, Ken,

Could you please take a look at the attached Q&As that will support our Deputy and Gadi at their SCOPA appearance? Note, there are still several placeholders for input from TBS and Energy related to Pension Asset Accounting and the OFHP. We should be reviewing the Q&As on pgs 6-8 related to our debt burden and credit ratings. **Please make your edits in track changes and send to me by NOON tomorrow.**

Usman, I'll consolidate OFA/CEFD comments for Gadi's review.

Mike, this is just an FYI for you right now. Once we have the input from Energy on the Q&As related to the OFHP, I'll circulate to your team for review.

Thanks, Anna

From: Shewaramani, Deepika (MOF) [mailto:Deepika.Shewaramani@ontario.ca]
Sent: Thursday, February 01, 2018 9:47 AM
To: Anna Strathy ; Usman Zahid ; Birks, Ryan (MOF)
Cc: Ghufran Tarin (MOF)
Subject: For Review - SCOPA QAs

Hi all,

Please see attached draft QAs to support DM Thompson at the Standing Committee of Public Affairs later this month. These will be joint consolidated QAs with TBS and Energy. Could you please fact-check your relevant sections and get back to us by EOD tomorrow, February 2?

OFA – I've included a draft QA on the records disclosed as previously discussed. We haven't seen Energy's QA on this yet but we're including this for now as a placeholder at least. We're still ironing out the approvals process with TBS and Energy so I'll let you know more about this next week.

Please let me know if you have any questions/concerns.

Thanks,

Deepika Shewaramani | Issues Advisor
Issues, Media, Correspondence & Research Services
Communications Services Branch | Ministry of Finance
(416)-326-3665

QUESTIONS & ANSWERS

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DRAFT

PENSION ASSET ACCOUNTING

AG Recommendation #1: Pension Asset Accounting

For QAs related to:	See:
Pension Asset Accounting	Treasury Board Secretariat

Advisory Panel Compensation

For QAs related to:	See:
Pension Asset Accounting	Treasury Board Secretariat

DRAFT

IESO ACCOUNTING

AG Recommendation #2: IESO Market Accounts

For QAs related to:	See:
IESO Market Accounts	Treasury Board Secretariat Ministry of Energy

AG Recommendation #5: IESO Market Accounts & Rate-Regulated Accounting

For QAs related to:	See:
IESO Market Accounts & Rate-Regulated Accounting	Treasury Board Secretariat Ministry of Energy

AG Audit of 2017 Statements

For QAs related to:	See:
Audit of IESO statements	Treasury Board Secretariat Ministry of Energy

DRAFT

ONTARIO FAIR HYDRO PLAN

AG Recommendation #3: OFHP Accounting

For QAs related to:	See:
OFHP Overall	Ministry of Energy
OFHP Accounting	Treasury Board Secretariat

AG Recommendation #6: "Legislated Accounting"

For QAs related to:	See:
OFHP Overall	Ministry of Energy
"Legislated Accounting"	Treasury Board Secretariat

AG Recommendation #9: Arm's Length Trusts

For QAs related to:	See:
OPG Accounting/Trust	Ministry of Energy
Accounting for Trust	Treasury Board Secretariat

Records Disclosure/Process

- Messaging TBC

For QAs related to:	See:
Records Disclosure/Process	Treasury Board Secretariat Ministry of Energy

1. **Has the Ministry of Finance provided all records to the Auditor General of Ontario?**

   In response to a request for information from the Auditor General's office regarding the Ontario Fair Hydro Plan, the Ontario Financing Authority (an agency under the Ministry of Finance) provided 3,252 emails in two batches: 1,190 e-mails on June 23, 2017 and 2,062 on July 18, 2017.

Re-Design of Hydro Bills

For QAs related to:	See:
Re-design of hydro bills	Ministry of Energy

DRAFT

PRE-ELECTION REPORT

AG Recommendation #10: Pre-Election Report on Ontario's Finances

- Messaging TBC – TBS

For QAs related to:	See:
Pre-Election Report	Treasury Board Secretariat (Joint lead with Ministry of Finance)

2. Will the government issue a regulation confirming the source of reference for the Pre-Election Report and the timeline for issuance of the report that will be subject to the Auditor General's review?

Under the *Fiscal Transparency and Accountability Act, 2004*, the government may file a regulation that would require it to release a Pre-Election Report on Ontario's Finances. Should the government file such a regulation, the Auditor General would be required to issue a statement based on a prompt review following the release of such a Pre-Election Report.

The government remains committed to meeting the legislative requirements of the Act, and working constructively with the Auditor General.

DRAFT

PROVINCE'S FISCAL SITUATION

Recommendation #7: Province's Debt Burden

- The balanced budgets from 2017–18 onwards will limit the increase in net debt-to-net investments in capital assets. These investments will contribute to the economy growing at a faster rate than net debt, allowing the government to reduce Ontario's net debt-to-GDP ratio to its pre-recession level of 27 per cent.
- There is a strong demand for Ontario bonds in both the domestic and international markets. Last fiscal year, Ontario was able to borrow $27 billion in long-term debt while our spread — or the margin that we have to pay over the equivalent Government of Canada bond — tightened, indicating an ongoing strong demand for Ontario bonds.
- We expect that the liquidity of Ontario benchmark bonds, and continuing confidence in the value of Ontario debt, will allow us to cost-effectively complete the 2017–18 borrowing program.

3. What is the government doing to manage the province's debt burden?

The very important first step in reducing debt is to balance the budget. We are projecting a balanced budget for 2017-18 and the next two years, which will ensure that the increase in net debt is limited to net investments in capital assets.

As the result of a balanced budget, and Ontario's strong economic growth, the net-debt-to-GDP ratio is declining.

The government has set an interim net debt-to-GDP ratio target of 35 per cent by 2023–24, and continues to maintain a target of reducing the net debt-to-GDP ratio to its pre-recession level of 27 per cent, currently projected to be achieved by 2029–30.

4. What is the status of the province's borrowing plan?

Through prudent and cost-effective debt management, we have consistently kept interest on debt costs below budget projections. Interest on debt to revenue is forecast to be 8.2 per cent in 2017-18, 8.3 per cent in 2018-19 and 8.4 per cent in 2019-20.

Term extension has allowed us to take advantage of and lock in low interest rates for a longer period, which reduces refinancing risks and helps offset the impact of expected higher interest rates on interest on debt costs.

As of November 22, 2017, $25 billion (or 97 per cent) of this year's long-term public borrowing has been completed.

DRAFT

Financial Accountability Office (FAO) Reports

- The government remains on track to balance the budget this fiscal year as well as in 2018–19 and 2019–20.
- The Ministry of Finance is committed to a responsible fiscal plan. We build prudence into the economic forecast.
- Since the time of the 2017 Budget, private sector forecasters have revised up their economic growth projections for Ontario over the 2017-20 period, reflecting the strength in the Ontario economy.

5. **What is the government's response to the FAO's fall 2017 report, which states that the government will run a deficit in 2017-18 and the following years?**

   Ontario's deficit for 2016-17 was $991 million — $3.3 billion lower than projected in the 2016 Budget and $0.5 billion lower than the interim projection in the 2017 Budget, according to public accounts.

   The Ministry of Finance is projecting a balanced budget.

6. **Why are the FAO's revenue forecasts lower than the government's revenue forecasts?**

   The government is projecting total revenue to grow from $140.7 billion in 2016–17 to $158.2 billion in 2019–20. This represents an average annual growth rate of 4.0 per cent.

   Growth in revenues over the medium term is driven mainly by taxation revenue which is projected to increase by $15.6 billion between 2016–17 and 2019–20, or at an average annual rate of 5.2 per cent. The projected taxation revenue growth aligns with growth actually experienced in recent years, and projections for the Ontario economy.

Credit Ratings

- Ontario currently maintains a double-A rating with three of its four credit rating agencies.
- We continue to update the rating agencies on a regular basis on economic and fiscal developments.

7. **What are the credit rating agencies' views on Ontario?**

   Following the release of the 2017 Budget, all four rating agencies — Moody's, DBRS, Fitch, and S&P — confirmed Ontario's long-term credit ratings.

   This reflects rating agencies' confidence in our government's fiscal plan.

DRAFT

8. How have rating agencies responded to the qualified opinion on the public accounts and the recent report from the Auditor General?

The rating agencies make their own assessment of the Province's finances.

However, there were no credit rating implications either this year or last when the government received a qualified audit opinion on its Public Accounts.

DRAFT

Preparation of Public Accounts

AG Recommendation # 4: External Advisors

For QAs related to:	See:
External Advisors	Treasury Board Secretariat

1. **Q re: Ministry of Finance use of external advisors**

   Answer….

AG Recommendation #8: Timeline of Finalization of Financial Statements

For QAs related to:	See:
Finalization of Financial Statements	Treasury Board Secretariat

1. **QAs on finalization of financial statements – tax revenues, etc.**

   Answer…

Audit Opinion

For QAs related to:	See:
Audit Opinions	Treasury Board Secretariat

DRAFT

OTHER

- MOE Key Message 1
- MOE Key Message 2
- MOE Key Message 3
- MOE Key Message 4
- MOE Key Message 5

1. **Qs that may come up that are not included in the categories above…**

   Answer…

DRAFT

From:	Carlos Yep
To:	Mike Manning
Subject:	FW: IESO $2B Credit Facility - Notice for Jul 20
Date:	Wednesday, July 18, 2018 11:37:48 AM
Attachments:	FH rollover notice with advance.pdf

FYI

From: Carlos Yep
Sent: Wednesday, July 18, 2018 9:58 AM
To: John Kim ; Bruno Amara
Cc: William Tan
Subject: FW: IESO $2B Credit Facility - Notice for Jul 20

John

Re: Fair Hydro Plan

On July 20, IESO will rollover $556,534,618.28 and has requested a new advance for $203,694,238.64

Total new outstanding will be $770,228,856.92 for the period of July 20 to August 21.

Regards

Carlos

From: Olga Whiteley [mailto:Olga.Whiteley@ieso.ca]
Sent: Wednesday, July 18, 2018 9:35 AM
To: CASHP <CASHP@ofina.on.ca>; SETTLEMENT <SETTLEMENT@ofina.on.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>; James Devine <James.Devine@ofina.on.ca>; Ricky Lai <Ricky.Lai@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: IESO $2B Credit Facility - Notice for Jul 20

Please see attached notice for July 20 regarding IESO's $2B facility for the Fair Hydro Program.

Thanks.

Olga Whiteley | Treasury and Pension Operations
Independent Electricity System Operator (IESO) | T: (905) 403-6917 | F: (905) 403-6913
Station A, Box 4474, Toronto, ON M5W 4E5
Web: www.ieso.ca[ieso.ca] | Email: olga.whiteley@ieso.ca

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Independent Electricity System Operator
Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900
www.ieso.ca

SCHEDULE 2
ELECTION NOTICE

July 18, 2018

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7
Delivered Via Email: CASHP@ofina.on.ca

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated November 21, 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is **July 20, 2018.**
(b) The aggregate amount of the proposed Continued Advance is **$566,534,618.28**, which is comprised of:
i. principal amount of Advance which is to be continued **$566,534,618.28**; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date **$0.00**;
(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): **$0.00**;
(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is **August 21, 2018**. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

IESO confirms it will also be paying interest in the amount of **$707,780.24**.

Such election shall be confirmed by IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: **$203,694,238.64**

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: **$770,228,856.92**

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): **This transaction relates to the Fair Hydro Program**.

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

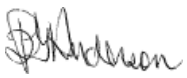
No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR



Per: _____

Barb Anderson
VP, Corporate Services & CFO

From:	Carlos Yep
To:	Mike Manning
Subject:	FW: IESO $2B Credit Facility - Notice for Sep 21
Date:	Thursday, October 04, 2018 12:07:55 PM
Attachments:	FH rollover notice with advance.pdf

From: Carlos Yep
Sent: Wednesday, September 19, 2018 9:27 AM
To: John Kim ; Shajee Kathirgamanathan ; Gavin He
Subject: FW: IESO $2B Credit Facility - Notice for Sep 21

John

Re: Fair Hydro Plan

On September 21, IESO will rollover $999,892,928.23 and has requested a new advance for $175,073,329.63

Total new outstanding will be $1,174,966,258.16 for the period of September 21 to October 19.

Regards

Carlos

From: Olga Whiteley [mailto:Olga.Whiteley@ieso.ca]
Sent: Wednesday, September 19, 2018 9:02 AM
To: CASHP <CASHP@ofina.on.ca>; SETTLEMENT <SETTLEMENT@ofina.on.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>; James Devine <James.Devine@ofina.on.ca>; Ricky Lai <Ricky.Lai@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: IESO $2B Credit Facility - Notice for Sep 21

Please see attached notice for September 21 regarding IESO's $2B facility for the Fair Hydro Program.

Thanks.

Olga Whiteley | Treasury and Pension Operations

Independent Electricity System Operator (IESO) | T: (905) 403-6917 | F: (905) 403-6913
Station A, Box 4474, Toronto, ON M5W 4E5
Web: www.ieso.ca [ieso.ca] | Email: olga.whiteley@ieso.ca

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Powering Tomorrow.

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Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900
www.ieso.ca

SCHEDULE 2
ELECTION NOTICE

September 19, 2018

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7
Delivered Via Email: CASHP@ofina.on.ca

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated November 21, 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is **September 21, 2018.**
(b) The aggregate amount of the proposed Continued Advance is **$999,892,928.53**, which is comprised of:
i. principal amount of Advance which is to be continued **$999,892,928.53**; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date **$0.00**;
(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): **$0.00**;
(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is **October 19, 2018**. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

IESO confirms it will also be paying interest in the amount of **$1,528,603.44**.

Such election shall be confirmed by IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: **$175,073,329.63**

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: **$1,174,966,258.16**

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): **This transaction relates to the Fair Hydro Program**.

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

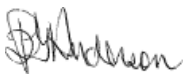
No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR



Per: _____

Barb Anderson
VP, Corporate Services & CFO

From: Carlos Yep
To: John Kim; Shajee Kathirgamanathan; Gavin He
Subject: FW: IESO $2B Credit Facility - Notice for Sep 21
Date: Wednesday, September 19, 2018 9:27:04 AM
Attachments: FH rollover notice with advance.pdf

John

Re: Fair Hydro Plan

On September 21, IESO will rollover $999,892,928.23 and has requested a new advance for $175,073,329.63

Total new outstanding will be $1,174,966,258.16 for the period of September 21 to October 19.

Regards

Carlos

From: Olga Whiteley [mailto:Olga.Whiteley@ieso.ca]
Sent: Wednesday, September 19, 2018 9:02 AM
To: CASHP ; SETTLEMENT ; Carlos Yep ; James Devine ; Ricky Lai
Cc: Anthony Martinello
Subject: IESO $2B Credit Facility - Notice for Sep 21

Please see attached notice for September 21 regarding IESO's $2B facility for the Fair Hydro Program.

Thanks.

Olga Whiteley | Treasury and Pension Operations

Independent Electricity System Operator (IESO) | T: (905) 403-6917 | F: (905) 403-6913
Station A, Box 4474, Toronto, ON M5W 4E5
Web: www.ieso.ca [ieso.ca] | Email: olga.whiteley@ieso.ca

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Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900
www.ieso.ca

SCHEDULE 2
ELECTION NOTICE

September 19, 2018

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7
Delivered Via Email: CASHP@ofina.on.ca

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated November 21, 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is **September 21, 2018.**
(b) The aggregate amount of the proposed Continued Advance is **$999,892,928.53**, which is comprised of:
i. principal amount of Advance which is to be continued **$999,892,928.53**; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date **$0.00**;
(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): **$0.00**;
(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is **October 19, 2018**. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

IESO confirms it will also be paying interest in the amount of **$1,528,603.44**.

Such election shall be confirmed by IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: **$175,073,329.63**

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: **$1,174,966,258.16**

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): **This transaction relates to the Fair Hydro Program**.

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

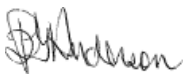
No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR



Per: _____

Barb Anderson
VP, Corporate Services & CFO

From: Carlos Yep
To: John Kim; Shajee Kathirgamanathan; Gavin He
Subject: FW: IESO $2B Credit Facility - Notice for Sep 21
Date: Wednesday, September 19, 2018 9:27:04 AM
Attachments: FH rollover notice with advance.pdf

John

Re: Fair Hydro Plan

On September 21, IESO will rollover $999,892,928.23 and has requested a new advance for $175,073,329.63

Total new outstanding will be $1,174,966,258.16 for the period of September 21 to October 19.

Regards

Carlos

From: Olga Whiteley [mailto:Olga.Whiteley@ieso.ca]
Sent: Wednesday, September 19, 2018 9:02 AM
To: CASHP ; SETTLEMENT ; Carlos Yep ; James Devine ; Ricky Lai
Cc: Anthony Martinello
Subject: IESO $2B Credit Facility - Notice for Sep 21

Please see attached notice for September 21 regarding IESO's $2B facility for the Fair Hydro Program.

Thanks.

Olga Whiteley | Treasury and Pension Operations

Independent Electricity System Operator (IESO) | T: (905) 403-6917 | F: (905) 403-6913
Station A, Box 4474, Toronto, ON M5W 4E5
Web: www.ieso.ca [ieso.ca] | Email: olga.whiteley@ieso.ca

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Powering Tomorrow.

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900
www.ieso.ca

SCHEDULE 2
ELECTION NOTICE

September 19, 2018

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7
Delivered Via Email: CASHP@ofina.on.ca

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated November 21, 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

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i. principal amount of Advance which is to be continued **$999,892,928.53**; and
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(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): **$0.00**;
(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is **October 19, 2018**. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

IESO confirms it will also be paying interest in the amount of **$1,528,603.44**.

Such election shall be confirmed by IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: **$175,073,329.63**

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: **$1,174,966,258.16**

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): **This transaction relates to the Fair Hydro Program**.

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

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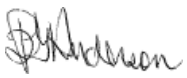
Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR



Per: _____

Barb Anderson
VP, Corporate Services & CFO

From:	Carlos Yep
To:	Mike Manning
Subject:	FW: IESO $2B Credit Facility - Notice for Sep 21
Date:	Thursday, October 04, 2018 12:07:55 PM
Attachments:	FH rollover notice with advance.pdf

From: Carlos Yep
Sent: Wednesday, September 19, 2018 9:27 AM
To: John Kim ; Shajee Kathirgamanathan ; Gavin He
Subject: FW: IESO $2B Credit Facility - Notice for Sep 21

John

Re: Fair Hydro Plan

On September 21, IESO will rollover $999,892,928.23 and has requested a new advance for $175,073,329.63

Total new outstanding will be $1,174,966,258.16 for the period of September 21 to October 19.

Regards

Carlos

From: Olga Whiteley [mailto:Olga.Whiteley@ieso.ca]
Sent: Wednesday, September 19, 2018 9:02 AM
To: CASHP <CASHP@ofina.on.ca>; SETTLEMENT <SETTLEMENT@ofina.on.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>; James Devine <James.Devine@ofina.on.ca>; Ricky Lai <Ricky.Lai@ofina.on.ca>
Cc: Anthony Martinello <Anthony.Martinello@ieso.ca>
Subject: IESO $2B Credit Facility - Notice for Sep 21

Please see attached notice for September 21 regarding IESO's $2B facility for the Fair Hydro Program.

Thanks.

Olga Whiteley | Treasury and Pension Operations

Independent Electricity System Operator (IESO) | T: (905) 403-6917 | F: (905) 403-6913
Station A, Box 4474, Toronto, ON M5W 4E5
Web: www.ieso.ca [ieso.ca] | Email: olga.whiteley@ieso.ca

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Toronto, ON M5W 4E5
t 905.403.6900
www.ieso.ca

SCHEDULE 2
ELECTION NOTICE

September 19, 2018

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7
Delivered Via Email: CASHP@ofina.on.ca

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated November 21, 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

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i. principal amount of Advance which is to be continued **$999,892,928.53**; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date **$0.00**;
(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): **$0.00**;
(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is **October 19, 2018**. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

IESO confirms it will also be paying interest in the amount of **$1,528,603.44**.

Such election shall be confirmed by IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

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The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: **$1,174,966,258.16**

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): **This transaction relates to the Fair Hydro Program**.

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

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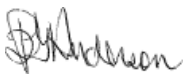
Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR



Per: _____

Barb Anderson
VP, Corporate Services & CFO

From: Carlos Yep
To: John Kim; Shajee Kathirgamanathan; Gavin He
Subject: FW: IESO $475M Credit Facility - Notice for Sep 21
Date: Wednesday, September 19, 2018 9:27:08 AM
Attachments: RRRP rollover notice with advance.pdf

John

Re: Rural or Remote Electricity Rate Protection

On September 21, IESO will rollover $16,825,078.33 and has requested a new advance for $239,342.25

Total new outstanding will be $17,064,420.58 for the period of September 21 to October 19.

Regards

Carlos

From: Olga Whiteley [mailto:Olga.Whiteley@ieso.ca]

Sent: Wednesday, September 19, 2018 9:04 AM

To: CASHP ; SETTLEMENT ; Carlos Yep ; James Devine ; Ricky Lai

Cc: Anthony Martinello

Subject: IESO $475M Credit Facility - Notice for Sep 21

See attached notice for September 21 regarding IESO's $475million facility for the RRRP Loan.

Thanks.

Olga Whiteley | Treasury and Pension Operations

Independent Electricity System Operator (IESO) | T: (905) 403-6917 | F: (905) 403-6913
Station A, Box 4474, Toronto, ON M5W 4E5
Web: www.ieso.ca [ieso.ca] | Email: olga.whiteley@ieso.ca

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Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900
www.ieso.ca

SCHEDULE 2 TO AMENDING AGREEMENT NO. 10
ELECTION NOTICE

September 19, 2018

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7
Delivered Via Email: CASHP@ofina.on.ca

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the credit agreement between the IESO and the OFA dated January 1, 2005 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is **September 21, 2018**;
(b) The aggregate amount of the proposed Continued Advance is **$16,825,078.33**, which is comprised of:
   i. principal amount of Advance which is to be continued **$16,825,078.33**; and
   ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date **$0.00**;
(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): **$0.00**;
(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is **October 19, 2018**. [Insert date no earlier than 28 days and not later than 95 days after the Current Repayment Date for the Advance].

IESO confirms it will also be paying interest in the amount of **$25,721.63**.

Such election shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: **$239,342.25**

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: **$17,064,420.58**

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): **This transaction relates to the settlement of the Rural or Remote Electricity Rate Protection (RRRP) variance.**

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

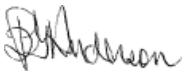
No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR



Per: _____

Barb Anderson
VP, Corporate Services & CFO

From:	Sarah Harris
To:	John Kim
Cc:	Ken Kandeepan; Mike Manning; Opal Kandelas; William Tan
Subject:	FW: IESO/OFA - FH line
Date:	Wednesday, September 19, 2018 1:51:37 PM
Attachments:	FH rollover notice with advance.pdf

Hi John,

Anthony at IESO has approached us to begin discussions on an increase to the $2B cap to the FHP. Is this a discussion that you would initially be having with IESO?

Thanks,

Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Wednesday, September 19, 2018 12:56 PM

To: Sarah Harris

Cc: William Tan ; Victor Buza

Subject: RE: IESO/OFA - FH line

We need to begin discussions in Oct 2018 on making an amendment to increase the $2B cap.

The FH Trust did not purchase this month's variance and I have no further info on if or when a purchase will occur.

IESO will be at $1.175B drawn this month.

Should I set up time to talk?

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: August 29, 2018 10:59 AM
To: Anthony Martinello
Cc: William Tan
Subject: RE: IESO/OFA - FH line

CAUTION: This email originated from outside of the organization. Exercise caution when clicking on links or opening attachments even if you recognize the sender.

Thank you, Anthony, for the head's up. I will communicate your message internally.

Thanks,

Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Wednesday, August 29, 2018 8:49 AM

To: William Tan <William.Tan@ofina.on.ca>

Cc: Olga Whiteley <Olga.Whiteley@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>

Subject: IESO/OFA - FH line

Will

Just a courtesy email …nothing to do yet.

The IESO:OFA Fair Hydro line of credit is at about $1 billion drawn out of the $2 billion max capacity.

We are drawing on avg about $200-300million/month.

The Fair Hydro Trust has not purchased the IESO's reg asset for a few months….if this continues I will be coming back to OFA to seek to increase the line of credit.

Regards.

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ieso
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Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900
www.ieso.ca

SCHEDULE 2
ELECTION NOTICE

September 19, 2018

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7
Delivered Via Email: CASHP@ofina.on.ca

Attention: Cash Management

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IESO confirms it will also be paying interest in the amount of **$1,528,603.44**.

Such election shall be confirmed by IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

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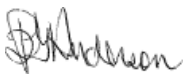
INDEPENDENT ELECTRICITY SYSTEM OPERATOR



Per: _____

Barb Anderson
VP, Corporate Services & CFO

From: William Tan
To: Opal Kandelas; Mike Manning; John Kim
Cc: Ken Kandeepan; Lisa Stein; Carlos Yep; James Devine; Sarah Harris
Subject: FW: IESO/OFA - FH line
Date: Thursday, August 30, 2018 9:31:55 AM

Good morning,
Please see message below regarding additional information on the potential $2billion credit facility increase.
Thanks,
Will

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
Sent: Thursday, August 30, 2018 9:10 AM
To: William Tan
Subject: Re: IESO/OFA - FH line
If no FH purchase is made during Sept....then we should talk in early Oct to begin the agreement amendment process.....assuming this will take 4-6 weeks.
Regards
Sent from my iPhone

On Aug 30, 2018, at 9:03 AM, William Tan <William.Tan@ofina.on.ca> wrote:

> **CAUTION:** This email originated from outside of the organization. Exercise caution when clicking on links or opening attachments even if you recognize the sender.
>
> Good morning Anthony,
> At what level would the line of credit have to reach before you begin the process of increasing the line of credit?
> Thanks for the notification.
> Will
>
> ---
>
> **From:** Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]
> **Sent:** Wednesday, August 29, 2018 8:49 AM
> **To:** William Tan <William.Tan@ofina.on.ca>
> **Cc:** Olga Whiteley <Olga.Whiteley@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>
> **Subject:** IESO/OFA - FH line
> Will
> Just a courtesy email …nothing to do yet.
> The IESO:OFA Fair Hydro line of credit is at about $1 billion drawn out of the $2 billion max capacity. We are drawing on avg about $200-300million/month.
> The Fair Hydro Trust has not purchased the IESO's reg asset for a few months….if this continues I will be coming back to OFA to seek to increase the line of credit.
> Regards.
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From:	Sarah Harris
To:	Opal Kandelas; Mike Manning; John Kim
Cc:	Ken Kandeepan; Lisa Stein; Carlos Yep; James Devine; William Tan
Subject:	FW: IESO/OFA - FH line
Date:	Wednesday, August 29, 2018 11:06:13 AM

Hello,

Please see message below from IESO. They may approach us looking to increase the $2 billion credit facility.

Thanks,

Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Wednesday, August 29, 2018 8:49 AM

To: William Tan

Cc: Olga Whiteley ; Lisa Stein ; Victor Buza ; Sarah Harris

Subject: IESO/OFA - FH line

Will

Just a courtesy email …nothing to do yet.

The IESO:OFA Fair Hydro line of credit is at about $1 billion drawn out of the $2 billion max capacity.

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Regards.

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From:	Sarah Harris
To:	John Kim
Cc:	Ken Kandeepan; Mike Manning; Opal Kandelas; William Tan
Subject:	FW: IESO/OFA - FH line
Date:	Wednesday, September 19, 2018 1:51:37 PM
Attachments:	FH rollover notice with advance.pdf

Hi John,

Anthony at IESO has approached us to begin discussions on an increase to the $2B cap to the FHP. Is this a discussion that you would initially be having with IESO?

Thanks,

Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Wednesday, September 19, 2018 12:56 PM

To: Sarah Harris

Cc: William Tan ; Victor Buza

Subject: RE: IESO/OFA - FH line

We need to begin discussions in Oct 2018 on making an amendment to increase the $2B cap.

The FH Trust did not purchase this month's variance and I have no further info on if or when a purchase will occur.

IESO will be at $1.175B drawn this month.

Should I set up time to talk?

From: Sarah Harris [mailto:Sarah.Harris@ofina.on.ca]
Sent: August 29, 2018 10:59 AM
To: Anthony Martinello
Cc: William Tan
Subject: RE: IESO/OFA - FH line

CAUTION: This email originated from outside of the organization. Exercise caution when clicking on links or opening attachments even if you recognize the sender.

Thank you, Anthony, for the head's up. I will communicate your message internally.

Thanks,

Sarah

From: Anthony Martinello [mailto:Anthony.Martinello@ieso.ca]

Sent: Wednesday, August 29, 2018 8:49 AM

To: William Tan <William.Tan@ofina.on.ca>

Cc: Olga Whiteley <Olga.Whiteley@ieso.ca>; Lisa Stein <Lisa.Stein@ofina.on.ca>; Victor Buza <Victor.Buza@ieso.ca>; Sarah Harris <Sarah.Harris@ofina.on.ca>

Subject: IESO/OFA - FH line

Will

Just a courtesy email …nothing to do yet.

The IESO:OFA Fair Hydro line of credit is at about $1 billion drawn out of the $2 billion max capacity.

We are drawing on avg about $200-300million/month.

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Regards.

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ieso
Connecting Today.
Powering Tomorrow.

Independent Electricity System Operator
Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900
www.ieso.ca

SCHEDULE 2
ELECTION NOTICE

September 19, 2018

Ontario Financing Authority ("OFA")
1 Dundas Street West, Suite 1400
Toronto, Ontario
M7A 1Y7
Delivered Via Email: CASHP@ofina.on.ca

Attention: Cash Management

Dear Sirs:

I. ELECTION NOTICE

The undersigned, the Independent Electricity System Operator ("IESO"), refers to the Revolving Credit Facility Agreement between the IESO and the OFA dated November 21, 2017 (as amended, supplemented or restated from time to time, the "Agreement", the terms defined therein being used herein as therein defined), and gives you notice pursuant to Section 3.3 of the Agreement that the IESO elects to continue for an additional term all or a portion of an Advance or a Continued Advance, as the case may be, and in connection with such election sets forth below the information relating to such election as required by Section 3.3(2) of the Agreement:

(a) The date of the proposed election, being a Business Day (being the Current Repayment Date) is **September 21, 2018.**
(b) The aggregate amount of the proposed Continued Advance is **$999,892,928.53**, which is comprised of:
i. principal amount of Advance which is to be continued **$999,892,928.53**; and
ii. accrued interest on Advance which will not be paid on or before the Current Repayment Date **$0.00**;
(c) The IESO will pay on the Current Repayment Date the following amount with respect to the Advance (if any): **$0.00**;
(d) The New Repayment Date, being a Business Day, applicable to such proposed Continued Advance is **October 19, 2018**. [Insert date not earlier than 5 days and not later than 95 days after the current Repayment Date for the Advance.]

IESO confirms it will also be paying interest in the amount of **$1,528,603.44**.

Such election shall be confirmed by IESO by a telephone call to OFA Cash Management at 416-325-8108.

II. BORROWING NOTICE [to be included if applicable]

The IESO gives you notice pursuant to Section 3.3(3) of the Agreement that the IESO requests a further Advance under the Agreement on the Current Repayment Date, with a Repayment Date of the New Repayment Date as specified above, and in connection with such request, sets forth below the information relating to such Advance (the "Proposed Advance"):

Amount of the Proposed Advance: **$175,073,329.63**

The total aggregate amount of the proposed Continued Advance and Proposed Advance pursuant to this Notice is: **$1,174,966,258.16**

Such request of the Proposed Advance shall be confirmed by the IESO by a telephone call to OFA Cash Management at 416-325-8108.

Use of Funds

The IESO hereby certifies that the funds comprising the Proposed Advance requested pursuant to this Notice, if any, will be used for the following purpose(s): **This transaction relates to the Fair Hydro Program**.

The IESO hereby certifies that:

The representations and warranties of the IESO contained in the Agreement are true and correct as at the date hereof.

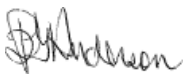
No Event of Default has occurred or is continuing and no event or condition has occurred, which, with the lapse of time or the giving of notice or both would constitute an Event of Default.

The IESO has complied or is complying with all terms, covenants and conditions contained in the Agreement.

Any and all funds received under the Agreement are being used solely as authorized under the Agreement and are not being used for any other purpose.

Yours truly,

INDEPENDENT ELECTRICITY SYSTEM OPERATOR



Per: _____

Barb Anderson
VP, Corporate Services & CFO

From: Mike Manning
To: Carlos Yep; Ricky Lai
Subject: FW: Indicative pricing for AA and A tranches for Series 2018-2
Date: Thursday, April 19, 2018 10:54:35 AM
Attachments: FHP_NBC_20180419.xlsx

Hi Guys:
Does this translate to 35 bps over Ontario? Someone gave me that number this morning.
Thanks, Mike

From: Bryan, Richard [mailto:richard.bryan@nbc.ca]
Sent: Thursday, April 19, 2018 10:50 AM
To: 'sheen.liu@opg.com' <sheen.liu@opg.com>
Cc: 'LEE John -TREASURY' <john.s.lee@opg.com>; 'ken.ryfa@opg.com'; 'Kevin.Shvarts@ofina.on.ca'; Mike Manning <Mike.Manning@ofina.on.ca>; Linda Smith <Linda.Smith@ofina.on.ca>; Brett Kichiy <Brett.Kichiy@ofina.on.ca>; Ricky Lai <Ricky.Lai@ofina.on.ca>; 'irma.mahmood@opg.com' <irma.mahmood@opg.com>; Carrique, John <John.Carrique@nbc.ca>; Locas, Yves <yves.locas@nbc.ca>; Roy, Linda <Linda.Roy@bnc.ca>; Kalinauskas, Jonathan <Jonathan.Kalinauskas@bnc.ca>
Subject: Indicative pricing for AA and A tranches for Series 2018-2

Hi Sheen, given RBC email confirmation of $400mm AAA 20yr @ GOC CRV +107, please find attached indicative spreads for companion AA and A tranches.

Regards
Rick

CONFIDENTIALITÉ : Ce document est destiné uniquement à la personne ou à l'entité à qui il est adressé. L'information apparaissant dans ce document est de nature légalement privilégiée et confidentielle. Si vous n'êtes pas le destinataire visé ou la personne chargée de le remettre à son destinataire, vous êtes, par la présente, avisé que toute lecture, usage, copie ou communication du contenu de ce document est strictement interdit. De plus, vous êtes prié de communiquer avec l'expéditeur sans délai ou d'écrire à confidentialite@bnc.ca et de détruire ce document immédiatement.
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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	4/19/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.40%	2.39%	2.35%	2.30%	2.14%	2.02%	0.08%	0.09%	0.11%	0.13%	0.13%	0.09%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	115	107	103	90	67	52	-3	-8	-3	-3	-3	-3
Re-Offered Yield	3.55%	3.46%	3.38%	3.20%	2.81%	2.54%	0.05%	0.01%	0.08%	0.10%	0.10%	0.06%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.58%**	**3.49%**	**3.42%**	**3.25%**	**2.89%**	**2.63%**	**0.05%**	**0.01%**	**0.08%**	**0.10%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	79	76	66.5	44	28	-5	-4	-5.5	-6	-5.5	-4

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	140	134	117	100	80	70	0	0	0	0	0	0
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	123	117	100	85	65	57	0	0	0	0	0	0
Schedule I Bank ABS (Aaa ; AAA ; AAA)	145	138	119	100	80	70	0	0	0	0	0	0
FHT Series 2018-1			100				0	0	-2	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.40%	2.39%	2.35%	2.30%	2.14%	2.02%	0.08%	0.09%	0.11%	0.13%	0.13%	0.09%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	140	132	126	112	88	73	-3	-8	-3	-3	-3	-3
Re-Offered Yield	3.80%	3.71%	3.61%	3.42%	3.02%	2.75%	0.05%	0.01%	0.08%	0.10%	0.10%	0.06%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.83%**	**3.74%**	**3.65%**	**3.47%**	**3.10%**	**2.84%**	**0.05%**	**0.01%**	**0.08%**	**0.10%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	79	76	67	44	28	-5	-4	-6	-6	-6	-4

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	130	123	104	85	65	55	-5	-5	-5	-5	0	0
NAV Canada (AA-, AA low)	100	97	89	80	55	45	-5	-5	-5	-5	-5	-5
GTAA (Aa3, A+)	100	97	89	80	55	45	-5	-5	-5	-5	-5	-5
Hydro One (A3/A/A high)	135	129	112	95	70	60	-5	-5	-5	-5	-5	0

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.40%	2.39%	2.35%	2.30%	2.14%	2.02%	0.08%	0.09%	0.11%	0.13%	0.13%	0.09%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	170	162	156	135	107	92	-3	-8	-3	-3	-3	-3
Re-Offered Yield	4.10%	4.01%	3.91%	3.65%	3.21%	2.94%	0.05%	0.01%	0.08%	0.10%	0.10%	0.06%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.13%**	**4.04%**	**3.95%**	**3.70%**	**3.29%**	**3.03%**	**0.05%**	**0.01%**	**0.08%**	**0.10%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	79	76	67	44	28	-5	-4	-6	-6	-6	-4

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	155	149	132	115	90	75	-10	-10	-10	-10	-5	-5
Highway 407 (A, A)	130	123	104	85	65	55	-5	-5	-5	-5	0	0
Enbridge Gas Distribution (A-, A)	130	125	110	95	75	60	-5	-5	-5	-5	-5	0
Hydro One (A3/A/A high)	135	129	112	95	70	60	-5	-5	-5	-5	-5	0
Schedule 1 Bank ABS (A)	200	193	174	155	135	120	0	0	0	0	0	0

From:	Martin, Kevin E
To:	Elizabeth Wallace; James Devine; Mike Manning; Carlos Yep; Gadi Mayman
Cc:	Caridia, Alex; Vijay, Shaaj; Dorri, Sam
Subject:	FW: Investor Package - Fair Hydro Trust
Date:	Wednesday, April 18, 2018 2:10:13 PM
Attachments:	Fair Hydro - Series 2018-2 Senior Notes TS.PDF FHT Investor Presentation - April 2018.pdf Fair Hydro Trust - Confidential Shelf Offering Memorandum.pdf

---

20-year min $300mm, small room to grow.
To launch and price tomorrow.

_____

From: Robertson, Sherry
Sent: April 18, 18 2:06 PM
To: +DS-GM-Bond Sales Desk
Subject: Investor Package - Fair Hydro Trust

THE FOLLOWING HAS BEEN FORWARDED TO INVESTORS

Base Offering Memorandum

Investor Presentation

Term Sheet

Sherry Robertson, MBA | Vice President | Debt Syndication | RBC Capital Markets | (416) 842-7758 |
2nd Floor, North Tower, Royal Bank Plaza | 200 Bay Street, Toronto, Ontario M5J 2W7
sherry.robertson@rbccm.com

_____

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This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January 22, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-2 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Capital Markets Platform" and "Description of Senior Notes" sections of the confidential shelf offering memorandum which contain a more detailed description of certain terms of the Series 2018-2 Senior Notes and the trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-2 Senior Notes will be subject), as supplemented by the term senior series 2018-2 supplemental indenture to the Master Trust Indenture (the "Series 2018-2 Senior Supplemental Indenture") pursuant to which the Series 2018-2 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *April 18, 2018*

FAIR HYDRO TRUST

•% SENIOR NOTES DUE MAY 15, 2038, SERIES 2018-2

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	•% Senior Notes due May 15, 2038, Series 2018-2 (the "**Series 2018-2 Senior Notes**").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	Minimum $300,000,000[(1)]
Term:	20 years
Launch Date:	April •, 2018
Pricing Date:	April •, 2018
Settlement Date:	April •, 2018 (T+3)
Interest Rate:	•% per annum (the "**Series 2018-2 Interest Rate**")
Issue Spread:	+• bps versus Government of Canada curve interpolated between CAN 5% due June 1, 2037 and CAN 4% due June 1, 2041 +• bps (including a • bps curve adjustment and • bps delay adjustment), versus the CAN 5% due June 1, 2037 (priced at $•to yield •%)

(1) The Issuer may offer and sell Series 2018-2 Senior Notes having a principal amount greater than the amount shown above. In that event, the Principal Accumulation Amounts, the principal amounts of the Series 2018-2 Subordinated Notes and the Series 2018-2 Junior Subordinated Notes and the use of proceeds amount will be increased proportionately.

Issue Yield:	•%
Issue Price:	$• per $1,000 principal amount of Series 2018-2 Senior Notes.
Agents Commission:	$5.50 per $1,000 principal amount of Series 2018-2 Senior Notes sold (payable from existing cash resources of the Issuer)
Interest Payment Dates:	The Interest Payment Dates for the Series 2018-2 Senior Notes are as follows: (i) prior to the occurrence of an Amortization Event, interest on the Series 2018-2 Senior Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-2 Senior Notes on each Payment Date thereafter at a rate equal to the monthly equivalent of the Series 2018-2 Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-2 Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-2 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-2 Senior Notes Offering**") to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event, the first interest payment will be in an amount equal to $• per $1,000 principal amount of Series 2018-2 Senior Notes. If an Interest Payment Date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis. The record date for each Interest Payment Date is the last day of the calendar month preceding such Interest Payment Date. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-2 Senior Notes, or the outstanding principal amount of the Series 2018-2 Senior Notes has not been paid in full on the Expected Principal Payment Date (as defined below). An "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the Master Trust Indenture, or (ii) the outstanding principal amount of the Series 2018-2 Senior Notes and all interest thereon is declared due and payable in accordance with the Indenture as a result of the occurrence of a Series 2018-2 Event of Default (as defined below).
Principal Payment Dates and Principal Payment Amount:	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-2 Senior Notes shall be due and payable on May 15, 2038 (such Payment Date, the "**Expected Principal Payment Date**"). Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date in respect of the Series 2018-2 Senior Notes and the then outstanding principal amount of the Series 2018-2 Senior Notes shall be due and payable on each such Payment Date.
Principal Payment Default Date:	May 15, 2040

Principal Accumulation Amounts: Subject to the occurrence of an Amortization Event, the Series 2018-2 Senior Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix A hereto.

Following the occurrence of an Amortization Event, the Principal Accumulation Amount with respect to each Payment Date thereafter shall be an amount equal to the outstanding principal amount of the Series 2018-2 Senior Notes.

Subordination: Concurrent with the issuance of the Series 2018-2 Senior Notes, OPG will subscribe for (i) $• of subordinated notes due May 15, 2038 , Series 2018-2 (the "**Series 2018-2 Subordinated Notes**"); and (ii) $• of junior subordinated notes due May 15, 2038, Series 2018-2 (the "**Series 2018-2 Junior Subordinated Notes**"). The interest rates on the Series 2018-2 Subordinated Notes and the Series 2018-2 Junior Subordinated Notes will be fixed on the Settlement Date. The Series 2018-2 Subordinated Notes shall be subordinated to the Series 2018-2 Senior Notes (and all other Senior Funding Obligations), and the Series 2018-2 Junior Subordinated Notes shall be subordinated to the Series 2018-2 Senior Notes (and all other Senior Funding Obligations) and the Series 2018-2 Subordinated Notes (and all other Subordinated Funding Obligations), in each case in the manner described in the confidential shelf offering memorandum under the heading "*Capital Markets Platform – Subordination Provisions*".

Optional Redemption: The Series 2018-2 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-2 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption.

"**Par Call Date**" means November 15, 2037.

"**Series 2018-2 Canada Yield Price**" means a price equal to the price of the Series 2018-2 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus •% per annum.

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-2 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

Limited Recourse:	The Series 2018-2 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-2 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-2 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Series 2018-2 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under *"Change of Law Protection Agreement"*. The Series 2018-2 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under the heading *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.
Use of Proceeds:	The proceeds from the Series 2018-2 Senior Notes Offering will be used to refinance $• of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement. See *"Consolidated Capitalization"*. Expenses of the Series 2018-2 Senior Notes Offering are to be paid from existing cash resources.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-2 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Change of Law Protection Agreement:	The Series 2018-2 Senior Notes are Approved Obligations under the Change of Law Protection Agreement.
Series 2018-2 Events of Default:	In addition to the Events of Default contained in the Master Trust Indenture and described in the confidential shelf offering memorandum, each of the following events constitute a "**Series 2018-2 Events of Default**": (a) failure to pay interest on the Series 2018-2 Senior Notes when due, subject to a 5-day cure period; (b) failure to pay principal on the Principal Payment Default Date for the Series 2018-2 Senior Notes; (c) breach of representation or warranty in the Series 2018-2 Senior Supplemental Indenture applicable to the Series 2018-2 Senior Notes, subject to materiality requirements and a 60-day cure period; (d) breach of a covenant in the Series 2018-2 Senior Supplemental Indenture, subject to materiality requirements and a 60-day cure period; and (e) an event occurs and as a result thereof, all or any portion of the principal amount of any other Senior Funding Obligation has been accelerated.

Acceleration upon a Series 2018-2 Event of Default:	Upon the occurrence of a Series 2018-2 Event of Default, the holders of Series 2018-2 Senior Notes may, by Ordinary Resolution, declare the outstanding principal and all accrued and unpaid interest on the Series 2018-2 Senior Notes to be immediately due and payable, whether or not all Issuer Funding Obligations have been accelerated pursuant to the Master Trust Indenture. For a discussion of the consequences of such declaration, see the confidential shelf offering memorandum under the headings "*Capital Markets Platform – Acceleration and Remedies*" and "*Risk Factors – If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected*".
Rating Covenant:	As long as the Series 2018-2 Senior Notes remain outstanding, the Issuer will use commercially reasonable efforts to maintain a credit rating of the Series 2018-2 Senior Notes from DBRS, Moody's or any other nationally recognized statistical rating organization or designated rating organization acceptable to the Issuer, acting reasonably.
Rating Agency Condition:	"**Rating Agency Condition**" means with respect to any action in respect of the Series 2018-2 Senior Notes subject to such condition, the Issuer shall deliver written notice of the proposed action to such Rating Agency or Rating Agencies at least 10 business days prior to the effective date of such action (or if 10 business days prior notice is impractical, such advance notice as is practicable) and (i) the Rating Agencies shall not have informed the Issuer prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-2 Senior Notes immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, DBRS shall have informed the Issuer in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-2 Senior Notes immediately before the taking of such action.
Additional Security:	No Series Account will be established for the Series 2018-2 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-2 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-2 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – 30324RAB2 ISIN – CA30324RAB20
Agents:	CIBC World Markets Inc. (joint lead and joint bookrunner), RBC Dominion Securities Inc. (joint lead and joint bookrunner), Goldman Sachs Canada Inc. (joint lead), BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Morgan Stanley Canada Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Desjardins Securities Inc. and Casgrain & Company Limited.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such

prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-2 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $658,607,000 is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $335,890,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $256,857,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $65,860,000 is drawn.

Draws under the Warehouse Facilities are used from time to time to acquire Investment Interests from the IESO. It is anticipated that the Warehouse Facilities will be used to acquire a $149,000,000 Investment Interest from the IESO on April 20, 2018.

Concurrently with the issuance of the Series 2018-2 Senior Notes, OPG will also subscribe for the Series 2018-2 Subordinated Notes and the Series 2018-2 Junior Subordinated Notes.

The following table outlines the outstanding amounts under various series of long-term debt of the Issuer as of the date hereof.

As at March 31, 2018 after giving effect to the Series 2018-2 Senior Notes Offering

	Senior Notes	Subordinated Notes	Junior Subordinated Notes
Series 2018-1	$500,000,000	$382,353,000	$98,040,000
Series 2018-2	$•	$•	$•
Total	$•	$•	$•

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-2 Senior Notes Offering.

	As at March 31, 2018 before giving effect to the Series 2018-2 Senior Notes Offering	As at March 31, 2018 after giving effect to the Series 2018-2 Senior Notes Offering
Cash and Cash Equivalents……..	$13,032,277.89	$•
Debt		
Long-term debt, including current portion…….	980,393,000[2]	$• [4]
Short-term debt……...	$658,607,000 [1]	$• [3]
Bank indebtedness……..	Nil	Nil
Total Debt……	$1,639,000,000 [1]	$•
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	$1,652,042,277.90 [1]	$•

(1) Represents Notes outstanding under the Warehouse Facilities.

(2) Representing Notes outstanding as of March 31, 2018, as follows: (i) $500,000,000, or 51% of all long-term debt, represented by Senior Notes; (ii) $382,353,000, or 39% of all long-term debt, represented by the Subordinated Notes held by OPG; and (iii) $98,040,000, or 10% of all long-term-debt, represented by Junior Subordinated Notes, held by OPG.

(3) Representing Notes outstanding as of March 31, 2018, adjusted for the effect of acquiring an additional Investment Interest of $149,000,000 under the Warehouse Facilities from the IESO expected on April 20, 2018. The amount outstanding has been further adjusted for the Series 2018-2 Notes Offering that is expected to close on or about April • , 2018, which will be used to repay the Warehouse Facilities as follows: (i) $•, or 51% of all short-term debt, represented by Senior Notes, Series 2018-2; (ii) $•, or 39% of all short-term debt, represented by Subordinated Notes, Series 2018-2 held by OPG; and (iii) $•, or 10% of all short term debt, represented by Junior Subordinated Notes, Series 2018-2 held by OPG.

(4) Representing Notes outstanding as of March 31, 2018, adjusted for the Series 2018-2 Notes Offering expected to close April •, 2018, as follows: (i) $•, or •% of all long-term debt, represented by the Series 2018-2 Senior Notes; (ii) $•, or •% of all long-term debt, represented by the Series 2018-2 Subordinated Notes held by OPG; and (iii) $•, or •% of all long-term-debt, represented by the Series 2018-2 Junior Subordinated Notes held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-2 Senior Notes as beneficial owner pursuant to the Series 2018-2 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-2 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-2 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-2 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-2 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-2 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-2 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-2 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-2 Senior Notes.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-2 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-2 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-2 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-2 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-2 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-2 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-2 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-2 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-2 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year. A Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on certain investment income, including amounts in respect of interest.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-2 Senior Note or a purchase for cancellation of a Series 2018-2 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-2 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-2 Senior Note that accrued before such Series 2018-2 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-2 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-2 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-2 Senior Notes

On a disposition or deemed disposition of a Series 2018-2 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-2 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-2 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

A Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on certain investment income, including amounts in respect of taxable capital gains.

Eligibility for Investment

The Series 2018-2 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-2 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-2 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-2 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-2 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-2 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-2 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of April •, 2018, the Issuer had approximately $• owing to such lenders under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-2 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-2 Senior Notes Offering other than its respective portion of the Agents' commission payable by the Issuer.

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-2 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

APPENDIX A
PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
June 15, 2037	•
July 15, 2037	•
August 15, 2037	•
September 15, 2037	•
October 15, 2037	•
November 15, 2037	•
December 15, 2037	•
January 15, 2038	•
February 15, 2038	•
March 15, 2038	•
April 15, 2038	•
May 15, 2038	•

Fair Hydro Trust
Investor Presentation

April 18, 2018

Disclaimers

This presentation and its contents are being supplied for informational purposes only by Fair Hydro Trust (the "Issuer") and are not an offer to buy or sell or a solicitation of an offer to buy or sell any securities of the Issuer.

This presentation does not, and does not purport to, contain all information that may be material to an investment decision in respect of the Issuer's Notes. It is only a summary of certain information in respect of the Issuer. Prior to making an investment decision with respect to the Issuer's Notes, prospective investors should carefully review the Confidential Shelf Offering Memorandum, including the related Term Sheet, pursuant to which such Notes are offered (the Offering Memorandum). The information and opinions contained in this presentation are qualified in their entirety by reference to the Offering Memorandum. In particular, reference should be made to the risks of any investment in the Issuer's Notes offered and the statutory rights of rescission or rights to damages available to purchasers of such Notes described in the Offering Memorandum. No representation or warranty, express or implied, is given by or on behalf of the Issuer, the Agents or any other person as to the accuracy or completeness of the information or opinions contained in this presentation.

Some of the statements contained in this presentation, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. The forward-looking information contained in this presentation is presented for the purposes of assisting prospective purchasers in making an investment decision regarding the Notes and may not be appropriate for other circumstances. Reference should be made to the information under the headings "Caution Regarding Forward-Looking Information" and "Risk Factors" in the Offering Memorandum.

The information presented herein is only current as of the date on the cover of this presentation. Except as required by law, neither the Issuer nor Ontario Power Generation ("OPG") intends, or assumes any obligation, to revise or update any information in this presentation.

By accepting a copy of this presentation, each prospective purchaser agrees that all information contained herein, all documents delivered in connection herewith and all other information obtained by such prospective purchaser in relation to the Issuer or OPG (collectively, the Confidential Information) is confidential, that none of the Confidential Information will be copied, transcribed, recorded or transmitted by the recipient for any reason or used for any purpose other than evaluating an investment in the Issuer's Notes, and that the recipient will hold all of the Confidential Information in confidence and will not provide any of it to third parties other than persons retained to advise the recipient with respect to the purchase of the Issuer's Notes (so long as they advise such persons of the confidential nature of such Confidential Information), without the prior written consent of the Issuer and OPG.

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I. Introduction and Transaction Overview

Introduction

Ontario's Fair Hydro Plan	• The Province of Ontario announced its Fair Hydro Plan ("FHP") on March 2, 2017, which proposed to lower the average electricity bill for eligible customers[1] by 25% (the "Fair Adjustment") • The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax granted by the Ontario government in January 2017
Legislation	• On June 1, 2017, the Ontario Legislature passed the *Ontario Fair Hydro Plan Act, 2017* (the "FHPA" or the "Act") to give effect to the FHP • The FHPA was enacted to ensure that clean energy costs and clean energy benefits associated with Ontario's clean energy initiatives are fairly allocated among present and future Specified Consumers and to provide fairness for Specified Consumers over time • The FHPA is supplemented by regulations related to the implementation of the FHPA (the "Regulations" and together with the FHPA, the "Legislation") • The FHPA imposes an irrevocable and non-bypassable charge recoverable from Specified Consumers which is referred to as the Clean Energy Adjustment ("CEA"); the CEA will be determined by Ontario Power Generation ("OPG") in accordance with the Legislation in its role as Financial Services Manager ("FSM") under the Act • From July 1, 2017 to April 30, 2021 (the "Moratorium Period"), no payments in respect of CEA are expected to be collected; during the Moratorium Period and extending to July 31, 2021, the Independent Electricity System Operator ("IESO") is obligated to pay all funding and other expenses of the Trust (excluding principal) (referred to as "Carrying Costs") under the Legislation
Fair Hydro Trust Financing Program	• The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") through the issuance of senior, subordinated and junior subordinated notes • Structured to be bankruptcy remote and even though consolidated by OPG on an accounting basis, the Trust is ring fenced from OPG's other creditors • The FHT term notes will be repaid through the CEA payments received from Specified Consumers • The inaugural FHT term debt offering was completed in February 2018

[1] Defined as Specified Consumers under the FHPA.

Summary of Outstanding Bonds

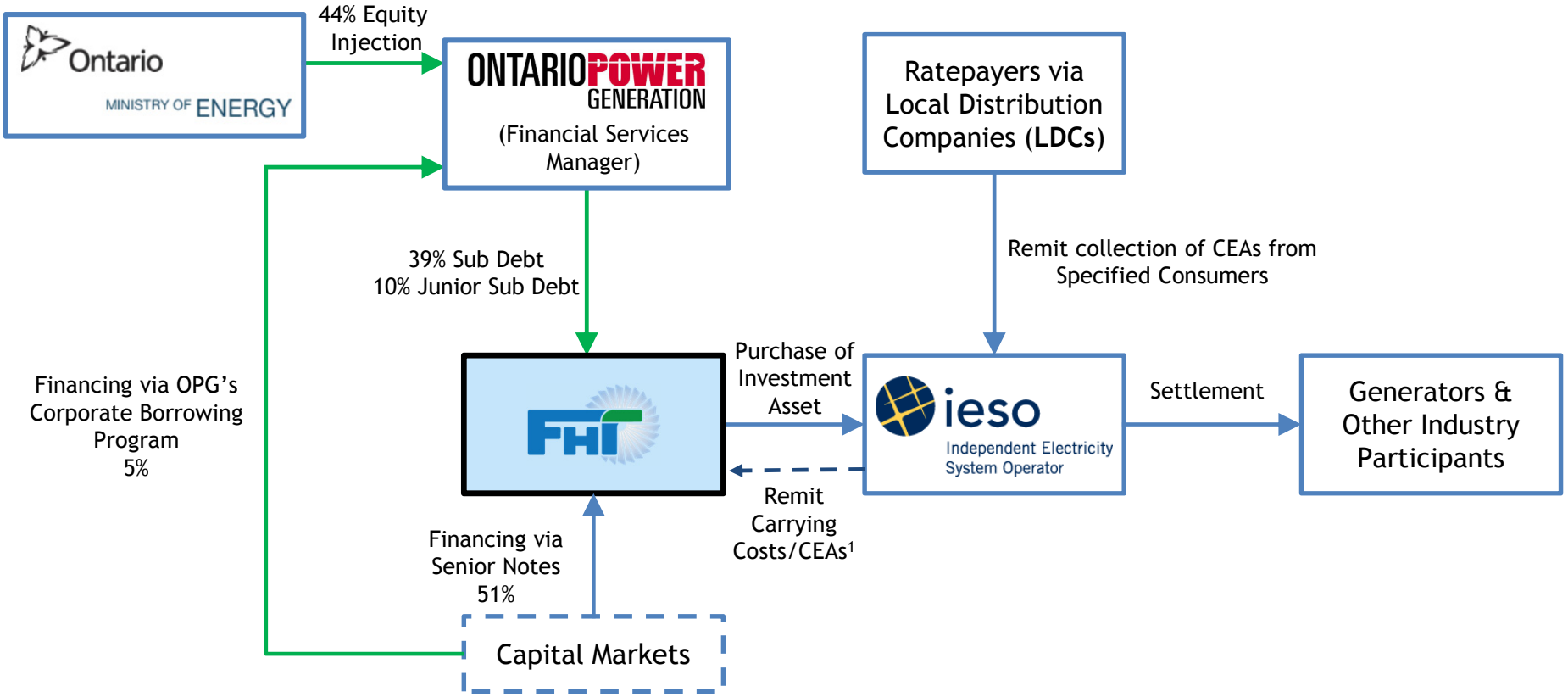
	Overview of Notes		
Class	**Senior**	**Subordinated**	**Junior Subordinated**
Issuance Date	February 9, 2018	February 9, 2018	February 9, 2018
Issue Amount	$500,000,000	$382,353,000 (placed with OPG)	$98,040,000 (placed with OPG)
Initial % of Aggregate Notes	51%	39%	10%
Ratings (DBRS / Moody's)	AAA(sf)/Aa2(sf)	AA(sf)/Aa2(sf)	A(sf)/Aa2(sf)
Remaining Term to Maturity	15.15 years	15.15 years	15.15 years
Expected Maturity Date	May 15, 2033	May 15, 2033	May 15, 2033
Principal Payment Default Date	May 15, 2035	May 15, 2035	May 15, 2035
Par Call Date	November 15, 2032	November 15, 2032	November 15, 2032
Principal Accumulation	Principal will be accumulated monthly commencing January 2030 to facilitate repayment of notes on the Expected Maturity Date		
Payment Dates	May 15 and November 15 or next business day		
Senior Note Credit Enhancements	Credit enhancements for the FHT 2018-1 Senior Notes consist of: • Subordinated and Junior Subordinated notes initially equal to 49% of the aggregate issuance amount and will be retained by OPG • A segregated trust account with an eligible institution, referred to as a Program Cash Reserve Account, which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations • True-up mechanism to address any shortfalls in collections		
Operating Agents	OPG serving as the Financial Services Manager and the Independent Electricity System Operator as the Servicer		

Summary of Proposed Offering

	Overview of Notes		
Class	**Senior**	**Subordinated**	**Junior Subordinated**
Issue Amount	$●MM	$●MM (to be placed with OPG)	$●MM (to be placed with OPG)
Initial % of Aggregate Notes	51%	39%	10%
Expected Ratings (DBRS / Moody's)	AAA(sf)/Aa2(sf)	AA(sf)/Aa2(sf)	A(sf)/Aa2(sf)
Term to Maturity	20 years	20 years	20 years
Expected Maturity Date	May 15, 2038	May 15, 2038	May 15, 2038
Principal Payment Default Date	May 15, 2040	May 15, 2040	May 15, 2040
Par Call Date	November 15, 2037	November 15, 2037	November 15, 2037
Principal Accumulation	Principal will be accumulated monthly commencing June 2037 to facilitate repayment of notes on the Expected Maturity Date		
Interest Type	Fixed rate		
Day Count	180/360, first payment actual/365		
Payment Dates	May 15 and November 15 or next business day		
Senior Note Credit Enhancements	Credit enhancements for the FHT 2018-2 Senior Notes will consist of: • Subordinated and Junior Subordinated notes initially equal to 49% of the aggregate issuance amount and will be retained by OPG • A segregated trust account with an eligible institution, referred to as a Program Cash Reserve Account, which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations • True-up mechanism to address any shortfalls in collections		
Operating Agents	OPG serving as the Financial Services Manager and the Independent Electricity System Operator as the Servicer		

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt and junior subordinated debt of the Trust in an aggregate amount not to exceed 49% of all outstanding debt
  - The subordination amount may vary but must at least be equal to or greater than 35% of all outstanding debt

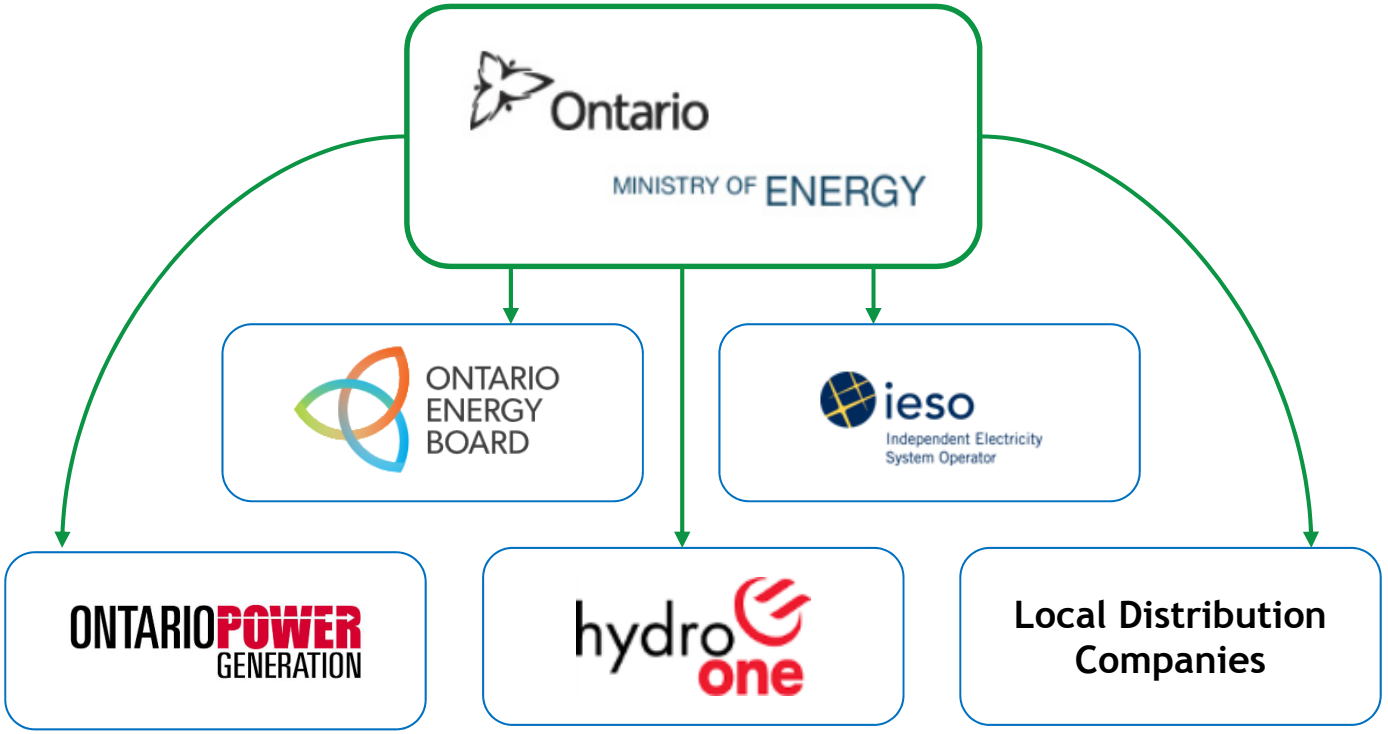


[1] The IESO is required to pay and remit Carrying Costs to the FHT up to July 31, 2021. Commencing May 1, 2021, CEAs will be included on invoices sent to Specified Consumers and collections will be used to pay all funding and other expenses of the Trust. The additional three months of IESO remittances from May 1, 2021 to July 31, 2021 is intended to cover billing and collection lags from the introduction of CEAs.
Note: The diagram above is based on subordinated debt of 49% of all outstanding debt.
Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to exclude the assets and liabilities of OPG, and vice versa.

II. Ontario Electricity Market

Overview of Ontario's Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in average annual cash flows[1]
- Transmission rates, distribution rates, and OPG's regulated rates are set by the OEB
- Rates for the majority of the remaining generation supply are set by the wholesale electricity market and by direct contracts with the IESO (e.g. Bruce Power (nuclear), wind, solar, hydroelectric)



[1] Source: "Ontario Planning Outlook – A technical report on the electricity system prepared by the IESO" dated September 1, 2016. The amount represents the mathematical average of the system costs on page 44 in the appendix "Data Tables for the OPO Technical Report".

Key Industry Participants

Participants	Credit Ratings *(DBRS / S&P / Moody's)*	Description
Ontario Ministry of Energy	**AA (l) / A+ / Aa2** [1]	• The Province of Ontario through the Ministry of Energy sets policy for the electricity system
Ontario Energy Board	--	• Independent public regulatory agency established under the *Ontario Energy Board Act, 1998* and has the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • Sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan ("RPP"); RPP rates are set twice a year (May and November)
ieso Independent Electricity System Operator	**A(h) / -- / Aa2**	• Corporation without share capital established under the *Electricity Act, 1998 (Ontario)* • Manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
Ontario Power Generation	**A(l) / BBB+ / --**	• Corporation formed under the *Business Corporation Act (Ontario)*, whose sole shareholder is the Province of Ontario • Principal business is the generation and sale of electricity in Ontario and is Ontario's largest clean energy electricity generator, providing a significant portion of the province's electricity
hydro one	**A(h) / A / A3**	• Ontario's largest electricity transmission and distribution company, delivering electricity to over 1.3 million customers across the province, and to large industrial customers and municipal utilities

[1] The credit ratings noted are for the Province of Ontario.

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry under the *Energy Competition Act, 1998*, the municipal electricity utilities became municipally-owned business corporations. The majority of LDCs continue to be municipally-owned, while others have been acquired by Hydro One or private-sector owners
- An LDC, referenced as an Electricity Vendor in the FHPA, is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors

Select Aggregate Market Stats[1]

Number of LDCs in Ontario	65
Total Revenue	$18.89 billion
Total Metered Usage (kWh)	116.11 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

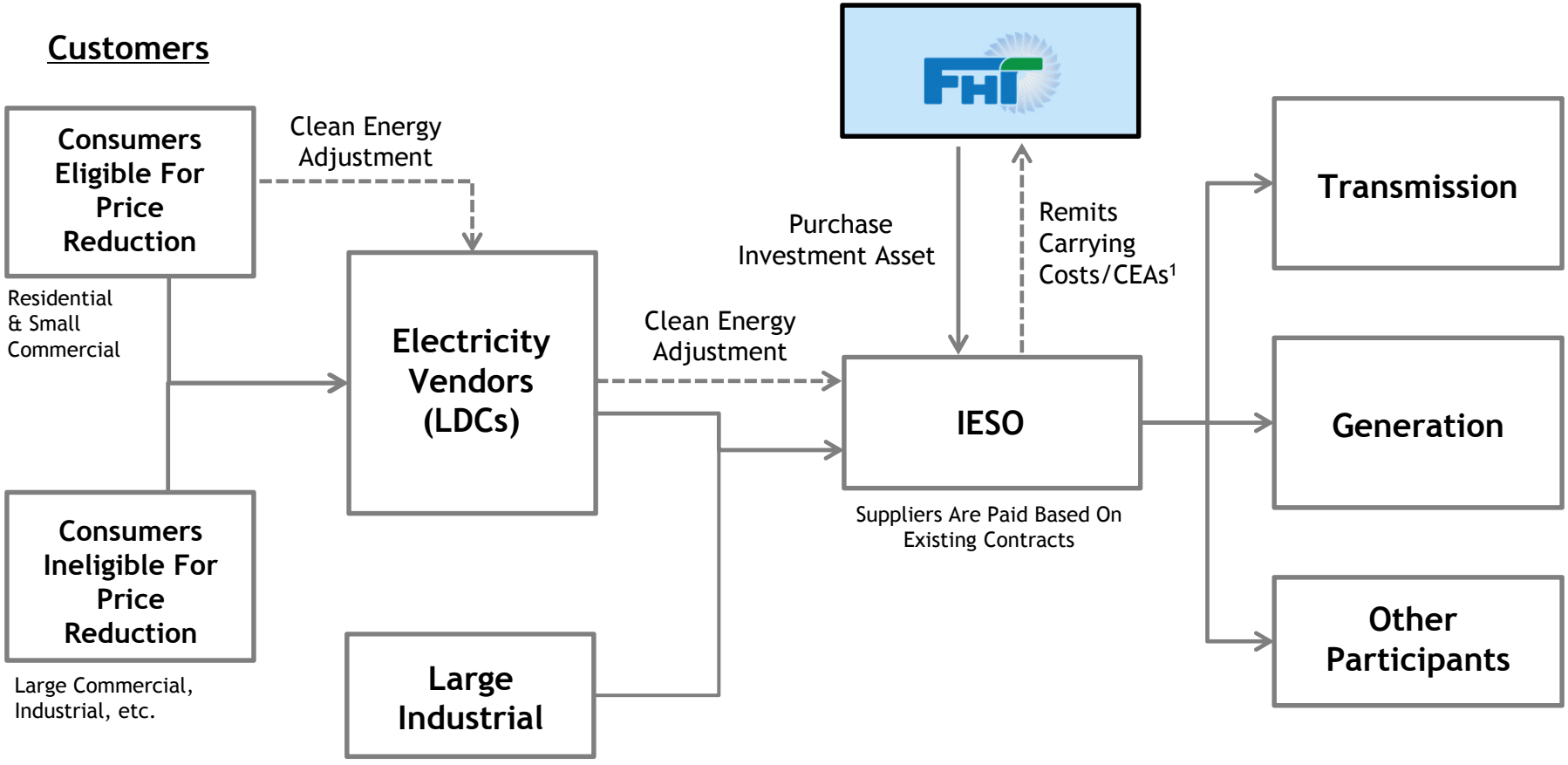
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	Customers[4] *(MM)*	Total Revenue *(C$MM)*
hydro one	A / A(h) / A3	1.30	$4,533
alectra utilities	A / A / --	0.96	$3,642
TORONTO HYDRO	A / A / --	0.75	$3,886
HydroOttawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	**$13,680**
Percentage of Residential & Small Commercial[2]		**69%**	

[1] Source: OEB 2016 Yearbook of Electricity Distributors
[2] Small Commercial includes General Service <50kW Customers
[3] Most recent rating reports from S&P, DBRS and Moody's
[4] Residential and Small Commercial customers

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the IESO deferral (the shortfall that results from the Fair Adjustment together with Carrying Costs paid, financing costs and other related costs)
- FHT will finance the shortfall and is entitled to recover its costs and the principal and interest on its debt through CEAs from Specified Consumers, commencing May 1, 2021



[1] The IESO is required to pay and remit Carrying Costs to the FHT up to July 31, 2021. Commencing May 1, 2021, CEAs will be included on invoices sent to Specified Consumers and collections will be used to pay all funding and other expenses of the Trust. The additional three months of IESO remittances from May 1, 2021 to July 31, 2021 is intended to cover billing and collection lags from the introduction of CEAs.

III. Legislative and Regulatory Framework

Legislation Overview

Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to Specified Consumers as a result of Ontario's clean energy initiatives; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• **July 1, 2017 – April 30, 2018** – Specified Consumers charged an invoice amount that is 25%[1] less than the regulated rate that would otherwise have been determined by the OEB; the 25% reduction includes an 8% rebate equivalent to the provincial portion of the HST previously granted by the Ontario government • **May 1, 2018 – April 30, 2019** - regulated rate established in the first year of the Rate Reduction Period anticipated to increase by the rate of inflation in Ontario • **May 1, 2019 – April 30, 2021** - rate reductions will be established by future regulation but anticipated to increase by the rate of inflation in Ontario

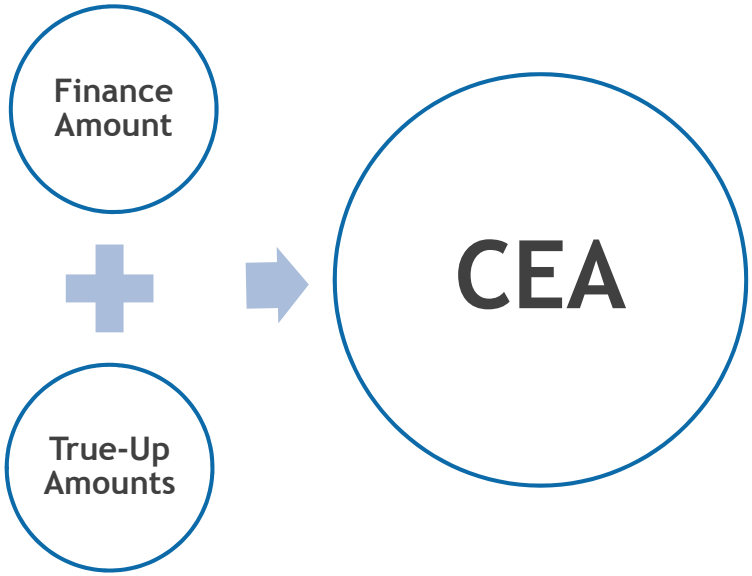
[1] Based on a typical Toronto Hydro customer; the amount of the reduction for any given Specified Consumer may vary from this amount.

Legislation Overview, cont'd

Regulatory Asset	• Each month the IESO determines the IESO deferral (the shortfall that results from the Fair Adjustment together with Carrying Costs paid, financing costs and other related costs) and records this amount, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right is the "Regulatory Asset") • The IESO may from time to time transfer a specified portion of the Regulatory Asset to the Trust for a cash purchase price equal to the corresponding amount recorded in the variance account
Investment Asset	• The Trust is not obligated to purchase Regulatory Assets from the IESO • If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right is an "Investment Interest" in an Investment Asset) • By acquiring an Investment Interest, the Trust will be entitled to recover all of its associated financing costs and acquires the right to collect, receive and recover CEAs from Specified Consumers in accordance with the Legislation
Moratorium Period *(July 1, 2017 to April 30, 2021)*	• CEAs are not permitted to be collected from Specified Consumers during this period • The IESO is obligated to pay the Trust all Carrying Costs, excluding repayment of principal on any debt obligations, during the Moratorium Period and extending to July 31, 2021. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to the Regulations • As security for the performance of its obligations, the IESO has granted the Trust a first-priority security interest in its accounts receivable owing by Electricity Vendors to the IESO • The IESO has a $2 billion credit facility from the Ontario Financing Authority ("OFA") which can be used, among other things, to fund payments of the Carrying Costs

Clean Energy Adjustments

- Under the FHPA, the CEA is the amount payable by Specified Consumers to cover the financing and other costs related to the acquisition by the Trust of the Investment Asset and the associated costs of the financing, including payment of principal, interest, operating costs of the Trust and funding of reserve accounts
- CEAs shown on an invoice issued to Specified Consumers represent the amount of the consumers' indebtedness and may not be set off or bypassed

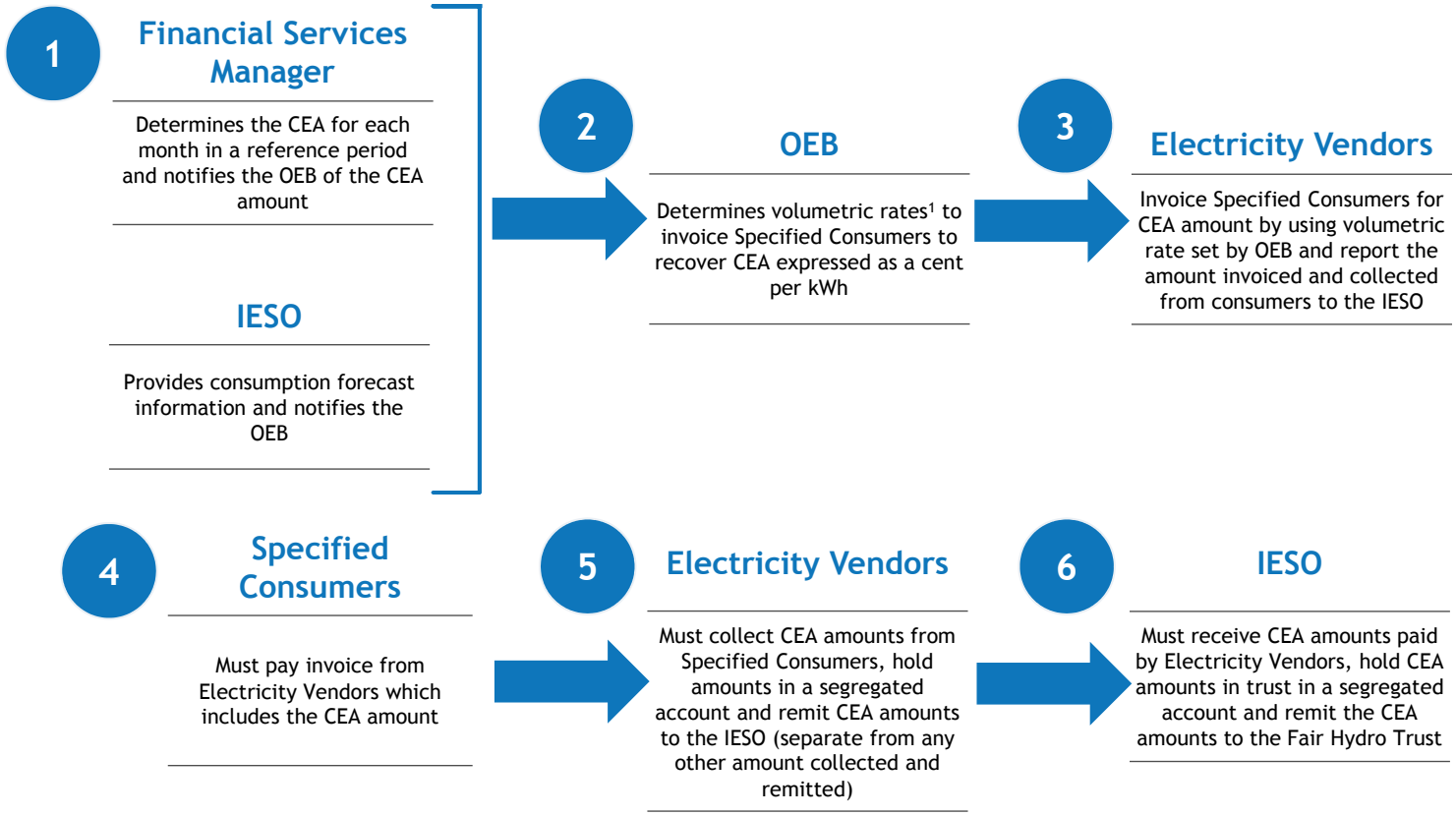


Finance amount is an estimate of the amount payable by the Trust mainly in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments

True-up amounts capture the difference between the finance amounts incurred by the Trust and the CEAs collected from Specified Consumers and also include other reasonably foreseeable differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)

Billing and Collection of CEAs

- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are mitigated through statutory rights in the FHPA, the obligations of the IESO under the Master Transfer & Servicing Agreement, and the ability to include amounts in the CEA by means of the true-up mechanism
- IESO is required to segregate the CEAs during a monthly period before remitting to FHT. If the IESO's credit rating is downgraded below investment grade, the IESO will be required to remit within two business days of receipt

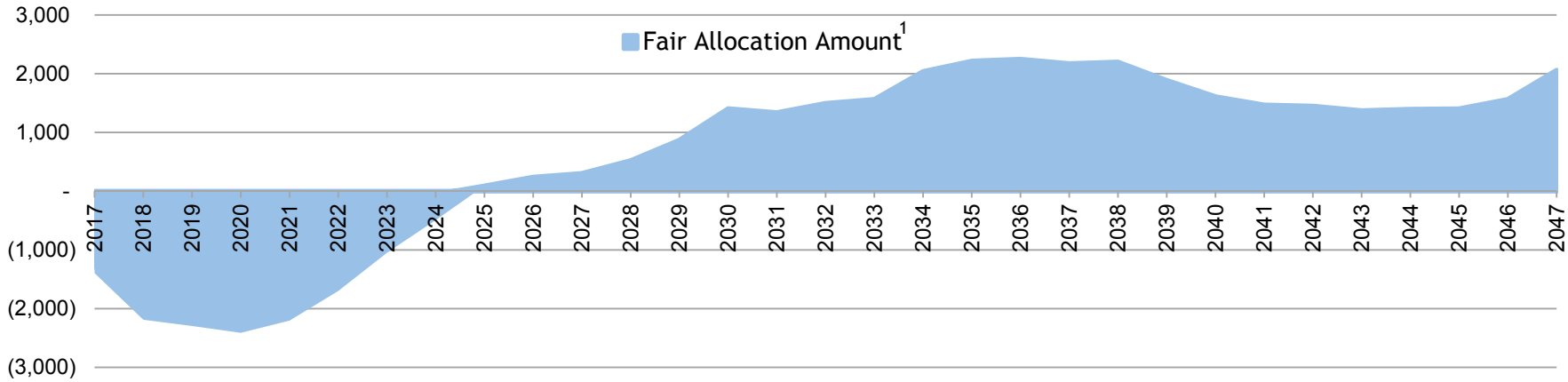


[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers.

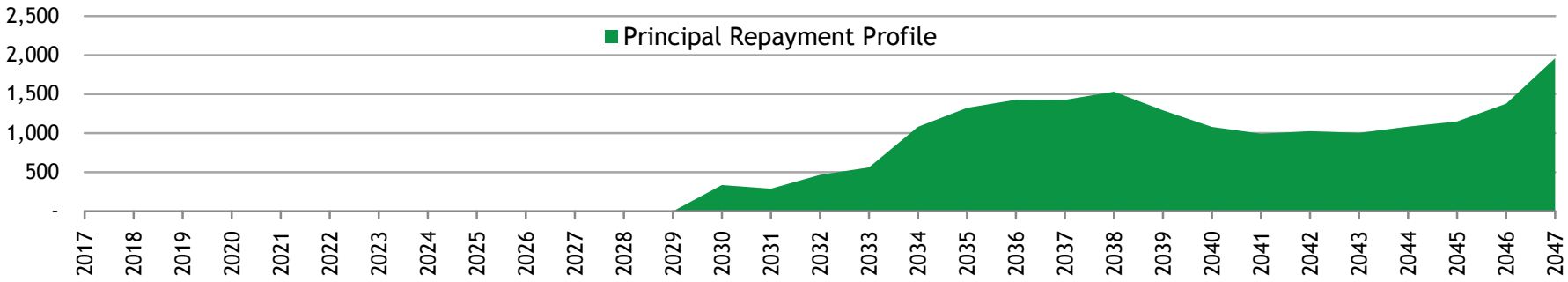
Fair Allocation Amount

- The Fair Allocation Amount ("FAA") is an amount calculated under the FHPA by the Minister of Energy in respect of each reference period that, among other things, allocates the estimated value of clean energy costs in proportion to the relative attribution of the value of clean energy benefits among Specified Consumers

Fair Allocation Amount ($ million)



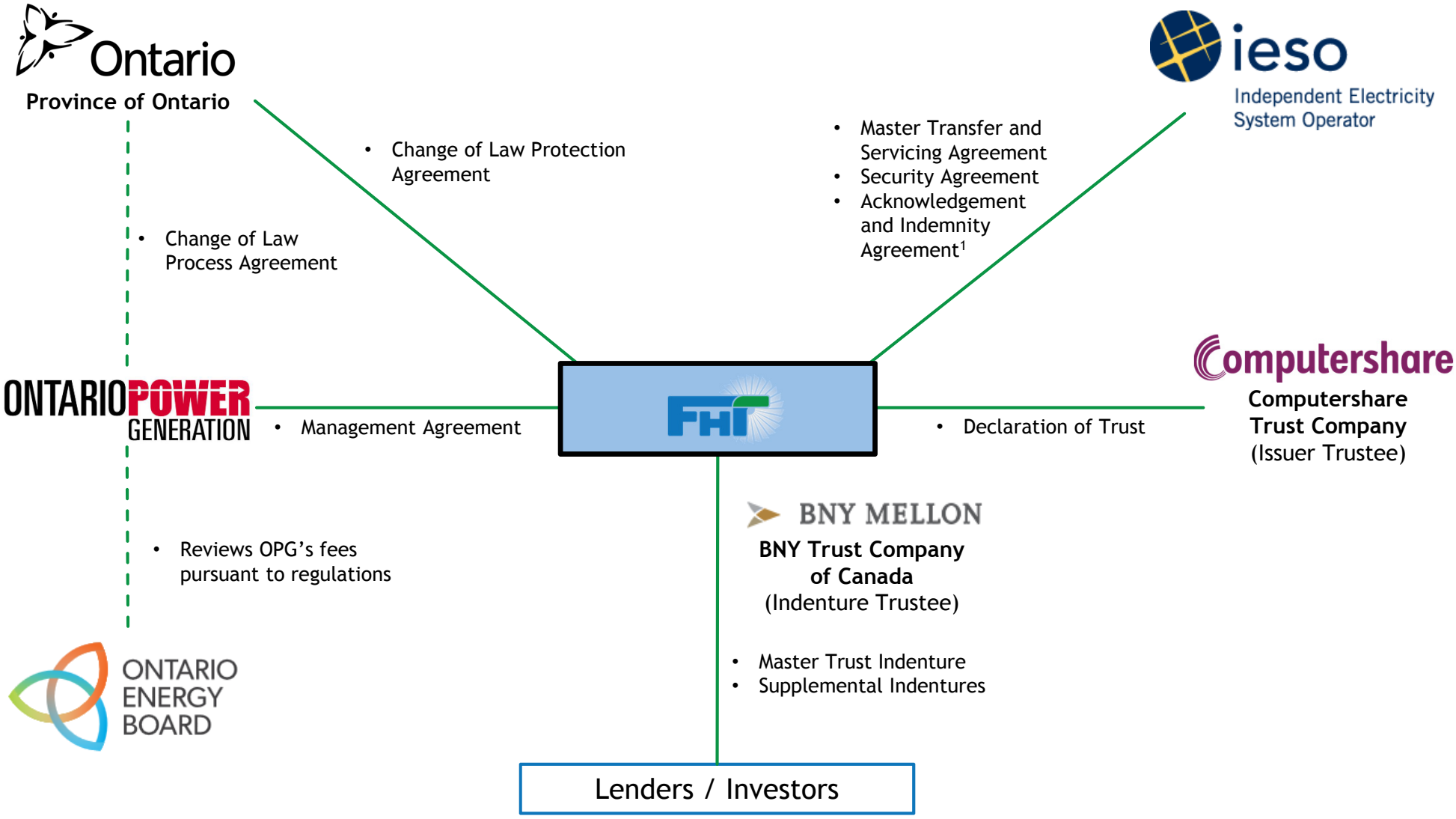
Principal Repayment Profile (derived from the FAA)



[1] Prior to 2025, the above graph of the FAA incorporates the Readjustment Amount. The Readjustment Amount represents the estimated amounts by which Specified Consumers overpaid for clean energy initiatives in the past. It has been incorporated into the FAA to further reduce electricity bills for such consumers.

IV. Contractual Framework

Simplified Contractual Structure



[1] Agreement between IESO and Indenture Trustee.

Contract Highlights

Change of Law Protection Agreement

Purpose	• Provides assurance to Specified Creditors[1] that upon the occurrence of a Protection Event, the Province of Ontario is required to make payments in respect of all Approved Obligations when due and payable
Protection Events	The occurrence of any of the following events: (1) • The Legislature repeals (and does not replace on an equivalent basis) or amends the Act or any portion thereof as in effect on the date hereof • The Legislature enacts or amends any other statute • The Lieutenant Governor in Council repeals (and does not replace on an equivalent basis) the regulations made under the Act or any portion thereof as in effect on the date hereof • The Lieutenant Governor in Council makes or amends any "Regulation" as in effect on the date hereof • The implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province or an entity controlled by the Province in each case that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount; or (2) • A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is *ultra vires* or invalid in a way that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable

Note: Additional information on the Change of Law Protection Agreement can be found in the Appendix.

[1] **Specified Creditors** refers to any Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Contract Highlights

Key Agreements

Master Transfer and Servicing Agreement	• Provides for the transfer by the IESO to the Trust of the Regulatory Asset, and upon such transfer the Trust acquires an Investment Interest in the Investment Asset • The IESO will be responsible for servicing the Investment Interest, including receiving CEA amounts from Electricity Vendors and remitting to the Trust
Management Agreement	• Issuer Trustee delegates to OPG, as Manager under the Management Agreement, all powers and duties of managing the Trust • The Manager will determine how and when to incur funding obligations to acquire Investment Interests
Other Key Agreements	• Security Agreement • Acknowledgement and Indemnity Agreement • Change of Law Process Agreement • Declaration of Trust

Note: Additional information on these key agreements can be found in the Appendix.

Allocation of Servicing Role and Responsibilities

- The shared responsibilities of servicing and management roles are summarized below

	OPG	IESO	LDC
Review Records of LDCs with Respect to CEAs (annually or less frequently in certain circumstances)	✔		
Determination of CEA for a Reference Period, including the True-Up Amount	✔		
Ongoing Reporting for Trust and Reporting to the Rating Agencies	✔		
Management of Ongoing Debt Issuances	✔		
Cash Management	✔	✔	
Preparation of Monthly Servicer Reports		✔	
Remittance of CEA to IESO and to the Trust		✔	✔
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		✔	✔
Customer Billing			✔
Customer Collections			✔
Customer Meter Reading			✔

V. Financing Program

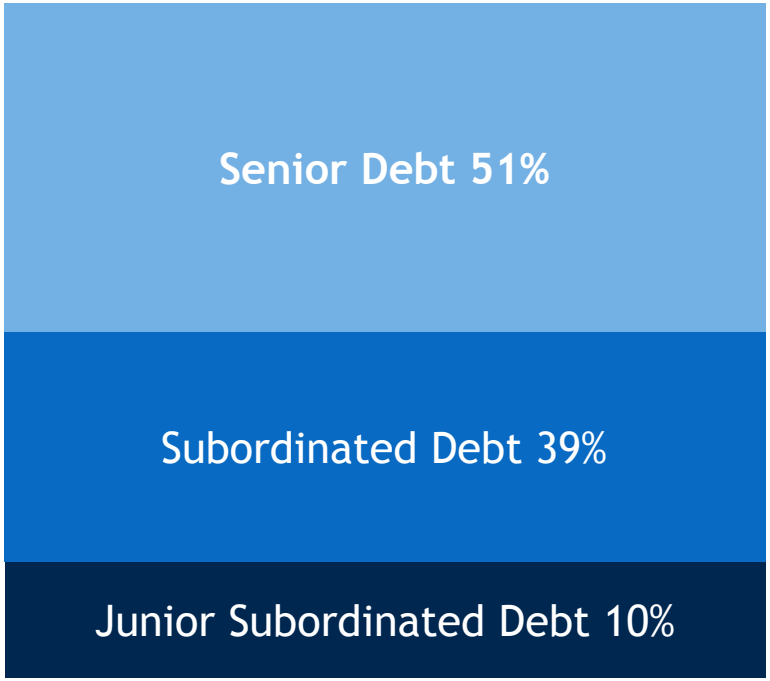
Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program
- Given the size (~$20 billion) and longevity (~10 years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Warehouse financing (ABCP conduit and bank funded senior debt) and subordinated warehouse debt and junior subordinated warehouse debt funded by OPG will be used to fund monthly Regulatory Asset purchases from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- Term debt can take the form of bullet bonds or could be issued as amortizing bonds

Warehouse Financing	• ABCP conduit and bank funded senior debt with subordinated debt funded by OPG will be used by the Trust to fund monthly Regulatory Asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance warehouse financing and the subordinated and junior subordinated warehouse debt funded by OPG • Both Canadian term debt and U.S. term debt market will be considered • Maturity profiles will be structured to ensure reasonable alignment with the FAA (bullet bonds with sinking funds or amortizing bonds) • FHT may issue debt that may be refinanced in the future
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall)

Financing Structure

- The Trust will fund Regulatory Asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51% anticipated) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required[1]) will be purchased by OPG, primarily funded by equity injections from the Province (44% of 49%) and the remaining portion from OPG (5% of 49%)



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

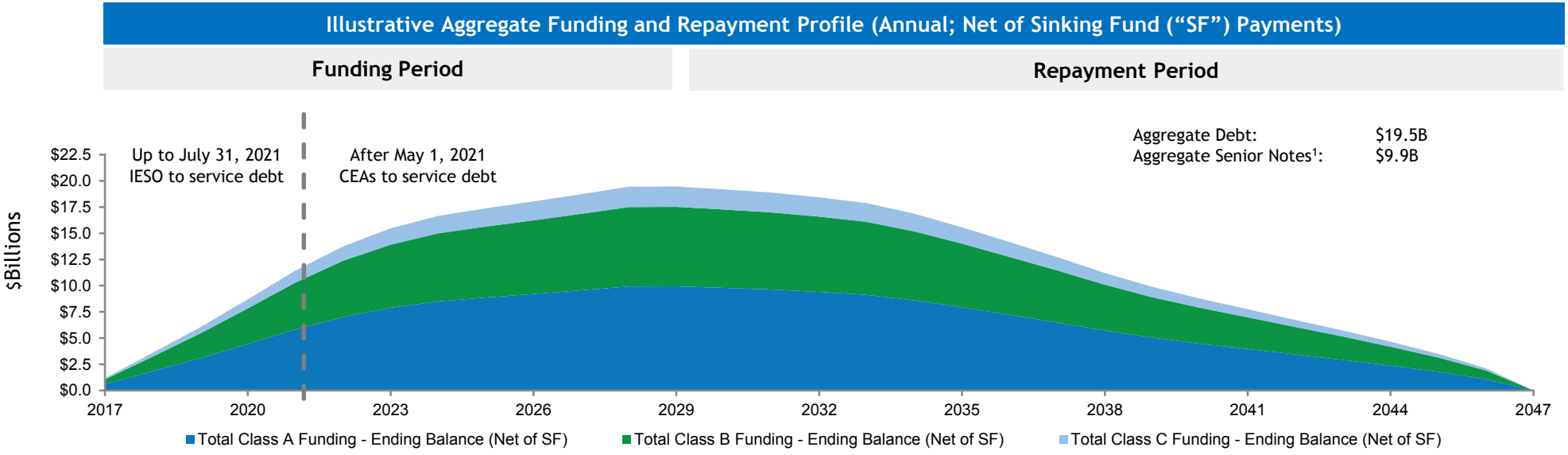
Note: Assumes 49% subordinated debt.

[1] Under the MTI, FHT is required at all times to ensure that all outstanding subordinated and junior subordinated debt be not less than 35% of all outstanding debt.

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount and the Province's electricity bill reduction targets, the following debt profile for the program is expected, peaking at just under $20 billion by 2029
- Various tranches of debt will be issued periodically during the period of 2018 - 2028, which are expected to mature over a period after 2029



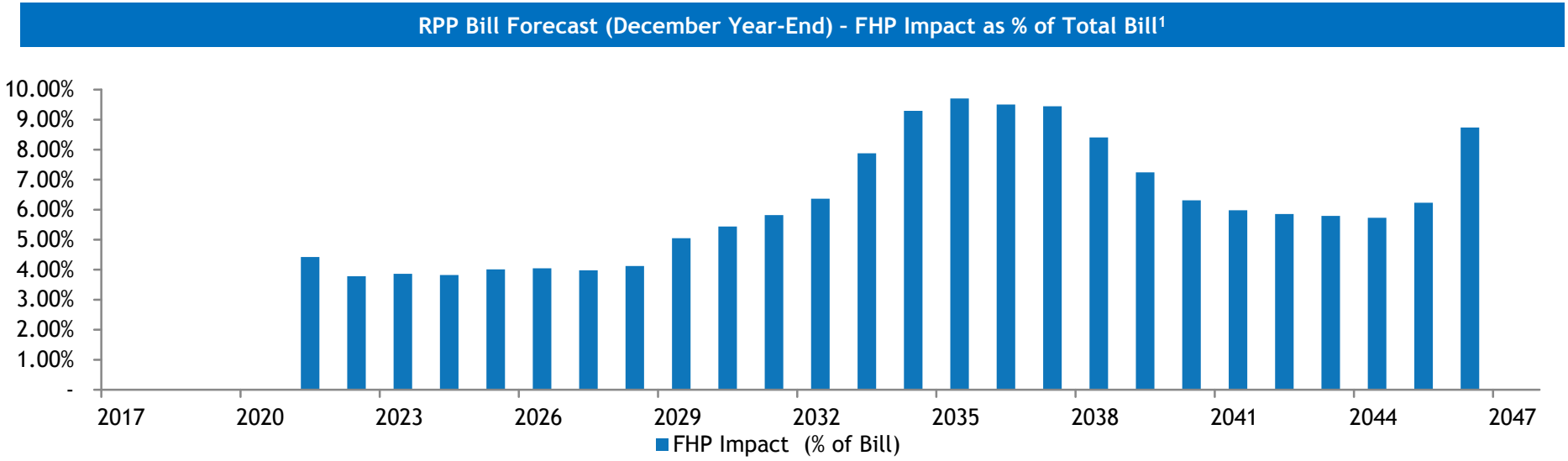
[1] Assumes 51% Senior Notes

Note: During the Moratorium Period and extending three additional months to July 31, 2021, the IESO is required under the Regulations to pay all Carrying Costs. The additional three month period is intended to cover the billing and collection lag from the introduction of Clean Energy Adjustments in May 2021.

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro Program, the CEA for the average residential customer is anticipated to remain below 10% of the total electricity bill
- The CEA as a percent of the total bill is forecasted to increase to 10.0% over the collection period
- The average CEA as a percent of the total bill is forecast to be 7.0% over the collection period



[1] Presents % of total bill at December year-ends; individual months in any given year may have a higher or lower impact as % of total bill.

Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• Governs the terms of the debt issued by FHT and cash flow waterfall and collateral structure for all Trust obligations to all Specified Creditors

Key Terms

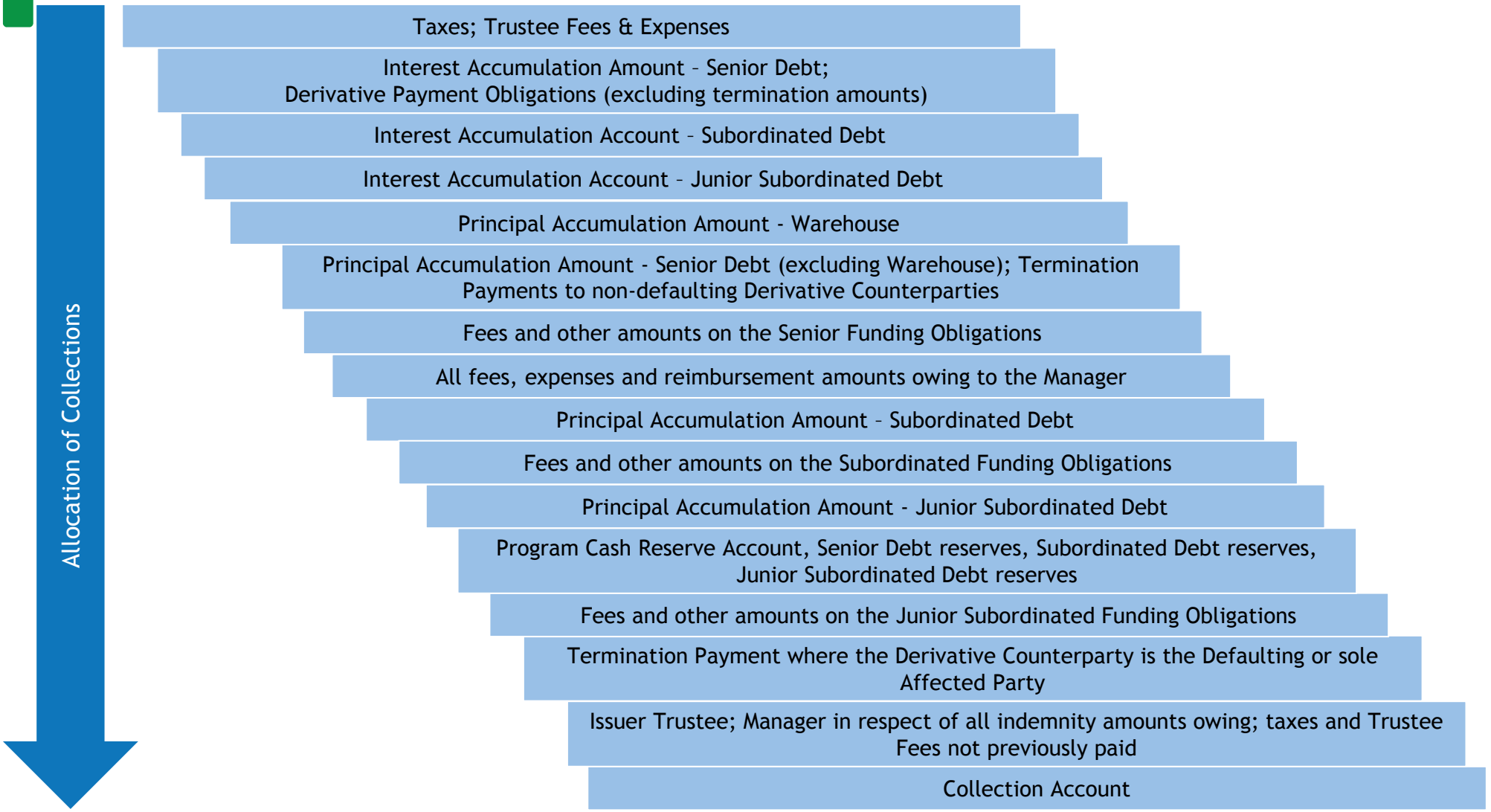
Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments including: – Note issuances under supplemental indentures – Borrowings under credit agreements – Purchase of notes under note purchase agreements – Letters of Credit/Guarantees under credit enhancement agreements – Liquidity loans under liquidity agreements backing short term notes
Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that: – the incurrence of such additional obligations will not cause an adverse effect – the incurrence of such additional obligations is materially consistent with the Financing Plan • It will also be a condition precedent that (i) each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations and (ii) the Indenture Trustee has received certain assurances as to the applicability of the Change of Law Protection Agreement to such funding obligations

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts
Subordination	• Provides for three different classes of funding obligations (i) senior (ii) subordinated (iii) junior subordinated
Events of Default	• Includes payment and senior defaults, representation and covenant breaches, insolvency and Change of Law Protection Agreement ceasing to be in full force and effect against the Province
Acceleration	• Upon an acceleration, CEAs may be insufficient to repay all amounts becoming due in a period. CEAs for a period will be capped under the Regulation at the otherwise scheduled amounts, plus an additional amount equal to the amounts available under the FAA • However, the amounts received from CEAs after an acceleration will be allocated to pay senior indebtedness before principal amounts owing on subordinated and junior subordinated indebtedness. Accordingly, the subordination of debt across all series of debt should advance the repayment of the principal amount for senior funding obligations • After an acceleration, all Senior Term Notes will be paid *pari-passu*

Waterfall



Note: This waterfall indicates the priority of payment prior to an Event of Default and acceleration; additional information on the priority of payments after an Event of Default and acceleration can be found in the Offering Memorandum.
Note: After paying interest on the senior debt, no interest payments will be made on the subordinated debt unless there will be sufficient amounts remaining in the Interest Accumulation Account for what should be accumulated for the Senior Notes after making such payments.

VI. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• Future legislative action to change or challenge/invalidate the Act or the Change of Law Protection Agreement might materially adversely affect a holder's investment in the Notes	• Limited Guarantee provided by the Province of Ontario via the Change of Law Protection Agreement in favour of the Indenture Trustee for lenders/investors in these circumstances
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• True-up mechanism may result in a delay, but will be corrected in next True-up • Cash reserve and 35%-49% subordination which would first absorb any shortfalls • 6-month reference period • Any shortfall in collections are recoverable from all Specified Consumers
Reliance on IESO and LDCs	• Until July 31, 2021, the Trust is dependent on the IESO to remit payments to the Trust for all Carrying Costs • Receipt of CEAs dependent on the performance of LDCs and IESO • Limited ability to enforce against or replace an LDC	• Highly regulated industry and LDC and IESO are required under law and regulation to perform duties under FHP • IESO has a very strong credit profile and very low losses and grants security over its accounts receivable owed by Electricity Vendors as security during the Moratorium Period • IESO will provide a letter of credit/other security to mitigate commingling risks for CEAs held by non-rated or below investment grade rated LDCs until they are remitted to IESO • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment • $2 billion credit facility from the OFA which can be used by the IESO to pay the Carrying Costs
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	• 20-year repayment period allows for gradual rate increases • CEAs as a percent of the total bill over the collection period is forecast to increase to 10.0%
Disruptive Technology Risk / Change in Demographics	• Technological developments may result in reduced CEA payments as a result of increased use of alternative energy sources • Population fluctuations may result in fewer Specified Consumers	• True-up mechanism available to offset the reduction in CEAs due to technological advancements or fluctuations in the number of Specified Consumers • Collection shortfalls are allocated among a large base of Specified Consumers

VII. Summary of Offering

Summary of Indicative Terms

	Class	Issue Amount	% of Initial Aggregate Notes	Expected Maturity Date	Principal Payment Default Date	Expected Ratings (DBRS / Moody's)
Fair Hydro Term Issuance	Senior Term Notes	$●MM	51%	May 15, 2038	May 15, 2040	AAA(sf)/Aa2(sf)
	Subordinated Notes	$●MM (placed with OPG)	39%	May 15, 2038	May 15, 2040	AA(sf)/Aa2(sf)
	Jr. Subordinated Notes	$●MM (placed with OPG)	10%	May 15, 2038	May 15, 2040	A(sf)/Aa2(sf)

Issuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager
Financial Services Manager	Ontario Power Generation, Inc.
Servicer	Independent Electricity System Operator
Source of Repayment	• Moratorium Period: Statutorily mandated remittances (not including principal) from IESO (Up to July 31, 2021) • Post Moratorium Period: Non-bypassable charge from residential and small commercial customers in Ontario (After May 1, 2021)
Payment Frequency	Semi-annual pay on May 15 and November 15 until the Expected Maturity Date, monthly thereafter if the notes are not repaid on the Expected Maturity Date
Principal Accumulation	Principal will be accumulated monthly commencing June 2037 to facilitate repayment of notes on the Expected Maturity Date
Interest Type	Fixed rate
Senior Note Credit Enhancements	• Subordinated and Junior Subordinated notes initially equal to 49% of the aggregate issuance amount • Program Cash Reserve Account • Semi-annual (or more frequent) True-up mechanism to address any shortfalls in collections
Program Cash Reserve Account	After the Moratorium Period, an amount equal to 0.50% of the aggregate amount of all outstanding Senior, Subordinated and Junior Subordinated funding obligations
True-up	Calculated on at least a semi-annual basis post Moratorium Period
Subordination	Subordinated and Junior Subordinated Notes will be retained by OPG

VIII. Investment Highlights

Investment Highlights

- Protection against political risk through the Change of Law Protection Agreement
- Irrevocable & non-bypassable ratepayer charge, recoverable from Specified Consumers across the Province of Ontario
- Repayment risk spread across all Specified Consumers. Full cross-collateralization; collection shortfalls allocated among all Specified Consumers
- Robust true-up mechanism
- Credit enhancement for senior debt provided via subordinated debt
- Highly regulated market with experienced operating agents (OPG, IESO, and LDCs)
- Strong ratepayer base in Ontario

Appendix – Key Agreement Summaries

Key Agreements

Change of Law Protection Agreement

Parties	• (1) Province of Ontario and (2) Indenture Trustee as Trustee of the Issuer, on behalf of Specified Creditors[1], and (3) OPG as FSM
Purpose	• Provides assurance to Specified Creditors that upon the occurrence of a Protection Event (see slide 22 for details) the Province of Ontario will pay all Approved Obligations on behalf of the Trust, with limited rights of acceleration
Key Terms	• **Term**: Continues for as long as any protected obligations of the Trust that are secured under the Master Trust Indenture ("MTI") remain outstanding • **Limited Guarantee**: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all Approved Obligations when due and payable • **Priority of Payments**: The priority application of guarantee payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: For the Limited Guarantee to apply to an obligation of the Trust, OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the incurrence of such obligation (such obligation called an "Approved Obligation") • **Suspension Notice**: The Province may deliver a suspension notice upon the occurrence of the acceleration of any indebtedness of the Trust or other Program Breach or a default in performance or misrepresentation by OPG as FSM pursuant to certain internal reporting and other requirements contained in a Change of Law Process Agreement between OPG and the Province. Any new funding obligations that are incurred during a suspension period will not have the benefit of the Limited Guarantee, except that the Change of Law Protection Agreement applies to post-suspension refinancing of previously issued Approved Obligations

[1] **Specified Creditors** refers to any Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Key Agreements

Master Transfer and Servicing Agreement

Parties	• (1) IESO, as transferor and servicer; (2) Trust
Purpose	• Provides for the transfer, by the IESO to the Trust of specified portions of the Regulatory Asset, and upon such transfers the Trust acquires an Investment Interest; also describes the servicing obligations of IESO
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer specified portions of the Regulatory Asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer • **Servicing Duties:** The IESO will be responsible for servicing the Investment Interest under the Legislation, including receiving CEA amounts from Electricity Vendors and remitting the same to the Trust; other duties of the IESO include: – Establishing a segregated account for collecting CEAs and using commercially reasonable efforts to cause Electricity Vendors to do the same; – Remitting CEAs monthly to the Trust (unless downgraded below investment grade in which case it will remit within two business days); – Preparing monthly servicer reports; and – Providing a forecast of electricity consumption • **Carrying Costs:** During the Moratorium Period (until April 30, 2021) and extending to July 31, 2021, the IESO is required by regulation to fund all Carrying Costs of the Trust. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to regulation • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, as security for the commingling risk of CEAs collected by non-rated or non-investment grade rated Electricity Vendors and not yet remitted to the IESO

Key Agreements

Management Agreement

Parties	• (1) Issuer Trustee, on behalf of the Trust, and (2) OPG, as Manager and acknowledged and accepted by the Indenture Trustee, on behalf of specified creditors
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust
Key Terms	• **Duties Include**: – Negotiating and executing program agreements; – Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations; – Review or cause to be reviewed, records of electricity vendors on an annual basis with respect to CEAs (or less frequently in certain circumstances); – Preparing monthly portfolio reports; – Preparing financial statements; and – Paying taxes on behalf of the Trust • **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire Investment Interests • **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements • **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding • **Management Fees:** OPG is entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer

Key Agreements

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulation to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in its accounts receivable owing by Electricity Vendors
Acknowledgement and Indemnity Agreement	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee, including the right to enforce the indemnities provided to the issuer with respect to IESO's duties and obligations under the MTSA
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Limited Guarantee under the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as updated from time to time in the Financing Plan) to be exceeded
Declaration of Trust	• Establishes FHT to carry out activities for the exclusive benefit of its unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare) • The Issuer Trustee has delegated all of the powers and duties of managing the Trust to OPG under the Management Agreement

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement — January 22, 2018

FAIR HYDRO TRUST
Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (together with the regulations promulgated thereunder, the "**FHPA**"). Under the FHPA, OPG is appointed as financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this

confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended, supplemented, restated or otherwise modified from time to time.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the

investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page 95 of this confidential shelf offering memorandum. An index of defined terms used in this confidential shelf offering memorandum specifying on which page such terms are defined is provided starting on page 107 of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*, *"Subordinated Debt"* and *"Risk Factors"* of this confidential shelf offering memorandum and *"Fair Allocation Amount"*, *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"* and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval of all Series.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.
- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO in performing their respective obligations under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Power outages could impair payment of the Senior Notes.
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.
- If any Electricity Vendor or the IESO were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against such Electricity Vendor or the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS, AND THEIR RESPECTIVE REPRESENTATIVES, TO WHOM IT IS TRANSMITTED, SOLELY TO ENABLE SUCH PERSONS TO EVALUATE AN INVESTMENT IN THE NOTES DESCRIBED IN THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM. BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER.

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with a future Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer

nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page 95 of this confidential shelf offering memorandum. An index of defined terms used in this summary is provided starting on page 107 of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer) or of the IESO. The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG, IESO or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"— Change of Law Protection Agreement"*.
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "FHPA"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[1] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[2] for that period. Under the FHPA, OPG is appointed as Financial Services Manager and is given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Notes are Funding Obligations being offered for the purposes of the FHPA. See *"Ontario's Fair Hydro Plan — Background"*.

[1] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[2] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of Series, in one or several Offerings. A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the Master Trust Indenture, as supplemented by a Supplemental Indenture authorizing that Series.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a non-share corporation established under the *Electricity Act, 1998* (Ontario). As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy. The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market. Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). Pursuant to the Master Transfer and Servicing Agreement, the IESO may, on a monthly basis, offer to Transfer specified portions of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"The Transferor and Servicer"*.
Investment Interest:	Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.
Clean Energy Adjustment:	The FHPA imposes an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager and will be converted by the OEB into a cent per kWh rate and added to the electricity invoices sent to Specified Consumers. See *"— Statutory Duties of the OEB"* below. The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs (including interest and principal on the Senior Notes), derivative payments, required reserve account deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount will also reflect any historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. Based on the Fair Allocation Amount determined and provided by the Province, from July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment of interest on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*. Amounts so contributed by the IESO are not available to pay principal on the Senior Notes.

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs until July 31, 2021:

The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement, the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest.

As security for the performance of the IESO's obligation under the Regulations to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount & Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g.

OEB licensees) in Ontario's electricity market, including the activities of transmitters and distributors as well as the IESO (all of whom are Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided by the IESO to the OEB. See *"The Transferor and Servicer"*.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*The Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA requires Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of the Issuer and any other Financing Entities that may be established, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts and hold such amounts in trust for the benefit of the Financing Entities until remitted to the IESO for the benefit of the Financing Entities (initially, only the Issuer). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required is based on a formula as set out in the Master Transfer and Servicing Agreement and will be equal to: (a) the product of (i) 50% of estimated Clean Energy Adjustment amounts that are to be collected over a twelve-month period by all such non-investment grade rated Electricity Vendors, and (ii) a fraction equal to 45/365 (representing the 45-day period during which funds are expected to be held by such non-investment grade rated Electricity Vendors prior to being remitted to the Issuer); or (b) such

other lesser amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. See *"The Electricity Industry in Ontario — Key Industry Participants — Ontario Power Generation Inc."* and *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of the Financing Entities (of which the Issuer is currently the only one), to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of the Financing Entities (of which the Issuer is currently the only one) and remit such amounts on a monthly basis, subject to daily remittance being required in certain limited circumstances. Pursuant to the Master Transfer and Servicing Agreement, monthly remittances of amounts received in respect of the Clean Energy Adjustment will occur on the 18th business day of each calendar month. In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts and

fulfilling certain additional reporting requirements. Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which includes payments of amounts that are due and payable in respect of Senior Notes), although the amount of the Province of Ontario's payment obligations in a particular period may differ depending on whether an Acceleration has occurred. See *"Change of Law Protection Agreement"*. The Issuer and the Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*.

Generally, an "**Approved Obligation**" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

It will be a condition to any Offering of Senior Notes that such Senior Notes constitute Approved Obligations under the Change of Law Protection Agreement.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the Act or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the Act or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and

subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture (in effect as of the date hereof). See *"Capital Markets Platform — Acceleration and Remedies — Rights of Specified Creditors"*.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include

inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including all Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of Clean Energy Costs in proportion to the relative attribution of the value of Clean Energy Benefits among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations

should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation that is issued is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

Use of Proceeds:

The proceeds from each Offering may be used for one or more of the following purposes: (i) to acquire an Investment Interest pursuant to the FHPA and the Master Transfer and Servicing Agreement, (ii) to refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) to pay Offering and related costs of the Issuer and (iv) to fund specific reserve accounts as required.

The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.

Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", *"Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration"*.
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount. In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement

or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for Senior Funding Obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for Subordinated Funding Obligations;
- payments of or accumulations in respect of interest for Junior Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Warehouse Obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for Senior Funding Obligations (other than Warehouse Obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on Senior Funding Obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Junior Subordinated Funding Obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for Subordinated Funding Obligations or Junior Subordinated Funding Obligations);
- replenishment of Series Accounts established for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Junior Subordinated Funding Obligations;
- replenishment of Series Accounts established for Junior Subordinated Funding Obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on Senior Funding Obligations and payments under derivative agreements (other than termination payments), *pari passu*, then Subordinated Funding Obligations (other than principal) and then Junior Subordinated Funding Obligations (other than principal);
- principal for Warehouse Obligations;
- *pari passu*, principal on Senior Funding Obligations (other than Warehouse Obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for Subordinated Funding Obligations and then Junior Subordinated Funding Obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 units of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior

	Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103). By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.
Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The following summary of the electricity industry in Ontario does not purport to be comprehensive or definitive. It is a general and high-level overview of the historical context and the current manner in which the industry operates, including how real-time energy supply needs are met.

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydroelectric, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from large generating facilities to local distribution systems and large transmission-connected consumers, as well as to and from inter-jurisdictional entities; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses, as well as the delivery of electricity from small distribution-connected generating facilities, using low voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive wholesale electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes, along with the transmission and distribution system investments needed to support these changes, have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of smaller scale wind and solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be scheduled and dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy by certain domestic loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Most generators in Ontario also have bilateral contracts with the IESO (i.e. power purchase agreements) and one large generator, OPG, receives OEB-regulated prices, or payment amounts, that provide for payments in addition to wholesale market settlements that are paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario). The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold the generation assets of the former Ontario Hydro. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power facility. OPG's mandate is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for a significant portion of the total energy generated and injected into Ontario's electricity transmission system. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for managing the reliability of the provincial transmission system and operating the wholesale electricity markets in Ontario. The OPA was formed to plan the provincial power system and to procure electricity resources. The OPA entered into bilateral power or capacity purchase contracts with generators and other electricity resource providers. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial administrative tribunal and public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors. The IESO and distributors are Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

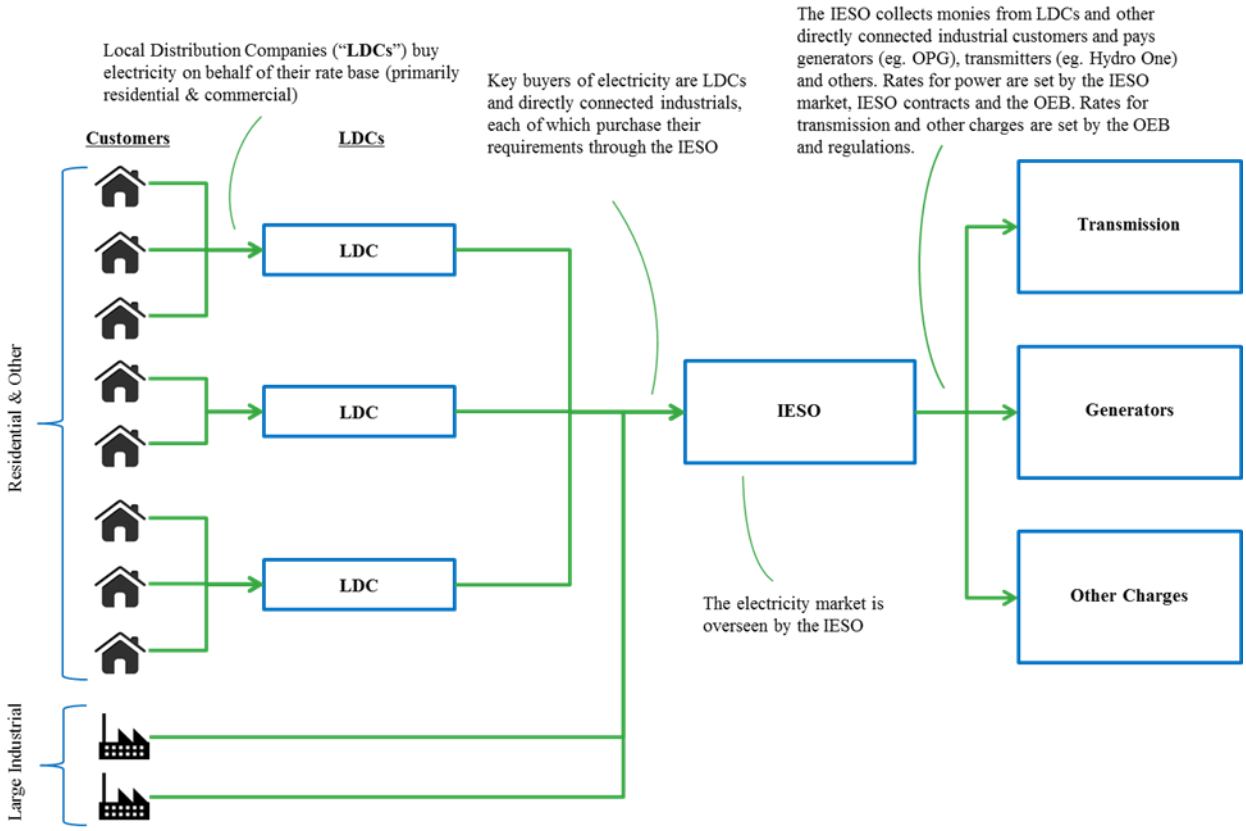
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures affecting regulated assets and regulated entities, such as distributors and transmitters. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, as well as institutions such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB.

The following diagram depicts the flow of funds between the key industry participants:



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two main components that make up the commodity cost of electricity in Ontario, the Hourly Ontario Energy Price ("**HOEP**") and the global adjustment charge.

- The HOEP is set by the IESO based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is established monthly by the IESO in accordance with regulations and is the amount of money necessary to pay certain other costs to generators and other suppliers that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to OPG pursuant to OEB-established payment amounts.

Prior to the FHPA being passed, the amount collected generally over an annual basis by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's current payables to generators and other electricity resource suppliers, subject to certain periodic true-ups, fees and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered prices primarily for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months by the OEB based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in previous periods. RPP prices are now established in accordance with the FHPA. Most

Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from an OEB-licensed retailer pursuant to a retail contract that provides a rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the FHPA. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[3] less than the rate that would otherwise have been determined by the OEB for that period absent Ontario's Fair Hydro Plan (such adjustment, together with the further adjustments described below in this section, the "**Fair Adjustment**").

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

[3] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, the amounts charged to the IESO by the Issuer in respect of the Carrying Costs of the Issuer, when applicable, and certain other amounts in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from Specified Consumers before May 1, 2021. The IESO may, in accordance with the FHPA, Transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that gives rise to the Regulatory Asset and, as an owner of the Investment Interest, will be entitled to recover its Finance Amount (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest by accepting a Transfer of the corresponding specified portion of a Regulatory Asset, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the Transfer of a specified portion of the Regulatory Asset from the IESO, such Transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of Financing Entities that own an Investment Interest (among other things):

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment,

including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest; and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers to cover the cost of financing the shortfall that gives rise to the Regulatory Asset. The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer , or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that are payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a Funding Obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) amounts received during the period in respect of Carrying Costs;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

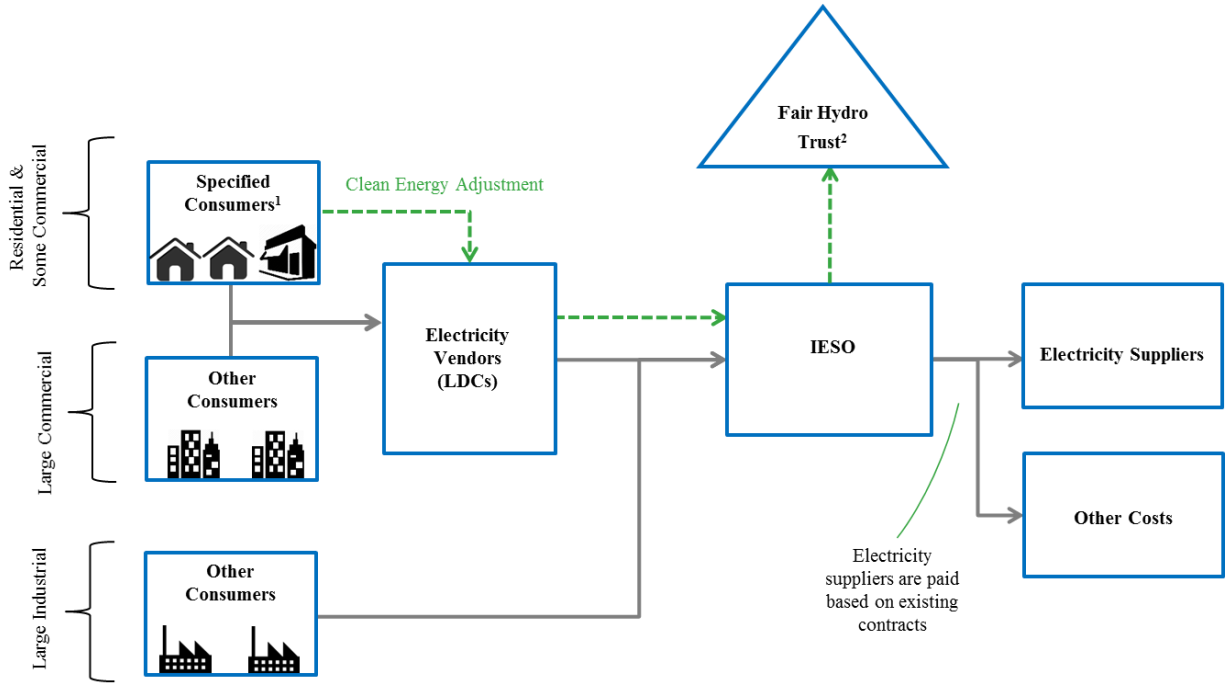
In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. The True-up Amount is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount will also reflect any historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period based on forecast information provided by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the Financing Entities (of which the Issuer is currently the only one), amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the Financing Entities (of which the Issuer is currently the only one) until remitted

to the IESO for the benefit of the Financing Entities (of which the Issuer is currently the only one). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay to the Issuer under the Regulations during such period. See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, once applicable, directly to the IESO.

[2] Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer for a corresponding purchase price. Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset following payment by the Issuer of the corresponding purchase price, the Issuer will acquire an Investment Interest.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers. Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA, provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation that is issued is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Payment of Carrying Costs until July 31, 2021

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes). The amounts paid by the IESO to the Issuer to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest pursuant to the FHPA.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer. Furthermore, as security for the performance of its obligations under the Regulations to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account. The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period, divided by the number of months in such Reference Period. See *"Capital Markets Platform — Acceleration and Remedies — Limitation on Available Amounts on Acceleration"* for a description of the amounts that would be available to be paid under the Master Trust Indenture in such circumstances.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Senior Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the Act or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the Act or any portion thereof, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued, provided that for purposes of determining voting rights with respect to Notes, Notes in which the Province of Ontario has an interest will be deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

It will be a condition to any Offering of Senior Notes that such Senior Notes constitute Approved Obligations under the Change of Law Protection Agreement.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

A "**Certified Primary Obligation**" means a Primary Obligation: (i) incurred by or on behalf of the Issuer to fund its ownership of an Investment Interest, including any Refinancing, other than a Post-Suspension Refinancing or a Pre-Approved Refinancing (each as defined below), of such a Primary Obligation (for greater certainty, including, in the case of any Certified Primary Obligation permitting funding transactions pursuant to a Funding Obligation Agreement applicable to the Certified Primary Obligation, each individual borrowing or funding utilization thereunder), (ii) incurred by or on behalf of the Issuer upon the Issuer entering into a derivative agreement, in which case the Certified Primary Obligation therefor shall be the Master Agreement applicable to such derivative agreement and not any individual trade confirmation other than a trade confirmation that modifies or purports to override the express terms or conditions of the related Master Agreement, or (iii) incurred by or on behalf of the Issuer upon entering into a contract that has a term of more than three (3) years which is not terminable by the Issuer giving three (3) years' notice or less and expected (as determined by the Manager, acting reasonably) aggregate payments by the

Issuer thereunder during the term of such contract are or would be in excess of $5,000,000 (that, for greater certainty, is not otherwise captured in clauses (i) and (ii) above).

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including the Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document to which the Limited Guarantee applies and which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Issuer Trustee is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

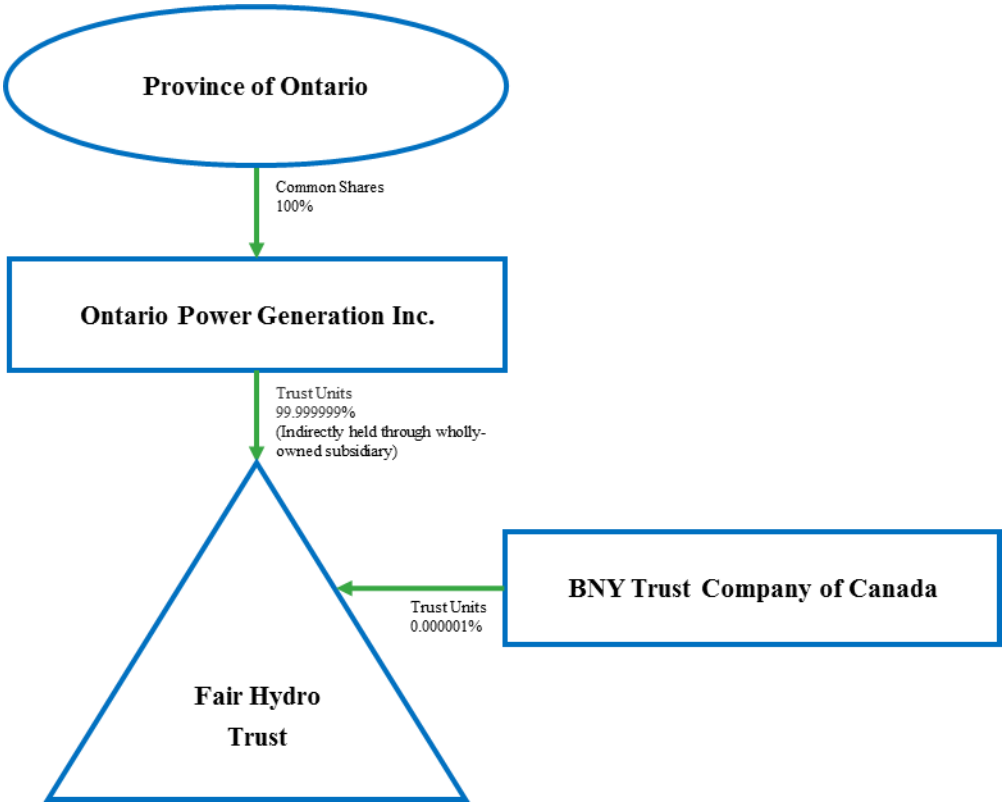
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, the Manager (on behalf of the Issuer) shall review, or cause to be reviewed,

on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors — Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager."*

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross

negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

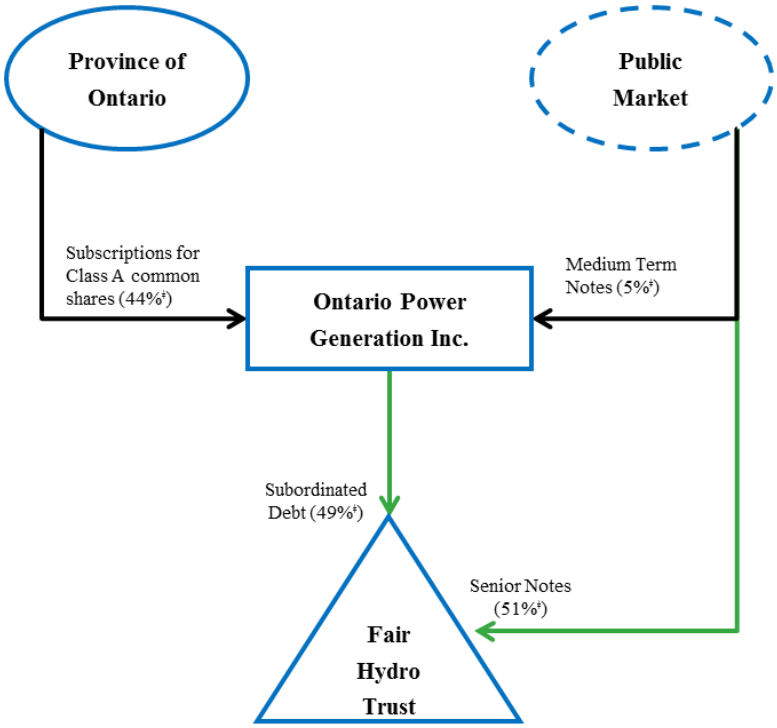
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximately 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



ǂ OPG is expected to acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(a) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(b) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(c) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest on December 21, 2017.

THE TRANSFEROR AND SERVICER

Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to Transfer to the Issuer a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of receiving the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts received in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on the 18th business day of each month, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) providing forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period.

The IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions. The Master Transfer and Servicing Agreement provides for various limitations on the duties and responsibilities of the IESO including that: (i) the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, (ii) the IESO is under no responsibility or obligation to the Issuer with respect to the nature or extent of the Investment Interest, the collectability of the Clean Energy Adjustment or that Clean Energy Adjustment amounts received will be sufficient to satisfy the Issuer's Funding Obligations, (iii) the IESO shall have no liability or responsibility to any person in respect of any forecasts or other information provided, provided only that such forecasts or other information has been prepared and provided in good faith and (iv) the IESO is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from Specified Consumers or not remitted by Electricity Vendors to the IESO. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"* and *"Ontario's Fair Hydro Plan — Other Statutory Protections"* with respect to the manner in which the risks associated with incorrect forecasts by the IESO, and shortfalls in Clean Energy Adjustments as a result of amounts not being collected by Electricity Vendors or remitted by Electricity Vendors, are mitigated.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA, including its obligation to pay the Carrying Costs to the Issuer.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations

of the Issuer, including repayment of principal on the Senior Notes. Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer.

As security for the performance of its obligation to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for Transfer to the Issuer in a subsequent period. Upon completion of such Transfer, the Issuer will acquire an Investment Interest pursuant to the FHPA.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors or such other number as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program

Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement or the FHPA (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to

the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);
- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and
- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "— *Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "— *Payment Waterfalls Prior to Acceleration — Collection Account*", "— *Payment Waterfalls Prior to Acceleration — Protection Account*" and "— *Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material

conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and

deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the Internal Revenue Code, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a

specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all

amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall. Amounts in the Program Cash Reserve Account will be available to pay interest and principal on the Senior Notes.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible

Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "— *Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "— *Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference

to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying

its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "— *Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel, each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized,

executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;

- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;

- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;

- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;

- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;

- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;

- facilitate the issuance of foreign currency Issuer Funding Obligations;

- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;

- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or

- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined based on the extent, if any, to which the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"Capital Markets Platform"*.

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF SENIOR NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this *"Description of Senior Notes"* section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;

- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s), if any, and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;
- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;
- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;
- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;
- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and
- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer) or of the IESO. The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will

also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Payment Dates on which such amounts are to be accumulated for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than an expected Principal Payment Date if an optional redemption occurs and may receive principal payments later than an expected Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on an expected Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit were successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA should no longer be law in Ontario or that the FHPA should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See *"Change of Law Protection Agreement"*. However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA referenced in the previous paragraph were amended or repealed through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Crown, nor may an order for execution or attachment be made against the Crown, although the remedy of damages is available. Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior

Notes, and the Issuer must rely for payment of all of its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs to the Issuer. The amounts paid by the IESO with respect to Carrying Costs cannot be applied on account of principal on the Senior Notes. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Carrying Costs to the Issuer. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring September 30, 2022, which can be used to pay the Carrying Costs to the Issuer. There can be no assurance that the IESO will continue to have sufficient funds available to pay the Carrying Costs to the Issuer during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay the Carrying Costs to the Issuer and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior Notes, and the Issuer must rely on the IESO for the funds necessary to pay its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs to the Issuer. Amounts paid by the IESO are not available to pay principal on the Senior Notes. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and

- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt or general obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA, rights to enforcement of the FHPA and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the

Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform -- Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring Investment Interests. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the Transfer by the IESO of specified portions of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, the Investment Asset will be co-owned by all Financing Entities (including the Issuer) and consequently Clean Energy Adjustment amounts collected by or for the benefit of the Financing Entities will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA and the Master Transfer and Servicing Agreement impose new duties and obligations on the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Master Transfer and Servicing Agreement. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or providing forecast information, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or

reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.

The FHPA imposes new duties and obligations on OPG, as Financial Services Manager, and the Program Agreements impose new duties and obligations on OPG, as Manager. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA, including determining the Clean Energy Adjustment (inclusive of the True-up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated based upon a forecast of Specified Consumer usage to be newly developed based on forecast information provided by the IESO. Under the Regulations, the IESO is required to provide forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period. The amount of the Clean Energy Adjustment collected in any period will depend in part on actual electricity usage by Specified Consumers and the amount of collections and write-offs for Specified Consumers. If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. The FHPA does not require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in FHPA. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment. The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-up Amount. Until such adjustments are made or, if those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to provide indemnification, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20° Celsius. Winters include snow and icy conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization,

if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.

Ordinarily, the interests of the Issuer as acquirer of an Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time the corresponding Regulatory Asset was Transferred to the Issuer. This could reduce the amounts that may be available to the Issuer in respect of the Investment Interest and, consequently, the holders of Senior Notes. Section 27(3) of the Act provides that at the time of the Transfer of the Regulatory Asset to a Financing Entity, such Transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the Act provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the Transfer and the property rights and interests acquired by the Transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the Act in such circumstances is untested. The Transfers of the Regulatory Asset to the Issuer will be made in accordance with section 26 of the Act. Section 27(1) of the Act provides that a Transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Transferee. Therefore, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Regulatory Asset. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO or such Electricity Vendor may be significantly impaired or delayed.

Under the Master Transfer and Servicing Agreement, collections received by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior

Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities

laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Capital Markets Platform — Covenants of the Issuer — Financial Statements; Statement as to Compliance"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of

an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Financial and Consumer Affairs Authority of Saskatchewan.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

(i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum (which shall for the purposes hereof be considered to include any document or record incorporated or deemed to be incorporated by reference herein), together with any amendments hereto (which shall for the purposes hereof be considered to include any document or record incorporated or deemed to be incorporated by reference therein), or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "misrepresentation"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action may be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any

misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference herein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference herein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference herein, not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the *Securities Act* (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer or the selling security holder on whose behalf the distribution is made. "Misrepresentation" means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer and selling security holder will be liable if the person proves that:

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

  (ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

  (iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that:

    (A) there had been a misrepresentation; or

    (B) the relevant part of the confidential shelf offering memorandum:

      a. did not fairly represent the report, statement or opinion of the expert, or

      b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) while still an owner of the Senior Notes, a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Alberta, British Columbia, Newfoundland and Labrador and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia, Newfoundland and Labrador and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, with respect to a Funding Obligation, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Act**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Change of Law Protection Agreement**" means the change of law protection agreement dated as of December 21, 2017 among the Province, the Issuer and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Ontario government related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**Crown**" means Her Majesty the Queen in Right of Ontario.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" means the declaration of trust made as of December 20, 2017 under which the Issuer was established, as amended, supplemented, restated or otherwise modified from time to time.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.

"**FHPA**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Entity**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligations**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations,

exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on page (iii) of this confidential shelf offering memorandum.

"**Issuer**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement".*

"**Management Agreement**" means the management agreement dated as of December 20, 2017 between the Manager and the Issuer, and acknowledged by the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Manitoba"*.

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**NI 31-103**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**NI 45-106**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their

capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Offering Jurisdiction**" has the meaning set out under *"Representations and Agreements of Purchasers".*

"**OPA**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO*.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month or, if such day is not a business day, the next business day.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

  (i) every six-month period following the period mentioned in (a);

  (ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Saskatchewan"*.

"**Section 130.1**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Ontario"*.

"**Section 150**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in New Brunswick"*.

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**Transfer**" has the meaning specified in the *Ontario Fair Hydro Plan Act, 2017*, and "**Transferred**" and "**Transferee**" shall have corresponding meanings.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" has the meaning set out under *"The Issuer"*.

"**U.S. Securities Act**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

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SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

From:	Anna Strathy
To:	John Psinas
Cc:	Mike Manning; Ronald Kwan; Usman Zahid
Subject:	FW: Joint Meeting | AG Update
Date:	Wednesday, May 02, 2018 8:14:29 AM
Attachments:	OFHP - Media Briefing_Oct15_Clean.pptx Agenda_OFHP Response__Oct 16.docx QA_AG Report OFHP_Technical Briefing_Oct15.docx

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Hi John, attached are the materials that were prepared for the technical briefing, although I don't see anything here on the protection agreement.
I've got a call into my MOF Comms contact to see if he has any other public messaging that's been used.

From: Schlaepfer, Martin (ENERGY) [mailto:Martin.Schlaepfer@ontario.ca]
Sent: Sunday, October 15, 2017 4:19 PM
To: Serge Imbrogno (ENERGY) ; Francesca Bungaro-Yemec (ENERGY) ; Andrew Teliszewsky (ENERGY) ; Baker, Carys (ENERGY) ; Matt Whittington (ENERGY) ; Steen Hume (CAB) ; Hilary Cox (ENE) ; Scott Nelms (ENERGY) ; Cengarle, John (MOF) ; Carolyn Calwell (MCSS) ; Murray, Maud (ENERGY) ; Kyle MacIntyre (MOF) ; Allison Ue (MCSS) ; David McLean (MOF) ; Anna Strathy ; Patrick Laughton (MOF) ; Hosick, Sarah (TBS) ; 'Jordan Penic' ; 'Kim Marshall' ; 'HARTWICK Ken -FINANCE' ; 'KING Catriona - OFFCORPSEC'
Cc: Tim Christie (ENERGY) ; Ridd, Carl (ENERGY) ; Helen Angus (MOHLTC) ; Veinot, Cindy (TBS) ; Jason Pichelli (MOF) ; Gabrielle Gallant (OMAF) ; Christine Poopalapillai (MRI) ; Karen Hughes (MGS) ; Scott Thompson (CAB) ; Ghiassi, Ali (MOF) ; Giroux Namian, Orli (MOF) ; Marianne Nguyen (MCYS) ; Mark Donaldson (MOF) ; Gadi Mayman
Subject: Joint Meeting | AG Update
Hi everyone,
Attached are the materials for tomorrow morning's meeting:

- Technical Briefing Deck
- Agenda
- Consolidated QAs

Thanks,
Martin

Ontario

Ontario's Fair Hydro Plan – Status Update

WORKING DRAFT

Technical Briefing

October 2017

Ontario's Electricity System

- Ontario's electricity system is a $20 billion annual sector that serves the needs of nearly 5 million homes, businesses, farms and industries.

- The costs of generating and transmitting electricity around the province are transparently recovered from consumers (i.e., ratepayers). As these costs are recovered directly from consumers, the electricity system is kept separate from the Province's fiscal plan.

- The Ontario Energy Board (OEB) is the independent regulator of Ontario's energy sector. It establishes rates and prices that are reasonable to consumers and allow utilities and generators to invest in the system.

- The Independent Electricity System Operator (IESO) is a not-for-profit entity that manages the province's power system to ensure Ontarians receive power when and where they need it, as well as contracts with non-regulated generators. The IESO also plans and prepares for future electricity needs, and works with its partners to guide conservation-related efforts.

Ontario's Fair Hydro Plan

- Ontario's Fair Hydro Plan (OFHP) is delivering rate relief to approximately 5 million residential, small business and farm consumers.

- OFHP is comprised of a series of initiatives, some of which will be borne by taxpayers where appropriate, such as sales tax relief and shifting electricity social programs to the tax-base, and some will be borne by ratepayers, such as spreading the generation investment costs and benefits across ratepayers more fairly.

- The government, the Ontario Power Generation (OPG), IESO, OEB, key stakeholders and legal, financial and energy sector third-party experts continue to implement OFHP.

- Since the March 2, 2017 OFHP announcement, a number of key milestones have been reached in the implementation of OFHP, including:
  - January 1, 2017: 8% rebate came into effect;
  - May 1, 2017: Partial Global Adjustment (GA) refinancing incorporated into the OEB's Regulated Price Plan (RPP) report;
  - June 1, 2017: The *Fair Hydro Act, 2017* (FHA) received Royal Assent;
  - June 15, 2017: Regulations to enable new and enhanced electricity social programs and shift associated program cost from the rate-base to tax-base came into effect; and
  - July 1, 2017: 25 per cent reduction of electricity bill came into effect on July 1, 2017, including the 8% rebate.

- OFHP operates under a financial and accounting framework that is appropriate for the intended purpose and in accordance with Public Sector Accounting Standards (PSAS) and ensures that the fairness goals underlying the program are achieved in a cost-effective manner.

Funding Electricity Social Programs and 8% Rebate From Provincial Revenues

- The government made the decision to introduce an 8% rebate program and new and enhanced electricity social programs that provide relief to specific residential consumer groups. At the same time it was decided that the 8% rebate and the social programs would be more appropriately funded from the tax-base, not the rate-base.

- The new and enhanced existing electricity social programs include:
  - Enhanced Rural or Remote Rate Protection through the creation of new Distribution Rate Protection;
  - Expanded Ontario Electricity Support Program;
  - New First Nations On-Reserve Delivery Credit; and
  - New Affordability Fund.

- Local Distribution Companies have implemented these measures and benefits are flowing to customers.

Fiscal Cost to the Province ($M)	**16-17**	**17-18**	**18-19**	**19-20**	**20-21**
RRRP Enhancements	-	459	472	484	497
Ontario Electricity Support Program	-	186	261	325	375
On-Reserve First Nation Delivery Credit	-	20	20	20	20
Affordability Fund	200	-	-	-	-
Ontario Rebate for Electricity Consumers (i.e., 8% Rebate)	883	860	861	871	915
Total Fiscal Cost to the Province	1,083	1,525	1,614	1,700	1,807

Note: Program costs are subject to change based on variables that affect consumption levels, such as weather.

Global Adjustment (GA) Refinancing Through the Rate-Base

- Since 2003, nearly $70 billion has been invested in the electricity system, including more than $37 billion in electricity generation to ensure the system is clean and reliable.

- The majority of the province's electricity generators are under 20-year contracts. Analysis conducted by Navigant Consulting confirms that many of these generators will be able to operate beyond their contract lives.

- Refinancing the GA, which pays for the bulk of the recent investments in the electricity system, provides significant and immediate rate relief by matching the cost of electricity investments with the expected useful life of the generation that has been built.

- Electricity consumers will benefit from the ongoing useful life of these generating assets, and will be responsible for the costs of these assets over the same timeframe.

- The decisions made to implement GA refinancing most effectively achieve the goals of the refinancing program and ensure that the deferred costs are borne by the rate-base, as the beneficiaries of the electricity system, and not the tax-base.

- In developing GA refinancing, the government considered a range of implementation options and consulted with legal, accounting, financial and energy sector third-party experts (i.e., Navigant, KPMG, E&Y and Deloitte) to provide advice and ensure due diligence was completed.

GA Refinancing – Update

- Since the March announcement, the total cost of refinancing the Global Adjustment (GA) has been revised downwards substantially:
  - The Ministry of Energy's estimates of peak debt decreased between March 1, 2017 and August 31, 2017 from approximately $28 billion to $20 billion and the estimates of total interest cost decreased from approximately $25 billion to $18 billion.

- The revised debt and interest estimates are the result of the following factors:
  - The IESO updated its long-term cost projections for the electricity system and residential bills;
  - The OEB provided "actual data" with respect to residential bills for the May 1, 2017 to April 30, 2018 period; and
  - Based on Navigant's analysis, the interest rate assumptions for OFHP were updated (i.e., from 5% to 4.5%).

- It should be noted that a number of variables, including interest rates, electricity demand and electricity costs, will vary over the 30-year life of the program and cost estimates will continue to be revised to reflect these changing conditions.

- The government will continue to identify and implement initiatives to take costs out of the electricity system, which would reduce the cost of the GA refinancing program.

- Further details will be released in the 2017 Long-Term Energy Plan (2017 LTEP), which will be released on October 26, 2017.

GA Refinancing – Role of Ontario Power Generation (OPG)

- With respect to delivery, OPG has been identified as the Financial Services Manager (FSM) to develop the financing plans and act as the financing entity (i.e., Fair Hydro Plan Trust) responsible for managing the debt obligations associated with GA refinancing.
  - OPG has the necessary financing and commercial expertise to assist with refinancing the GA and will ensure that it is done in the most efficient and cost-effective manner.
  - OPG is currently in preliminary discussions with rating agencies and plans to be in the market in November 2017.

- OPG currently manages approximately $20 billion nuclear funds and as an entity regulated by the OEB, OPG also has extensive experience with regulatory deferral and variance accounts.

- OPG has also developed solid investor relationships and has a large investor base in the structured finance space who would be the target market for financing Ontario's Fair Hydro Plan initiative.
  - For example, the Lower Mattagami project financing attracted a broad investor base of about 80 institutional investors, including major investors in the Canadian power and utility bonds market.

GA Refinancing – Role of the Independent Electricity Operator (IESO)

- The IESO administers the $17 billion annual electricity market, settling transactions between generators and consumers of electricity.
  - Market accounts and liabilities are included on IESO financial statements to provide increased transparency around the value of transactions that flow through the market.
  - The IESO is a corporation established pursuant to Part II of the Electricity Act, 1998, and prepares its financial statements in accordance with Public Sector Accounting Standards (PSAS).

- Under Ontario's Fair Hydro Plan (OFHP), IESO continues to invoice eligible customers – but not collect – the full amount of Global Adjustment (GA) every month.
  - The deferred portion of the GA under OFHP is recorded in a variance account.

- The IESO's right to recover these costs from future ratepayers, constitutes a regulatory asset. The regulatory asset, is transferred to the OPG Trust.

- The IESO will reflect the impact of the GA refinancing using rate-regulated accounting:
  - Rate-regulated accounting better reflects the economic substance of IESO's operations and enhances the relevance, transparency and accountability of its financial reporting;
  - Rate-regulated accounting is well understood in the electricity sector; and
  - The recognition of regulatory assets brings IESO in line with 6 other independent system operators in North America.

- KPMG issued an "unqualified" opinion in the audit of IESO's December 31, 2016 financial statements that included recognition of rate-regulated assets and market accounts.

GA Refinancing – Accounting Considerations

- The government's financial statements are prepared in accordance with Public Sector Accounting Standards (PSAS), and will continue to follow these standards for the transactions resulting from Ontario's Fair Hydro Plan (OFHP) in 2017-18 and in future years.

- PSAS is silent on the use of regulated accounting:
  - PSAS acknowledges that it does not provide guidance on all possible transactions and notes that it is necessary to refer to other sources of guidance that are consistent with the PSAS framework; and
  - US GAAP, with the most developed guidance on rate-regulated accounting, is the appropriate guidance to reference in this scenario.

- In the development of Global Adjustment (GA) refinancing, the government consulted with several third party advisors (e.g., KPMG, E&Y, Deloitte) in the application of accounting standards. This is normal course of business governments take for complex transactions.

Questions?

AG Special Report

October 16, 2017

Agenda

1) Technical Briefing / Communications
    - Draft Technical Briefing Presentation
    - Q/As
    - Role of External Advisors

2) Estimates

3) Other Business / Next Steps

Notes:

Q&As – OAG's Special Report on Ontario's Fair Hydro Plan

Q. Why did the government introduce Ontario Fair Hydro Plan?

The government has been making important investments in a cleaner and more reliable electricity system, but these investments have led to higher bills. Since 2003, nearly $70 billion has been invested in the electricity system, including more than $37 billion in electricity generation to ensure the system is clean and reliable.

Ontario Fair Hydro Plan (OFHP) is delivering the single-largest reduction in electricity rates in the province's history. OFHP has introduced new measures to lower electricity bills by 25 per cent on average for residential consumers and will hold increases to the rate of inflation for four years. As many as half a million small businesses and farms are also benefitting from a reduction.

In developing the policy to refinance the Global Adjustment (GA), the government considered a range of implementation options and consulted with legal, accounting, financial and energy sector third-party experts to provide advice and ensure due diligence was completed.

GA refinancing is designed so that deferred costs are borne by the rate-base, as the beneficiaries of the electricity system, and not the tax-base.

OFHP operates under a financial and accounting framework that is appropriate for the intended purpose and in accordance with Public Sector Accounting Standards (PSAS) and ensures that the fairness goals underlying the program are achieved in a cost-effective manner.

Q. The Auditor General and the Financial Accountability Office both suggest that the cost of borrowing will be more expensive than traditional government borrowing? Is this true?

In the development of Ontario's Fair Hydro Plan, the government made the policy decision that deferred electricity system costs should be borne by the rate-base and not the tax-base.

Based on this policy decision, it was decided that the debt obligation would be recognized as a regulatory asset that would be sold and securitized. This design appropriately aligns the costs and benefits within the group of eligible consumers.

Ontario Power Generation (OPG) was identified as the Financial Services Manager responsible for the financing plans and the financing entity (i.e., Fair Hydro Plan Trust) that will manage the debt obligations. OPG has the necessary financing and commercial expertise to assist with refinancing the Global Adjustment (GA) and will ensure that it is done in an efficient and cost-effective manner.

OPG has a demonstrated track record in the financial markets with its Corporate Debt platform, private placement of insurance linked bonds, participation in securitization program and highly successful project debt issuances tied to new hydroelectric developments. The innovative, cost saving and precedent setting aspects of these structures have resulted in international recognition.

With respect to the $4 billion figure referenced by the Financial Accountability Office (FAO) in its May 2017, it should be noted that the FAO's report was based on initial Ministry of Energy estimates from March 2017. Subsequent analysis conducted by the Ministry of Energy refined a number of variables, including the cost of borrowing and electricity system cost forecasts.

Accumulated interest is projected to be considerably less than estimated in the FAO's May 2017 report. Peak debt for the program has been revised down substantially since May, from $27.7 billion to $18.5 billion.

In addition, a number of variables, including interest rates, electricity demand and electricity costs, will vary over the 30-year life of the program and cost estimates will continue to be revised to reflect these changing conditions. The total estimated cost of the program has already been revised downwards substantially to reflect revised inputs.

The government will continue to identify and implement initiatives to take costs out of the electricity system, which would reduce the cost of the GA refinancing program. Further details will be released in the upcoming 2017 Long-Term Energy Plan.

Q. Have the Ministry of Energy's estimates for "peak debt" and "total interest costs" related to Ontario's Fair Hydro Plan (OFHP) changed? I understand that the Office of the Audit General (OAG) has asked what are the factors that resulted in the changes in estimates from March 1 to August 31?

The Ministry of Energy's estimates of peak debt for OFHP decreased between March 1, 2017 and August 31, 2017 from $27.7 billion to $18.5 billion. The Ministry estimates of total interest cost also decreased from $25.1 billion to $18.3 billion.

The revised estimates are the result of the following factors:

- The Independent Electricity System Operator (IESO) updated its long-term cost projections for the electricity system and residential bills;
- The Ontario Energy Board (OEB) provided "actual data" with respect to residential bills for the May 1, 2017 to April 30, 2018 period; and
- Based on expert third-party advice the interest rate assumptions for OFHP were updated (i.e., from 5% down to 4.5%).

In addition, for the August 31, 2017 estimate, the Ministry converted debt and interest amounts from calendar year to Regulated Price Plan (RPP) periods.

Q. In the development of Ontario's Fair Hydro Plan, did the government set up the financing structure intentionally to keep it off government books?

No. Global Adjustment (GA) refinancing is designed so that deferred costs are borne by the rate-base, as the beneficiaries of the electricity system, and not the tax-base.

GA refinancing operates under a financial and accounting framework that is appropriate for the intended purpose and in accordance with Public Sector Accounting Standards (PSAS) and ensures that the fairness goals underlying the program are achieved in a cost-effective manner.

Q. Why is the government using Ontario Power Generation (OPG) as a borrowing agent for Ontario's Fair Hydro Act? Would it be easier to use a traditional government borrowing agent like the Ontario Financing Authority (OFA)?

Ontario Power Generation (OPG) has the necessary financing and commercial expertise to assist with refinancing the Global Adjustment (GA).

OPG currently manages approximately $20 billion in segregated nuclear funds to manage nuclear liabilities, and, is an electricity sector entity regulated by the Ontario Energy Board (OEB) with extensive experience with regulatory deferral and variance accounts.

OPG also has the breadth and demonstrated track record in the financial markets with its Corporate Debt platform, private placement of insurance linked bonds, participation in securitization program and highly successful project debt issuances tied to new hydroelectric developments. These financing initiatives have been well received by investors at a reasonable cost to OPG. The innovative, cost saving and precedent setting aspects of these structures have resulted in international recognition.

OPG has developed solid investor relationships and has a large investor base in the structured finance space that would be the target market for financing Ontario's Fair Hydro Plan initiative. For example, Lower Mattagami project financing attracted a broad investor base of ~80 institutional investors, including major investors in the Canadian power and utility bonds market.

In terms of administration, OPG is currently managing its own Corporate public debt program and three project financing programs totalling more than $2 billion and two commercial paper programs.

Finally, OPG's Treasury functions are well positioned given their management of existing multiple debt programs.

Q. The Financial Accountability Office (FAO) suggested that using Ontario Power Generation as the borrowing agent will cost $4 billion more?

The $4 billion figure was an estimate made by the Financial Accountability Office (FAO) based on initial Ministry of Energy estimates from March 2017. Subsequent analysis conducted by the Ministry of Energy refined a number of variables, including the cost of borrowing and electricity system cost forecasts.

The Ministry of Energy's estimates of peak debt for OFHP decreased between March 1, 2017 and August 31, 2017 from $27.7 billion to $18.5 billion. The Ministry estimates of total interest cost also decreased from $25.1 billion to $18.3 billion.

The FAO report itself concludes by saying "the FAO's estimates are subject to many assumptions and uncertainties (…) Fiscal impact may differ significantly from the FAO's estimates."

In addition, a number of variables, including interest rates, electricity demand and electricity costs, will vary over the 30-year life of the program and cost estimates will continue to be revised to reflect these changing conditions. The total cost of the program has already been revised downwards substantially to reflect revised inputs.

The government will continue to identify and implement initiatives to take costs out of the electricity system, which would reduce the cost of the GA refinancing program. Further details will be released in the upcoming 2017 Long-Term Energy Plan.

Q. Do you disagree with the FAO on financial costs?

The $4 billion figure was an estimate made by the Financial Accountability Office (FAO) based on initial Ministry of Energy estimates from March 2017. Subsequent analysis conducted by the Ministry of Energy, refined a number of variables, including the cost of borrowing and electricity system cost forecasts.

Based on updated analysis, the total interest is projected to be considerably less than estimated in the FAO's May 2017 report. For example, peak debt for Global Adjustment (GA) refinancing has been revised down substantially since May 2017 from $27.7 billion to $18.5 billion. The Ministry estimates of total interest cost also decreased from $25.1 billion to $18.3 billion.

The Ministry of Energy's latest estimates reflect the best available information regarding the parameters that impact OFHP cost (e.g., electricity bills, consumption, etc.) and are more likely to reflect how OFHP will progress over time.

Q. The OAG's report claims that consumers will pay an additional $4 billion in interest costs over the life of OFHP since OPG and its Financing Entity will pay a higher rate of interest compared to the Province. Why not have the Province borrow for the OFHP?

The policy objective of OFHP is to more fairly allocate the cost to ratepayers over the useful life, not the contractual term, of the electricity generating assets. Therefore, it was a primary policy objective to ensure that the costs are borne by the beneficiaries of the electricity system – the ratepayers – not the tax-base.

We believe it is appropriate for ratepayers to pay for the financing of electricity assets. The rate-base has a different risk profile than the tax-base, which would be reflected in different interest costs. Having the rate-base pay is not a new policy, for example Hydro One has borrowed in the capital markets since the early 2000s.

The $4 billion figure in the Office of the Auditor General's report was sourced from the FAO's May 2017 report and is important to note, that the FAO's calculation was based on preliminary estimates of the program when peak debt estimates for the thirty year program were substantially higher and interest costs were forecast to be higher than current projections.

Q. Why did the IESO change its accounting practices?

The Independent Electricity System Operator (IESO) began recognizing its market accounts' assets (i.e., amounts due from power distributors) and liabilities (i.e., amounts due to power producers) in their financial results.

This accounting change was accepted by IESO's independent external auditor, which issued an unqualified, or "clean," audit opinion. These accounting changes were highlighted in IESO's 2016 annual report, which was published online in March 2017.

The IESO has chosen to recognize these markets accounts on its books for transparency reasons, as it better reflects its net financial position on behalf of IESO-administered markets at year-end.

Further, this accounting is consistent with the presentation used previously by the Ontario Power Authority (which was merged with IESO on January 1, 2015) in its financial statements.

Additionally this accounting change has been supported by the professional accounting staff of the Office of the Provincial Controller.

This change has no impact to the province's annual deficit, net debt, accumulated deficit or on the ratepayers of Ontario.

We will continue to work with the Auditor General to build on the government's track record of responsible fiscal management and high quality financial reporting.

Q. Why did the government not use the Canadian Public Sector Accounting Standards (PSAS)? How was Ontario's Fair Hydro Plan (OFHP) financing structure determined?

The Province's financial statements are prepared in accordance with Canadian PSAS and will follow PSAS in accounting for the transactions resulting from OFHP in 2017-18 as well as in the following years. Presenting its financial statements in accordance with PSAS results in transparent financial reporting for the Province of Ontario.

PSAS is, however, silent on the recognition, measurement, presentation or disclosure of rate-regulated activities. In absence of a clear position on an issue, standard accounting practice dictates that an entity should consult other accounting standards. In this case, the Independent Electricity System Operator (IESO) consulted US GAAP, the accounting framework in North America that provides the most developed guidance on rate regulated operations.

This financing structure is similar to several jurisdictions in the U.S., and uses a form or securitization that is commonly used in the financial markets. It ensures the impact of the plan will be transparent. Under this system, credit rating agencies, securities regulators and the public at large get full information and full reporting of the impacts of the OFHP that are visible and specific.

Q. What is the Global Adjustment (GA)?

The Global Adjustment (GA) is a mechanism that recovers certain electricity system costs, such as capital costs incurred by generators. The GA is calculated by the Independent Electricity System Operator (IESO) based on the difference between the market price for electricity, which represents the marginal cost of electricity production, and rates paid to regulated and contracted generators to ensure they can recover their fixed costs. It also accounts for costs associated with running conservation programs in the province.

GA has been an important factor in providing stable prices while ensuring that sufficient generating capacity is in place to deliver a reliable supply of electricity.

GA pays for the bulk of the recent investments in the electricity system. The majority of the province's electricity generators operate under 20-year contracts. Third-party experts have confirmed that many of these generators will be able to continue to operate beyond the end of their contract. This means that generating assets are expected to have ongoing useful life and benefit future ratepayers by reducing the need to finance the development of new generating assets.

Refinancing the GA is providing significant and immediate rate relief by spreading the cost of electricity investments over the expected lifecycle of the infrastructure that has been built. This more fairly shares the cost of our investments across the generations of electricity ratepayers who will benefit from them.

Q. Some say you are unfairly placing the burden of debt on future generations through things like Ontario's Fair Hydro Plan, how do you respond?

Future generations will be paying their fair share for a system they will be benefiting from in their lifetime. Not only will they benefit from a reliable electricity system, but from the cleaner air from the reduction of coal-fired generation.

Ontario's Fair Hydro Plan acts much like taking out a new mortgage – providing much-needed relief now by spreading costs across the life of our assets. Current ratepayers are paying less now, and future ratepayers will in turn help to pay for their fair share of the significant investments that we've made to build a clean and reliable electricity system. This more fairly shares the cost of our investments across the generations of electricity ratepayers who will benefit from them.

Moving forward, Ontario is developing its 2017 Long-Term Energy Plan (2017 LTEP) which will focus on continuing to put downward pressure on electricity bills over the long term. Our robust electricity supply puts us in a good position to improve efficiency, increase transparency and enhance opportunities for innovation and competition to further reduce system costs. That is why Ontario's Fair Hydro Plan includes a commitment to improving sector efficiency and modernizing Ontario's electricity market, building on the collaboration of the Independent Electricity System Operator (IESO) and the Ontario Energy Board (OEB).

For example, IESO's Market Renewal initiative will result in a more efficient marketplace with competitive and transparent mechanisms that meet future system needs at the lowest cost. The initiative is expected to save up to $5.2 billion over a 10-year period and forms a key component of Ontario's plan to ensure the affordability of electricity in the longer term.

Q. Who was involved in the policy and implementation process to meet the mandate?

Senior officials and staff from several departments and agencies, led by the Ministry of Energy, collaborated to plan a structure, identify risks, make decisions and take other actions to meet the mandate.

The senior officials and staff were from:

- Ministry of Energy;
- Ministry of Finance;
- Treasury Board Secretariat;
- Office of the Provincial Controller;
- Cabinet Office;
- Ontario Financial Authority (OFA);
- Independent Electricity System Operator (IESO); and
- Ontario Power Generation Inc. (OPG).

In development and implementation of Global Adjustment (GA) refinancing, the government considered a range of implementation options and consulted with legal, accounting, financial and energy sector third-party experts to provide advice and ensure due diligence was completed.

Response Prepared Based on Ministers' Speaking Points

Q. How do you respond to the Auditor General's claim that the government ignored warnings regarding a potential adverse audit opinion of Ontario's public accounts?

The government's financial statements are prepared in accordance with Public Sector Accounting Standards (PSAS), and will continue to follow these standards for the transactions resulting from Ontario's Fair Hydro Plan (OFHP) in 2017-18 and in future years.

In regards to rate-regulated accounting, PSAS are silent on the use of regulated accounting:

- PSAS acknowledges that it does not provide guidance on all possible transactions and notes that it is necessary to refer to other sources of guidance that are consistent with the PSAS framework; and
- US GAAP, with the most developed guidance on rate-regulated accounting, is the appropriate guidance to reference.

Many entities in Canada, including OPG and Hydro One use rate-regulated accounting:

- The OAG can refer to the CPA Canada research study that was shared.
- Rate-regulated accounting is well understood in the electricity sector.
- Six other IESO like entities in other North American jurisdictions recognize the economic effects of rate-regulated accounting (i.e., AESO, IEO, NYISO, PJM and ERCOT)

IESO management, IESO's Audit Committee, IESO's Board of Directors, IESO's external auditor and the Office of the Provincial Controller all support the use of rate-regulated accounting by IESO.

In the development of OFHP, the government consulted with several third party advisors in the application of accounting standards. This is normal course of business governments take for complex transactions.

TBS's Detailed QAs re Ontario's Fair Hydro Plan

Q. The Auditor General says that the accounting structure for Ontario's Fair Hydro Plan is not transparent, has poor value for money, and is not in accordance with Public Sector Accounting Standards. How do you respond?

The government has the utmost respect for all independent officers of the legislature, and values the important perspective they bring.

The Ministry of Energy, the Ministry of Finance, and the Treasury Board Secretariat remain committed to assisting the Office of the Auditor General so that it can provide its independent views to the Legislative Assembly.

With regards to the Auditor General's report on Ontario's Fair Hydro Plan (OFHP) – while the government does not agree with the assertions and conclusions expressed in the report, the government thanks the Office of the Auditor General for its report.

OFHP is delivering the single-largest reduction in electricity rates in the Province's history. In developing OFHP, the government considered a range of implementation options and consulted with legal, accounting, financial and energy sector third-party experts to provide advice and ensure due diligence was completed.

OFHP operates under a financial and accounting framework that is appropriate for the intended purpose. It is in accordance with Public Sector Accounting Standards (PSAS) and ensures the goals underlying the program are achieved in a cost-effective manner.

The implementation of OFHP is ongoing, with significant decisions with accounting and financial implications still being finalized.

The Province's financial statements are prepared in accordance with Canadian PSAS and will follow PSAS in accounting for the transactions resulting from OFHP in 2017-18, and in following years.

As PSAS is set by an independent standard-setting body in Canada focused specifically on the public sector, and because PSAS is used by all senior governments in Canada, presenting financial statements in accordance with PSAS results is transparent financial reporting for the Province of Ontario.

Ontario has a strong track record of producing high-quality financial reports on a timely basis, and will continue to move forward and present the Province's finances fairly, accurately and in accordance with PSAS.

The Ministry of Energy would welcome further questions about OFHP and the government's investments in a reliable energy system.

Q. The Auditor General makes two recommendations in her report – to record the true financial impact of Ontario's Fair Hydro Plan; and to use a financing structure that is the least costly for Ontarians. Will you adopt these recommendations?

The government does not agree with the assertions and conclusions expressed in the report.

In developing OFHP, the government considered a range of implementation options and consulted with legal, accounting, financial and energy sector third-party experts to provide advice and ensure due diligence was completed.

OFHP operates under a financial and accounting framework that is appropriate for the intended purpose. It is in accordance with Public Sector Accounting Standards (PSAS) and ensures the goals underlying the program are achieved in a cost-effective manner.

In order to meet the needs of users, including the legislature and the public, for accountability in government reporting and decision making, it is essential that public sector financial statements reflect the economic substance of the government's activities.

The Province's financial statements are prepared in accordance with Canadian PSAS and will follow PSAS in accounting for the transactions resulting from OFHP in 2017-18, and in following years.

As PSAS is set by an independent standard-setting body in Canada focused specifically on the public sector, and because PSAS is used by all senior governments in Canada, presenting financial statements in accordance with PSAS results in transparent financial reporting for the Province of Ontario.

Ontario has a strong track record of producing high-quality financial reports on a timely basis, and will continue to move forward and present the Province's finances fairly, accurately and in accordance with PSAS.

The OFHP financing structure has been designed to provide electricity rate relief to current ratepayers, including by more fairly allocating costs for specified consumers, with the Global Adjustment cost amounts still ultimately borne by specified electricity ratepayers, as beneficiaries of those electricity system costs.

Ontario Power Generation (OPG) is beginning the process of raising funds to finance the deferred costs, and while total borrowing costs will not be known until the program is complete, accumulated interest is projected to be considerably less than the estimates in the May 2017 report of the Financial Accountability Office (FAO).

Total borrowing estimates over the thirty year life of OFHP have been revised down substantially by the government since the FAO released its report in May 2017, and borrowing costs are now forecast to be substantially lower than original estimates. Current government estimates forecast that the peak debt over the thirty year life of OFHP will be below $20 billion. The preliminary estimate from March 2017 was about $28 billion.

The Province will continue to prepare its consolidated financial statements in accordance with PSAS and continue to build on a track record of responsible fiscal management.

Q. Both the Auditor General and the Financial Accountability Officer (OFA) have raised serious concerns about the accounting treatment of the electricity cost refinancing initiative. Why should Ontarians believe this government over two independent officers of the Legislature?

The government has the utmost respect for all independent officers of the legislature, and values the important perspective they bring.

Ontario's Fair Hydro Plan (OFHP) is delivering the single-largest reduction in electricity rates in the Province's history.

In developing OFHP, the government considered a range of implementation options and consulted with legal, accounting, financial and energy sector third-party experts to provide advice and ensure due diligence was completed.

OFHP operates under a financial and accounting framework that is appropriate for the intended purpose. It is in accordance with Public Sector Accounting Standards (PSAS) and ensures the goals underlying the program are achieved in a cost-effective manner.

The Province, as always, will prepare its consolidated financial statements in accordance with PSAS and continue to build on its track record of responsible fiscal management.

Q. The Auditor General says that you are "obfuscating" the true financial impact of Ontario's Fair Hydro Plan through a "needlessly complex" accounting structure. How do you respond?

Ontario's Fair Hydro Plan (OFHP) is delivering the single-largest reduction in electricity rates in the Province's history. In developing OFHP, the government considered a range of implementation options and consulted with legal, accounting, financial and energy sector third-party experts to provide advice and ensure due diligence was completed.

OFHP operates under a financial and accounting framework that is appropriate for the intended purpose. It is in accordance with Public Sector Accounting Standards (PSAS) and ensures the goals underlying the program are achieved in a cost-effective manner.

OFHP is comprised of a series of policy decisions. The impact of some of these decisions will be borne by the Province (taxpayers) where appropriate, such as sales tax relief and shifting social programs to the tax base; some will be borne by ratepayers, such as spreading the investment costs and benefits across ratepayers more fairly.

While the implementation of OFHP is ongoing, with significant decisions with accounting and financial implications still being finalized, the financing plan for OFHP and its impact will be transparent. Credit rating agencies, securities regulators, and the public will see full information and full reporting of the impacts of OFHP.

Ontario has a strong track record of producing high-quality financial reports on a timely basis. Ontario will continue to move forward and present the Province's finances fairly and accurately and in accordance with PSAS.

Q. How can you justify the $4 billion in additional interest expenses that will be borne by ratepayers because of the way the government has structured electricity cost refinancing (i.e. using Ontario Power Generation to finance 55 per cent, at a higher interest rate than the Province, instead of the Province financing the entire electricity cost financing)?

Ontario's Fair Hydro Plan (OFHP) is comprised of a series of policy decisions. The impact of some of these decisions will be borne by the Province (taxpayers) where appropriate, such as sales tax relief and shifting social programs to the tax base; some will be borne by ratepayers, such as spreading the investment costs and benefits across ratepayers more fairly.

The accounting will reflect the economic substance of the transactions in accordance with Public Sector Accounting Standards (PSAS) and will differentiate those costs of OFHP borne by taxpayers versus those borne by ratepayers.

The Auditor General's report suggests that all the costs of OFHP should be reflected as if they will be borne by taxpayers, which is inaccurate.

Ontario Power Generation (OPG) is beginning the process of raising funds to finance the deferred costs, and while total borrowing costs will not be known until the program is complete, accumulated interest is projected to be considerably less than the estimates in the May 2017 report of the Financial Accountability Officer (FAO).

Total borrowing estimates over the thirty year life of OFHP have been revised down substantially by the government since the FAO released its report in May 2017, and borrowing costs are now forecast to be substantially lower than original estimates. Current government estimates forecast that the peak debt over the thirty year life of OFHP will be below $20 billion. The preliminary estimate from March 2017 was about $28 billion.

For further questions about borrowing estimates, please contact the Ministry of Finance.

Q. The Auditor General said that a similar move to legislate accounting to defer costs was proposed with the restructuring of the Ontario electricity sector in the late 1990s, but the Auditor General's opinion at that time was that this would represent a departure from a central tenet of generally accepted accounting principles. The government at that time heard these concerns, and made the decision to not create an asset for future anticipated ratepayer payments. Why does the government think this is ok now?

The Auditor General's report makes a comparison between Ontario's Fair Hydro Plan (OFHP) and the Ontario Electricity Financial Corporation (OEFC) stranded debt. There are, however, crucial differences between the two.

For example, the OEFC stranded debt had already been incurred when the restructuring took place.

In the case of OFHP, the difference between what will be collected and what will be paid to generators is considered to be an asset in accordance with the accounting definition, as it will generate a specific future revenue stream in the form of the CEA.

It is important to note that the 1999 restructuring led to an "unbundling" of the electricity rate. Prior to the 1999 restructuring and the 2002 market opening, there was a "bundled rate" for electricity that included cost recovery of generation and transmission costs, operating and capital – including debt costs, as well as central market operations costs. Including debt cost recovery and matching the

timing of the capital cost recovery with the benefit to the ratepayer is a normal rate-setting regulatory practice.

The Debt Retirement Charge (DRC) represented the unbundling of a portion of the debt service costs. It effectively amortized the cost of the investments in long-lived assets (including debt incurred).

OFHP's Global Adjustment (GA) deferral is also intended to have costs recovered from specified ratepayers over a time period that better reflects the expected lives of those assets (versus the contract lengths that may be shorter than the expected useful life of the assets).

The difference between the 1999 restructuring and OFHP is that the DRC continued to pay down, over time, debt that had already been incurred, while under OFHP, an asset is being recorded to reflect a fair allocation of electricity costs between current and future ratepayers.

The intention of OFHP is to be forward-looking, to ensure that ratepayers are sharing current and future costs, whereas the DRC was backward-looking, replacing part of a bundled rate that was already spreading the cost recovery of the debt over time.

Q. What will happen if interest rates rise? The Financial Accountability Officer (FAO) estimates that if interest rates were to rise, the true cost of Ontario's Fair Hydro Plan could be between $69 and $93 billion. How can you justify shifting this heavy burden onto future generations?

The implementation of Ontario's Fair Hydro Plan (OFHP) is ongoing, with significant decisions with accounting and financial implications still being finalized.

Ontario Power Generation (OPG) is beginning the process of raising funds to finance the deferred costs of OFHP, and while total borrowing costs will not be known until the program is complete, accumulated interest is expected to be considerably less than the estimates cited in the May 2017 report of the FAO.

Total borrowing estimates over the thirty year life of OFHP have been revised down substantially by the government since the FAO released its report, and borrowing costs are now forecast to be substantially lower than original estimates.

Current government estimates forecast that the peak debt over the thirty year life of OFHP will be below $20 billion. The preliminary estimate from March 2017 was about $28 billion.

Government Officials

Q. The Auditor General says that even your own government officials flagged the unnecessarily high costs of Ontario's Fair Hydro Plan – and yet you chose to proceed. How can you justify this?

In developing Ontario's Fair Hydro Plan (OFHP), the government considered a range of implementation options and consulted with legal, accounting, financial and energy sector third-party experts to provide advice and ensure due diligence was completed.

Multiple options were considered in creating the OFHP framework – such as to have local distribution centres finance the difference between the amounts paid to the generators and the amounts collected from the ratepayers. This was rejected because of the inability of some local distribution centres to finance the balances.

The implementation of OFHP is ongoing, with significant decisions with accounting and financial implications still being finalized.

Ultimately, OFHP operates under a financial and accounting framework that is appropriate for the intended purpose. It is in accordance with Public Sector Accounting Standards (PSAS) and ensures the goals underlying the program are achieved in a cost-effective manner.

Audit Opinion

The government just received another qualified audit opinion on its Public Accounts – this time based on two separate issues. Why do you continue to disagree with the Auditor General?

The government continues to move forward and present the Province's finances fairly and accurately and in accordance with Canadian Public Sector Accounting Standards (PSAS). Ontario has a strong track record of producing high-quality financial reports on a timely basis. The Auditor General's qualified opinion is based on a different interpretation of PSAS for net pension assets and recognition of market accounts.

Last year there was a disagreement among the Province's professional accounting staff and the Auditor General's Office on the appropriate application of PSAS regarding pension accounting. As a result, the Pension Asset Expert Advisory Panel was established to deliver independent advice and recommendations on the issue to the Province.

The independent panel members concluded the Province's share of the net pension assets of both the Ontario Teachers' Pension Plan and the Ontario Public Service Employees' Union Pension Plan should be recognized in Ontario's financial statements.

After significant deliberation, including consideration of the recommendations of the panel, Ontario confirmed that the accounting for these plans prior to 2015-16 was appropriate, and are prepared in accordance with public sector accounting standards for pension asset accounting. Further, EY provided additional analysis and concluded that no valuation allowance was required for either plan as of March 31, 2017. The 2016-17 financial statements include these pension assets, and we continue to apply the accounting treatment of pension assets that the Province has used consistently since 2001. In addition, the 2015-16 financial statements were restated to include these assets.

This year the Independent Electricity System Operator (IESO) began recognizing its market accounts' assets (amounts due from power distributors) and liabilities (amounts due to power producers) in its financial results. The IESO has chosen to recognize these markets accounts on its books for transparency reasons, as it better reflects the financial position of IESO-administered markets at year-end. This change was supported by IESO's audit committee, its independent external auditor, and finally by the Office of the Provincial Controller. This change also has no impact to the Province's annual deficit, net debt or accumulated deficit.

This accounting is consistent with the presentation used previously by the Ontario Power Authority (which was merged with IESO on January 1, 2015) in its financial statements, which was not subject to qualification from the Office of the Auditor General at that time.

Q. The Auditor General says that you anticipated the government would receive a qualified audit opinion – and accepted this risk. In the private sector this would be unacceptable. How do you figure you can get away with this?

The Province's financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

As PSAS is set by an independent standard-setting body in Canada focused specifically on the public sector, and because PSAS is used by all senior governments in Canada, presenting financial statements in accordance with PSAS results in transparent financial reporting for the Province of Ontario.

PSAS are principle based -- they are not a set of specific prescriptive rules. Applying them requires the application of professional judgment.

Our professional staff exercises judgment in applying the standards and as necessary consult with external experts and advisors. They provide the Office of the Auditor General with their written analysis on all significant issues that impact the financial statements for the year being audited, and they discuss the issues with the Office of the Auditor General.

All Chartered Professional Accountants (CPAs), including those employed by the Ontario Public Service (OPS), are required to comply with the Code of Professional Conduct for CPAs. One of those rules is that they not be associated with false or misleading information.

That means that if the professional accountants in the OPS do not agree with the judgment of the Ontario Auditor General, it is not as simple as just agreeing to accept the interpretation of the Office of the Auditor General if they believe that interpretation would result in false or misleading financial statements. While we expect professional accountants to agree on the vast majority of issues, we acknowledge that they may not agree on everything and when that occurs, and the difference is material to the financial statements, the Office of the Auditor General can choose to issue a qualified audit opinion.

Q. Are you concerned that the Auditor General will issue an adverse opinion on the Province's Public Accounts due to Ontario's Fair Hydro Plan accounting? What would be the impact on the Province's credit rating?

It would be inappropriate to speculate about how the Auditor General may issue an opinion for Public Accounts next year. The implementation of Ontario's Fair Hydro Plan (OFHP) is ongoing, with significant decisions with accounting and financial implications still being finalized.

The Ministry of Energy, Finance and the Treasury Board Secretariat continue to work closely with Ontario Power Generation (OPG), the Independent Electricity System Operator (IESO) and third-party accounting, financing and energy experts to ensure due diligence.

The Province's financial statements are prepared in accordance with Canadian PSAS and will follow PSAS in accounting for the transactions resulting from OFHP in 2017-18, and in following years.

The financing plan for OFHP and its impact will be transparent. Credit rating agencies, securities regulators, and the public will see full information and full reporting of the impacts of OFHP.

Ontario has a strong track record of producing high-quality financial reports on a timely basis. Ontario will continue to move forward and present the Province's finances fairly and accurately and in accordance with PSAS.

Q. The Auditor General says that she has consulted with all of the Auditor Generals in Canada – and they agree with her assessments. How are we supposed to believe this government when all independent auditors in the country say you are wrong?

In developing Ontario's Fair Hydro Plan, the government considered a range of implementation options and consulted with legal, accounting, financial and energy sector third-party experts to provide advice and ensure due diligence was completed.

PSAS are principle based -- they are not a set of specific prescriptive rules. Applying them requires the application of professional judgment.

Our professional staff exercises judgment in applying the standards and as necessary consult with external experts and advisors. They provide the Office of the Auditor General with their written analysis on all significant issues that impact the financial statements for the year being audited, and they discuss the issues with the Office of the Auditor General.

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Q. Are you going to hire an expert advisory panel, as you did on the pension asset accounting matter, to settle this dispute with the Auditor General? If so, what authority would this panel have?

There are no plans to establish a panel at this time.

In developing Ontario's Fair Hydro Plan (OFHP), the government considered a range of implementation options and consulted with legal, accounting, financial and energy sector third-party experts to provide advice and ensure due diligence was completed.

The Province will continue to work with the Auditor General to build on the government's track record of responsible fiscal management and high quality financial reporting.

Independent Electricity System Operator (IESO)

The Auditor General was critical of the Independent Electricity System Operator's accounting changes, which formed part of her basis for a qualified opinion in the 2016-17 Public Accounts. Are these accounting changes inappropriate?

On recognizing market accounts' assets:

The Independent Electricity System Operator (IESO) began recognizing its market accounts' assets (amounts due from power distributors) and liabilities (amounts due to power producers) in its financial results. The IESO has chosen to recognize these markets accounts on its books for transparency reasons, as it better reflects its net financial position on behalf of the IESO-administered markets at year-end.

This accounting change was accepted by IESO's independent external auditor, which issued an unqualified, or "clean," audit opinion. These accounting changes were highlighted in the IESO's annual report which was published online in March 2017.

Further, this accounting is consistent with the presentation used previously by the Ontario Power Authority (which was merged with IESO on January 1, 2015) in its financial statements, which was not subject to qualification from the Office of the Auditor General (OAG) at that time.

This change has no impact to the Province's annual deficit, net debt or accumulated deficit.

This accounting change has been supported by the professional accounting staff of the Office of the Provincial Controller.

We will continue to work with the Auditor General to build on the government's track record of responsible fiscal management and high quality financial reporting.

On rate-regulated accounting:

The IESO made the decision to adopt rate-regulated accounting because it better reflects the economic substance of certain types of expenses that may not be directly recovered through the normal revenue requirement model.

The IESO, like Hydro One and Ontario Power Generation (OPG), is regulated by the Ontario Energy Board (OEB). The IESO adopted rate-regulated accounting for its year ended December 31, 2016. This accounting change was accepted by IESO's independent external auditor, which issued an unqualified, or "clean," audit opinion. These accounting changes were highlighted in IESO's annual report which was published online in March 2017.

Rate-regulated Accounting

Q. Why use rate-regulated accounting? What is its benefit?

In certain circumstances, an organization may be required to incur a large expenditure that will be recovered from ratepayers in the future.

For example, damage caused by an ice storm that results in extraordinary costs to restore a disruption of electricity services for customers. Such costs are subject to application and approval for recovery by the regulator over a specific time period.

What rate-regulated accounting does is it allows organizations to recognize those costs, which can be significant within a year but will generate benefits over time, to be matched over the same period that the amounts are recovered from ratepayers.

Q. The Auditor General says that the Independent Electricity System Operator's decision to adopt rate-regulated accounting was a deviation from Public Sector Accounting Standards, and cautioned against its use in her Independent Auditor's Report. Why was this change made and was it appropriate?

Canadian Public Sector Accounting Standards (PSAS) are effectively silent on this issue – they neither explicitly permit, nor prohibit, the recognition, measurement, presentation, or disclosure of rate-regulated activities.

In the absence of a clear position on an issue, standard accounting practice dictates that an entity should consult other accounting standards.

Paragraph 11 of the *Introduction to Public Sector Accounting Standards* ("Introduction") states: "When applying the CPA Canadian Public Sector Accounting (PSA) Handbook, where the standards are silent on an issue, public sector entities should apply Generally Accepted Accounting Principles (GAAP), Section PS 1150."

In this case, the Independent Electricity System Operator (IESO) consulted U.S. Generally Accepted Accounting Principles (GAAP), the appropriate accounting framework in North America that provides guidance on rate-regulated operations.

The IESO made the decision to adopt rate-regulated accounting because it better reflects the economic substance of certain types of expenses that may not be directly recovered through the normal revenue requirement model.

The IESO, like Hydro One and Ontario Power Generation (OPG), is regulated by the Ontario Energy Board (OEB). The IESO adopted rate-regulated accounting for its year ended December 31, 2016. This accounting change was accepted by IESO's independent external auditor, which issued an unqualified, or "clean," audit opinion. These accounting changes were highlighted in IESO's annual report which was published online in March 2017.

It is worth noting that currently 8 out of 9 electricity system operators in North American markets employ accounting for rate-regulated assets, including IESO.

Q. The Auditor General says that the use of rate-regulated accounting is inappropriate for the Independent Electricity System Operator (IESO) and the Ontario Energy Board (OEB) according to U.S. Generally Accepted Accounting Principles. How do you respond?

In commenting on the use of rate-regulated accounting and the role of the Ontario Energy Board (OEB), the Auditor General's report makes reference to a requirement under U.S. accounting standards in connection with the use of rate-regulated accounting that "there must an independent regulator." This reference is misleading as it does not provide the criteria in its entirety, which is as follows:

"The entity's rates for regulated services or products provided to its customers are established by or are subject to approval by an independent, third-party regulator ***or by its own governing board empowered by statute or contract to establish rates that bind customers"*** *[ASC 980-10-15-2].*

The U.S. accounting standard was developed specifically to not preclude the application of rate-regulated accounting by government utilities where the rate regulator would not necessarily be viewed as independent (FAS 71, par. 64).

In addition, the position that rate-regulated accounting is precluded because the OEB is not considered independent of the government of Ontario is contradictory to accepting the use of rate-regulated accounting by Ontario Power Generation (OPG) and Hydro One – both of which are regulated by the OEB and whose results, using rate-regulated accounting, are and have been included in the consolidated financial statements of the Province.

IESO Response:

Canadian Public Sector Accounting Standards (PSAS) are effectively silent on this issue – they neither explicitly permit, nor prohibit, the recognition, measurement, presentation, or disclosure of rate-regulated activities.

In the absence of a clear position on an issue, standard accounting practice dictates that an entity should consult other accounting standards.

In this case, the Independent Electricity System Operator (IESO) consulted U.S. Generally Accepted Accounting Principles (GAAP), the appropriate accounting framework in North America that provides guidance on rate-regulated operations.

Legislated Accounting

Q. The Auditor General says that you are essentially making up your own accounting rules. How are Ontarians supposed to believe things like a "balanced budget" when you keep changing the rules?

The *Ontario Fair Hydro Plan Act, 2017* and its related regulations **do not** create accounting rules or legislate the accounting. This is a fundamental disagreement the government has with the Auditor General's report.

The OFHP operates under a financial and accounting framework that is appropriate for its intended purpose. It is in accordance with Public Sector Accounting Standards (PSAS) and ensures the goals underlying the program are achieved in a cost-effective manner.

The Province, as always, will prepare its consolidated financial statements in accordance with Public Sector Accounting Standards (PSAS). The recording of any asset resulting from transactions of OFHP will be assessed for recognition and measurement based on PSAS, and where appropriate, other accounting guidance where PSAS is silent on the issue.

Q. The Auditor General says that the Province legislated accounting through the Ontario Fair Hydro Plan Act, which is not allowed according to Public Sector Accounting Standards (PSAS). Is this true?

The *Ontario Fair Hydro Plan Act, 2017* and its related regulations **do not** create accounting rules or legislate the accounting. This is a fundamental disagreement the government has with the Auditor General's report.

The Province, as always, will prepare its consolidated financial statements in accordance with Public Sector Accounting Standards (PSAS).

As PSAS is set by an independent standard-setting body in Canada focused specifically on the public sector, and because PSAS is used by all senior governments in Canada, presenting financial statements in accordance with PSAS results in transparent financial reporting for the Province of Ontario.

PSAS are principle based – they are not a set of specific prescriptive rules. Applying them requires the application of professional judgment.

Our professional staff exercises judgment in applying the standards and as necessary consult with external experts and advisors. They provide the Office of the Auditor General with their written analysis on all significant issues that impact the financial statements for the year being audited, and they discuss the issues with the Office of the Auditor General.

The role of the Ontario Energy Board (OEB) and its mandate is provided in legislation. It is not uncommon for government policy, through regulations, to provide the ground rules over which the OEB is to preside.

This is the case with Ontario's Fair Hydro Plan (OFHP) itself, as the Act and the various regulations provide the direction and processes over which the OEB is to exercise oversight, review, and make conclusion on submissions brought forward.

Relationship with the Office of the Auditor General

Q. The Auditor General alleges the government withheld information from her on the accounting treatment for Ontario's Fair Hydro Plan. Why would she say that?

The government is committed to assisting the Office of the Auditor General so that it can provide its independent views to the Legislative Assembly.

The implementation of Ontario's Fair Hydro Plan is ongoing, with significant accounting and financial decisions still being finalized.

Senior ministry officials have met and continue to work with the Office of the Auditor General by participating in interviews and providing documentation.

If pressed:

The Auditor General was informed throughout the course of this process. [NTD Program area to add details (i.e., number of meetings, documents, etc.)]

If asked about the Ministry of Energy emails:

The Ministry of Energy, Finance, and the Treasury Board Secretariat are committed to assisting the Auditor General. For questions related to the Ministry of Energy, please contact them directly.

Future Governments

Q. The Auditor General says that you are essentially handcuffing future governments with your financing structure. Why should future governments have to pay for your decisions?

By responsibly managing the Province's finances, Ontario balanced the budget in 2017-18, and will maintain a balanced budget for the future.

With a growing economy and a balanced budget, this is the time to make investments in key services that matter most to people, like health care and education, while at the same time lowering costs for necessities like electricity and child care.

Over the last decade the government has rebuilt our electricity transmission and distribution grid, invested in clean generation, and closed the last coal-fired power plant. Prices have increased because our electricity system is being transformed – more than $70 billion has been invested to modernize the system.

The government heard from people across the Province that the price of electricity had risen too quickly, which is why Ontario's Fair Hydro Plan (OFHP) will ensure costs are shared more fairly over the years ahead.

As Ontario invested in renewing our electricity system, the government invested in many new generating facilities, most of which operate under 20-year contracts. Some of these generators are expected to provide value to the electricity system beyond their contract lives. There is an opportunity to recognize the long-term benefit of these assets to the electricity system and "bring forward" that benefit for ratepayers today by deferring some of the current costs.

To relieve the current burden on ratepayers and share costs more fairly, a portion of the Global Adjustment (GA) is being refinanced. Refinancing the GA is providing significant and immediate rate relief by spreading the cost of electricity investments over the expected lifecycle of the infrastructure that has been built.

In the early years, a portion of the costs covered by the GA is being refinanced to reduce pressure on today's electricity ratepayers. In later years, the cost of refinancing will be recovered from ratepayers.

OFHP is delivering the single-largest reduction in electricity rates in the Province's history. In developing OFHP, the government considered a range of implementation options and consulted with legal, accounting, financial and energy sector third-party experts to provide advice and ensure due diligence was completed.

OFHP operates under a financial and accounting framework that is appropriate for the intended purpose and ensures the goals underlying the program are achieved in a cost-effective manner.

The government recognizes that a fiscally sound approach to managing the Province's finances will provide the foundation for the long-term well-being and prosperity of Ontarians, and protect the public services that Ontarians rely on.

For further questions related to Ontario's Fair Hydro Plan, please contact the Ministry of Energy.

From:	Gadi Mayman
To:	Helen Angus (MOHLTC); Serge Imbrogno (ENERGY); Scott Thompson (CAB)
Cc:	"Cindy.Veinot@ontario.ca"; Steen Hume (CAB); Mike Manning; Bonnie Lemcke; Karen Hughes (MGS); Anna Strathy
Subject:	FW: Moody"s will be sending their credit opinion shortly
Date:	Monday, January 29, 2018 3:33:45 PM

This is not public yet, so please don't share yet, but will likely be published by Moody's in the next few days. To try to look at this in the most positive way that I can, the good news is that their decision on how they're treating the FHT won't affect the province's rating at this time, but it does put us a step closer to a lower rating. Gadi

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From: Bonnie Lemcke
Sent: Monday, January 29, 2018 2:28 PM
To: Gadi Mayman
Cc: Anna Strathy ; Ken Kandeepan
Subject: Moody's will be sending their credit opinion shortly

They have decided to include the Fair Hydro Trust in the province's debt calculation They do not view this as self-supporting because there are no payments from ratepayers until sometime in the future. When the payments from the ratepayers start to pay that debt down they may change their view. This will not affect the province's rating at this time.
I will send you the report as soon as I get it

Bonnie Lemcke
Manager, Credit Analysis and Rating Relations
Ontario Financing Authority
416-325-8170 (w)
416-716-4092 (m)

From: Gadi Mayman
To: Scott Thompson (CAB); Helen Angus (MOHLTC); Serge Imbrogno (ENERGY)
Cc: Karen Hughes (MGS); "Cindy.Veinot@ontario.ca"; Steen Hume (CAB); Mike Manning
Subject: FW: New Issue Announcement - Fair Hydro Trust 2018-1
Date: Monday, January 22, 2018 3:34:17 PM

Hi Deputies, FYI, the process of going public with the first debt offering of the FHT has now begun. Next week Ken Hartwick and John Lee will do their cross-country roadshow, and the issue is expected to be launched and priced the following week – on the same schedule as had been discussed at our most recent breakfast club meeting.

The email announcement below is from RBC, one of the three lead underwriters, with CIBC and Goldman, of the transaction.

Gadi

From: Dorri, Sam [mailto:sam.dorri@rbccm.com]
Sent: Monday, January 22, 2018 2:54 PM
To: Gadi Mayman ; Mike Manning ; James Devine ; Carlos Yep ; Elizabeth Wallace
Cc: Caridia, Alex ; Martin, Kevin E ; Vijay, Shaaj ; Van Nest, Richard
Subject: New Issue Announcement - Fair Hydro Trust 2018-1

Dear Ontario Team,

Away from your impending Green transaction, we wanted to forward you some details and a short write-up on the announcement of the Fair Hydro transaction (that I'm sure you're aware of). Pricing is expected the week of Feb 5th – we'll keep you posted on any interesting questions or developments as they come through in the coming weeks.

This afternoon, Fair Hydro Trust (or "the Trust") announced cross-country marketing efforts in anticipation of its inaugural debt offering. The structure consists of three tranches of which only the Senior Notes will be offered and sold to institutional investors, while the Subordinated and Junior Subordinated will be retained. The inaugural offering of the Notes has an expected maturity date of May 15, 2033 (15.25 year term). RBC Capital Markets is acting as Joint Lead and Joint Bookrunner on the transaction. The roadshow schedule consists of luncheons, one-on-ones and a nationwide conference call. The events will be in Montreal on January 29th, in Toronto on January 30th and 31st and in Western Canada on February 1st and 2nd.

The Fair Hydro Trust offering is in connection with the Province of Ontario's Fair Hydro Plan ("FHP") announced on March 2, 2017, which proposed to lower the average electricity bill for eligible customers by 25%. The FHP is an initiative designed to ensure clean energy costs and clean energy benefits associated with Ontario's clean energy initiatives are fairly allocated among present and future residential consumers, small businesses and farms and to provide fairness for the aforementioned electricity users over time. The collateral consists of cost recovery receivables originated to fund the difference between what electricity users pay and what power generators are contractually owed. The Notes will be offered privately in Canada pursuant to an Offering Memorandum.

The Trust is being structured to be bankruptcy remote to Ontario Power Generation, who is acting as Financial Services Manager. The program is estimated to be $20 billion, split ~51% Senior debt, ~39% Subordinated debt, ~10% Junior Subordinated debt, with the financing program anticipated to be ~10-years.

Details of the Offering are as follows:

Issuing Entity:	Fair Hydro Trust ("FHT")
Seller and Servicer:	The Independent Electricity System Operator ("IESO")
Offered Securities:	Fixed Rate Bullet Senior Notes
Amount Offered:	C$●
RBC Role:	Joint Lead Manager / Joint Bookrunner

Class	**Senior Notes**	**Subordinated Notes**	**Junior Subordinated Notes**
Issuance Size:	C$●	C$●	C$●
Spread:	GOC +●	Placed with OPG	Placed with OPG
Expected Ratings (DBRS / Moody's):	AAA(sf)/ Aa2(sf)	AA(sf)/ Aa2(sf)	A(sf)/ Aa2(sf)
Expected Final Payment Date:	May 15, 2033	May 15, 2033	May 15, 2033
Term:	15.25 years	15.25 years	15.25 years
Payment Dates:	May 15th and November 15th	May 15th and November 15th	May 15th and November 15th

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From: Elizabeth Wallace
To: James Devine; Carlos Yep; Mike Manning
Subject: FW: New Issue Announcement - Fair Hydro Trust 2018-1
Date: Tuesday, March 27, 2018 12:07:05 PM
Attachments: FHT 2018-1 - New Issue Bulletin.pdf

Ontario's + 24bp

From: Dorri, Sam [mailto:sam.dorri@rbccm.com]
Sent: Tuesday, March 27, 2018 12:04 PM
To: Elizabeth Wallace
Subject: RE: New Issue Announcement - Fair Hydro Trust 2018-1

Calling you…

From: Elizabeth Wallace [mailto:Elizabeth.Wallace@ofina.on.ca]
Sent: March 27, 18 11:29 AM
To: Dorri, Sam
Subject: RE: New Issue Announcement - Fair Hydro Trust 2018-1

Sam,

Do you a write up from after the deal was done showing final deal details and spread to Ontario etc

From: Dorri, Sam [mailto:sam.dorri@rbccm.com]
Sent: Monday, January 22, 2018 2:54 PM
To: Gadi Mayman <Gadi.Mayman@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; James Devine <James.Devine@ofina.on.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>; Elizabeth Wallace <Elizabeth.Wallace@ofina.on.ca>
Cc: Caridia, Alex <alex.caridia@rbccm.com>; Martin, Kevin E <kevin.e.martin@rbccm.com>; Vijay, Shaaj <shaaj.vijay@rbccm.com>; Van Nest, Richard <richard.vannest@rbccm.com>
Subject: New Issue Announcement - Fair Hydro Trust 2018-1

Dear Ontario Team,

Away from your impending Green transaction, we wanted to forward you some details and a short write-up on the announcement of the Fair Hydro transaction (that I'm sure you're aware of). Pricing is expected the week of Feb 5th – we'll keep you posted on any interesting questions or developments as they come through in the coming weeks.

This afternoon, Fair Hydro Trust (or "the Trust") announced cross-country marketing efforts in anticipation of its inaugural debt offering. The structure consists of three tranches of which only the Senior Notes will be offered and sold to institutional investors, while the Subordinated and Junior Subordinated will be retained. The inaugural offering of the Notes has an expected maturity date of May 15, 2033 (15.25 year term). RBC Capital Markets is acting as Joint Lead and Joint Bookrunner on the transaction. The roadshow schedule consists of luncheons, one-on-ones and a nationwide conference call. The events will be in Montreal on January 29th, in Toronto on January 30th and 31st and in Western Canada on February 1st and 2nd.

The Fair Hydro Trust offering is in connection with the Province of Ontario's Fair Hydro Plan ("FHP") announced on March 2, 2017, which proposed to lower the average electricity bill for eligible customers by 25%. The FHP is an initiative designed to ensure clean energy costs and clean energy benefits associated with Ontario's clean energy initiatives are fairly allocated among present and future residential consumers, small businesses and farms and to provide fairness for the aforementioned electricity users over time. The collateral consists of cost recovery receivables originated to fund the difference between what electricity users pay and what power generators are contractually owed. The Notes will be offered privately in Canada pursuant to an Offering Memorandum.

The Trust is being structured to be bankruptcy remote to Ontario Power Generation, who is acting as Financial Services Manager. The program is estimated to be $20 billion, split ~51% Senior debt, ~39% Subordinated debt, ~10% Junior Subordinated debt, with the financing program anticipated to be ~10-years.

Details of the Offering are as follows:

Issuing Entity:	Fair Hydro Trust ("FHT")
Seller and Servicer:	The Independent Electricity System Operator ("IESO")
Offered Securities:	Fixed Rate Bullet Senior Notes
Amount Offered:	C$●
RBC Role:	Joint Lead Manager / Joint Bookrunner

Class	**Senior Notes**	**Subordinated Notes**	**Junior Subordinated Notes**
Issuance Size:	C$●	C$●	C$●
Spread:	GOC +●	Placed with OPG	Placed with OPG

Expected Ratings (DBRS / Moody's):	AAA(sf)/ Aa2(sf)	AA(sf)/ Aa2(sf)	A(sf)/ Aa2(sf)
Expected Final Payment Date:	May 15, 2033	May 15, 2033	May 15, 2033
Term:	15.25 years	15.25 years	15.25 years
Payment Dates:	May 15th and November 15th	May 15th and November 15th	May 15th and November 15th

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RBC Capital Markets

Fair Hydro Trust

NEW ISSUE BULLETIN
February 13, 2018

Fair Hydro Trust, Series 2018-1
C$500MM of Senior Secured Asset Backed Notes

Fair Hydro Trust, a bankruptcy remote entity established in connection with the Ontario Fair Hydro Plan Act, 2017 (the FHPA) successfully priced the first ever, Canadian ABS transaction backed by utility cost recovery charges

Fair Hydro Trust, Series 2018-1

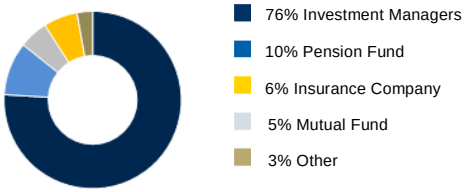
Issuer	Fair Hydro Trust ("FHT")			
Notes	Fair Hydro Trust, Series 2018-1 ("FHT 2018-1")			
Bloomberg Ticker	FRHYD			
Financial Services Manager	Ontario Power Generation ("OPG")			
Servicer	Independent Electricity System Operator ("IESO")			
Capital Structure	**Class**	**Senior**	**Subordinate**	**Junior Subordinate**
	Size (C$MM)	500.000	382.353	98.040
	DBRS/Moody's[1]	AAA / Aa2	AA / Aa2	A / Aa2
	Expected Principal Payment Date (years)	15.25	15.25	15.25
	Credit Spread (bps)	92 bps	+120 bps	+152 bps
	Coupon	3.357%	3.637%	3.957%
Pricing Date	February 6, 2018			
Closing Date	February 9, 2018			
RBC Capital Markets Role	Structuring Lead Agent / Joint Bookrunner			

(1) DBRS and Moody's rating are "(sf)"

ISSUE HIGHLIGHTS

- FHT 2018-1 marks Canada's first issuance of ABS backed by utility cost recovery charges
- FHT 2018-1 was offered privately in Canada pursuant to a Shelf Offering Memorandum and Term Sheet
- The transaction is comprised of three classes of notes:
  - Senior Notes were offered privately to institutional investors, and Subordinate and the Junior Subordinate Notes were placed with OPG
  - Senior Notes represent 51% of the overall offering
- The deal was announced on Monday, January 22, 2018 and all deal related documents were made available to investors prior to the roadshow
- The transaction capitalized on FHT's deal-related, cross-country roadshow held between January 29th and February 2nd
- The offering was very well-received, as evidenced by an order book that was multiple times oversubscribed which allowed the transaction to be upsized and price at the low-end of guidance

INVESTOR BREAKDOWN



From:	Ken Kandeepan
To:	Mike Manning; Carlos Yep; James Devine
Subject:	FW: OPG Equity Injection - closing date March 22
Date:	Friday, March 16, 2018 12:22:22 PM
Attachments:	2018-03-16- Signed Share Subscription Form.pdf 2018-03-16- Memo Authorizing Funds.pdf 2018-03-16- Signed FAA Certificate.pdf

---

FYI.
Thanks
Ken k

From: Talwar, Shruti (ENERGY) [mailto:Shruti.Talwar@ontario.ca]
Sent: Friday, March 16, 2018 12:21 PM
To: Ken Kandeepan ; John Kim ; John Psinas ; SETTLEMENT ; CASHP
Cc: Graham Young (MOI) ; Ogunrinde, Deni (ENERGY) ; Sud, Manu (ENERGY) ; Pratima Gounden (ENERGY) ; Asokan Sadasivan (MEDTE/MRI) ; Sawwaf, Khareem (ENERGY) ; Thouin, Alena (ENERGY) ; Yordi, Samer (ENERGY)
Subject: OPG Equity Injection - closing date March 22

Hello all,

OPG made a formal request to the Ministry of Energy on March 14 for the second equity injection. As per our MOU with the OFA, attached are the following signed documents:

1. Share Subscription Form
2. FAA Certificate
3. Memo authorizing release of funds to OPG

OFA should have what it needs from ENERGY to make the payment to OPG. Please let me know by today if there are any questions or issues.

Thank you
Shruti

Shruti Talwar
Director, Strategic Policy and Analytics Branch
Strategic, Network and Agency Policy Division
Ontario Ministry of Energy
416.325-8698
shruti.talwar@ontario.ca

SUBSCRIPTION FOR SHARES

TO: **ONTARIO POWER GENERATION INC.** (the "**Corporation**")

The undersigned hereby subscribes for 4,627,343 Class A Shares of the Corporation at the price of $43.74 per share and tenders payment in full of the purchase price. The undersigned represents and warrants to the Corporation that the undersigned is purchasing such shares as principal and is a "security holder of the Corporation" within the meaning referred to in subsection (2) of section 2.4 of National Instrument 45-106 of the Canadian Securities Administrators.

Please register the shares in the name of the undersigned. The undersigned will advise the Corporation if the undersigned ceases to be the sole beneficial owner of the share.

Distribution date: March 22, 2018

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

By: _____
Name:
Title:

Attachment A to Exhibit B of Master Share Subscription Agreement

Calculation of Equity Injection for
Investment Asset Purchase in March 2018
representing the accumulated balance from December, 2017 - February, 2018 ("Period")

(A)	Purchase Price per Transfer Notice from IESO	460,000,000.00
(B)	Percentage Funded by Equity	44.0%
(C)	Total Equity Required for Period (AxB)	202,400,000.00
(D)	Class A share purchase price[1]	43.74
(E)	Number of Class A shares to be issued (C/D)	4,627,343.0

1. Based on December 31, 2017 financial statements

Ministry of Energy

77 Grenville Street
6th Floor
Toronto ON M7A 2C1

Tel: (416) 326-5572

Ministère de l'Énergie

77, rue Grenville
6e étage
Toronto ON M7A 2C1

Tél: (416) 326-5572

Ontario

March 16, 2018

MEMORANDUM TO: Alfonso Soriano, Manager, Cash Management
Finance and Treasury Division, OFA

FROM: Carolyn Calwell, Assistant Deputy Minister
Strategic, Network and Agency Policy

SUBJECT: Authorizing the Release of Funds to Ontario Power Generation Inc.

I am hereby authorizing a payment (through wire transfer) in the amount of **$202,400,000** to Ontario Power Generation Inc. (OPG) on March 22, 2018 as consideration for the subscription for **4,627,343** Class A shares Shares of OPG.

The bank account information of OPG is provided below:

Bank: Bank of Nova Scotia
Address: 44 King Street West Toronto, Ontario MSH 1H1
SWIFT Code: NOSCCATT
Branch Transit: 47696
Bank Code: 002
Account Number: 476960302716

Ontario Power Generation Inc.
Treasury
700 University Avenue
Toronto, Ontario
M5G 1X6

The IFIS account code string to be used to record the above transaction is:

029-290505-0000-981671-141085-0000-0000-0000

Sincerely,

Carolyn Calwell, Assistant Deputy Minister
Strategic, Network and Agency Policy

CERTIFICATE

Ministry of Energy Subscription for Class A Shares of Ontario Power Generation Inc.

Ontario Power Generation Inc. ("OPG ") has delivered to the Ministry of Energy (the "Ministry") a share subscription dated **March 22, 2018** (the "Share Subscription") pursuant to the Master Share Subscription Agreement between the Ministry and OPG dated November 22, 2017.

The Share Subscription requests payment by the Ministry to OPG in the amount of **$202,400,000** as consideration for the subscription for **4,627,343** Class A shares of OPG (the "Subscription Payment").

The Ministry is required to pay the Subscription Payment out of amounts appropriated by the Legislature for that purpose for the fiscal year in which the payment is made (the "Appropriated Amount").

Section 11.4 (1)(c) of the *Financial Administration Act* provides that the Subscription Payment shall not be made unless a person authorized under that section certifies that OPG is eligible for or entitled to the Subscription Payment.

I Carolyn Calwell, Assistant Deputy Minister, as delegated by the Minister of Energy, hereby certify that

i) There is a sufficient Appropriated Amount from which to make the Subscription Payment, and
ii) OPG is entitled to the Subscription Payment.

Dated: March 16, 2018

Carolyn Calwell
Assistant Deputy Minister
Strategic, Network and Agency Policy

From: Parvez Daruwalla
To: Mike Manning; David Peters; Jean-Paul Lamoureux; Elizabeth Wallace; James Devine; Carlos Yep; Edwin Wong
Subject: FW: Ontario Fair Hydro Bonds Offer Fat Yield And Political Baggage
Date: Tuesday, June 05, 2018 9:49:37 AM

-----Original Message-----
From: Tyler Elyea
Sent: Tuesday, June 05, 2018 9:48 AM
To: Parvez Daruwalla <Parvez.Daruwalla@ofina.on.ca>
Subject: Ontario Fair Hydro Bonds Offer Fat Yield And Political Baggage

Ontario Fair Hydro Bonds Offer Fat Yield And Political Baggage https://www.bloomberg.com/news/articles/2018-06-05/even-investors-are-holding-their-nose-over-ontario-s-hydro-bonds

From:	Anna Strathy
To:	Ken Kandeepan; Ronald Kwan
Cc:	Usman Zahid; Gadi Mayman; Mike Manning
Subject:	FW: Potential C.D. Howe Institute Commentary, our project code: 18-PUB-0464
Date:	Thursday, February 01, 2018 3:41:23 PM
Attachments:	A Shadow Budget for Ontario 2018-2019 - external review.docx A Shadow Budget for Ontario 2018-2019 - external review.pdf

---

Hi Ken, Ron,

Apologies for passing this along a little late, but Office of the Budget is looking for our comments on the attached commentary by C.D. Howe which describes a Shadow Budget for Ontario.

There is content related to the fiscal outlook (and our net debt-to-GDP forecast), the Fair Hydro Plan, and Electricity Policy. Could you/your staff please review the content related to your areas of expertise and provide any edits or comments in track-changes? I'm clarifying timelines, but it sounds like Office of the Budget is looking for something before eod tomorrow.

Mike, FYI only, unless you see anything in here that you would like to comment on.

Thanks, Anna

From: Esmail, Selena (MOF) [mailto:Selena.Esmail@ontario.ca]
Sent: Thursday, February 01, 2018 10:52 AM
To: Anna Strathy
Cc: Birks, Ryan (MOF)
Subject: FW: Potential C.D. Howe Institute Commentary, our project code: 18-PUB-0464

Hey Anna – do you know who in your shop is looking at this stuff? Tim has asked us to coordinate comments on this from across the Ministry and so I'd like to pass along a point person and timelines – we are looking for track changes or other issues that the DM may want to pass along for EOD tomorrow. Let me know! Thanks.

From: Schuurman, Tim (MOF)
Sent: January-25-18 3:23 PM
To: Esmail, Selena (MOF)
Subject: FW: Potential C.D. Howe Institute Commentary, our project code: 18-PUB-0464

Have a look and see if we have any views. I"ve also circulated to OFA and our friends in Nancy's area.

Tim

From: Thompson, Scott (MOF)
Sent: January 25, 2018 3:16 PM
To: Schuurman, Tim (MOF); Lewis, Brian (MOF)
Cc: McLean, David (MOF)
Subject: FW: Potential C.D. Howe Institute Commentary, our project code: 18-PUB-0464

FYI

From: C.D. Howe Institute Peer Review <peerreview@cdhowe.org>
Date: Thursday, Jan 25, 2018, 2:43 PM
To: Thompson, Scott (MOF) <Scott.Thompson@ontario.ca>
Subject: Potential C.D. Howe Institute Commentary, our project code: 18-PUB-0464

Dear Mr. Thompson,

Re Potential C.D. Howe Institute Commentary, our project code: 18-PUB-0464

I hope you are well, and have the time and inclination to support the C.D. Howe Institute's research on Canadian economic policy by reviewing a potential Institute publication. I enclose a draft provisionally titled "**A Shadow Budget for Ontario, 2018-2019."** The views of

experts such as you will be critical in our decision as to whether to publish this paper and what changes would be desirable if we did proceed to publication.
We look forward to receiving any comments you may have. While we will copy-edit the paper thoroughly should it proceed to publication, we welcome comments of all types – on the logic, the facts, the policy recommendations, and matters of exposition.
Because timeliness enhances the value of policy papers, we would appreciate receiving your comments by **Thursday, February 8, 2018**. We have approached you for comment because your thoughts are particularly important to us, in light of your interest and expertise in the issues discussed in this paper. Please let us know if you will be unable to comment by that date.
You are welcome to send your comments by email (**peerreview@cdhowe.org**), regular mail, or fax – whichever is most convenient for you.

For clarity, the attached is a confidential anonymous review draft and we trust that you will not cite or circulate it beyond your office.

We will treat review comments as anonymous throughout the review process. If you wish to be identified as a reviewer in the acknowledgements section of the finished paper, should it proceed to publication, please let us know at the time you provide comments, and we will be happy to acknowledge your contribution in the publication.
Thank you in advance for any views you may wish to share on this paper.

Sincerely,
Daniel Schwanen
Vice-President, Research
C.D. Howe Institute
Phone: 416-865-1904
Fax 416-865-1866

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A Shadow Budget for Ontario, 2018-2019

*Draft not for circulation

January 24, 2018

As Ontario enters an election year, the policy debate will likely involve the difficult choices the province faces regarding the fiscal outlook and long-term sustainability of a number of government programs. The budget the provincial government puts in place for the 2018-19 fiscal year will lay out a framework for the debate in the coming months.

To aid this debate, the C.D. Howe Institute has launched its inaugural Shadow Budget for Ontario, following similar Shadow Budgets at the federal level (see last year's edition from Robson, Laurin, and Wyonch 2017). This Shadow Budget shows that the fiscal course the province is currently on is unsustainable. This Shadow Budget would act to bring the long-term cost of government in line with the revenue-raising capacity of the province. It would balance increases in spending and cuts to poorly designed taxes with new ways to generate revenues and reducing spending on ineffective programs.

Although providing specific costing of programs is outside of the scope of this Shadow Budget, it presents an overview of policy directions that balance increases in spending with generating new revenues and cost-savings measures. This Shadow Budget proposes to:

- Restate the province's books to reflect the Auditor General's concerns about incorrect treatment of pension assets and electricity-sector debt;
- Reduce future expense growth to reach a balanced budget as soon as possible;
- Adopt long-term fiscal policy – which requires surpluses, not just balanced budgets – that meets the government's debt-to-GDP target ratio of 27 percent;
- Contain healthcare costs by extending capitated payments to family doctors and revising contractual arrangements with healthcare providers;
- Slow the increase in the minimum wage and focus on improving education and to create economic opportunities for Ontarians;
- Adopt an indigenous identifier in standardized test and oversample indigenous students to permit reliable rural-urban and district-level analysis;
- Modernize funding formulas for post-secondary education by taking outcomes into consideration;
- Reform the school curriculum with an emphasis on improving math performance;
- Open retailing for alcohol and marijuana and revising the tax scheme for both products;
- Adopt personal income tax reforms that reflect the cost of raising children, while reforming personal income taxes to lower high marginal rates, which occur even at low incomes;
- Replace targeted business tax breaks with lower provincial business property taxes to create a level playing field across the province and across different types of businesses;
- Rethink the fiscal relationship between municipal government and the province by retooling grants and transit governance while modernizing municipal financial reporting to match that of the province;
- Reduce the cost that governments impose on building new housing;
- Retain the plan to price greenhouse gas emissions, but re-focus the government plans to spend money raised by such a price away from cost-inefficient programs; and
- Seek out long-term cost savings in the electricity sector, as opposed to short-term fixes that only add to the long-term cost of energy.

The Fiscal Outlook

This Shadow Budget adopts the consensus view of the independent officers of the Ontario legislature – the Auditor General and Financial Accountability Office – as the authoritative outlook of the short-, medium-, and long-term fiscal outlook. While the government may claim to have balanced the budget for 2017-18,

that declaration is in the eye of the beholder and the medium- and long-term fiscal outlook for Ontario is dire.

Cleaning up Ontario's Books – The Short Term Deficit Debate

The government has made the argument that it has reached a balanced budget. However, the Auditor General has two specific objections related to this claim because of the government's accounting treatment of pensions and whether the recent Fair Hydro Plan amounts to new spending.

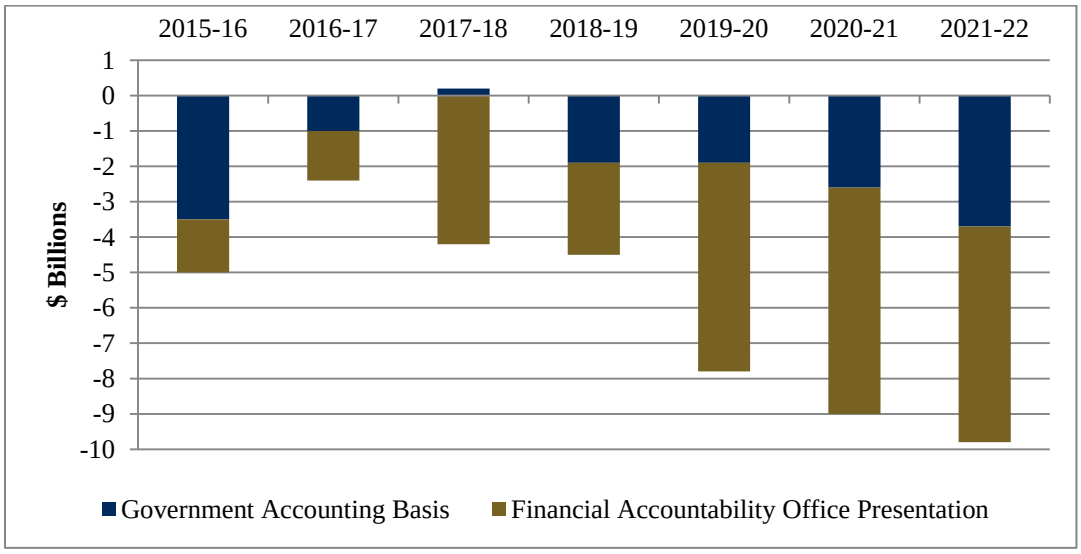
The pension dispute centres on the government's treatment of the Ontario Teachers' Pension Plan (OTPP) and the Ontario Public Service Employees' Union Pension Plan (OPSEUPP). The province has decided to report the full asset value of the plan on the province's balance sheet, which neglects the fact that future retirees already have a claim on these assets. Doing so reduces the deficit and the Auditor General (2016) objects to this. Further, as Robson and Laurin (2016) argue, the government discounts OTPP and OPSEUPP liabilities by more than the plans do themselves. This understates the liabilities provincial taxpayers face.

However, the view of the Auditor General is not universally shared. The Ontario government appointed a Pension Asset Expert Advisory Panel to advise on the difference of opinion between the government and Auditor General. The Panel's Report (2017) argued that an asset does exist for the government, saying that the government does have sufficient access to the plan's assets, if even just through reducing contributions to the plans, to merit including it. However, given that we have taken the Financial Accountability Office's presentation of financial data, which is independent of both the government and the Auditor General, we have decided to use the presentation of provincial finances as recommended by the Auditor General.

The second dispute hinges on the Fair Hydro Plan. As the Auditor General (2017a) points out, the government "is making up its own accounting rules" by creating an accounting asset for a government-controlled entity to offset the debt the province placed on another government-controlled entity. The asset the government created only exists because of legislation that gives a government entity the authority to collect higher prices in the future. The true value of this asset should be zero, or highly discounted, because of great uncertainty of the ability to collect higher prices in the future. For example, electricity markets may change because of technology, making it impossible for a central government agency to collect future revenues to pay this debt. As such, this debt should be reflected in the province's financial statements now. Incorporating the debt amount in today's books means that the proper accounting treatment would increase the deficit by $2.5 billion per year through to 2027.

This Shadow Budget would restate the province's books to reflect the Auditor General's concerns. It would restate the province's finances to show a deficit in the upcoming 2018-2019 fiscal year to be about $7 billion (Figure 1).

Figure 1: Ontario Budget Balance



Source: Financial Accountability Office of Ontario. Does not include reserve fund. 2017-18 and beyond are projections by the Financial Accountability Office.

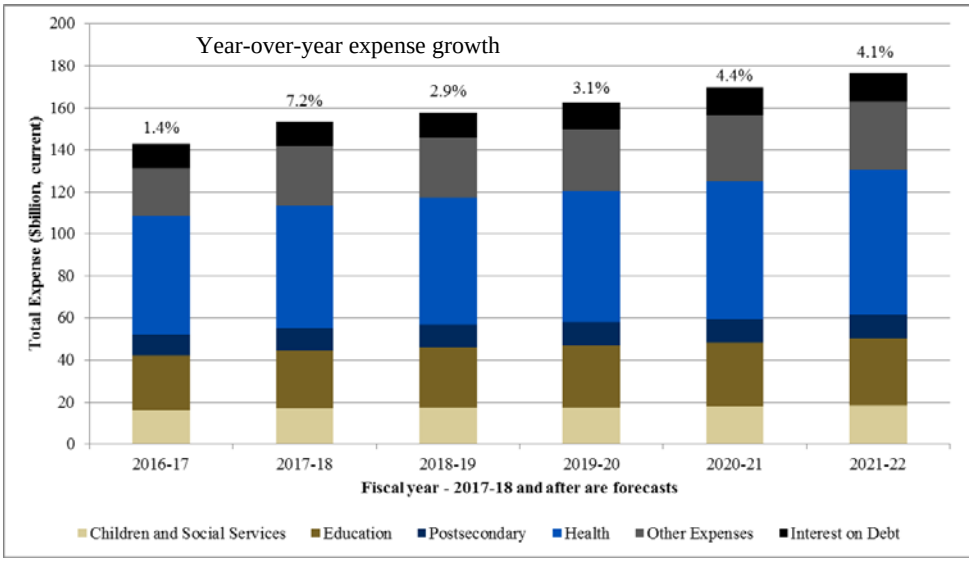
Medium-term Fiscal Sustainability

The question of whether there is a deficit for the 2017-18 fiscal year is far less important, from the point of view of the sustainability of public finances, than future trends. Under current trends, the deficit would rise to nearly $10 billion by 2021-22 (Figure 1), according to the Financial Accountability Office (2017a). These long-term deficits will return because of two main causes: the deficits the government should account for under the Fair Hydro Plan, as discussed above, and fast-rising expenses. Future revenues are not likely to grow as fast in the future as in previous years because of a number of factors, such as one-time revenues that have come in recently and economic growth that is likely to slow. Further, the Financial Accountability Office (2017a) argues that the government has made overly optimistic revenue forecasts that rely on above-trend income growth in the province and corporate income tax receipts.

The province can look to balance its budget in the near future in a number of ways. First, it can look to increase revenues. It can do so through short-term revenue gains such as sales of provincial assets – as this Shadow Budget will suggest in more detail below. Alternatively, it can raise tax rates, such as the provincial component of the HST. Or, it may seek more grants from the federal government. However, aside from hiking tax rates, none of these steps to increase revenues are directly within the control of the province or offer more than a single year's worth of solutions.

The province must address fast-growing spending to reduce future deficits. The first trend that this Shadow Budget would address is the projected pattern of total spending growth. 2017-18 spending is forecast to grow at over 7 percent over the previous year's spending. This kind of spending growth is unsustainable. Future expenses beyond 2020 of over 4 percent are also likely unsustainable. This Shadow Budget would aim to reduce future expense growth to reach a balanced budget as soon as possible.

Figure 2: Ontario Provincial Spending and Year-over-Year Spending Growth Rates

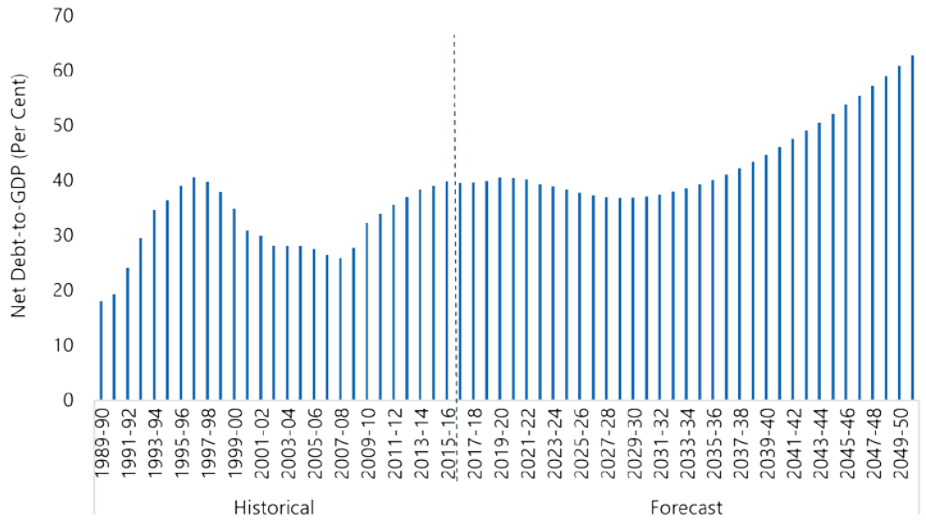


Source: Financial Accountability Office of Ontario

Long-term Fiscal Sustainability

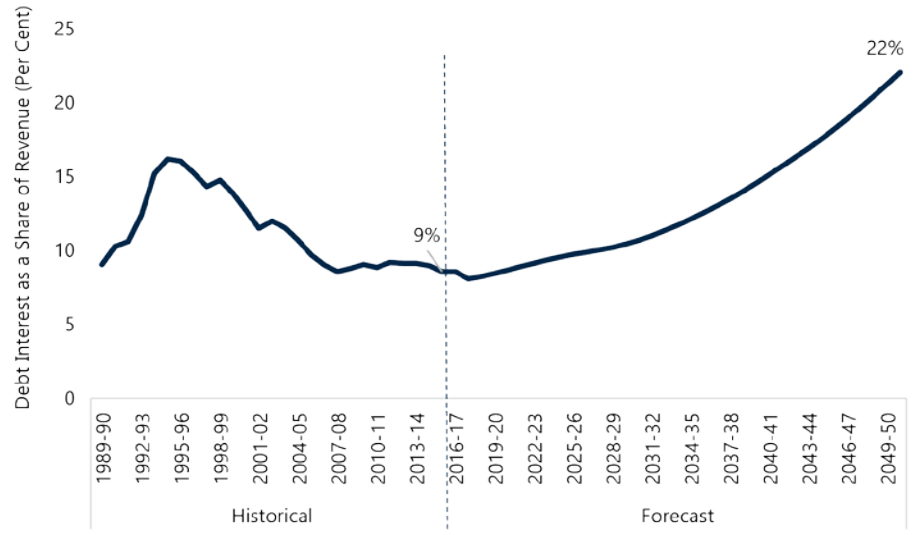
Balanced budgets will not be enough for Ontario to be fiscally sustainable. The government has targeted a net debt-to-GDP ratio of 27 percent, a sensible target that is similar to that of the federal government of 25 percent of GDP. This Shadow Budget would continue pursuing such a target and take the necessary action to achieve it within 15 years. As the Financial Accountability Office (2017b) projects, achieving 27 per cent requires the province to run budget surpluses until 2033-34. If the province continues on the current trend, and not run first balanced budgets and then surpluses, the net debt-to-GDP ratio will reach 63 percent by 2050-51 (Figure 3).

Figure 3: Net-Debt-to-GDP, Under Current Fiscal Trajectory



Source: Financial Accountability Office of Ontario

Figure 4: Interest Expense as a Share of Revenue



Source: Financial Accountability Office of Ontario

If the government doesn't tackle the long-term fiscal challenges, the cost of debt will take up an enormous share of total government revenues. Interest costs currently sit at 9 percent of revenues; at current trends, interest costs will increase to 22 percent in 2050-51 (Figure 4). If debt costs take up a large share of total revenues, that will leave less for other needs.

Health Policy

Given that Ontario spends roughly half of its own-source revenues (which excludes transfers from the federal government) on health, getting good value for money in healthcare will be critical for the financial and societal well-being of Ontarians. Although the province has successfully contained the annual growth of healthcare spending from 2010 to 2015 to 2.4 percent, on average, the rate of health spending is starting to tick upwards again alongside worries about emergency room overcrowding, long waits for long-term care beds as well as overburdened caregivers . Progress on addressing these issues – in addition to limiting public and private gaps in coverage for prescription drugs, dental services and mental health – while allocating reasonable increases for health spending, is a critical challenge.

Efforts to enable self-directed homecare services – such as recent moves to increase the number of hours nurses, personal support workers, and therapists will provide care in homes – should help alleviate the emergency room pressures for elderly patients, and these programs should continue to expand on their current trajectory. Relative to providers, patients with mild to modest physical disabilities are more likely to know the abilities of family and informal caregivers to offer care and their schedules, and which services they would prefer to have delivered by other health professionals. Although there are some legitimate concerns about patient's ability to choose among groups of healthcare professionals to meet their needs, there should still be enough flexibility around the use of self-directed home care budgets to ensure appropriate innovation from those delivering services. This means sufficient flexibility in how patients select and schedule professional help.

Ensuring that people without private insurance for dental, drug and mental health services get access to services is also a priority for healthcare policy. On this score, there are a number of avenues to ensure appropriate coverage and do so at minimal public cost, including the expansion of these services among the most vulnerable (Blomqvist and Busby 2016, Busby and Pedde 2014). This Shadow Budget would look at new ways to revise contractual arrangements with providers – pharmacists, dentists and dental hygienists, and phycologists – to improve the efficiency of spending in these areas.

Although government needs to spend more money to improve access to mental health services, more money alone will not ensure that all illnesses get treated in appropriate timeframes. It may be more advantageous to give a greater share of the overall budgetary spending on physiologists to hospitals and primary care doctors for outpatient needs.

The way in which the province pays for the delivery of health services matters. Paying hospitals, hospital-based doctors and necessary outpatient services for a needed intervention often results in silos of poorly coordinated care. This Shadow Budget would instead look at more bundled payments by procedure for hospital-based services (Sutherland and Hellsten 2017). And in primary care, this Shadow Budget would extend capitated payments to family doctors to include budgets for enrolled patient drugs, lab and diagnostic imaging budgets as part of the evolution in payment reforms for family doctors (Blomqvist and Busby 2011).

Labour and Education Policy

Many governments are struggling to respond to the challenges of precarious work – employment that is often more insecure and uncertain than traditional full-time employment, with greater prevalence for part-time work. Further, as wage gaps exist between temporary or part-time vis-à-vis full-time workers, policymakers have recently passed legislation intended to bridge these differences. While there are no ideal policy levers for addressing these issues, it should be recognized that, in general, increases to the minimum wage are a reasonable option available to policymakers. However, gradual and evaluated increases to the minimum wage are the best way to increase minimum wages over time. Ontario's recent, large increase in the minimum wage means that the right response for government should be to pause and evaluate. One particular concern is the impact on smaller municipalities that risk being most negatively affected.

This Shadow Budget would amend the current minimum wage in two ways, as recommended by Marchand (2017). First, it would allow for regional variation in minimum wages. This Shadow Budget would allow upper-tier and single-tier municipalities across the province the option to return to a lower minimum wage for a five-year period. New York has a similar policy, in which the minimum wage is highest in New York City than in other parts of the states. Second, this Shadow Budget would build a provision into the minimum wage legislation to reduce it in the case of a recession, as California has recently done.

As trade, technology and worker preferences continue to change the dynamic for skills desired by employers, a competitive labour force will need an abundance of core numeracy and literacy skills. For Ontario, the news on these scores is mixed. On literacy, the results are strong (EQAO 2015). In terms of numeracy, however, the results are alarming – only half of all grade 6 students in the province meet the provincial standard for numeracy and its OECD Programme for International Student Assessment (PISA) scores have plummeted over time, from 530 in 2003 to 509 in 2015, one of the largest drops among Canadian provinces, putting Ontario statistically below the average in Canada(Richards 2017). This needs

fixing. This Shadow Budget would continue the province's re-examination of the math curriculum and pedagogy, where the effectiveness of different pedagogies should be explored as potential causes (Stokke 2015). This Shadow Budget would also look at teacher preparedness and consider evaluating teacher knowledge in subject matter with the administration of student exams to teachers prior to the academic year. Insufficient results should require immediate intervention.

Furthermore, collecting, analysing, and reporting educational outcomes are essential to closing the achievement gap between more and less advantaged students. Including a question that identifies indigenous student in PISA tests is a great way to track educational achievement of indigenous students and help educators and policymakers to design more effective strategies to improve outcomes. The province should also oversample to ensure sufficiently large sample of indigenous student to produce reliable estimates at the district level and to perform urban/rural analysis (Richards and Mahboubi, forthcoming).

Many OECD countries consider Performance-Based Funding (PBF) systems for their post-secondary education, but Canadian provinces, including Ontario, lag behind in adopting this innovating way of financing. Usher (forthcoming) shows the benefits associated with PBF include less burden of funding negotiations, higher accountability of the post-secondary institutions, and greater competition between institutions, leading to a greater focus on results. A similar approach to competition in grants for research has been effective at improving the performance within universities, and should apply to universities themselves. The government needs to review its funding formula and learn from the experience of other developed countries.

Tax Policy

Commodity Taxation

Alcohol

In 2015-16, the Liquor Control Board of Ontario (LCBO) paid the provincial government a dividend of $1.9 billion. It also remitted $867 million to the federal and provincial governments in Harmonized Sales Tax, excise taxes and customs duties (LCBO 2016). In addition to the LCBO, there is a system of beer and off-winery stores, which operate as a quasi-monopoly thanks to government regulation. Masson and Sen (2014) find that freeing up alcoholic beverage retailing would result in increased government revenue, lower prices, and more convenience. They find that, other factors being equal, Western Canadian provinces with more beverage alcohol retail competition had 7 percent more per capita provincial alcohol profits than provinces with government-run monopolies. The province has begun to introduce beer sales at grocery stores. However, it has done so slowly with limits on the amount of sales by the store. This Shadow Budget would go further by auctioning licenses for other retail outlets. It would also auction licences for off-winery stores to other wineries and also to new wine retailers. The result would be increased provincial revenues and more choice for Ontario consumers.

This Shadow Budget would also revise taxation of alcoholic beverages. Currently, tax rates are fixed by type of beverage, currently ranging from 52 cents per litre to $1.06 per litre, depending on the type of manufacture, not alcohol strength. Wine is taxed as a percent of sale value and sprits are taxed at up to 38 cents per litre plus a percentage of the retail price. This Shadow Budget would graduate the tax on alcohol

to relate to alcohol content. This reform would target the health problems caused by alcohol, which is directly in line with the alcohol content of any drink (The Economist 2013).

Marijuana

The federal government has legalized marijuana for recreational consumption with legal sales scheduled to begin in July. The main policy objectives driving marijuana legalization are the improvement of public health and the minimization of the black market and its associated criminal activity. Ending the prohibition of marijuana involves coordination between all levels of government. Provinces must determine the structure, distribution, and regulation of the retail market and jointly determine taxation levels of marijuana with the federal and municipal governments.

Ontario has announced that it will restrict retailing of recreational marijuana to LCBO-run stores. Only 40 of these locations will be in place by next July 1, the federal target date for legalization, with a total of 150 locations expected by 2020. The province missed the opportunity to have a competitive market for retail marijuana. Independent businesses have an incentive to locate where market demand isn't being met and competition between businesses constrains operating costs and keeps prices low. Lower prices in the legal market make it more likely to be competitive with the existing black market.

The province's decision to enter the market also implies considerable resources will be expended in the construction and maintenance of stores, higher salary expenditures and other overhead costs. These will be met at the expense of other sectors, which will receive lower government funding.

Having few retail locations means that access to recreational marijuana will be inconvenient for a significant number of Ontarians. Recreational consumers are highly unlikely to switch their dollars to the regulated market if there isn't easy access. This means that there will be significant opportunity for the black market to continue operating in all the areas without enough legal stores to meet market demand or that are convenient to access. (By contrast, there are more than 650 LCBO outlets in the province.) Further, to levy penalties against illicit businesses will require significant justice and police resources. And since there won't be enough regulated retail outlets to meet market demand, it is likely that at least some of these businesses will still find it profitable to operate. This Shadow Budget would make retailing of marijuana competitive and allow for the licensing of privately-run retail stores. This could take the form of entirely private retail, as in Alberta. Alternately, licensed establishments could operate alongside government retail stores and deliver better market coverage faster than the crown corporation on its own.

Ontario has joined the federal government’s proposed coordinated excise tax framework for recreational marijuana. While Crown-corporation retail isn’t particularly competitive in terms of convenience, keeping taxes low will help ensure that the legal market will be price competitive with the illicit market. The tax rate on dried cannabis flowers will be $1 per gram or 10 percent, whichever is higher, with 75 percent of the revenue going to the provincial government. The revenue from this excise tax will initially be modest, bringing in $50 to $95 million in 2018 and $175 to $200 million annually by 2021.

Gasoline and Fuel

The government should be concerned about the prospect of declining revenues from fuel and gasoline taxes, which will intensify as vehicles become more fuel efficient and become increasingly electric. This Shadow Budget would begin a study of the potential to replace fuel taxes with tolls for use. Further, the best solution for traffic congestion is a road toll. Road pricing could also bring the price that drivers pay for

infrastructure they use closer to the actual cost of it. Gas taxes (which are about 75 to 80 per cent of road-related revenues), vehicle licences and other revenues from drivers have covered less than two-thirds of roadway expenses across Canada since 2008. Taxpayers should only subsidize transportation to the extent that it encourages broader access to all in society and the government should review whether a one-third subsidy is the appropriate amount of taxpayer subsidy for roads.

Personal Taxation

Income taxes affect individual and business incentives to earn income, save, invest, and take risks. Excessively high taxes at the margin can also drive tax avoidance behaviour.

At the personal level, the impact of income tax variations on work participation decisions is particularly acute for the secondary earner in families with children and lower-skilled workers. In general, lower income, less educated people have a greater tendency to adjust their paid work behaviour through workforce participation decisions, while more-educated workers and high-income earners tend to adjust through the number of hours they work (Duclos et al. 2015).

High income earners' taxable income has been shown to be particularly responsive to high marginal tax rates – through both tax planning avoidance behaviour and earnings decisions (Laurin 2015). And the sensitivity to rate changes is higher at the provincial level in response to provincial rate changes than at the federal level in response to federal changes. This is because high-income earners can take advantage of provincial tax rate differences by shifting their income tax attributes and work locations to the most tax-advantageous province (Milligan and Smart 2014).

Provinces like Ontario with one of the highest top combined federal and provincial marginal tax rates of over 53 percent on high-income earners should aim to reduce that rate to a level at or below 50 percent. The responsiveness to the change would have a beneficial impact on the tax base that would ensure a very low fiscal cost for the policy. Furthermore, the income tax system should be clear and transparent. Ontario has a surtax notionally in place for health care expenses. However, this tax is treated as general revenue. The province should replace this surtax and set income tax rates and brackets that transparently show the marginal tax rate people are paying.

Other tax changes should aim to lower the burden of taxes on secondary earners in family with children. This Shadow Budget would reform the tax recognition of child care expenses through the replacement of the child care expense deduction with the introduction of a new refundable tax credit for child care expenses. It would encourage stay-at-home parents to join the workforce, producing extra tax revenues, considerably limiting the net fiscal cost of its implementation (Laurin and Milligan 2017).

Also, typical labour arrangements are changing with technological change. Workers are becoming less attached to a single employer and move around more freely between projects and contracts. Their incomes are also more prone to be fluctuating from year to year – a period of low earnings followed by a year of higher earnings, or vice versa. But a worker with fluctuating income may end up paying more tax (and losing more income-tested government benefits) than another worker with a flat income profile but earning the same amount over a period of years. Wen and Gordon (2017) find that Canada's "fluctuation tax penalty" is most severe for individuals who earn lower incomes or are self-employed. This Shadow Budget would lessen the impact of fluctuating incomes on tax liability by allowing workers to average their

income over many years, so that any single large earning year would not lead to a disproportionate loss of fiscal benefits and higher tax payments.

Business Taxation

A properly designed business tax regime would provide for a common provincial tax rate for all businesses operating across the province, regardless of their location or sector. However, Ontario's tax regime selectively rewards a number of sectors, such as manufacturing, through the income tax system while punishing companies with overly high provincial property tax rates. The province of Ontario can simplify its tax regime, create a more level playing field across sectors and the province, and reduce the effective tax rate on new business investment all without reducing overall provincial revenues.

Eliminating Wasteful Business Tax Expenditures

The largest tax expenditure in the corporate income tax system, by far, is the Small Business Deduction, which costs Ontario over $2 billion in foregone revenue. A better alternative to the Small Business Deduction is a lower general corporate income tax rate. That is because the net impact of the Small Business Deduction is an expansion of the small business sector at the expense of large businesses. Since small firms are less productive than large firms, the Small Business Deduction lowers overall economic performance (Dachis and Lester 2015). This Shadow Budget would not proceed with any further cuts geared to small business.

Most Canadian provinces provide a tax incentive for innovation. They mimic the federal tax system which provides eligible businesses with a Scientific Research and Experimental Development (SR&ED) credit. Ontario provides a non-refundable tax-credit worth 3.5 percent of the value of eligible expenses for firms to deduct from their taxes. The total innovation tax incentive for Canadian businesses is one of the highest in the world, but Canada consistently lags behind international peers on measures of business innovation (Parsons 2011). The Ontario SR&ED credit comes at a large fiscal cost: a tax expenditure of $150 million in the 2017 calendar year (Ontario 2017). Instead of targeting up-front tax credits for innovation, a better solution to encouraging innovation is with a low overall income-tax rate (McKenzie 2006). In addition, the province provides manufacturing and processing businesses a preferential lower tax rate than those in the rest of the economy: 10 percent instead of the usual 11.5 percent. This lower rate cost taxpayers $290 million in the 2017 calendar year.

This Shadow Budget would eliminate the Ontario SR&ED credit and the lower rate for manufacturing and processing, and use that revenue to cut high provincial property tax rates that choke investment, as discussed below. It would also initiate a comprehensive review of tax expenditures to determine whether the existing tax expenditures are still appropriate or whether they should be redesigned as deductions or credits (see Robson and Laurin 2017). Tax expenditures can be removed when shown to be no longer effective, as the government has already committed to eliminating ineffective tuition and education tax credits, as recommended by Neill (2013).

Cutting Provincial Business Property Taxes – A Revenue Neutral Cut in Investment Taxes

Ontario took over the local education property tax from local school boards in 1998. School boards had widely varying tax rates across the province and by property type when the province took over. The province immediately made its residential tax rate the same for all residents across the province. It's a different story for businesses. Each year since 2007, the province has set a maximum tax rate, called

the ceiling rate, and a lower target rate designed to be revenue-neutral for the province. The province committed in its 2007 budget to lower higher rates down to the target rate over time, but the province has stalled on tax cuts since 2013.

The provincial property tax still varies wildly across cities and for different buildings within cities (See Figure 5a and 5b, which shows provincial rates for commercial and industrial properties). Provincial commercial property tax rates in some Ontario municipalities are more than three times those in others. The provincial tax is highest on industrial property across much of Southern Ontario. As Found (2017) shows, the average provincial business property tax rate is more than 6 times its residential counterpart.

Figure 5a: Provincial Commercial Property Taxes in Southern Ontario

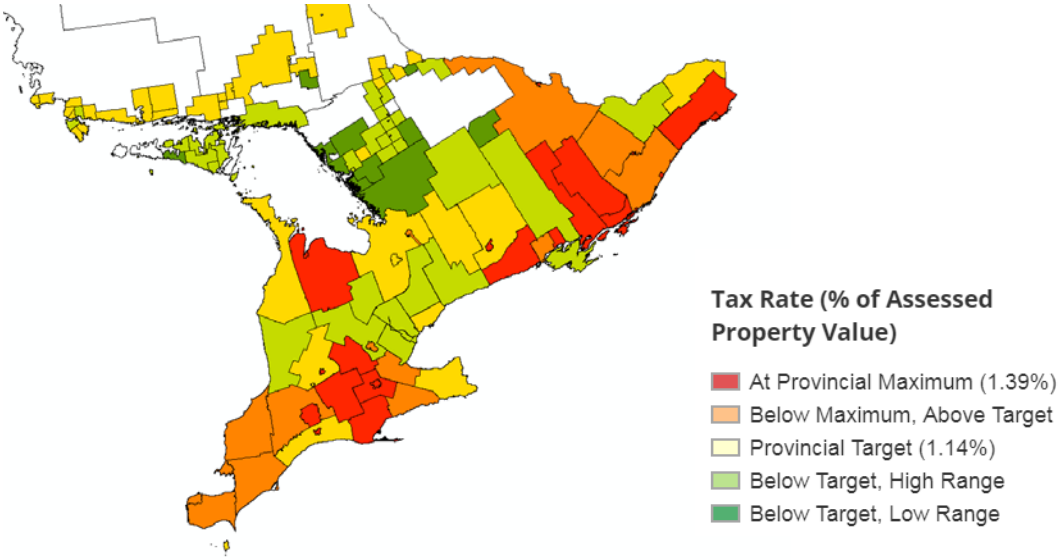
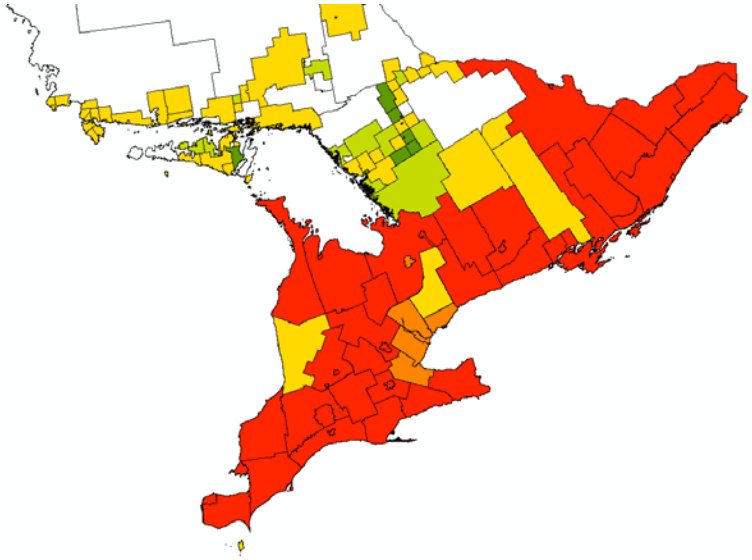


Figure 5b: Provincial Industrial Property Taxes in Southern Ontario



Source: Jacobs, Dachis and Found (2017). Results include Northern Ontario. Hollow areas not subject to provincial property tax.

Cities collect the money on behalf of the province after receiving a regulation from the province of how much to collect. In the 2017-18 fiscal year, the province will collect $6 billion in property taxes, which it reports as general revenue. Since different education tax rates by region have nothing to do with local school spending, each school board now gets a provincial top-up grant in order to level the playing field. Each school board`s total revenue is based on its enrolment and the needs of students, not the value of buildings in the area. That means the provincial property tax now has no bearing on school boards' spending. Yet, the province still uses the misleading name "education property tax" to describe it on tax bills.

These high property taxes have a large economic cost. Property taxes act like a tax on capital, specifically building capital. A tax on capital reduces the incentive to invest, resulting in lower investment which leads to lower productivity and therefore income and standards of living of Canadians. A 10 percent increase in commercial property tax rates decreases the long-run value of the business property assessment base by 8.2 percent. At the average level of business property taxation in Ontario, a $1.00 business property tax hike costs the Ontario economy $5.56 (Found 2017). Higher taxes shrink the tax base, which makes it harder for governments to raise revenues. The total business tax rates in some cities across Ontario – such as London, Windsor and Brantford – are so high that cities and the province might see revenues increase if they cut their taxes to attract more business investment.

This Shadow Budget proposes to complete the harmonization of business property tax rates. To make such a tax reform revenue-neutral, it proposes to eliminate the SR&ED credit and the lower manufacturing and processing corporate income tax rate and reduce provincial business property taxes that would reduce revenues by the same amount saved. Such a change would have a number of benefits. First, it would create a more level playing field across different types of businesses that currently face different tax rates. Secondly, it would improve fairness in the provincial property tax regime across the province. Third, a revenue-neutral property tax reduction would lower the marginal effective tax rate on new investment in most parts of the province – and almost all of Southern Ontario – by more than any increase in provincial income taxes would increase the effective rate. Property taxes have an especially large effect on tax costs on investment because they are insensitive to profit and are akin to a direct tax on capital (Found and Tomlinson 2017). Such a reduction in provincial property taxes would be largest for the same sectors that would see a removal of their special, lower income tax rate, across most of Southern Ontario.

Housing, Municipal, and Infrastructure Policy

This Shadow Budget would seek to lower the cost of housing across the province by taking steps to reduce barriers to construction and eliminating economically costly rent controls and transfer taxes. It would also fundamentally change the relationship between municipalities and the province by granting cities the ability to put their budgets on a sound financial footing and allow them more flexibility in financing infrastructure.

A Smart Housing Plan

The cost of housing in Ontario has increased dramatically in recent years. According to data from Brookfield's Real Property Solutions, home prices the Greater Toronto Area increased by more than 250 percent between January 2005 and the end of the 2017. In response, the province has taken steps such as introducing taxes on foreign buyers and rent controls. The government's policies have focused mostly on curtailing the demand of housing.

On April 20, 2017, the province introduced a 15 percent Non-Resident Speculation Tax in the Greater Toronto Area. This transfer tax is substantially higher than the existing provincial land transfer tax that has a maximum rate of 2.5 percent. Land transfer taxes such as these have a high economic cost of reducing the mobility of households (see Dachis 2012 and Dachis, Duranton, Turner 2008). In addition, land transfer taxes are highly volatile and present a large fiscal risk to the province if the housing market has a serious downturn (Ngo, Angastiniotis, and West 2017). This Shadow Budget would immediately eliminate the additional 15 percent tax and look to begin reductions in the general land transfer tax in future fiscal years.

On the same day, the province expanded rent control to all rental units in the province, rather than only those built before 1991, as was the case prior. Rent control is one of the few economic policies around which there is a solid, evidence-based consensus about its long-term effect on the cost of housing: it does not lower it in the long-run (Kronick 2017). The likely result of rent control is that housing developers will not build rental housing knowing they face a cap on potential returns, while facing no commensurate cap on their investment risk. The result will be fewer units available, leading to housing shortages. This Shadow Budget would phase out rent control on all rental units. It would start by reducing the extent to which rent control binds the market by increasing the allowable increase, doing so annually until eventual repeal. Rather than rely on rent control, this Shadow Budget would embrace the recent federal decision to create a Canada Housing Benefit that provides low-income renters with the funds to seek a wide range of market-priced rental units (Canada 2017). This Shadow Budget would re-orient financial support for housing construction, which is often part of transfers to local governments, as discussed below, to match the federal contribution in creating the Canada Housing Benefit.

Reducing the Cost of Housing

There is strong evidence that restrictions and extra costs on building new housing – such as zoning regulations, delays on permit approvals, development charges, and limits on greenfield housing development – are dramatically increasing the price of housing. Dachis and Thivierge (forthcoming) find that a limited lowering of these restrictions can reduce house prices in some municipalities in the Greater Toronto Area by around $100,000.

What can the province do to reduce supply barriers? Toronto heavily uses a clause in the provincial *Planning Act* – the legislation governing municipal zoning policy – that allows it to require additional payments from developers in exchange for a site-specific variance from zoning bylaws (Moore forthcoming). These additional payments, known as section 37 payments for the relevant part of the *Act*, increase uncertainty for developers and therefore increase the cost of housing. In addition, municipalities have an incentive to keep zoning bylaws out of date because updating them would take away the future section 37 payments. This Shadow Budget would place greater restrictions on the use of section 37 of the *Planning Act*, which would result in municipalities having a greater incentive to set more appropriate zoning regulations.

Developers pay development charges to compensate municipalities for the cost of building municipal infrastructure that services homes and commercial properties in a newly developed area. The largest single component of these charges is for water and wastewater construction (Dachis forthcoming). This Shadow Budget would require that cities replace development charges for water and wastewater infrastructure with volumetric uses fees that reflect capital costs. Such a move would reflect a change to a utility-based model and encourage conservation of water.

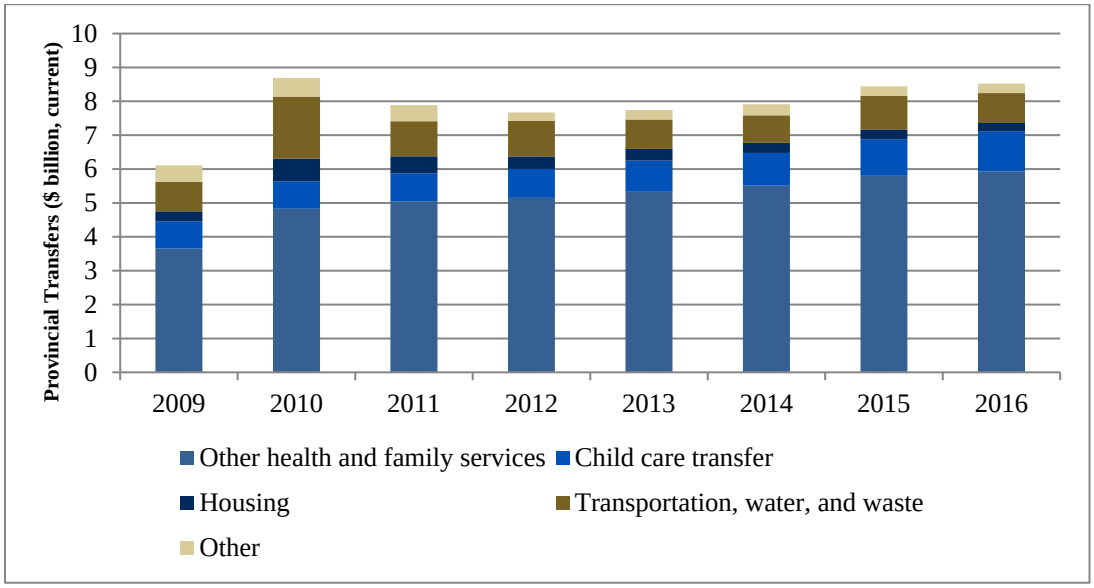
Finally, housing developers in GTA cities are facing a shortage of land available for new housing development (Clayton 2015). The primary cause is not because of the Greenbelt, a policy that forbids development on certain agricultural and parkland. Dachis and Thivierge (forthcoming) find that the main land-supply driven cause of higher house prices is not the Greenbelt, but the Growth Plan for the Greater Golden Horseshoe, a policy that requires cities in the GTA to approve a certain share of their homes within existing urban development boundaries and at a certain density. This Shadow Budget would relax the density and intensity targets that may not be appropriate across all cities subject to the Growth Plan while preserving the Greenbelt.

Rethinking Relative Municipal and Provincial Fiscal Health

One of the province's largest expenditures is on grants to municipalities. Transfers to municipalities have increased since 2009, including a large spike in 2010 to support infrastructure stimulus projects. Transfers to municipal governments from the province are now over $7 billion (Figure 6). Indeed, this trend is set to accelerate. In January of 2017, the province committed to double the amount of the fuel tax it transfers to municipal governments for transportation investment (Jones 2017). Ontario transferred $335 million in provincial gas tax revenue to municipal governments in 2017, and made a commitment to double the funding to bring the total transfer to $642 million by 2021-22.

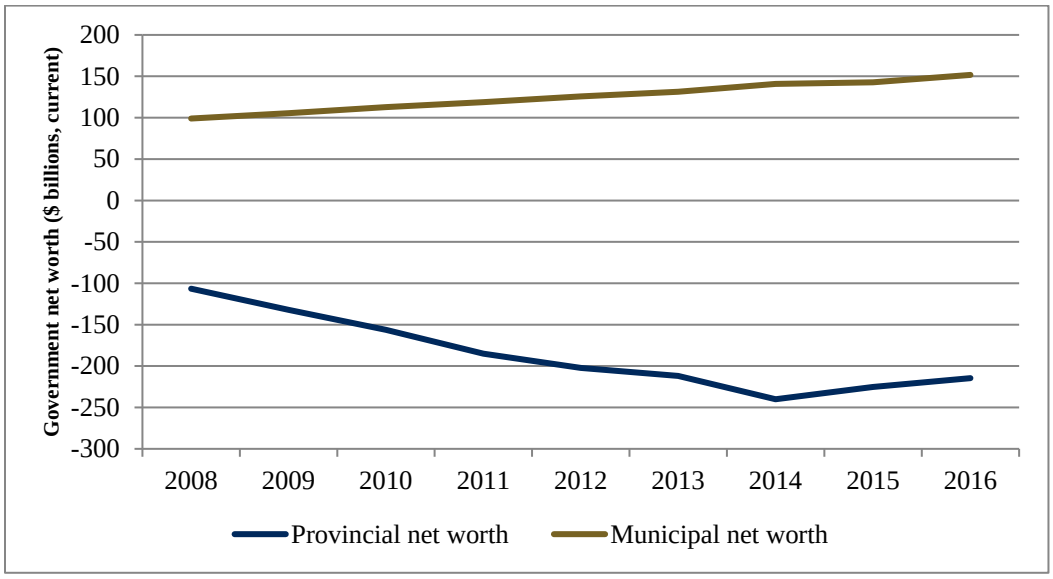
The largest share of transfers is for health services – such as public health – and for childcare benefits. The latter, in particular, are dispersed to municipalities under a complex set of qualification criteria. These programs are ripe for review and evaluation, as their impact on workforce participation and the ability for single-parent and underrepresented families to engage in the labour force are critical. The child care transfer has increased by nearly 50 percent since 2008 reaching $1.2 billion in 2016, suggesting that a review of the program is in order

Figure 6: Ontario Provincial Transfers to Municipalities, 2009-2016



Source: Authors' calculations from Ontario Financial Information Return. Note: Some small cities have not yet submitted their 2016 financial information.

Figure 7: Ontario Provincial and Municipal Net Worth, 2008-2016



Source: Authors' calculations from Cansim Tables 385-0034 and 385-0037.

Does it make sense for the province to send such grants to municipal governments? Ontario's municipalities are, on average, in better fiscal shape than the provincial government. They are major investors in capital assets, but unlike the province, whose chronic deficits have resulted in financial liabilities that vastly exceeds its financial and non-financial assets, Ontario municipalities have positive net worth. They have borrowed to finance some capital assets, but the value of their assets exceeds their debt by a substantial margin. In the nine years from 2008 to 2016, Ontario municipal governments have increased their net worth by more than 50 percent, registering an increase of over $50 billion (Figure 7). In contrast, provincial net indebtedness has approximately doubled over that time, even after a slight improvement in net asset values over the last two years.

The Important Difference between Municipal and Provincial Accounting

How did such a fiscal health imbalance come about? Transfers are often the result of cities claiming they are struggling to meet their service or infrastructure demands and then calling on the province for support. However, the way that cities present their budgets, especially relative to the way the province reports its finances, makes municipal finances appear more precarious than they actually are. Ontario municipalities typically use cash accounting in their budget.[1] However, the province – as well as municipal end-of-year financial statements – uses the accrual accounting standard. Accrual-based budgets appropriately do not record the entire cost of capital items as expenses in the year of the cash outlay, but apply annual amortization over their useful live. Figure 7 presents municipal and provincial finances on the equivalent accrual financial basis.

Presenting councillors with budgets that show outlays on such assets as in-year expenses (as cash budgeting does), rather than amortizing them as they deliver their services (as accrual accounting does),

[1] A common practice is to show expected cash outlays in a "capital" budget alongside an "operating" budget for items to be consumed and expensed during the year.

likely leads municipalities to delay or reject some capital projects they would otherwise approve. It also likely leads them to finance the projects they do approve by raising revenues up front, rather than by borrowing and servicing the debt over the period the project yields its benefits. The result is that today's taxpayers – whether through property taxes, grants to cities, or development charges on houses – are paying disproportionately more than they are receiving in municipal services.

Reframing the Municipal-Provincial Financial Relationship

This Shadow Budget would cancel the proposed doubling of the amount of provincial fuel taxes that the province transfers to municipal governments. In fact, it would go further to limit transfers to cities. As above, this Shadow Budget would begin a long-term commitment to reducing property taxes levied by the province. Every dollar of provincial property tax reduction creates tax room that municipalities can decide to take up. Cities would have the freedom to choose how best to finance local services or whether to increase or reduces taxes and services.

The province's commitment to double gasoline tax transfers to municipalities emerged as a response to the City of Toronto's request for the province to enact an enabling regulation permitting it to introduce a toll on municipally owned highways. The province forbade Toronto from the move, offering all cities the gasoline tax transfer instead. This Shadow Budget would allow cities the ability to introduce road pricing without requiring a provincial regulation, as long as the intention and design of the toll is to reduce congestion, not as a purely revenue-raising option.

In addition, instead of allowing cities to have parcel-by-parcel zoning amendments, as discussed above, this Shadow Budget would expand the ability of cities to put in place a tax-increment financing plan for major infrastructure. This would allow cities to capture some of the increase in property values that result from a new transportation or other municipal investment that increases the value of nearby properties (Found 2016).

Finally, this Shadow Budget would require municipal governments to produce their beginning-of-year budgets on an accrual basis. Importantly, it would not require that cities produce a balanced budget every calendar year and would instead enact a review of the appropriate fiscal and economic benchmarks that cities should adhere to under an accrual accounting system. A revised budget process would allow cities the flexibility they need to finance long-term infrastructure without relying on provincial grants or upfront revenues.

Transit Governance

Originally created in 2007, Metrolinx started with the intent of creating a regional transit plan for the Greater Toronto and Hamilton area with a board made up of local government officials. Two years later, Metrolinx expanded to become the GO Transit operator. The province then removed the local government officials from the Metrolinx board, which is now made up of people appointed by the province.

How can the region overcome local opposition to changes while finding a way to act in the regional interest? Right now, it's easy for local politicians to pass blame around, especially to an unelected transit board. One proposal is to create a single, amalgamated transit operator for the whole Greater Toronto Area

(Gill, Kelcey, Parker, 2017). But rather than amalgamation, which has shown to not result in significant savings (Bish, 2001, Found 2012), another approach is to restore the role of municipal governments on the board of Metrolinx.

Toronto should follow the Vancouver model, in which provincial legislation tasks a Mayor's Council made up of representatives from each of the region's 21 municipalities to appoint a board of Translink, the regional transit coordinating body. Translink has many subsidiary companies that operate transit services under contract (Translink 2017). The regional transit body is the regional coordinator, less than it is a regional authority and another new layer of government (Spicer and Found 2016). The reformed Metrolinx can contract with subsidiary transit operators, private contractors, or municipal governments that can supplement Metrolinx-supported routes.

Greenhouse Gas and Energy Policy

Greenhouse Gas Policy

This Shadow Budget would continue to increase the price on greenhouse gas emissions. This Shadow Budget does not take a position of the merits of a cap-and-trade program as opposed to a carbon tax. A carbon tax would be simpler to administer than a cap-and-trade program and would also generate more revenue for the province of Ontario. On the other hand, a cap-and-trade program that allows Ontario to link with the emissions permit market in California and Quebec allows for a lower cost on emissions to meet the same reduction target. Trading emissions permits across borders and between markets allows emissions reductions to occur wherever it is cheapest to do so, reducing the overall cost (Thivierge 2017).

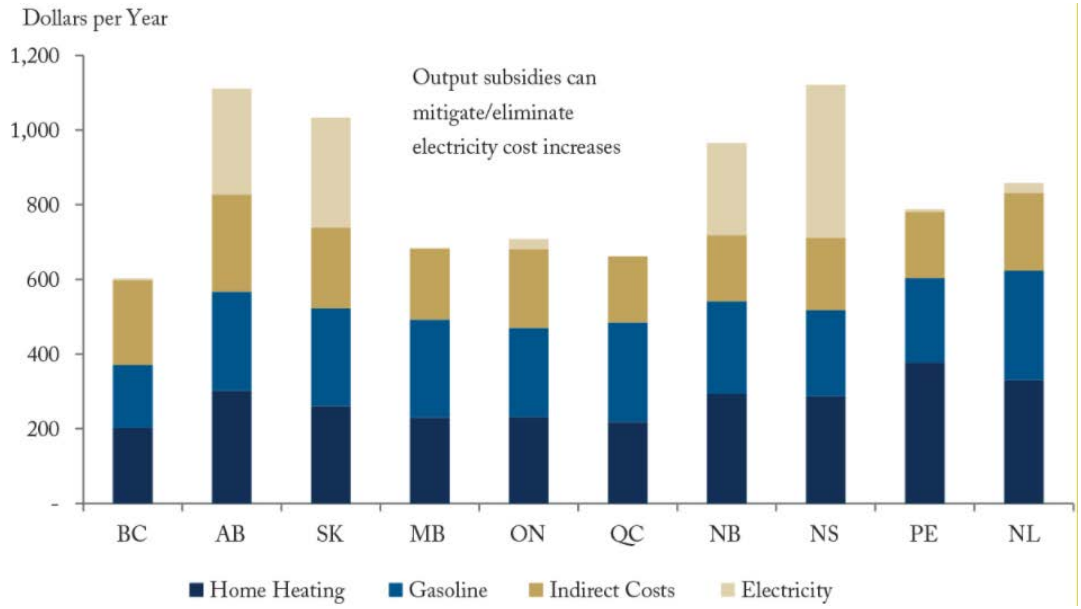
If prices on emissions rise to $50 per tonne, which they are set to with federal government policy, the upfront cost to the average Ontario household would be around $700 per year (Figure 8). However, the final cost to consumers will depend on how governments recycle that revenue back to households. It is on how the government plans to use the revenues from a carbon price that this Shadow Budget proposes a change of direction for the province of Ontario.

Eliminate Energy Efficiency Programs and Consumer Subsidies

The current plan for the government of Ontario is to spend between $6 and $8.3 billion over five years on projects intended to further emissions reductions beyond that planned to occur using the existing cap-and-trade policy (Ontario 2016). The government plans to finance the subsidies with revenues from an auction for permits that greenhouse-gas-emitting companies must buy. Many of the proposed spending programs are exceptionally costly. For example, subsidies to retrofit apartments will cost as much as $900 million over five years. They will cost taxpayers $425 per tonne of GHG emissions reduced, much higher than any reasonable estimate of future carbon prices. Another example of a wasteful subsidy is the Electric Vehicle Incentive Program, which provides incentives of up to $14,000 per electric vehicle.[2] These kinds of subsidies are regressive and economically costly ways to further reduce emissions (Rivers and Shiell 2015). Other announced programs will not have a direct cost to taxpayers, but will be costly to drivers, homeowners and businesses. The government is planning to boost the amount of renewable content in gasoline and natural gas. Renewable-fuel mandates push the cost onto consumers and are an economically expensive way to reduce emissions (Auld 2008).

[2] See http://www.mto.gov.on.ca/english/vehicles/electric/electric-vehicle-incentive-program.shtml

Figure 8: Cost of a $50/tonne of CO_2 price on typical household



Source: Dachis and Tombe (2017) from Jennifer Winter.

This Shadow Budget would eliminate nearly all of these existing subsidies and mandates and instead use the revenue to reduce taxation on households and businesses. The exact design of the tax cuts is outside of the scope of this Shadow Budget, but such a tax cut should promote two principles. First, it should reduce the average cost to businesses of emissions pricing while still providing a marginal incentive for them to reduce emissions. Second, households should receive tax cuts broadly in proportion to the cost of emissions pricing as a share of their income. This would mean tax cuts and enriching renewable tax credits geared to low-income families, for whom energy costs are a large share of total income.

To ensure industrial competitiveness, this Shadow Budget would adopt one of two paths. This Shadow Budget would prefer to adopt Alberta's emissions pricing policy, which is similar to the federal system. Producers in Alberta face little competitive disadvantage under this model. Although emitters pay the full cost of their own emissions, they receive a credit per unit of output, with the amount of the credit based on a provincial average emissions benchmark. Companies still have a strong incentive to reduce their emissions while having a minimal net impact on the competitiveness of industrial emitters. Indeed, companies with below-average emissions are better off in this system. This Shadow Budget would adopt a similar system if the cap-and-trade program is no longer the most effective means of putting a price on emissions. If, on balance, removing the apparatus of a cap-and-trade program for industrial emitters is too costly, it would preserve the system of allocating some permits for free to industrial producers.

Promote Long-term Energy Research

As research from Popp (2016) shows, a carbon price will drive 95 percent of the lowest-cost emissions reductions to meet reduction targets. Subsidies for energy adoption, as has been common in Ontario with electricity polices, encourages firms to use technology that is closest to market. Subsidies for adoption don't solve a market failure and don't encourage innovation. However, there is a market failure for longer-term energy research. The benefits of such research are broad, but the returns to firms of doing such research are relatively smaller, uncertain, and if they materialize at all will be far in the future. On their

own, research subsidies would achieve about 10 percent of economically efficient emissions reductions (Popp 2016). As such, this Shadow Budget would devote around 10 percent of revenues from an emissions price to long-term research.

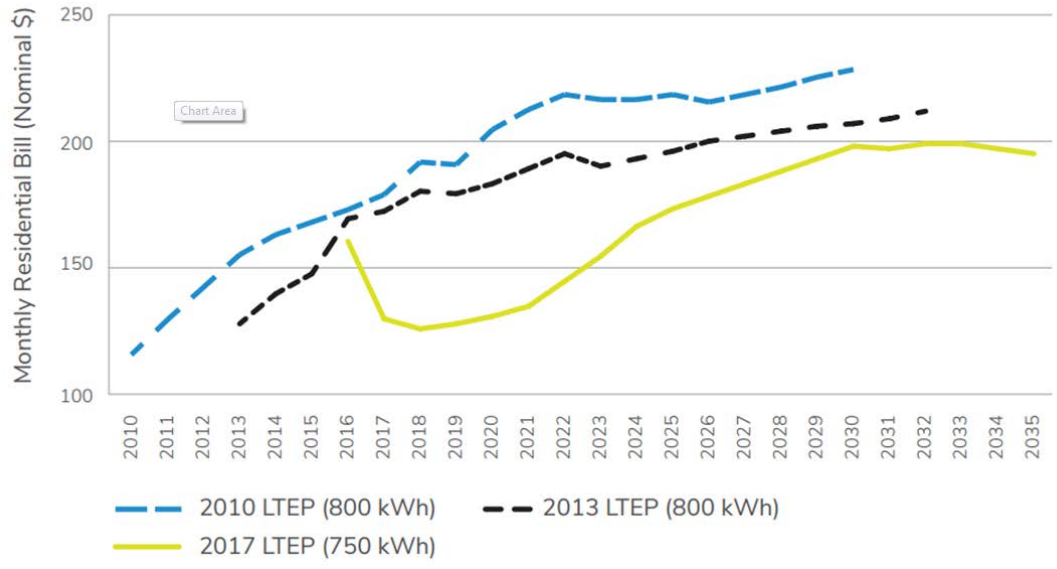
Electricity Policy

Few topics have generated as much controversy in Ontario as electricity policy, with a number of previous policies resulting in a dramatic increase in electricity prices (Trebilcock 2017). The government has taken a series of measures that will immediately reduce electricity prices for residential customers. However, within five years, prices are forecast to increase dramatically as the current policy does not address the actual cost of generating and delivering electricity, and relies on taxpayers and future ratepayers to subsidize electricity use today (Figure 9). Further, many industrial consumers are receiving no reduction to their bills. This Shadow Budget would take actions now that will begin to reduce system cost and reduce prices for businesses and consumers in the future.

Market Design and Regulation

The Independent Electricity System Operator (IESO), which manages the electricity market for Ontario, is undertaking a major market reform. The IESO projects that the market reform will reduce the cost of purchasing electricity by billions of dollars, eventually resulting in savings for consumers. The single-largest cost savings for consumers is set to come from the IESO adopting what is called a capacity market. A capacity market provides electricity generators with a revenue stream for being available to produce electricity, in addition to their revenues from selling electricity. Such a market is a major improvement to the government's previous approach of signing 20-year contracts with generators that effectively covers both. The government's plan is a sensible one that has been shown to be effective in a number of other jurisdictions, and this Shadow Budget would continue to proceed with it (see Goulding 2013 and Wyman 2014).

Figure 9: Electricity Price Outlook – Residential Consumers



Source: Ontario (2017b).

This Shadow Budget would propose the government look to take the market reform one step further by reforming the purchasing role of the IESO. The current proposal for the capacity market is to make the IESO the only buyer of generation contracts. The downside of that plan is that it does not create competition among potential electricity buyers. This Shadow Budget would delegate the purchasing power in the capacity market to local buying groups across the province. These local buying groups, known as load-serving entities, would have the ability to purchase electricity that suits local needs. Large business, currently limited to buying electricity from the IESO and paying a share of the Global Adjustment, which pays for capacity investments, could form their own load-serving entities and contract directly with generators. Further, these local buying groups would encourage consolidation of local distribution companies, to which we will return to below.

However, as Goulding (2013) argues, to be effective, the government must pair a capacity market with changes to improve the independence of Ontario's electricity regulatory bodies. Ontario governments of all political stripes haved directed various government agencies to take specific action in the electricity sector while circumventing regulators (Vegh 2016). This Shadow Budget would end the cycle of government price interventions, specific directives, and decisions on procurement by requiring the Ontario Energy Board to review all major decisions in the energy market with a mandate to approve actions only if they increase economic efficiency (see Church 2017 for a discussion of economic efficiency in regulatory hearings).

Economic efficiency means having an electricity market that has decisions determined by prices, and not arbitrary government rules. One of the most intrusive arbitrary government electricity market rules is the Industrial Conservation Initiative. In this program, eligible industrial consumers save money if they slash electricity use during the five highest Ontario-wide demand hours of the year. It's an arbitrary and expensive way to cut electricity costs for some (Sen 2015). Small businesses and residents pay higher bills because of the policy. Instead, this Shadow Budget would eliminate this program and let large consumers pay only for what they buy in a capacity market and the hourly electricity market.

Similarly, a portion of the electricity bills of Ontario households support subsidies for residential consumers to purchase smart thermostats and other energy-efficiency devices. These programs cost ratepayers $600 million in 2016 (Auditor General 2017b). As with direct government spending on such programs these programs often do not pass a cost-benefit test for the use of government fund. Many households would make such investments if energy prices were sufficiently high and they were sufficiently informed. This Shadow Budget would remove any directives requiring such energy efficiency measures, and grant the Ontario Energy Board the authority to approve or reject energy efficiency programs, such as the Industrial Conservation Initiative, based solely on whether they improve economic efficiency.

Encouraging Private Investment in the Ontario Energy Sector

As of 2017, municipal governments in the province owned local electricity distribution companies that had a value of $11 to $15 billion (Robins 2017a). Cities could sell these companies to finance infrastructure investment. Sales would have no negative effect on ratepayers, since the Ontario Energy Board keeps a close regulatory eye on all price changes regardless of who owns the companies. Furthermore, private investors are usually best placed to make the decisions about the appropriate boundaries of companies, geographically and across distribution, transmission and even generation investment. Private investors would bear the consequences of poor choices, but reap some of the rewards of good mergers (Fyfe, Garner,

and Vegh 2013). The incentives for these private-sector companies to keep costs down are often better aligned with ratepayers than those facing publicly owned electricity companies.

However, cities have not been able to take advantage of the value of these assets because of provincial taxes on such sales.[3] The province would collect $1.8 to $2.5 billion in such taxes (Robins 2017a). These overly high taxes pose a significant barrier to any sale. This year will be the last year of a three-year partial tax holiday on provincial transfer taxes in Ontario on the sales of municipally owned local electricity distribution companies. The intent of this tax change was to encourage mergers using private investors, rather than only encouraging merger with other government-owned companies. However, there have been few sales so far, partly because the tax holiday was limited largely to sales of very small companies. Private investor showed little appetite for such assets. This Shadow Budget would exempt municipalities entirely from all taxes on sales, as long as the proceeds of a sale are reinvested in qualifying infrastructure projects.

Private investment in provincially owned electricity assets has been a controversial topic, but a wise policy move. As Robins (2017b) argues, it is not necessary for the province to continue to own its minority share in Hydro One, the transmission utility, or Ontario Power Generation (OPG), a major power generator, if its policy objective is to keep electricity prices down. As with municipal companies, a strong Ontario Energy Board can protect consumers no matter the owner. A sale of the remaining government stake in Hydro One would net the province somewhere in the order of $7 billion and a sale of OPG could also generate substantial revenue.

The upfront revenue is not necessarily the best reason for the province to sell electricity assets. The main reason to sell is reduced risks. The sale would reduce dividends in the future, such as the $250 million from Hydro One. However, using such a sale to eliminate debt could result in cost-savings and reduced fiscal risks if interest rates increase. Second, the electricity sector is undergoing fundamental change. OPG and Hydro One deliver electricity in a traditional long-distance network. However, the electricity system of the future may look very different, with the emergence of small-scale renewable electricity generation. The result could be a decline in value of, and therefore dividends flowing to the treasury from, Hydro One and OPG. The best way for the province to mitigate that risk is to continue selling stakes in Hydro One and begin to include private investors in OPG.

Conclusion

A fiscally sustainable Ontario will mean higher standards of living for Canadians through better government services and faster economic growth. The province should take action to correct a fiscal course that is unsustainable. The government must act to bring the long-term cost of government in line with the revenue-raising capacity of the province. This Shadow Budget shows that there are a number of policy directions the government can and intends to take in areas as diverse as electricity, greenhouse gas, municipal, health, social and tax policy that can balance increases in spending with generating new revenues and cost-savings measures, and generally enhancing the well-being of Ontarians.

[3] See Fyfe, Garner, and Vegh (2013) for more details on the complex system of transfer and departure taxes in the Ontario local electricity distribution sector.

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A Shadow Budget for Ontario, 2018-2019

*Draft not for circulation

January 24, 2018

As Ontario enters an election year, the policy debate will likely involve the difficult choices the province faces regarding the fiscal outlook and long-term sustainability of a number of government programs. The budget the provincial government puts in place for the 2018-19 fiscal year will lay out a framework for the debate in the coming months.

To aid this debate, the C.D. Howe Institute has launched its inaugural Shadow Budget for Ontario, following similar Shadow Budgets at the federal level (see last year's edition from Robson, Laurin, and Wyonch 2017). This Shadow Budget shows that the fiscal course the province is currently on is unsustainable. This Shadow Budget would act to bring the long-term cost of government in line with the revenue-raising capacity of the province. It would balance increases in spending and cuts to poorly designed taxes with new ways to generate revenues and reducing spending on ineffective programs.

Although providing specific costing of programs is outside of the scope of this Shadow Budget, it presents an overview of policy directions that balance increases in spending with generating new revenues and cost-savings measures. This Shadow Budget proposes to:

- Restate the province's books to reflect the Auditor General's concerns about incorrect treatment of pension assets and electricity-sector debt;
- Reduce future expense growth to reach a balanced budget as soon as possible;
- Adopt long-term fiscal policy – which requires surpluses, not just balanced budgets – that meets the government's debt-to-GDP target ratio of 27 percent;
- Contain healthcare costs by extending capitated payments to family doctors and revising contractual arrangements with healthcare providers;
- Slow the increase in the minimum wage and focus on improving education and to create economic opportunities for Ontarians;
- Adopt an indigenous identifier in standardized test and oversample indigenous students to permit reliable rural-urban and district-level analysis;
- Modernize funding formulas for post-secondary education by taking outcomes into consideration;
- Reform the school curriculum with an emphasis on improving math performance;
- Open retailing for alcohol and marijuana and revising the tax scheme for both products;
- Adopt personal income tax reforms that reflect the cost of raising children, while reforming personal income taxes to lower high marginal rates, which occur even at low incomes;
- Replace targeted business tax breaks with lower provincial business property taxes to create a level playing field across the province and across different types of businesses;
- Rethink the fiscal relationship between municipal government and the province by retooling grants and transit governance while modernizing municipal financial reporting to match that of the province;
- Reduce the cost that governments impose on building new housing;
- Retain the plan to price greenhouse gas emissions, but re-focus the government plans to spend money raised by such a price away from cost-inefficient programs; and
- Seek out long-term cost savings in the electricity sector, as opposed to short-term fixes that only add to the long-term cost of energy.

The Fiscal Outlook

This Shadow Budget adopts the consensus view of the independent officers of the Ontario legislature – the Auditor General and Financial Accountability Office – as the authoritative outlook of the short-, medium-, and long-term fiscal outlook. While the government may claim to have balanced the budget for 2017-18,

that declaration is in the eye of the beholder and the medium- and long-term fiscal outlook for Ontario is dire.

Cleaning up Ontario's Books – The Short Term Deficit Debate

The government has made the argument that it has reached a balanced budget. However, the Auditor General has two specific objections related to this claim because of the government's accounting treatment of pensions and whether the recent Fair Hydro Plan amounts to new spending.

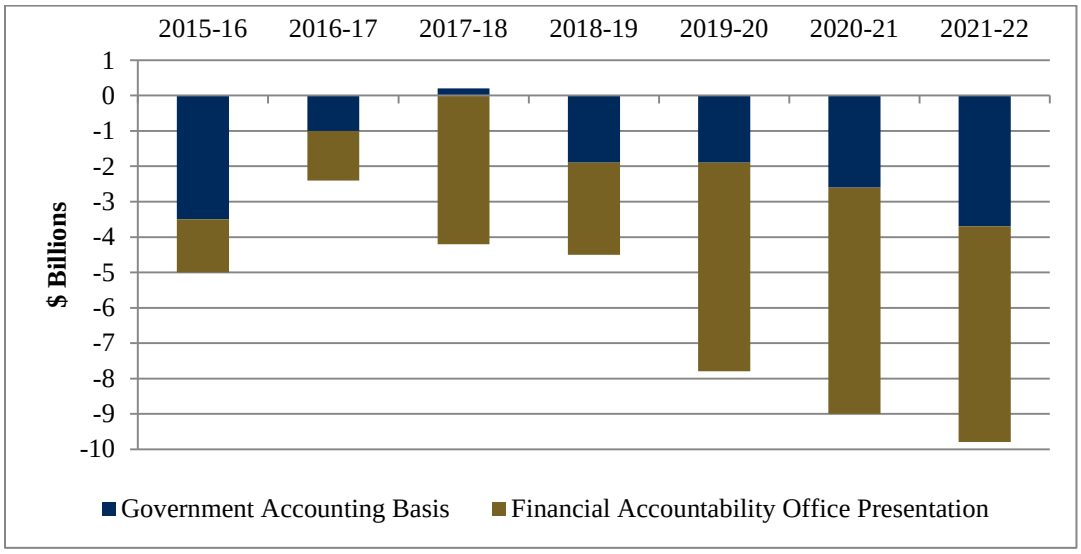
The pension dispute centres on the government's treatment of the Ontario Teachers' Pension Plan (OTPP) and the Ontario Public Service Employees' Union Pension Plan (OPSEUPP). The province has decided to report the full asset value of the plan on the province's balance sheet, which neglects the fact that future retirees already have a claim on these assets. Doing so reduces the deficit and the Auditor General (2016) objects to this. Further, as Robson and Laurin (2016) argue, the government discounts OTPP and OPSEUPP liabilities by more than the plans do themselves. This understates the liabilities provincial taxpayers face.

However, the view of the Auditor General is not universally shared. The Ontario government appointed a Pension Asset Expert Advisory Panel to advise on the difference of opinion between the government and Auditor General. The Panel's Report (2017) argued that an asset does exist for the government, saying that the government does have sufficient access to the plan's assets, if even just through reducing contributions to the plans, to merit including it. However, given that we have taken the Financial Accountability Office's presentation of financial data, which is independent of both the government and the Auditor General, we have decided to use the presentation of provincial finances as recommended by the Auditor General.

The second dispute hinges on the Fair Hydro Plan. As the Auditor General (2017a) points out, the government "is making up its own accounting rules" by creating an accounting asset for a government-controlled entity to offset the debt the province placed on another government-controlled entity. The asset the government created only exists because of legislation that gives a government entity the authority to collect higher prices in the future. The true value of this asset should be zero, or highly discounted, because of great uncertainty of the ability to collect higher prices in the future. For example, electricity markets may change because of technology, making it impossible for a central government agency to collect future revenues to pay this debt. As such, this debt should be reflected in the province's financial statements now. Incorporating the debt amount in today's books means that the proper accounting treatment would increase the deficit by $2.5 billion per year through to 2027.

This Shadow Budget would restate the province's books to reflect the Auditor General's concerns. It would restate the province's finances to show a deficit in the upcoming 2018-2019 fiscal year to be about $7 billion (Figure 1).

Figure 1: Ontario Budget Balance



Source: Financial Accountability Office of Ontario. Does not include reserve fund. 2017-18 and beyond are projections by the Financial Accountability Office.

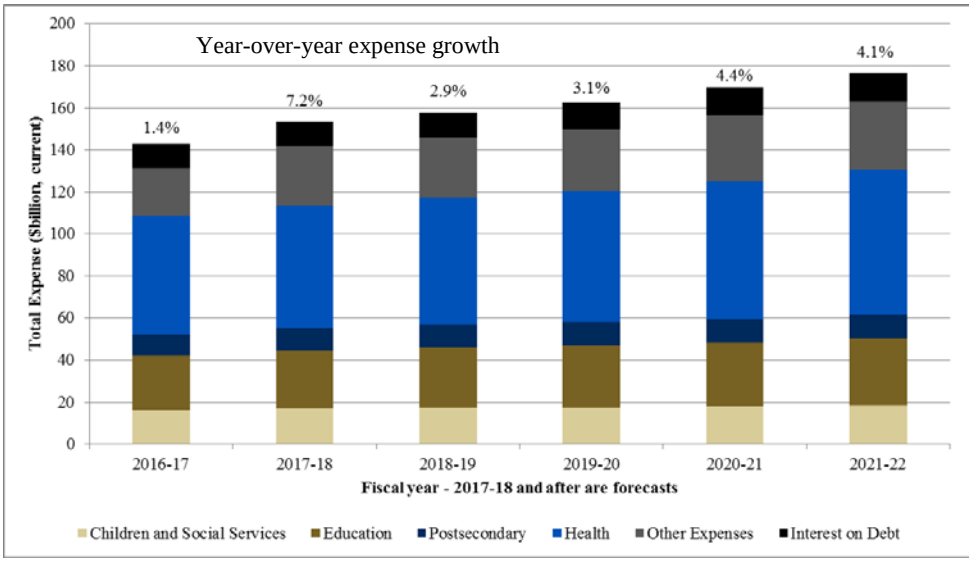
Medium-term Fiscal Sustainability

The question of whether there is a deficit for the 2017-18 fiscal year is far less important, from the point of view of the sustainability of public finances, than future trends. Under current trends, the deficit would rise to nearly $10 billion by 2021-22 (Figure 1), according to the Financial Accountability Office (2017a). These long-term deficits will return because of two main causes: the deficits the government should account for under the Fair Hydro Plan, as discussed above, and fast-rising expenses. Future revenues are not likely to grow as fast in the future as in previous years because of a number of factors, such as one-time revenues that have come in recently and economic growth that is likely to slow. Further, the Financial Accountability Office (2017a) argues that the government has made overly optimistic revenue forecasts that rely on above-trend income growth in the province and corporate income tax receipts.

The province can look to balance its budget in the near future in a number of ways. First, it can look to increase revenues. It can do so through short-term revenue gains such as sales of provincial assets – as this Shadow Budget will suggest in more detail below. Alternatively, it can raise tax rates, such as the provincial component of the HST. Or, it may seek more grants from the federal government. However, aside from hiking tax rates, none of these steps to increase revenues are directly within the control of the province or offer more than a single year's worth of solutions.

The province must address fast-growing spending to reduce future deficits. The first trend that this Shadow Budget would address is the projected pattern of total spending growth. 2017-18 spending is forecast to grow at over 7 percent over the previous year's spending. This kind of spending growth is unsustainable. Future expenses beyond 2020 of over 4 percent are also likely unsustainable. This Shadow Budget would aim to reduce future expense growth to reach a balanced budget as soon as possible.

Figure 2: Ontario Provincial Spending and Year-over-Year Spending Growth Rates

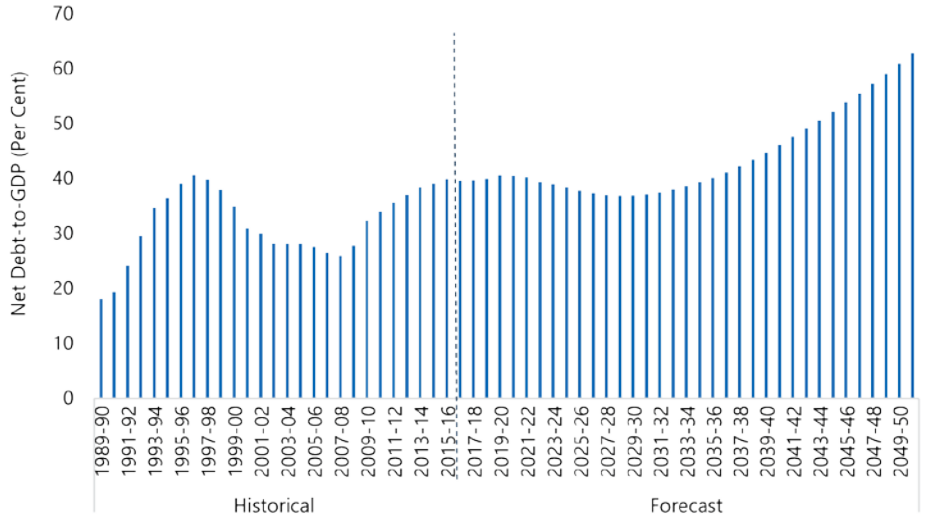


Source: Financial Accountability Office of Ontario

Long-term Fiscal Sustainability

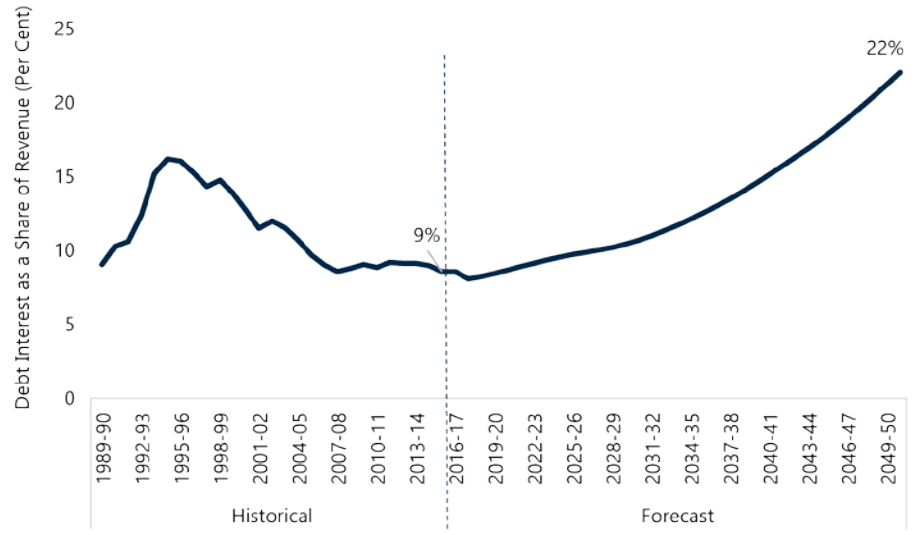
Balanced budgets will not be enough for Ontario to be fiscally sustainable. The government has targeted a net debt-to-GDP ratio of 27 percent, a sensible target that is similar to that of the federal government of 25 percent of GDP. This Shadow Budget would continue pursuing such a target and take the necessary action to achieve it within 15 years. As the Financial Accountability Office (2017b) projects, achieving 27 per cent requires the province to run budget surpluses until 2033-34. If the province continues on the current trend, and not run first balanced budgets and then surpluses, the net debt-to-GDP ratio will reach 63 percent by 2050-51 (Figure 3).

Figure 3: Net-Debt-to-GDP, Under Current Fiscal Trajectory



Source: Financial Accountability Office of Ontario

Figure 4: Interest Expense as a Share of Revenue



Source: Financial Accountability Office of Ontario

If the government doesn't tackle the long-term fiscal challenges, the cost of debt will take up an enormous share of total government revenues. Interest costs currently sit at 9 percent of revenues; at current trends, interest costs will increase to 22 percent in 2050-51 (Figure 4). If debt costs take up a large share of total revenues, that will leave less for other needs.

Health Policy

Given that Ontario spends roughly half of its own-source revenues (which excludes transfers from the federal government) on health, getting good value for money in healthcare will be critical for the financial and societal well-being of Ontarians. Although the province has successfully contained the annual growth of healthcare spending from 2010 to 2015 to 2.4 percent, on average, the rate of health spending is starting to tick upwards again alongside worries about emergency room overcrowding, long waits for long-term care beds as well as overburdened caregivers . Progress on addressing these issues – in addition to limiting public and private gaps in coverage for prescription drugs, dental services and mental health – while allocating reasonable increases for health spending, is a critical challenge.

Efforts to enable self-directed homecare services – such as recent moves to increase the number of hours nurses, personal support workers, and therapists will provide care in homes – should help alleviate the emergency room pressures for elderly patients, and these programs should continue to expand on their current trajectory. Relative to providers, patients with mild to modest physical disabilities are more likely to know the abilities of family and informal caregivers to offer care and their schedules, and which services they would prefer to have delivered by other health professionals. Although there are some legitimate concerns about patient's ability to choose among groups of healthcare professionals to meet their needs, there should still be enough flexibility around the use of self-directed home care budgets to ensure appropriate innovation from those delivering services. This means sufficient flexibility in how patients select and schedule professional help.

Ensuring that people without private insurance for dental, drug and mental health services get access to services is also a priority for healthcare policy. On this score, there are a number of avenues to ensure appropriate coverage and do so at minimal public cost, including the expansion of these services among the most vulnerable (Blomqvist and Busby 2016, Busby and Pedde 2014). This Shadow Budget would look at new ways to revise contractual arrangements with providers – pharmacists, dentists and dental hygienists, and phycologists – to improve the efficiency of spending in these areas.

Although government needs to spend more money to improve access to mental health services, more money alone will not ensure that all illnesses get treated in appropriate timeframes. It may be more advantageous to give a greater share of the overall budgetary spending on physiologists to hospitals and primary care doctors for outpatient needs.

The way in which the province pays for the delivery of health services matters. Paying hospitals, hospital-based doctors and necessary outpatient services for a needed intervention often results in silos of poorly coordinated care. This Shadow Budget would instead look at more bundled payments by procedure for hospital-based services (Sutherland and Hellsten 2017). And in primary care, this Shadow Budget would extend capitated payments to family doctors to include budgets for enrolled patient drugs, lab and diagnostic imaging budgets as part of the evolution in payment reforms for family doctors (Blomqvist and Busby 2011).

Labour and Education Policy

Many governments are struggling to respond to the challenges of precarious work – employment that is often more insecure and uncertain than traditional full-time employment, with greater prevalence for part-time work. Further, as wage gaps exist between temporary or part-time vis-à-vis full-time workers, policymakers have recently passed legislation intended to bridge these differences. While there are no ideal policy levers for addressing these issues, it should be recognized that, in general, increases to the minimum wage are a reasonable option available to policymakers. However, gradual and evaluated increases to the minimum wage are the best way to increase minimum wages over time. Ontario's recent, large increase in the minimum wage means that the right response for government should be to pause and evaluate. One particular concern is the impact on smaller municipalities that risk being most negatively affected.

This Shadow Budget would amend the current minimum wage in two ways, as recommended by Marchand (2017). First, it would allow for regional variation in minimum wages. This Shadow Budget would allow upper-tier and single-tier municipalities across the province the option to return to a lower minimum wage for a five-year period. New York has a similar policy, in which the minimum wage is highest in New York City than in other parts of the states. Second, this Shadow Budget would build a provision into the minimum wage legislation to reduce it in the case of a recession, as California has recently done.

As trade, technology and worker preferences continue to change the dynamic for skills desired by employers, a competitive labour force will need an abundance of core numeracy and literacy skills. For Ontario, the news on these scores is mixed. On literacy, the results are strong (EQAO 2015). In terms of numeracy, however, the results are alarming – only half of all grade 6 students in the province meet the provincial standard for numeracy and its OECD Programme for International Student Assessment (PISA) scores have plummeted over time, from 530 in 2003 to 509 in 2015, one of the largest drops among Canadian provinces, putting Ontario statistically below the average in Canada(Richards 2017). This needs

fixing. This Shadow Budget would continue the province's re-examination of the math curriculum and pedagogy, where the effectiveness of different pedagogies should be explored as potential causes (Stokke 2015). This Shadow Budget would also look at teacher preparedness and consider evaluating teacher knowledge in subject matter with the administration of student exams to teachers prior to the academic year. Insufficient results should require immediate intervention.

Furthermore, collecting, analysing, and reporting educational outcomes are essential to closing the achievement gap between more and less advantaged students. Including a question that identifies indigenous student in PISA tests is a great way to track educational achievement of indigenous students and help educators and policymakers to design more effective strategies to improve outcomes. The province should also oversample to ensure sufficiently large sample of indigenous student to produce reliable estimates at the district level and to perform urban/rural analysis (Richards and Mahboubi, forthcoming).

Many OECD countries consider Performance-Based Funding (PBF) systems for their post-secondary education, but Canadian provinces, including Ontario, lag behind in adopting this innovating way of financing. Usher (forthcoming) shows the benefits associated with PBF include less burden of funding negotiations, higher accountability of the post-secondary institutions, and greater competition between institutions, leading to a greater focus on results. A similar approach to competition in grants for research has been effective at improving the performance within universities, and should apply to universities themselves. The government needs to review its funding formula and learn from the experience of other developed countries.

Tax Policy

Commodity Taxation

Alcohol

In 2015-16, the Liquor Control Board of Ontario (LCBO) paid the provincial government a dividend of $1.9 billion. It also remitted $867 million to the federal and provincial governments in Harmonized Sales Tax, excise taxes and customs duties (LCBO 2016). In addition to the LCBO, there is a system of beer and off-winery stores, which operate as a quasi-monopoly thanks to government regulation. Masson and Sen (2014) find that freeing up alcoholic beverage retailing would result in increased government revenue, lower prices, and more convenience. They find that, other factors being equal, Western Canadian provinces with more beverage alcohol retail competition had 7 percent more per capita provincial alcohol profits than provinces with government-run monopolies. The province has begun to introduce beer sales at grocery stores. However, it has done so slowly with limits on the amount of sales by the store. This Shadow Budget would go further by auctioning licenses for other retail outlets. It would also auction licences for off-winery stores to other wineries and also to new wine retailers. The result would be increased provincial revenues and more choice for Ontario consumers.

This Shadow Budget would also revise taxation of alcoholic beverages. Currently, tax rates are fixed by type of beverage, currently ranging from 52 cents per litre to $1.06 per litre, depending on the type of manufacture, not alcohol strength. Wine is taxed as a percent of sale value and sprits are taxed at up to 38 cents per litre plus a percentage of the retail price. This Shadow Budget would graduate the tax on alcohol

to relate to alcohol content. This reform would target the health problems caused by alcohol, which is directly in line with the alcohol content of any drink (The Economist 2013).

Marijuana

The federal government has legalized marijuana for recreational consumption with legal sales scheduled to begin in July. The main policy objectives driving marijuana legalization are the improvement of public health and the minimization of the black market and its associated criminal activity. Ending the prohibition of marijuana involves coordination between all levels of government. Provinces must determine the structure, distribution, and regulation of the retail market and jointly determine taxation levels of marijuana with the federal and municipal governments.

Ontario has announced that it will restrict retailing of recreational marijuana to LCBO-run stores. Only 40 of these locations will be in place by next July 1, the federal target date for legalization, with a total of 150 locations expected by 2020. The province missed the opportunity to have a competitive market for retail marijuana. Independent businesses have an incentive to locate where market demand isn't being met and competition between businesses constrains operating costs and keeps prices low. Lower prices in the legal market make it more likely to be competitive with the existing black market.

The province's decision to enter the market also implies considerable resources will be expended in the construction and maintenance of stores, higher salary expenditures and other overhead costs. These will be met at the expense of other sectors, which will receive lower government funding.

Having few retail locations means that access to recreational marijuana will be inconvenient for a significant number of Ontarians. Recreational consumers are highly unlikely to switch their dollars to the regulated market if there isn't easy access. This means that there will be significant opportunity for the black market to continue operating in all the areas without enough legal stores to meet market demand or that are convenient to access. (By contrast, there are more than 650 LCBO outlets in the province.) Further, to levy penalties against illicit businesses will require significant justice and police resources. And since there won't be enough regulated retail outlets to meet market demand, it is likely that at least some of these businesses will still find it profitable to operate. This Shadow Budget would make retailing of marijuana competitive and allow for the licensing of privately-run retail stores. This could take the form of entirely private retail, as in Alberta. Alternately, licensed establishments could operate alongside government retail stores and deliver better market coverage faster than the crown corporation on its own.

Ontario has joined the federal government’s proposed coordinated excise tax framework for recreational marijuana. While Crown-corporation retail isn’t particularly competitive in terms of convenience, keeping taxes low will help ensure that the legal market will be price competitive with the illicit market. The tax rate on dried cannabis flowers will be $1 per gram or 10 percent, whichever is higher, with 75 percent of the revenue going to the provincial government. The revenue from this excise tax will initially be modest, bringing in $50 to $95 million in 2018 and $175 to $200 million annually by 2021.

Gasoline and Fuel

The government should be concerned about the prospect of declining revenues from fuel and gasoline taxes, which will intensify as vehicles become more fuel efficient and become increasingly electric. This Shadow Budget would begin a study of the potential to replace fuel taxes with tolls for use. Further, the best solution for traffic congestion is a road toll. Road pricing could also bring the price that drivers pay for

infrastructure they use closer to the actual cost of it. Gas taxes (which are about 75 to 80 per cent of road-related revenues), vehicle licences and other revenues from drivers have covered less than two-thirds of roadway expenses across Canada since 2008. Taxpayers should only subsidize transportation to the extent that it encourages broader access to all in society and the government should review whether a one-third subsidy is the appropriate amount of taxpayer subsidy for roads.

Personal Taxation

Income taxes affect individual and business incentives to earn income, save, invest, and take risks. Excessively high taxes at the margin can also drive tax avoidance behaviour.

At the personal level, the impact of income tax variations on work participation decisions is particularly acute for the secondary earner in families with children and lower-skilled workers. In general, lower income, less educated people have a greater tendency to adjust their paid work behaviour through workforce participation decisions, while more-educated workers and high-income earners tend to adjust through the number of hours they work (Duclos et al. 2015).

High income earners' taxable income has been shown to be particularly responsive to high marginal tax rates – through both tax planning avoidance behaviour and earnings decisions (Laurin 2015). And the sensitivity to rate changes is higher at the provincial level in response to provincial rate changes than at the federal level in response to federal changes. This is because high-income earners can take advantage of provincial tax rate differences by shifting their income tax attributes and work locations to the most tax-advantageous province (Milligan and Smart 2014).

Provinces like Ontario with one of the highest top combined federal and provincial marginal tax rates of over 53 percent on high-income earners should aim to reduce that rate to a level at or below 50 percent. The responsiveness to the change would have a beneficial impact on the tax base that would ensure a very low fiscal cost for the policy. Furthermore, the income tax system should be clear and transparent. Ontario has a surtax notionally in place for health care expenses. However, this tax is treated as general revenue. The province should replace this surtax and set income tax rates and brackets that transparently show the marginal tax rate people are paying.

Other tax changes should aim to lower the burden of taxes on secondary earners in family with children. This Shadow Budget would reform the tax recognition of child care expenses through the replacement of the child care expense deduction with the introduction of a new refundable tax credit for child care expenses. It would encourage stay-at-home parents to join the workforce, producing extra tax revenues, considerably limiting the net fiscal cost of its implementation (Laurin and Milligan 2017).

Also, typical labour arrangements are changing with technological change. Workers are becoming less attached to a single employer and move around more freely between projects and contracts. Their incomes are also more prone to be fluctuating from year to year – a period of low earnings followed by a year of higher earnings, or vice versa. But a worker with fluctuating income may end up paying more tax (and losing more income-tested government benefits) than another worker with a flat income profile but earning the same amount over a period of years. Wen and Gordon (2017) find that Canada's "fluctuation tax penalty" is most severe for individuals who earn lower incomes or are self-employed. This Shadow Budget would lessen the impact of fluctuating incomes on tax liability by allowing workers to average their

income over many years, so that any single large earning year would not lead to a disproportionate loss of fiscal benefits and higher tax payments.

Business Taxation

A properly designed business tax regime would provide for a common provincial tax rate for all businesses operating across the province, regardless of their location or sector. However, Ontario's tax regime selectively rewards a number of sectors, such as manufacturing, through the income tax system while punishing companies with overly high provincial property tax rates. The province of Ontario can simplify its tax regime, create a more level playing field across sectors and the province, and reduce the effective tax rate on new business investment all without reducing overall provincial revenues.

Eliminating Wasteful Business Tax Expenditures

The largest tax expenditure in the corporate income tax system, by far, is the Small Business Deduction, which costs Ontario over $2 billion in foregone revenue. A better alternative to the Small Business Deduction is a lower general corporate income tax rate. That is because the net impact of the Small Business Deduction is an expansion of the small business sector at the expense of large businesses. Since small firms are less productive than large firms, the Small Business Deduction lowers overall economic performance (Dachis and Lester 2015). This Shadow Budget would not proceed with any further cuts geared to small business.

Most Canadian provinces provide a tax incentive for innovation. They mimic the federal tax system which provides eligible businesses with a Scientific Research and Experimental Development (SR&ED) credit. Ontario provides a non-refundable tax-credit worth 3.5 percent of the value of eligible expenses for firms to deduct from their taxes. The total innovation tax incentive for Canadian businesses is one of the highest in the world, but Canada consistently lags behind international peers on measures of business innovation (Parsons 2011). The Ontario SR&ED credit comes at a large fiscal cost: a tax expenditure of $150 million in the 2017 calendar year (Ontario 2017). Instead of targeting up-front tax credits for innovation, a better solution to encouraging innovation is with a low overall income-tax rate (McKenzie 2006). In addition, the province provides manufacturing and processing businesses a preferential lower tax rate than those in the rest of the economy: 10 percent instead of the usual 11.5 percent. This lower rate cost taxpayers $290 million in the 2017 calendar year.

This Shadow Budget would eliminate the Ontario SR&ED credit and the lower rate for manufacturing and processing, and use that revenue to cut high provincial property tax rates that choke investment, as discussed below. It would also initiate a comprehensive review of tax expenditures to determine whether the existing tax expenditures are still appropriate or whether they should be redesigned as deductions or credits (see Robson and Laurin 2017). Tax expenditures can be removed when shown to be no longer effective, as the government has already committed to eliminating ineffective tuition and education tax credits, as recommended by Neill (2013).

Cutting Provincial Business Property Taxes – A Revenue Neutral Cut in Investment Taxes

Ontario took over the local education property tax from local school boards in 1998. School boards had widely varying tax rates across the province and by property type when the province took over. The province immediately made its residential tax rate the same for all residents across the province. It's a different story for businesses. Each year since 2007, the province has set a maximum tax rate, called

the ceiling rate, and a lower target rate designed to be revenue-neutral for the province. The province committed in its 2007 budget to lower higher rates down to the target rate over time, but the province has stalled on tax cuts since 2013.

The provincial property tax still varies wildly across cities and for different buildings within cities (See Figure 5a and 5b, which shows provincial rates for commercial and industrial properties). Provincial commercial property tax rates in some Ontario municipalities are more than three times those in others. The provincial tax is highest on industrial property across much of Southern Ontario. As Found (2017) shows, the average provincial business property tax rate is more than 6 times its residential counterpart.

Figure 5a: Provincial Commercial Property Taxes in Southern Ontario

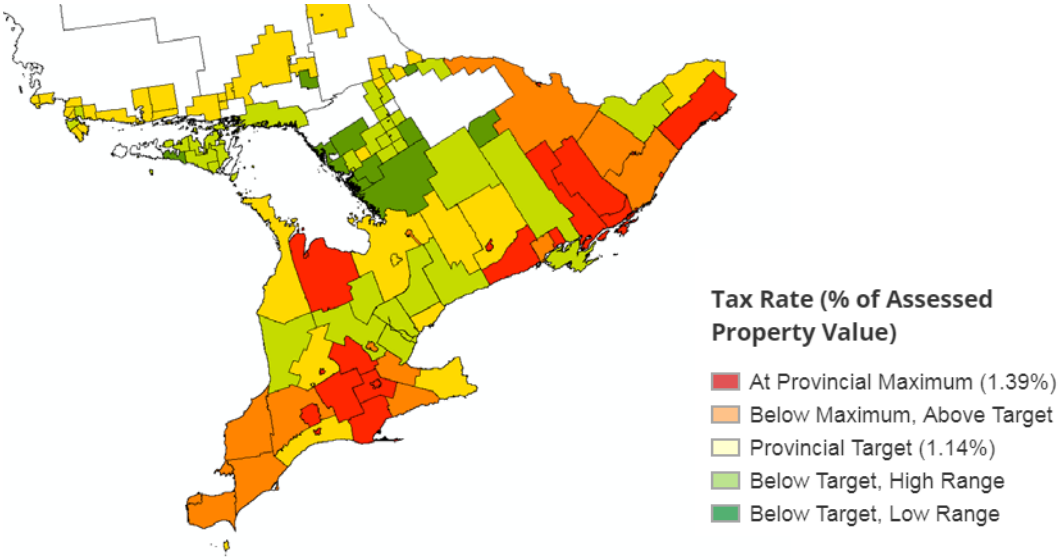
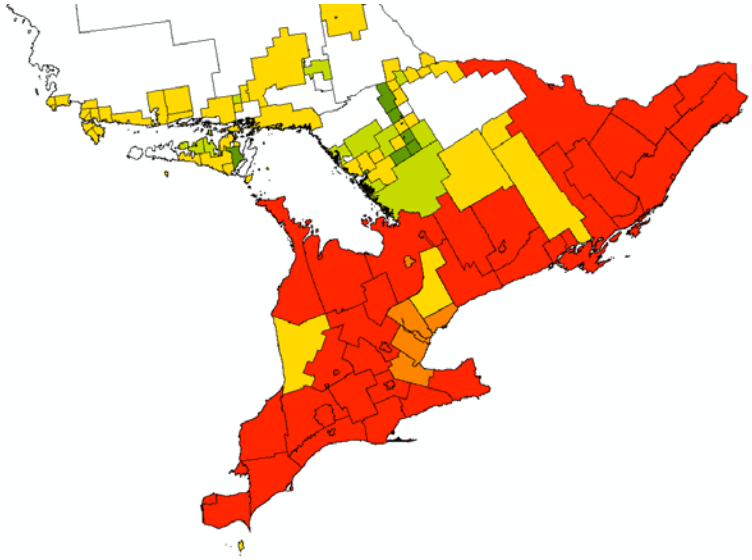


Figure 5b: Provincial Industrial Property Taxes in Southern Ontario



Source: Jacobs, Dachis and Found (2017). Results include Northern Ontario. Hollow areas not subject to provincial property tax.

Cities collect the money on behalf of the province after receiving a regulation from the province of how much to collect. In the 2017-18 fiscal year, the province will collect $6 billion in property taxes, which it reports as general revenue. Since different education tax rates by region have nothing to do with local school spending, each school board now gets a provincial top-up grant in order to level the playing field. Each school board`s total revenue is based on its enrolment and the needs of students, not the value of buildings in the area. That means the provincial property tax now has no bearing on school boards' spending. Yet, the province still uses the misleading name "education property tax" to describe it on tax bills.

These high property taxes have a large economic cost. Property taxes act like a tax on capital, specifically building capital. A tax on capital reduces the incentive to invest, resulting in lower investment which leads to lower productivity and therefore income and standards of living of Canadians. A 10 percent increase in commercial property tax rates decreases the long-run value of the business property assessment base by 8.2 percent. At the average level of business property taxation in Ontario, a $1.00 business property tax hike costs the Ontario economy $5.56 (Found 2017). Higher taxes shrink the tax base, which makes it harder for governments to raise revenues. The total business tax rates in some cities across Ontario – such as London, Windsor and Brantford – are so high that cities and the province might see revenues increase if they cut their taxes to attract more business investment.

This Shadow Budget proposes to complete the harmonization of business property tax rates. To make such a tax reform revenue-neutral, it proposes to eliminate the SR&ED credit and the lower manufacturing and processing corporate income tax rate and reduce provincial business property taxes that would reduce revenues by the same amount saved. Such a change would have a number of benefits. First, it would create a more level playing field across different types of businesses that currently face different tax rates. Secondly, it would improve fairness in the provincial property tax regime across the province. Third, a revenue-neutral property tax reduction would lower the marginal effective tax rate on new investment in most parts of the province – and almost all of Southern Ontario – by more than any increase in provincial income taxes would increase the effective rate. Property taxes have an especially large effect on tax costs on investment because they are insensitive to profit and are akin to a direct tax on capital (Found and Tomlinson 2017). Such a reduction in provincial property taxes would be largest for the same sectors that would see a removal of their special, lower income tax rate, across most of Southern Ontario.

Housing, Municipal, and Infrastructure Policy

This Shadow Budget would seek to lower the cost of housing across the province by taking steps to reduce barriers to construction and eliminating economically costly rent controls and transfer taxes. It would also fundamentally change the relationship between municipalities and the province by granting cities the ability to put their budgets on a sound financial footing and allow them more flexibility in financing infrastructure.

A Smart Housing Plan

The cost of housing in Ontario has increased dramatically in recent years. According to data from Brookfield's Real Property Solutions, home prices the Greater Toronto Area increased by more than 250 percent between January 2005 and the end of the 2017. In response, the province has taken steps such as introducing taxes on foreign buyers and rent controls. The government's policies have focused mostly on curtailing the demand of housing.

On April 20, 2017, the province introduced a 15 percent Non-Resident Speculation Tax in the Greater Toronto Area. This transfer tax is substantially higher than the existing provincial land transfer tax that has a maximum rate of 2.5 percent. Land transfer taxes such as these have a high economic cost of reducing the mobility of households (see Dachis 2012 and Dachis, Duranton, Turner 2008). In addition, land transfer taxes are highly volatile and present a large fiscal risk to the province if the housing market has a serious downturn (Ngo, Angastiniotis, and West 2017). This Shadow Budget would immediately eliminate the additional 15 percent tax and look to begin reductions in the general land transfer tax in future fiscal years.

On the same day, the province expanded rent control to all rental units in the province, rather than only those built before 1991, as was the case prior. Rent control is one of the few economic policies around which there is a solid, evidence-based consensus about its long-term effect on the cost of housing: it does not lower it in the long-run (Kronick 2017). The likely result of rent control is that housing developers will not build rental housing knowing they face a cap on potential returns, while facing no commensurate cap on their investment risk. The result will be fewer units available, leading to housing shortages. This Shadow Budget would phase out rent control on all rental units. It would start by reducing the extent to which rent control binds the market by increasing the allowable increase, doing so annually until eventual repeal. Rather than rely on rent control, this Shadow Budget would embrace the recent federal decision to create a Canada Housing Benefit that provides low-income renters with the funds to seek a wide range of market-priced rental units (Canada 2017). This Shadow Budget would re-orient financial support for housing construction, which is often part of transfers to local governments, as discussed below, to match the federal contribution in creating the Canada Housing Benefit.

Reducing the Cost of Housing

There is strong evidence that restrictions and extra costs on building new housing – such as zoning regulations, delays on permit approvals, development charges, and limits on greenfield housing development – are dramatically increasing the price of housing. Dachis and Thivierge (forthcoming) find that a limited lowering of these restrictions can reduce house prices in some municipalities in the Greater Toronto Area by around $100,000.

What can the province do to reduce supply barriers? Toronto heavily uses a clause in the provincial *Planning Act* – the legislation governing municipal zoning policy – that allows it to require additional payments from developers in exchange for a site-specific variance from zoning bylaws (Moore forthcoming). These additional payments, known as section 37 payments for the relevant part of the *Act*, increase uncertainty for developers and therefore increase the cost of housing. In addition, municipalities have an incentive to keep zoning bylaws out of date because updating them would take away the future section 37 payments. This Shadow Budget would place greater restrictions on the use of section 37 of the *Planning Act*, which would result in municipalities having a greater incentive to set more appropriate zoning regulations.

Developers pay development charges to compensate municipalities for the cost of building municipal infrastructure that services homes and commercial properties in a newly developed area. The largest single component of these charges is for water and wastewater construction (Dachis forthcoming). This Shadow Budget would require that cities replace development charges for water and wastewater infrastructure with volumetric uses fees that reflect capital costs. Such a move would reflect a change to a utility-based model and encourage conservation of water.

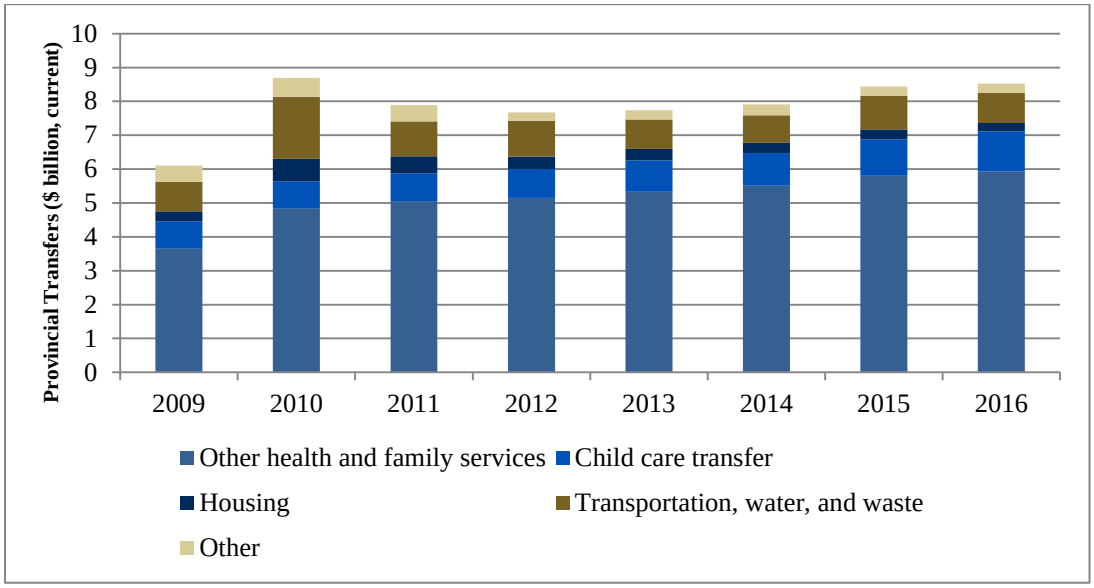
Finally, housing developers in GTA cities are facing a shortage of land available for new housing development (Clayton 2015). The primary cause is not because of the Greenbelt, a policy that forbids development on certain agricultural and parkland. Dachis and Thivierge (forthcoming) find that the main land-supply driven cause of higher house prices is not the Greenbelt, but the Growth Plan for the Greater Golden Horseshoe, a policy that requires cities in the GTA to approve a certain share of their homes within existing urban development boundaries and at a certain density. This Shadow Budget would relax the density and intensity targets that may not be appropriate across all cities subject to the Growth Plan while preserving the Greenbelt.

Rethinking Relative Municipal and Provincial Fiscal Health

One of the province's largest expenditures is on grants to municipalities. Transfers to municipalities have increased since 2009, including a large spike in 2010 to support infrastructure stimulus projects. Transfers to municipal governments from the province are now over $7 billion (Figure 6). Indeed, this trend is set to accelerate. In January of 2017, the province committed to double the amount of the fuel tax it transfers to municipal governments for transportation investment (Jones 2017). Ontario transferred $335 million in provincial gas tax revenue to municipal governments in 2017, and made a commitment to double the funding to bring the total transfer to $642 million by 2021-22.

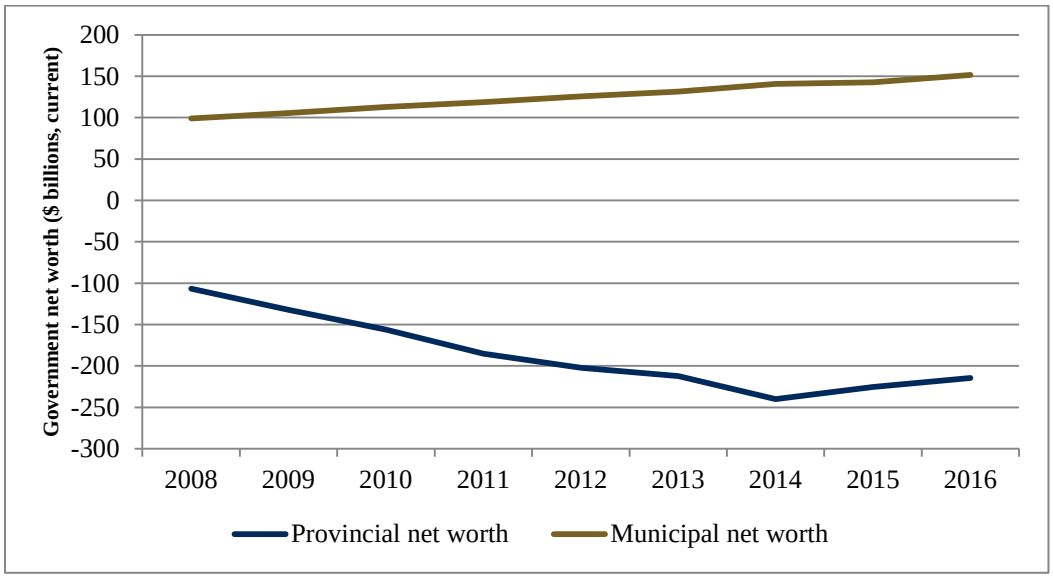
The largest share of transfers is for health services – such as public health – and for childcare benefits. The latter, in particular, are dispersed to municipalities under a complex set of qualification criteria. These programs are ripe for review and evaluation, as their impact on workforce participation and the ability for single-parent and underrepresented families to engage in the labour force are critical. The child care transfer has increased by nearly 50 percent since 2008 reaching $1.2 billion in 2016, suggesting that a review of the program is in order

Figure 6: Ontario Provincial Transfers to Municipalities, 2009-2016



Source: Authors' calculations from Ontario Financial Information Return. Note: Some small cities have not yet submitted their 2016 financial information.

Figure 7: Ontario Provincial and Municipal Net Worth, 2008-2016



Source: Authors' calculations from Cansim Tables 385-0034 and 385-0037.

Does it make sense for the province to send such grants to municipal governments? Ontario's municipalities are, on average, in better fiscal shape than the provincial government. They are major investors in capital assets, but unlike the province, whose chronic deficits have resulted in financial liabilities that vastly exceeds its financial and non-financial assets, Ontario municipalities have positive net worth. They have borrowed to finance some capital assets, but the value of their assets exceeds their debt by a substantial margin. In the nine years from 2008 to 2016, Ontario municipal governments have increased their net worth by more than 50 percent, registering an increase of over $50 billion (Figure 7). In contrast, provincial net indebtedness has approximately doubled over that time, even after a slight improvement in net asset values over the last two years.

The Important Difference between Municipal and Provincial Accounting

How did such a fiscal health imbalance come about? Transfers are often the result of cities claiming they are struggling to meet their service or infrastructure demands and then calling on the province for support. However, the way that cities present their budgets, especially relative to the way the province reports its finances, makes municipal finances appear more precarious than they actually are. Ontario municipalities typically use cash accounting in their budget.[1] However, the province – as well as municipal end-of-year financial statements – uses the accrual accounting standard. Accrual-based budgets appropriately do not record the entire cost of capital items as expenses in the year of the cash outlay, but apply annual amortization over their useful live. Figure 7 presents municipal and provincial finances on the equivalent accrual financial basis.

Presenting councillors with budgets that show outlays on such assets as in-year expenses (as cash budgeting does), rather than amortizing them as they deliver their services (as accrual accounting does),

[1] A common practice is to show expected cash outlays in a "capital" budget alongside an "operating" budget for items to be consumed and expensed during the year.

likely leads municipalities to delay or reject some capital projects they would otherwise approve. It also likely leads them to finance the projects they do approve by raising revenues up front, rather than by borrowing and servicing the debt over the period the project yields its benefits. The result is that today's taxpayers – whether through property taxes, grants to cities, or development charges on houses – are paying disproportionately more than they are receiving in municipal services.

Reframing the Municipal-Provincial Financial Relationship

This Shadow Budget would cancel the proposed doubling of the amount of provincial fuel taxes that the province transfers to municipal governments. In fact, it would go further to limit transfers to cities. As above, this Shadow Budget would begin a long-term commitment to reducing property taxes levied by the province. Every dollar of provincial property tax reduction creates tax room that municipalities can decide to take up. Cities would have the freedom to choose how best to finance local services or whether to increase or reduces taxes and services.

The province's commitment to double gasoline tax transfers to municipalities emerged as a response to the City of Toronto's request for the province to enact an enabling regulation permitting it to introduce a toll on municipally owned highways. The province forbade Toronto from the move, offering all cities the gasoline tax transfer instead. This Shadow Budget would allow cities the ability to introduce road pricing without requiring a provincial regulation, as long as the intention and design of the toll is to reduce congestion, not as a purely revenue-raising option.

In addition, instead of allowing cities to have parcel-by-parcel zoning amendments, as discussed above, this Shadow Budget would expand the ability of cities to put in place a tax-increment financing plan for major infrastructure. This would allow cities to capture some of the increase in property values that result from a new transportation or other municipal investment that increases the value of nearby properties (Found 2016).

Finally, this Shadow Budget would require municipal governments to produce their beginning-of-year budgets on an accrual basis. Importantly, it would not require that cities produce a balanced budget every calendar year and would instead enact a review of the appropriate fiscal and economic benchmarks that cities should adhere to under an accrual accounting system. A revised budget process would allow cities the flexibility they need to finance long-term infrastructure without relying on provincial grants or upfront revenues.

Transit Governance

Originally created in 2007, Metrolinx started with the intent of creating a regional transit plan for the Greater Toronto and Hamilton area with a board made up of local government officials. Two years later, Metrolinx expanded to become the GO Transit operator. The province then removed the local government officials from the Metrolinx board, which is now made up of people appointed by the province.

How can the region overcome local opposition to changes while finding a way to act in the regional interest? Right now, it's easy for local politicians to pass blame around, especially to an unelected transit board. One proposal is to create a single, amalgamated transit operator for the whole Greater Toronto Area

(Gill, Kelcey, Parker, 2017). But rather than amalgamation, which has shown to not result in significant savings (Bish, 2001, Found 2012), another approach is to restore the role of municipal governments on the board of Metrolinx.

Toronto should follow the Vancouver model, in which provincial legislation tasks a Mayor's Council made up of representatives from each of the region's 21 municipalities to appoint a board of Translink, the regional transit coordinating body. Translink has many subsidiary companies that operate transit services under contract (Translink 2017). The regional transit body is the regional coordinator, less than it is a regional authority and another new layer of government (Spicer and Found 2016). The reformed Metrolinx can contract with subsidiary transit operators, private contractors, or municipal governments that can supplement Metrolinx-supported routes.

Greenhouse Gas and Energy Policy

Greenhouse Gas Policy

This Shadow Budget would continue to increase the price on greenhouse gas emissions. This Shadow Budget does not take a position of the merits of a cap-and-trade program as opposed to a carbon tax. A carbon tax would be simpler to administer than a cap-and-trade program and would also generate more revenue for the province of Ontario. On the other hand, a cap-and-trade program that allows Ontario to link with the emissions permit market in California and Quebec allows for a lower cost on emissions to meet the same reduction target. Trading emissions permits across borders and between markets allows emissions reductions to occur wherever it is cheapest to do so, reducing the overall cost (Thivierge 2017).

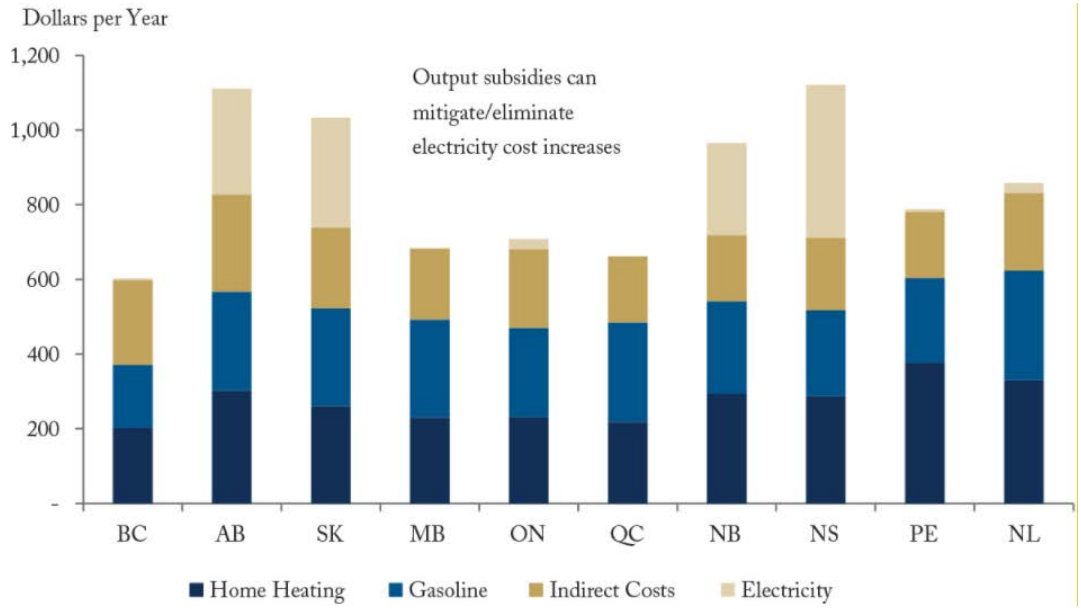
If prices on emissions rise to $50 per tonne, which they are set to with federal government policy, the upfront cost to the average Ontario household would be around $700 per year (Figure 8). However, the final cost to consumers will depend on how governments recycle that revenue back to households. It is on how the government plans to use the revenues from a carbon price that this Shadow Budget proposes a change of direction for the province of Ontario.

Eliminate Energy Efficiency Programs and Consumer Subsidies

The current plan for the government of Ontario is to spend between $6 and $8.3 billion over five years on projects intended to further emissions reductions beyond that planned to occur using the existing cap-and-trade policy (Ontario 2016). The government plans to finance the subsidies with revenues from an auction for permits that greenhouse-gas-emitting companies must buy. Many of the proposed spending programs are exceptionally costly. For example, subsidies to retrofit apartments will cost as much as $900 million over five years. They will cost taxpayers $425 per tonne of GHG emissions reduced, much higher than any reasonable estimate of future carbon prices. Another example of a wasteful subsidy is the Electric Vehicle Incentive Program, which provides incentives of up to $14,000 per electric vehicle.[2] These kinds of subsidies are regressive and economically costly ways to further reduce emissions (Rivers and Shiell 2015). Other announced programs will not have a direct cost to taxpayers, but will be costly to drivers, homeowners and businesses. The government is planning to boost the amount of renewable content in gasoline and natural gas. Renewable-fuel mandates push the cost onto consumers and are an economically expensive way to reduce emissions (Auld 2008).

[2] See http://www.mto.gov.on.ca/english/vehicles/electric/electric-vehicle-incentive-program.shtml

Figure 8: Cost of a $50/tonne of CO_2 price on typical household



Source: Dachis and Tombe (2017) from Jennifer Winter.

This Shadow Budget would eliminate nearly all of these existing subsidies and mandates and instead use the revenue to reduce taxation on households and businesses. The exact design of the tax cuts is outside of the scope of this Shadow Budget, but such a tax cut should promote two principles. First, it should reduce the average cost to businesses of emissions pricing while still providing a marginal incentive for them to reduce emissions. Second, households should receive tax cuts broadly in proportion to the cost of emissions pricing as a share of their income. This would mean tax cuts and enriching renewable tax credits geared to low-income families, for whom energy costs are a large share of total income.

To ensure industrial competitiveness, this Shadow Budget would adopt one of two paths. This Shadow Budget would prefer to adopt Alberta's emissions pricing policy, which is similar to the federal system. Producers in Alberta face little competitive disadvantage under this model. Although emitters pay the full cost of their own emissions, they receive a credit per unit of output, with the amount of the credit based on a provincial average emissions benchmark. Companies still have a strong incentive to reduce their emissions while having a minimal net impact on the competitiveness of industrial emitters. Indeed, companies with below-average emissions are better off in this system. This Shadow Budget would adopt a similar system if the cap-and-trade program is no longer the most effective means of putting a price on emissions. If, on balance, removing the apparatus of a cap-and-trade program for industrial emitters is too costly, it would preserve the system of allocating some permits for free to industrial producers.

Promote Long-term Energy Research

As research from Popp (2016) shows, a carbon price will drive 95 percent of the lowest-cost emissions reductions to meet reduction targets. Subsidies for energy adoption, as has been common in Ontario with electricity polices, encourages firms to use technology that is closest to market. Subsidies for adoption don't solve a market failure and don't encourage innovation. However, there is a market failure for longer-term energy research. The benefits of such research are broad, but the returns to firms of doing such research are relatively smaller, uncertain, and if they materialize at all will be far in the future. On their

own, research subsidies would achieve about 10 percent of economically efficient emissions reductions (Popp 2016). As such, this Shadow Budget would devote around 10 percent of revenues from an emissions price to long-term research.

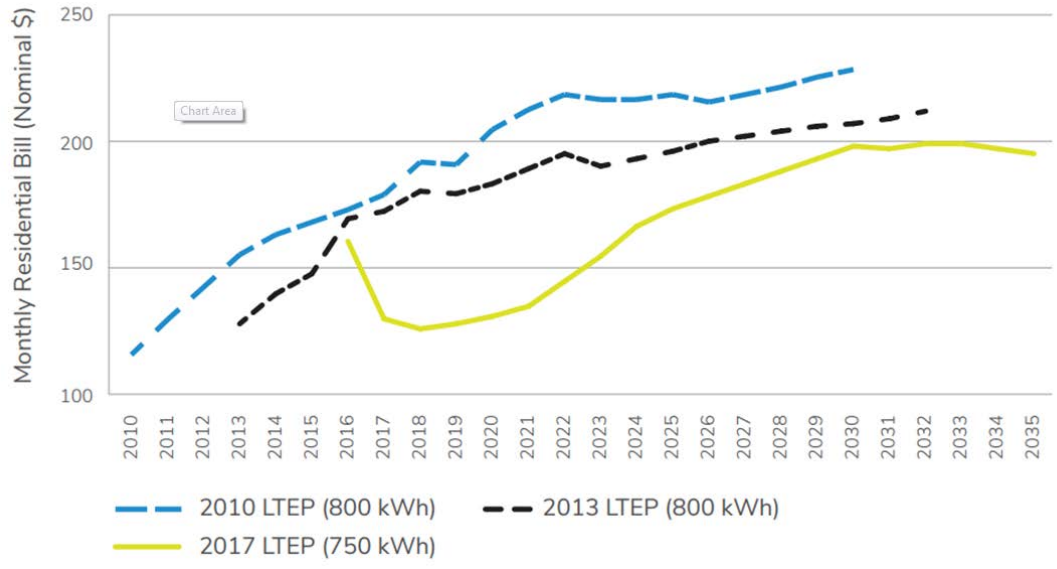
Electricity Policy

Few topics have generated as much controversy in Ontario as electricity policy, with a number of previous policies resulting in a dramatic increase in electricity prices (Trebilcock 2017). The government has taken a series of measures that will immediately reduce electricity prices for residential customers. However, within five years, prices are forecast to increase dramatically as the current policy does not address the actual cost of generating and delivering electricity, and relies on taxpayers and future ratepayers to subsidize electricity use today (Figure 9). Further, many industrial consumers are receiving no reduction to their bills. This Shadow Budget would take actions now that will begin to reduce system cost and reduce prices for businesses and consumers in the future.

Market Design and Regulation

The Independent Electricity System Operator (IESO), which manages the electricity market for Ontario, is undertaking a major market reform. The IESO projects that the market reform will reduce the cost of purchasing electricity by billions of dollars, eventually resulting in savings for consumers. The single-largest cost savings for consumers is set to come from the IESO adopting what is called a capacity market. A capacity market provides electricity generators with a revenue stream for being available to produce electricity, in addition to their revenues from selling electricity. Such a market is a major improvement to the government's previous approach of signing 20-year contracts with generators that effectively covers both. The government's plan is a sensible one that has been shown to be effective in a number of other jurisdictions, and this Shadow Budget would continue to proceed with it (see Goulding 2013 and Wyman 2014).

Figure 9: Electricity Price Outlook – Residential Consumers



Source: Ontario (2017b).

This Shadow Budget would propose the government look to take the market reform one step further by reforming the purchasing role of the IESO. The current proposal for the capacity market is to make the IESO the only buyer of generation contracts. The downside of that plan is that it does not create competition among potential electricity buyers. This Shadow Budget would delegate the purchasing power in the capacity market to local buying groups across the province. These local buying groups, known as load-serving entities, would have the ability to purchase electricity that suits local needs. Large business, currently limited to buying electricity from the IESO and paying a share of the Global Adjustment, which pays for capacity investments, could form their own load-serving entities and contract directly with generators. Further, these local buying groups would encourage consolidation of local distribution companies, to which we will return to below.

However, as Goulding (2013) argues, to be effective, the government must pair a capacity market with changes to improve the independence of Ontario's electricity regulatory bodies. Ontario governments of all political stripes haved directed various government agencies to take specific action in the electricity sector while circumventing regulators (Vegh 2016). This Shadow Budget would end the cycle of government price interventions, specific directives, and decisions on procurement by requiring the Ontario Energy Board to review all major decisions in the energy market with a mandate to approve actions only if they increase economic efficiency (see Church 2017 for a discussion of economic efficiency in regulatory hearings).

Economic efficiency means having an electricity market that has decisions determined by prices, and not arbitrary government rules. One of the most intrusive arbitrary government electricity market rules is the Industrial Conservation Initiative. In this program, eligible industrial consumers save money if they slash electricity use during the five highest Ontario-wide demand hours of the year. It's an arbitrary and expensive way to cut electricity costs for some (Sen 2015). Small businesses and residents pay higher bills because of the policy. Instead, this Shadow Budget would eliminate this program and let large consumers pay only for what they buy in a capacity market and the hourly electricity market.

Similarly, a portion of the electricity bills of Ontario households support subsidies for residential consumers to purchase smart thermostats and other energy-efficiency devices. These programs cost ratepayers $600 million in 2016 (Auditor General 2017b). As with direct government spending on such programs these programs often do not pass a cost-benefit test for the use of government fund. Many households would make such investments if energy prices were sufficiently high and they were sufficiently informed. This Shadow Budget would remove any directives requiring such energy efficiency measures, and grant the Ontario Energy Board the authority to approve or reject energy efficiency programs, such as the Industrial Conservation Initiative, based solely on whether they improve economic efficiency.

Encouraging Private Investment in the Ontario Energy Sector

As of 2017, municipal governments in the province owned local electricity distribution companies that had a value of $11 to $15 billion (Robins 2017a). Cities could sell these companies to finance infrastructure investment. Sales would have no negative effect on ratepayers, since the Ontario Energy Board keeps a close regulatory eye on all price changes regardless of who owns the companies. Furthermore, private investors are usually best placed to make the decisions about the appropriate boundaries of companies, geographically and across distribution, transmission and even generation investment. Private investors would bear the consequences of poor choices, but reap some of the rewards of good mergers (Fyfe, Garner,

and Vegh 2013). The incentives for these private-sector companies to keep costs down are often better aligned with ratepayers than those facing publicly owned electricity companies.

However, cities have not been able to take advantage of the value of these assets because of provincial taxes on such sales.[3] The province would collect $1.8 to $2.5 billion in such taxes (Robins 2017a). These overly high taxes pose a significant barrier to any sale. This year will be the last year of a three-year partial tax holiday on provincial transfer taxes in Ontario on the sales of municipally owned local electricity distribution companies. The intent of this tax change was to encourage mergers using private investors, rather than only encouraging merger with other government-owned companies. However, there have been few sales so far, partly because the tax holiday was limited largely to sales of very small companies. Private investor showed little appetite for such assets. This Shadow Budget would exempt municipalities entirely from all taxes on sales, as long as the proceeds of a sale are reinvested in qualifying infrastructure projects.

Private investment in provincially owned electricity assets has been a controversial topic, but a wise policy move. As Robins (2017b) argues, it is not necessary for the province to continue to own its minority share in Hydro One, the transmission utility, or Ontario Power Generation (OPG), a major power generator, if its policy objective is to keep electricity prices down. As with municipal companies, a strong Ontario Energy Board can protect consumers no matter the owner. A sale of the remaining government stake in Hydro One would net the province somewhere in the order of $7 billion and a sale of OPG could also generate substantial revenue.

The upfront revenue is not necessarily the best reason for the province to sell electricity assets. The main reason to sell is reduced risks. The sale would reduce dividends in the future, such as the $250 million from Hydro One. However, using such a sale to eliminate debt could result in cost-savings and reduced fiscal risks if interest rates increase. Second, the electricity sector is undergoing fundamental change. OPG and Hydro One deliver electricity in a traditional long-distance network. However, the electricity system of the future may look very different, with the emergence of small-scale renewable electricity generation. The result could be a decline in value of, and therefore dividends flowing to the treasury from, Hydro One and OPG. The best way for the province to mitigate that risk is to continue selling stakes in Hydro One and begin to include private investors in OPG.

Conclusion

A fiscally sustainable Ontario will mean higher standards of living for Canadians through better government services and faster economic growth. The province should take action to correct a fiscal course that is unsustainable. The government must act to bring the long-term cost of government in line with the revenue-raising capacity of the province. This Shadow Budget shows that there are a number of policy directions the government can and intends to take in areas as diverse as electricity, greenhouse gas, municipal, health, social and tax policy that can balance increases in spending with generating new revenues and cost-savings measures, and generally enhancing the well-being of Ontarians.

[3] See Fyfe, Garner, and Vegh (2013) for more details on the complex system of transfer and departure taxes in the Ontario local electricity distribution sector.

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From:	Gadi Mayman
To:	Ronald Kwan; Mike Manning; Ken Kandeepan
Cc:	Usman Zahid; Anna Strathy
Subject:	FW: Rate Mitigation Implementation Group
Date:	Thursday, January 11, 2018 3:41:11 PM
Attachments:	Action Items Jan 11.docx

FYI

From: Schlaepfer, Martin (ENERGY) [mailto:Martin.Schlaepfer@ontario.ca]
Sent: Thursday, January 11, 2018 3:10 PM
To: Steen Hume (CAB) ; Carolyn Calwell (MCSS) ; 'jeffrey.lyash@opg.com' ; HARTWICK Ken -FINANCE (ken.hartwick@opg.com) ; Kim Marshall (Kim.Marshall@ieso.ca) ; Kaili Sermat-Harding (ENERGY) ; 'peter.gregg@ieso.ca' ; Veinot, Cindy (TBS) ; Karen Hughes (MGS) ; Helen Angus (MOHLTC) ; Scott Thompson (CAB) ; Steven Davidson (MTCS) ; 'CROZZOLI Carlo -CBUSDEV&STRT' ; Gadi Mayman ; Ronald Kwan ; Tim Christie (ENERGY) ; 'LEE John -TREASURY' ; 'Michael Boll' ; Murray, Maud (ENERGY/MEDG/MRIS/MOI) ; Thouin, Alena (ENERGY) ; 'Dianne Hayes' ; ROWE Jennifer -CORPAFFAIRS
Cc: Serge Imbrogno (ENERGY) ; Matt Whittington (ENERGY) ; Tresise, Landon (ENERGY) ; Berry, James (ENERGY) ; Baker, Carys (ENERGY) ; David McLean (MOF) ; Vivienne Skoberne (MOHLTC) ; Robert Foster (MOF) ; Edwards, Matthew (ENERGY) ; Manoharan, Kesayini (MEDG/MRIS) ; Yordi, Samer (ENERGY) ; Hilary Cox (ENE) ; Hillary Armstrong (ENERGY) ; Patrick Laughton (MOF) ; catriona.king@opg.com; Jordan Penic ; 'David Barrett'
Subject: RE: Rate Mitigation Implementation Group

Hi everyone,
Attached are the action items from this morning's meeting.
Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: January 10, 2018 6:07 PM
To: Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Calwell, Carolyn (ENERGY) <Carolyn.Calwell@ontario.ca>; 'jeffrey.lyash@opg.com' <jeffrey.lyash@opg.com>; HARTWICK Ken -FINANCE (ken.hartwick@opg.com) <ken.hartwick@opg.com>; Kim Marshall (Kim.Marshall@ieso.ca) <Kim.Marshall@ieso.ca>; Sermat-Harding, Kaili (ENERGY) <Kaili.Sermat-Harding@ontario.ca>; 'peter.gregg@ieso.ca' <peter.gregg@ieso.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Hughes, Karen (TBS) <Karen.Hughes@ontario.ca>; Angus, Helen (TBS) <Helen.Angus@ontario.ca>; Thompson, Scott (MOF) <Scott.Thompson@ontario.ca>; Davidson, Steven (CAB) <Steven.Davidson@ontario.ca>; 'CROZZOLI Carlo -CBUSDEV&STRT' <carlo.crozzoli@opg.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; 'LEE John -TREASURY' <john.s.lee@opg.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; Murray, Maud (ENERGY/MEDG/MRIS/MOI) <Maud.Murray3@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; 'Dianne Hayes' <Dianne.Hayes@ieso.ca>; 'ROWE Jennifer -CORPAFFAIRS' <jennifer.rowe@opg.com>
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Subject: Rate Mitigation Implementation Group

Hi everyone,

Attached are the materials for tomorrow's meeting.

Thanks,

Martin

Action Items
January 11, 2017

1) GA Refinancing
    - General Business Update (OPG / IESO / ENERGY)
        - ENERGY to provide consolidated comments to OPG on the reference documentation
        - OPG expected to launch its marketing activities on January 22nd (i.e., by disclosing documents used in the marketing road show) and start its cross Canada road show on the 29th (i.e., Montreal / Toronto / Winnepeg / Vancouver)
        - Pricing would happen on Febuary 5th or 6th
        - Transaction would close the week of Febuary 12th
    - OPG's Market Activities – Rollout (All)
        - MO to confirm with PO on whether to do a technical briefing
        - OPG would aim to do technical briefing the week of February 12th (after the transaction close)
        - OPG to develop Fact Sheet / News Release
        - OPG / Ministry to develop QAs
        - OPG / Mnistry to revise technical briefing deck

2) Public Accounts (All)
        - Responses to recommendations due back to TBS on January 19th and the committee on February 14th

3) Other OFHP Initiatives
    - RRRP, OESP and FN (SNAP)
        - OESP tracking to the January 23rd LRC
        - RRRP and RNDC implemented
    - Affordability Fund (CRED)
        - Trustees meeting scheduled for January 12th

From: Gadi Mayman
To: Ronald Kwan
Cc: Usman Zahid; Anna Strathy; Mike Manning; Ken Kandeepan
Subject: FW: Rating Agencies views on Fair Hydro
Date: Thursday, April 19, 2018 12:31:37 PM

Hi Ron. The deal ended up coming at 107, which is 32 back of us. We should update our interest calculation based on this.

Thanks,

Gadi

From: Caridia, Alex [mailto:alex.caridia@rbccm.com]
Sent: Thursday, April 19, 2018 9:35 AM
To: Gadi Mayman
Subject: RE: Rating Agencies views on Fair Hydro

Hi Gadi – jus called you for an update on this. As you will have seen books are open at 110 +/-3bps
See that as Ont +35 and Toronto +13bps
Happy to chat more at your convenience
Alex

From: Caridia, Alex
Sent: April 19, 18 7:59 AM
To: Gadi Mayman
Subject: Re: Rating Agencies views on Fair Hydro

Hi Gadi
In short, that's true. Moody's action on Ontario will have no immediate effect on the ratings of FHT. Moody's rates FHT in line with the Province's rating, and has stated that any move on Ontario will also move their ratings on the FH program. However, under securitization methodology, rating directions are not used, so there is no current change on FHT, but if the Province is downgraded, FHT will also be downgraded.

On: 18 April 2018 21:59,
"Gadi Mayman" <Gadi.Mayman@ofina.on.ca> wrote:

Thanks, Alex. I was told that structured finance ratings don't have negative outlooks; the rating is simply the rating, so Moody's putting us on negative outlook doesn't immediately affect their rating of the FHT. It's only if we were to get downgraded that they would also downgrade FHT. Seems weird to me, but that's what I was told, and given that you've proceeded with the FHT transaction, I assume it's true?

From: Caridia, Alex <alex.caridia@rbccm.com>
Sent: Wednesday, April 18, 2018 5:30:32 PM
To: Gadi Mayman
Subject: Fwd: Rating Agencies views on Fair Hydro

Hi Gadi - FYI

Begin Forwarded Message:
From: "Laham, Chris" <chris.laham@rbccm.com>>
Subject: Rating Agencies views on Fair Hydro
Date: 18 April 2018 15:51

To: "+DS-GM-Bond Sales Desk" <DS-GM-BondSalesDesk@rbc.com>>

Here are some bullet points outlining how each agency views Fair Hydro Trust in the context of the ratings of the Province.
The key point being, Moody's assumes at some point over the horizon of the program the Province will step in, thus linking the ratings. As a reminder, if this were to happen, the Province will assume the debt.

Here is Ian's outline for those that want a deeper dive:

DBRS

* Look at the transaction through a structured finance lens
* Change of law that could invoke a Protection Event is mitigated by the risk the FHT platform would become a liability of the Province, legislation took a long time to draft and pass, adverse change of law could bring into question other Provincial guarantee arrangements
* Significant enhancement (almost 100%) supports the senior notes, as does true-up mechanism, non-bypassability of recovery charge
* Amount of recovery charge is small as a percentage of the overall electricity user bill

Moody's

* The program as structured and under current law and regulations is considered to be of similar credit quality to US utility cost recovery programs rated by Moody's
* However, the FHT program's 30-year term, combined with the pervasive role of the Province and its related entities in many aspects of this transaction, increase the risk that the Province could make future changes to the law or related regulations that could adversely affect the outstanding obligations under the FHT program
* The Provincial guarantee is a mitigant to this risk, but it is not as robust as the constitutional protection found in similar US programs. Accordingly, Moody's has linked the provisional ratings of the notes to the Aa2 rating of the Province
* Future changes to the Province's rating will result in similar changes to the ratings of the notes.

Ian Benaiah | Director, Securitization Finance | RBC Capital Markets | TEL: 416.842.3820 | FAX: 416.842.3888 | ian.benaiah@rbccm.com>

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From:	Mike Manning
To:	James Devine
Subject:	FW: Subordinated Debt
Date:	Thursday, February 08, 2018 2:36:32 PM
Attachments:	FHT OFA Mike Manning re Submordinated Debt Pricing Protocol 2018 02 08.pdf

Hi Jim:
Can you please take a look at these spreads.

Mike

From: HAHN PARKER Janet -TREASURY [mailto:j.hahnparker@opg.com]
Sent: Thursday, February 08, 2018 1:28 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Cc: LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LIU Sheen -TREASURY <sheen.liu@opg.com>
Subject: Subordinated Debt

Mike,

Please see attached correspondence from Lubna Ladak regarding the Subordinated Debt Pricing Protocol.

Kindly confirm receipt.

Thank you,

Janet Hahn Parker

ONTARIO POWER GENERATION

700 University Avenue, Toronto, Ontario M5G 1X6

February 8, 2018

The Ontario Financing Authority
1 Dundas Street West, 12th Floor
Toronto, ON M5G 1Z3

Attention: Mike Manning, Executive Director & Chief Investment Officer, Capital Markets

Re: Subordinated Debt Pricing Protocol

Dear Mr. Manning:

We refer to the Subordinated Debt Pricing Protocol (the Protocol), between Ontario Power Generation Inc. (OPG), solely in its capacity as financial services manager (the "FSM") of the Fair Hydro Trust (the "Issuer"), and the Ontario Financing Authority (OFA), made as of December 21, 2017.

Pursuant to Section 2.04 Applicable Spread, OPG is providing OFA with the Indicative Spreads as defined in the Protocol, based on the most recent indicative pricing provided by investment dealers. As the senior debt was priced on February 6 and to be settled on February 9, please let us know if you have any concerns regarding Indicative Spreads by the end of the day today.

Should you require any further information, please do not hesitate to contact me at 416-592-5984.

Sincerely,

Lubna Ladak
VP Fair Hydro Plan

FHP 15 Yr Issuance Rates

New Issue Spreads - Senior Notes (AAA/Aa2)	Senior	Sub Indicative	Jr. Sub Indicative
*Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-33	01-Jun-33
Benchmark Yield	2.438%	2.438%	2.438%
Curve Adjustment (bp)	-0.1	-0.1	-0.1
Spread to GoC Curve (bp)	92.0	119.5	153.4
Re-Offered Yield	3.357%	3.632%	3.971%
Commission (bp)	3.3	3.3	3.4
All-in Spread to GoC Curve (bp)	**95.3**	**122.8**	**156.8**
Spread difference vs Senior (bp)		**28**	**60**

Notes:

*Benchmark bond has a maturity date of June 1, 2033 and coupon of 5.75%

1. Senior debt priced on Feb 6, 2018
2. For Sub and Jr. Sub Debt, benchmark yield & curve adjustment are based on senior debt pricing on Feb 6, 2018
3. For Sub and Jr. Sub Debt, spread and commission are calculated as the average of dealers quotes, excluding high and low
4. For Jr. Sub Debt, spread is adjusted 1bp down for senior debt term sheet disclosure

Dealers Indicative Spreads (bps)	BNS	NB	CIBC	RBC	BMO	TD	GS	average excl high/low
Sub Spread vs Senior	30	24	25	25	39	28	30	**28**
Jr. Sub Spread vs Senior	60	52	50	45	107	55	90	**61**

From:	Anna Strathy
To:	Ken Kandeepan; Gadi Mayman; Mike Manning; Ronald Kwan
Subject:	FW: Summary - SCOPA - Feb. 28, 2018
Date:	Thursday, March 01, 2018 9:45:52 AM
Attachments:	Event Summary - SCOPA (Feb. 28, 2018).doc

FYI, summary of yesterday's SCOPA meeting.

From: Shewaramani, Deepika (MOF) [mailto:Deepika.Shewaramani@ontario.ca]
Sent: Wednesday, February 28, 2018 3:12 PM
To: Giroux Namian, Orli (MOF) ; Martin, Jessica (MOF) ; Koukoulas, Sophia (MOF) ; Moore, Brynne (MOF)
Cc: Judith Hipolito (MOF) ; Natale Milana (MOF) ; Marc Pichette (MOF) ; Peter Spadoni (MCYS) ; Matthew Sylvain (MOF) ; Martha Maloney (MOL) ; Jenna LeBlanc (MCSS) ; Kim, Minzi (MOF) ; Birks, Ryan (MOF) ; Sohn, Michael (MOF) ; Anna Strathy
Subject: Summary - SCOPA - Feb. 28, 2018

Time / Location:
12:30 p.m. / Committee Room 151

Attendees:

Committee Members
Ernie Hardeman, [ontla.on.ca]PC
John Vanthof, NDP
Randy Hillier, [ontla.on.ca]PC
Liz Sandals, [ontla.on.ca]LIB

Treasury Board Secretariat
Helen Angus, Deputy Minister
Karen Hughes, Associate Deputy Minister
Cindy Veinot, Assistant Deputy Minister and Provincial Controller
Mark Donaldson, Director, Office of the Provincial Controller

Ministry of Finance
Scott Thompson, Deputy Minister
Tim Schuuman, Assistant Deputy Minister
Gadi Mayman, Chief Executive Officer, Ontario Financing Authority
Ken Kandeepan, Chief Financial and Risk Officer, Ontario Financing Authority

Ministry of Energy
Serge Imbrogno, Deputy Minister
Steen Hume, Assistant Deputy Minister
Ken Hartwick, Chief Financial Officer and Senior Vice President, Ontario Power Generation
John Mauti, Vice President, Chief Controller and Accounting Officer, Ontario Power Generation
Peter Gregg, President and Chief Executive Officer, Independent Electricity System Operator
Kimberly Marshall, Vice President, Corporate Services and Chief Financial Officer, Independent Electricity System Operator

Cabinet Office
Steve Orsini, Secretary of Cabinet

Summary

- DM Anugs provided an overview of the role of the public service, the provincial controller, the relationship with the Auditor General of Ontario, the preparation of public accounts and the use of third-party advisers.
- DM Angus also explained what typically happens when the government and the Auditor General disagree. DM Angus provided a summary of the information provided to the Auditor General and overview of the key issues to be discussed.
- Questions focused mainly on the following:
    - when TBS or the IESO consulted the Auditor General before implementing rate regulated accounting and the Fair Hydro Plan
    - whether any government ministry or the IESO were directed to ensure the cost of the

Fair Hydro Plan would not be reflected on the province's books

- if the Fair Hydro Plan was in fact the government's best advice on rate reduction
- the IESO's accounting practices and how accountable the IESO is to the legislature
- the preparation of the public accounts and the relationship with the Auditor General of Ontario

- The Minister of Finance was asked **3** questions:
  - Did the Ministry of Finance tell the Ministry of Energy that the Fair Hydro Plan cannot add additional cost the province's books?
  - What is your expectation of subordinate bodies of the legislature, like the IESO, in terms of compliance and independence?
  - Is the budget in fact balanced, considering the Auditor General's opinions in Chapter 2?

Questions *(full Hansard will be distributed once available)*

PC Caucus: MPP Randy Hillier

The Auditor General and SCOPA are two of the safeguards to ensure the integrity of the province's financial statements, but it's hard to be non-partisan in the case of the Fair Hydro Plan. The actions of the Fair Hydro Plan have put the integrity of our financial statements at risk.

Why was the Auditor General not brought in until after the policy decision was made?

Was the Fair Hydro Plan your best advice on how to construct hydro rate reduction? Was it your preferred mechanism to achieve it, or were you pressured?

- TBS and Energy: We provide the best advice to the government within the policy direction, within the bounds of cabinet confidentiality.

Do you think inserting private sector accounting practices into the province's sector? No other province in Canada uses this type of accounting?

- TBS: Rate regulated accounting is already used in the province, but has not used in the IESO before. The province of BC uses rate regulated accounting for BC Hydro.

I find it troubling that two years in a row, this government has put our financial statements at risk. It seems that the government is willing to circumvent the safeguards of the province's finances.

Is this committee and the Auditor General just a standard for you to meet?

- TBS: Meeting public sector accounting standards, the auditor general's standards and this committee's standards is of utmost importance to us.

The IESO is subordinate to the legislature. It is not independent. This is the body that created it and that it reports to, and we are having this opinion because of a distorted attitude and view within the IESO because of who they report to.
Did the Ministry of Energy direct the IESO to start using rate regulated accounting in market accounts?

- Energy: No, not that I'm aware of. We worked on the Fair Hydro Plan and it was an IESO decision to use rate regulated accounting.

Were you directed to hide the additional cost of the Fair Hydro Plan from appearing on the public accounts? Were you told that your policy for hydro rate reduction could not add to the public debt or deficit?

- Energy: No, the policy direction was to keep those costs within the rate base, not the tax base. The policy decides what makes sense for the rate payer to pay and what makes sense for the taxpayer to pay, and then the accounting follows that. It was always a ratepayer cost that would be borne by the ratepayer. The plan does show up on the books in the OPG's consolidated statements – it's all transparent.

The Auditor said it is not open and transparent and it is a very convoluted scheme.

Did TBS tell the Ministry of Energy that the Fair Hydro Plan cannot add additional cost the province's books?

- Energy: No, it did not.

Did the Ministry of Finance tell the Ministry of Energy that the Fair Hydro Plan cannot add additional cost the province's books?

- MOF: MOF worked very closely with Energy on this and it never gave this direction.
- MOF was not asked to approve this plan, but it gave advice along with Energy and TBS on the options provided to government to reduce hydro rates.
- MOF was agreeable to this plan after we talked to the controller's office and understood their analysis and they assured us this was a viable way.

Is that your expectation of subordinate bodies of the legislature, that they only comply with their own boards and they are independent? Is the IESO an outlier here, as none of the other agencies have put the reliability of the financial statements of this province at risk?

- MOF: Agencies need their own governance and their own boards and need to seek advice from their own. All accountability provisions are in place for all of our agencies and entities.

NDP Caucus: MPP John Vanthof

The public does not trust any government's numbers, but the Auditor General is a source that can be trusted.
If the IESO follows public sector accounting standards and is committed to accountability, why didn't you speak to the Auditor General before making these accounting changes?

- IESO: The financial statements and accounting practices of the IESO are under the purview of the IESO. We look to a number of advisors/sources, including other jurisdictions. We speak to the Auditor General once we reach a conclusion.

Is it possible for the IESO to follow the Auditor General's recommendation and present your statements in a way for the general public to follow? KPMG is not Ontario's independent auditor.

- IESO: We believe that our statements are presented in an open and transparent way and in line with KPMG, our external auditor.
- It is possible. As management of the IESO, we have selected what we believe is most appropriate for the organization. We disagree with the Auditor. It's no disrespect to the Auditor, but we stand behind our judgement on this and we take it very seriously.

Was the decision to adopt rate regulated accounting based on the government of the day? Why not 5 years ago? Did the Fair Hydro Plan have an impact on this?

- IESO: The audit committee, when considering the change, did not do it on the basis of having to do it on the Fair Hydro Plan. We looked at it as is this the right thing to do. That's what we asked KPMG to look at, and 6 of the 8 other IESO's in North America do this type of accounting. We believe this way is more transparent.

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- TBS: agrees that it is important to release public accounts earlier and is working with partners to determine how that would work.

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- MOF: DM Thompson responded with standard budget messaging.

N.B.: Comments captured are not verbatim quotes.	

Prepared by: Deepika Shewaramani

Deepika Shewaramani | Issues Advisor
Issues, Media, Correspondence & Research Services
Communications Services Branch | Ministry of Finance
(416)-326-3665

Summary: Standing Committee on Public Accounts

Public Accounts of the Province

(Chapter 2, 2017 Annual Report of the Office of the Auditor General of Ontario)

Ministry of Finance - February 28, 2018

Time / Location:

12:30 p.m. / Committee Room 151

Attendees:

Committee Members
Ernie Hardeman, PC
John Vanthof, NDP
Randy Hillier, PC
Liz Sandals, LIB

Treasury Board Secretariat
Helen Angus, Deputy Minister
Karen Hughes, Associate Deputy Minister
Cindy Veinot, Assistant Deputy Minister and Provincial Controller
Mark Donaldson, Director, Office of the Provincial Controller

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Ken Kandeepan, Chief Financial and Risk Officer, Ontario Financing Authority

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Prepared by: Deepika Shewaramani

From: Donnelly, Ryan
To: Mike Manning; James Devine; Carlos Yep; Elizabeth Wallace
Cc: Bartlett, Doug - Debt Capital Markets; Janetos, Ben - Debt Capital Markets
Subject: FW: **ANNOUNCED** FAIR HYDRO TRUST
Date: Monday, January 22, 2018 2:27:23 PM
Attachments: Fair Hydro Trust - 2018-1 Senior Notes Term Sheet.pdf
Fair Hydro Trust - Confidential Shelf Offering Memorandum.pdf
Fair Hydro Trust Investor Presentation.pdf

Good afternoon. As discussed this morning, the roadshow for Fair Hydro Trust has now been announced. As articulated in the attached investor presentation, the inaugural transaction being contemplated will be a 15-year offering.

Ryan

CIBC World Markets, Goldman Sachs, and RBC Capital Markets are pleased to announce a roadshow for the inaugural **Fair Hydro Trust ("FHT" or the "Issuer")** debt offering, Canada's first issuance of utility cost recovery bonds. The proposed senior notes will be offered by way of private placement in Canada.

CIBC is a Joint Lead and Joint Bookrunner on this transaction.

Please see below for further details on the roadshow.

****CANADIAN FIXED INCOME ROADSHOW****

Montreal: Monday, January 29

AM/PM: 1x1s Available
12:00PM Investor Luncheon – Ferreira Cafe, 1446 Peel St, Montreal
2:30PM National Investor Call

National Call Details:

Participant Dial-in: 416-620-9188 / 800-931-1309

Replay: 416-626-4100 / 800-558-5253 *(Expires Feb. 5, 2018 @ 11:59PM)*

Reservation #: 21879911# *(For Postview Purposes Only)*

Toronto: Tuesday, January 30

12:00PM Investor Luncheon – Adelaide Hotel, 325 Bay St, Toronto
PM: 1x1s Available

Toronto: Wednesday, January 31

AM/PM: 1x1s Available

Winnipeg: Thursday, February 1

8:00AM Investor Breakfast – ●
AM: 1x1s Available

Vancouver: Friday, February 2

AM/PM: 1x1s Available

Attending on behalf of Ontario Power Generation:

Ken Hartwick, Chief Financial Officer

John Lee, Vice President & Treasurer

Ken Ryfa, Assistant Treasurer

Lubna Ladak, VP Treasury – Fair Hydro Plan *(attending in Toronto)*

****INDICATIVE DEAL TERMS****

Offering Type: CAD Private
Offered Certificates: Senior Notes
Rating Agencies: DBRS/Moody's (presale reports will be available via Rating Agency websites)

Class Note	Balance	Term*	Subordination	DBRS/Moody's**	Benchmark
Senior Notes	C$●	15.25	49.00%	AAA(sf)/Aa2(sf)	GOC+
Subordinated Notes	C$●	15.25	10.00%	AA(sf)/Aa2(sf)	Placed with OPG
Junior Subordinated Notes	C$●	15.25	0.00%	A(sf)/Aa2(sf)	Placed with OPG

* Years
** Expected Credit Ratings
Expected Pricing: Week of February 5, 2018
Expected Settlement: Week of February 12, 2018

Business of the Issuer: Fair Hydro Trust (the "Issuer"), a special purpose trust established under the laws of the Province of Ontario, and caused to be established by Ontario Power Generation Inc. ("OPG"), as Financial Services Manager, has created a program providing for the offering and issuance of senior notes. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017*; the Province of Ontario announced its Fair Hydro Plan on March 2, 2017, which proposed to lower the average electricity bill for eligible customers by 25%.

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This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January 22, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Capital Markets Platform" and "Description of Senior Notes" sections of the confidential shelf offering memorandum which contain a more detailed description of certain terms of the Series 2018-1 Senior Notes and the trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture (the "Series 2018-1 Senior Supplemental Indenture") pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *January 22, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE MAY 15, 2033, SERIES 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	$●[(1)]
Term:	15.25 years
Launch Date:	●, 2018
Pricing Date:	●, 2018
Settlement Date:	●, 2018 (T+3)
Interest Rate:	●% per annum (the "**Series 2018-1 Interest Rate**")
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● +● bps (including a ● bps curve adjustment and +● bps delay adjustment), versus the CAN ●% due ● (priced at $● to yield ●%)

(1) The Issuer may offer and sell Series 2018-1 Senior Notes having a principal amount greater than the amount shown above. In that event, the Principal Accumulation Amounts, the principal amounts of the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes and the use of proceeds amount will be increased proportionately.

Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-1 Senior Notes.
Agents Commission:	$● per $1,000 principal amount of Series 2018-1 Senior Notes sold (payable from existing cash resources of the Issuer)
Interest Payment Dates:	The Interest Payment Dates for the Series 2018-1 Senior Notes are as follows: (i) prior to the occurrence of an Amortization Event, interest on the Series 2018-1 Senior Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Senior Notes on each Payment Date thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event, the first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes. If an Interest Payment Date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis. The record date for each Interest Payment Date is the last day of the calendar month preceding such Interest Payment Date. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-1 Senior Notes, or the outstanding principal amount of the Series 2018-1 Senior Notes has not been paid in full on the Expected Principal Payment Date (as defined below). An "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the Master Trust Indenture, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes and all interest thereon is declared due and payable in accordance with the Indenture as a result of the occurrence of a Series 2018-1 Event of Default (as defined below).
Principal Payment Dates and Principal Payment Amount:	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on May 15, 2033 (such Payment Date, the "**Expected Principal Payment Date**"). Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date in respect of the Series 2018-1 Senior Notes and the then outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date.
Principal Payment Default Date:	May 15, 2035

Principal Accumulation Amounts: Subject to the occurrence of an Amortization Event, the Series 2018-1 Senior Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix A hereto.

Following the occurrence of an Amortization Event, the Principal Accumulation Amount with respect to each Payment Date thereafter shall be an amount equal to the outstanding principal amount of the Series 2018-1 Senior Notes.

Subordination: Concurrent with the issuance of the Series 2018-1 Senior Notes, OPG will subscribe for (i) $● of ●% subordinated notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**"); and (ii) $● of ●% junior subordinated notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**"). The Series 2018-1 Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations), and the Series 2018-1 Junior Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations) and the Series 2018-1 Subordinated Notes (and all other Subordinated Funding Obligations), in each case in the manner described in the confidential shelf offering memorandum under the heading "*Capital Markets Platform – Subordination Provisions*".

Optional Redemption: The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption.

"**Par Call Date**" means November 15, 2032.

"**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus ●% per annum.

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

Limited Recourse:	The Series 2018-1 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-1 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-1 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Series 2018-1 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under *"Change of Law Protection Agreement"*. The Series 2018-1 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under the heading *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.
Use of Proceeds:	The proceeds from the Series 2018-1 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement. See *"Consolidated Capitalization"*. Expenses of the Series 2018-1 Senior Notes Offering are to be paid from existing cash resources.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Change of Law Protection Agreement:	The Series 2018-1 Senior Notes are Approved Obligations under the Change of Law Protection Agreement.
Series 2018-1 Events of Default:	In addition to the Events of Default contained in the Master Trust Indenture and described in the confidential shelf offering memorandum, each of the following events constitute a "**Series 2018-1 Events of Default**": (a) failure to pay interest on the Series 2018-1 Senior Notes when due, subject to a 5-day cure period; (b) failure to pay principal on the Principal Payment Default Date for the Series 2018-1 Senior Notes; (c) breach of representation or warranty in the Series 2018-1 Senior Supplemental Indenture applicable to the Series 2018-1 Senior Notes, subject to materiality requirements and a 60-day cure period; (d) breach of a covenant in the Series 2018-1 Senior Supplemental Indenture, subject to materiality requirements and a 60-day cure period; and (e) an event occurs and as a result thereof, all or any portion of the principal amount of any other Senior Funding Obligation has been accelerated.

Acceleration upon a Series 2018-1 Event of Default:	Upon the occurrence of a Series 2018-1 Event of Default, the holders of Series 2018-1 Senior Notes may, by Ordinary Resolution, declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Senior Notes to be immediately due and payable, whether or not all Issuer Funding Obligations have been accelerated pursuant to the Master Trust Indenture. For a discussion of the consequences of such declaration, see the confidential shelf offering memorandum under the headings "*Capital Markets Platform – Acceleration and Remedies*" and "*Risk Factors – If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected*".
Rating Agency Condition:	"**Rating Agency Condition**" means with respect to any action in respect of the Series 2018-1 Senior Notes subject to such condition, the Issuer shall deliver written notice of the proposed action to such Rating Agency or Rating Agencies at least 10 business days prior to the effective date of such action (or if 10 business days prior notice is impractical, such advance notice as is practicable) and (i) the Rating Agencies shall not have informed the Issuer prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, DBRS shall have informed the Issuer in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action.
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	CIBC World Markets Inc. (joint lead and joint bookrunner), Goldman Sachs Canada Inc. (joint lead), RBC Dominion Securities Inc. (joint lead and joint bookrunner), BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Morgan Stanley Canada Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Desjardins Securities Inc. and Casgrain & Company Limited.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading

in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	$●
Debt		
Long-term debt, including current portion……	Nil	$●
Short-term debt……...	$1,179,000,000.00[(2)]	$●
Bank indebtedness……..	Nil	$●
Total Debt……	$1,179,000,000.00[(2)]	$●
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	$1,179,010,000.01[(2)]	$●

(2) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short term debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes, Series 2017-1 held by OPG; and (iii) $117,900,000, or 10% of all short term debt, represented by Junior Subordinated Notes, Series 2017-1 held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On November 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, 2018, the Issuer had approximately $● outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' commission payable by the Issuer.

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

APPENDIX A
PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
January 15, 2030	$●
February 15, 2030	$●
March 15, 2030	$●
April 15, 2030	$●
May 15, 2030	$●
June 15, 2030	$●
July 15, 2030	$●
August 15, 2030	$●
September 15, 2030	$●
October 15, 2030	$●
November 15, 2030	$●
December 15, 2031	$●
January 15, 2031	$●
February 15, 2031	$●
March 15, 2031	$●
April 15, 2031	$●
May 15, 2031	$●
June 15, 2031	$●
July 15, 2031	$●
August 15, 2031	$●
September 15, 2031	$●
October 15, 2031	$●
November 15, 2031	$●
December 15, 2031	$●
January 15, 2032	$●
February 15, 2032	$●
March 15, 2032	$●
April 15, 2032	$●
May 15, 2032	$●
June 15, 2032	$●
July 15, 2032	$●
August 15, 2032	$●
September 15, 2032	$●
October 15, 2032	$●
November 15, 2032	$●
December 15, 2033	$●
January 15, 2033	$●
February 15, 2033	$●
March 15, 2033	$●
April 15, 2033	$●
May 15, 2033	$●

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement — January 22, 2018

FAIR HYDRO TRUST
Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (together with the regulations promulgated thereunder, the "**FHPA**"). Under the FHPA, OPG is appointed as financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this

confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended, supplemented, restated or otherwise modified from time to time.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the

investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page 95 of this confidential shelf offering memorandum. An index of defined terms used in this confidential shelf offering memorandum specifying on which page such terms are defined is provided starting on page 107 of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*, *"Subordinated Debt"* and *"Risk Factors"* of this confidential shelf offering memorandum and *"Fair Allocation Amount"*, *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"* and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval of all Series.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.
- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO in performing their respective obligations under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Power outages could impair payment of the Senior Notes.
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.
- If any Electricity Vendor or the IESO were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against such Electricity Vendor or the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS, AND THEIR RESPECTIVE REPRESENTATIVES, TO WHOM IT IS TRANSMITTED, SOLELY TO ENABLE SUCH PERSONS TO EVALUATE AN INVESTMENT IN THE NOTES DESCRIBED IN THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM. BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER.

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with a future Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer

nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page 95 of this confidential shelf offering memorandum. An index of defined terms used in this summary is provided starting on page 107 of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer) or of the IESO. The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG, IESO or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"— Change of Law Protection Agreement"*.
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "FHPA"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[1] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[2] for that period. Under the FHPA, OPG is appointed as Financial Services Manager and is given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Notes are Funding Obligations being offered for the purposes of the FHPA. See *"Ontario's Fair Hydro Plan — Background"*.

[1] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[2] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of Series, in one or several Offerings. A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the Master Trust Indenture, as supplemented by a Supplemental Indenture authorizing that Series.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a non-share corporation established under the *Electricity Act, 1998* (Ontario). As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy. The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market. Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). Pursuant to the Master Transfer and Servicing Agreement, the IESO may, on a monthly basis, offer to Transfer specified portions of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"The Transferor and Servicer"*.
Investment Interest:	Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.
Clean Energy Adjustment:	The FHPA imposes an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager and will be converted by the OEB into a cent per kWh rate and added to the electricity invoices sent to Specified Consumers. See *"— Statutory Duties of the OEB"* below. The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs (including interest and principal on the Senior Notes), derivative payments, required reserve account deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount will also reflect any historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. Based on the Fair Allocation Amount determined and provided by the Province, from July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment of interest on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*. Amounts so contributed by the IESO are not available to pay principal on the Senior Notes.

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs until July 31, 2021:

The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement, the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest.

As security for the performance of the IESO's obligation under the Regulations to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount & Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g.

OEB licensees) in Ontario's electricity market, including the activities of transmitters and distributors as well as the IESO (all of whom are Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided by the IESO to the OEB. See *"The Transferor and Servicer"*.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*The Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA requires Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of the Issuer and any other Financing Entities that may be established, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts and hold such amounts in trust for the benefit of the Financing Entities until remitted to the IESO for the benefit of the Financing Entities (initially, only the Issuer). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required is based on a formula as set out in the Master Transfer and Servicing Agreement and will be equal to: (a) the product of (i) 50% of estimated Clean Energy Adjustment amounts that are to be collected over a twelve-month period by all such non-investment grade rated Electricity Vendors, and (ii) a fraction equal to 45/365 (representing the 45-day period during which funds are expected to be held by such non-investment grade rated Electricity Vendors prior to being remitted to the Issuer); or (b) such

other lesser amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. See *"The Electricity Industry in Ontario — Key Industry Participants — Ontario Power Generation Inc."* and *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of the Financing Entities (of which the Issuer is currently the only one), to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of the Financing Entities (of which the Issuer is currently the only one) and remit such amounts on a monthly basis, subject to daily remittance being required in certain limited circumstances. Pursuant to the Master Transfer and Servicing Agreement, monthly remittances of amounts received in respect of the Clean Energy Adjustment will occur on the 18th business day of each calendar month. In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts and

fulfilling certain additional reporting requirements. Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which includes payments of amounts that are due and payable in respect of Senior Notes), although the amount of the Province of Ontario's payment obligations in a particular period may differ depending on whether an Acceleration has occurred. See *"Change of Law Protection Agreement"*. The Issuer and the Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*.

Generally, an "**Approved Obligation**" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

It will be a condition to any Offering of Senior Notes that such Senior Notes constitute Approved Obligations under the Change of Law Protection Agreement.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the Act or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the Act or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and

subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture (in effect as of the date hereof). See *"Capital Markets Platform — Acceleration and Remedies — Rights of Specified Creditors"*.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include

inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including all Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of Clean Energy Costs in proportion to the relative attribution of the value of Clean Energy Benefits among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations

should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation that is issued is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

Use of Proceeds:

The proceeds from each Offering may be used for one or more of the following purposes: (i) to acquire an Investment Interest pursuant to the FHPA and the Master Transfer and Servicing Agreement, (ii) to refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) to pay Offering and related costs of the Issuer and (iv) to fund specific reserve accounts as required.

The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.

Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", *"Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration"*.
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount. In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement

or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for Senior Funding Obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for Subordinated Funding Obligations;
- payments of or accumulations in respect of interest for Junior Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Warehouse Obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for Senior Funding Obligations (other than Warehouse Obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on Senior Funding Obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Junior Subordinated Funding Obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for Subordinated Funding Obligations or Junior Subordinated Funding Obligations);
- replenishment of Series Accounts established for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Junior Subordinated Funding Obligations;
- replenishment of Series Accounts established for Junior Subordinated Funding Obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on Senior Funding Obligations and payments under derivative agreements (other than termination payments), *pari passu*, then Subordinated Funding Obligations (other than principal) and then Junior Subordinated Funding Obligations (other than principal);
- principal for Warehouse Obligations;
- *pari passu*, principal on Senior Funding Obligations (other than Warehouse Obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for Subordinated Funding Obligations and then Junior Subordinated Funding Obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 units of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior

	Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103). By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.
Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The following summary of the electricity industry in Ontario does not purport to be comprehensive or definitive. It is a general and high-level overview of the historical context and the current manner in which the industry operates, including how real-time energy supply needs are met.

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydroelectric, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from large generating facilities to local distribution systems and large transmission-connected consumers, as well as to and from inter-jurisdictional entities; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses, as well as the delivery of electricity from small distribution-connected generating facilities, using low voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive wholesale electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes, along with the transmission and distribution system investments needed to support these changes, have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of smaller scale wind and solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be scheduled and dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy by certain domestic loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Most generators in Ontario also have bilateral contracts with the IESO (i.e. power purchase agreements) and one large generator, OPG, receives OEB-regulated prices, or payment amounts, that provide for payments in addition to wholesale market settlements that are paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario). The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold the generation assets of the former Ontario Hydro. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power facility. OPG's mandate is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for a significant portion of the total energy generated and injected into Ontario's electricity transmission system. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for managing the reliability of the provincial transmission system and operating the wholesale electricity markets in Ontario. The OPA was formed to plan the provincial power system and to procure electricity resources. The OPA entered into bilateral power or capacity purchase contracts with generators and other electricity resource providers. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial administrative tribunal and public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors. The IESO and distributors are Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

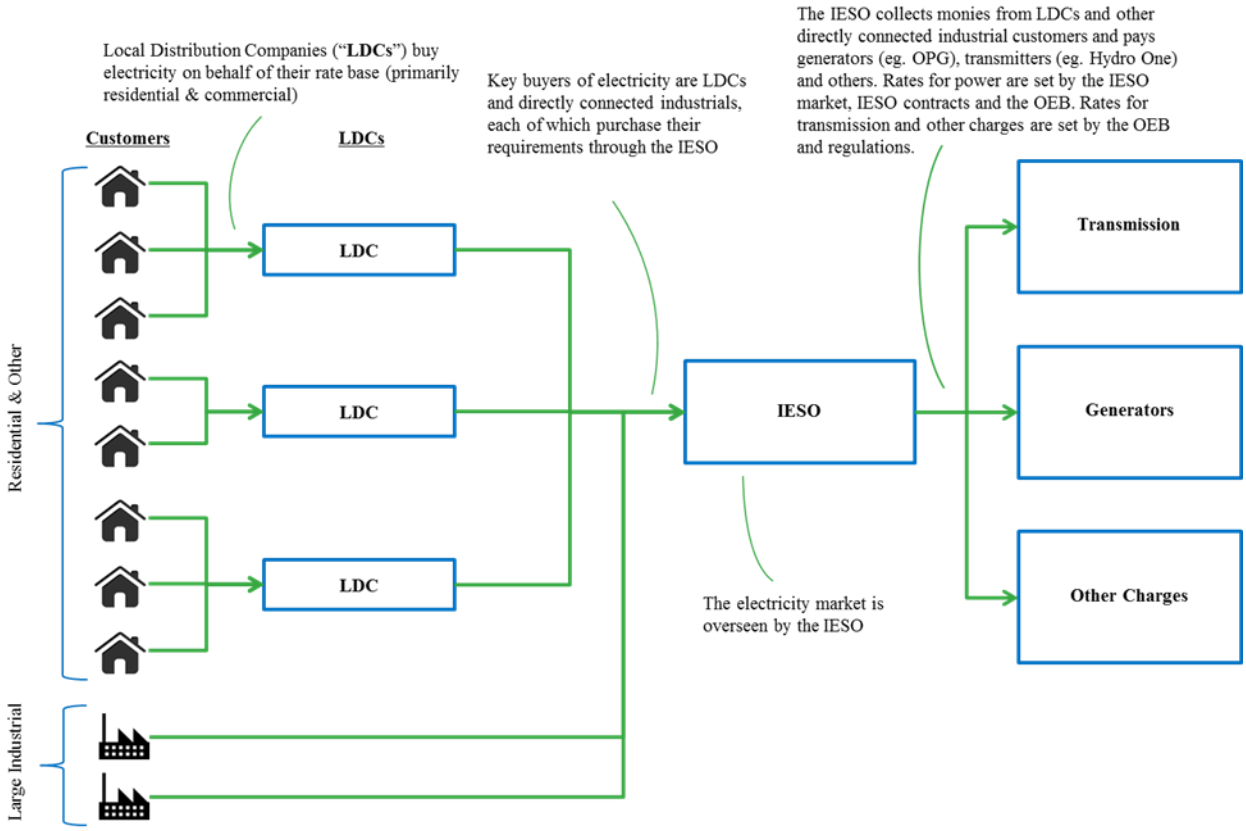
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures affecting regulated assets and regulated entities, such as distributors and transmitters. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, as well as institutions such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB.

The following diagram depicts the flow of funds between the key industry participants:



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two main components that make up the commodity cost of electricity in Ontario, the Hourly Ontario Energy Price ("**HOEP**") and the global adjustment charge.

- The HOEP is set by the IESO based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is established monthly by the IESO in accordance with regulations and is the amount of money necessary to pay certain other costs to generators and other suppliers that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to OPG pursuant to OEB-established payment amounts.

Prior to the FHPA being passed, the amount collected generally over an annual basis by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's current payables to generators and other electricity resource suppliers, subject to certain periodic true-ups, fees and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered prices primarily for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months by the OEB based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in previous periods. RPP prices are now established in accordance with the FHPA. Most

Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from an OEB-licensed retailer pursuant to a retail contract that provides a rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the FHPA. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[3] less than the rate that would otherwise have been determined by the OEB for that period absent Ontario's Fair Hydro Plan (such adjustment, together with the further adjustments described below in this section, the "**Fair Adjustment**").

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

[3] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, the amounts charged to the IESO by the Issuer in respect of the Carrying Costs of the Issuer, when applicable, and certain other amounts in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from Specified Consumers before May 1, 2021. The IESO may, in accordance with the FHPA, Transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that gives rise to the Regulatory Asset and, as an owner of the Investment Interest, will be entitled to recover its Finance Amount (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest by accepting a Transfer of the corresponding specified portion of a Regulatory Asset, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the Transfer of a specified portion of the Regulatory Asset from the IESO, such Transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of Financing Entities that own an Investment Interest (among other things):

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment,

including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest; and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers to cover the cost of financing the shortfall that gives rise to the Regulatory Asset. The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer , or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that are payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a Funding Obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) amounts received during the period in respect of Carrying Costs;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

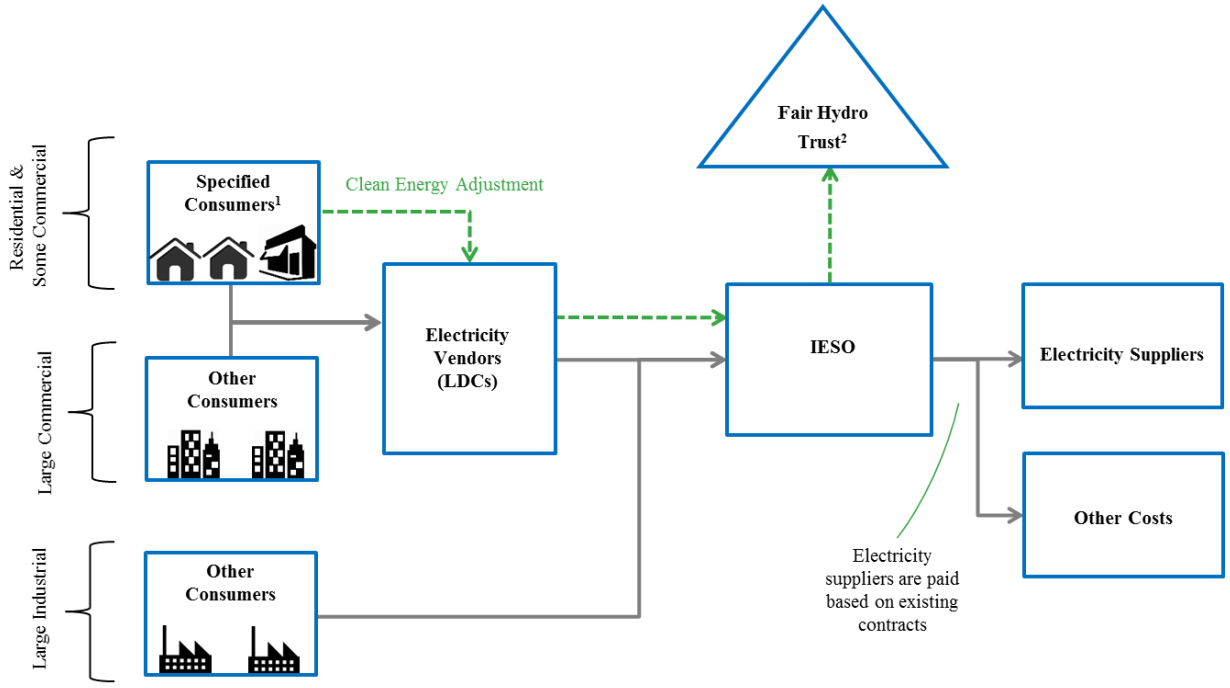
In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. The True-up Amount is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount will also reflect any historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period based on forecast information provided by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the Financing Entities (of which the Issuer is currently the only one), amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the Financing Entities (of which the Issuer is currently the only one) until remitted

to the IESO for the benefit of the Financing Entities (of which the Issuer is currently the only one). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay to the Issuer under the Regulations during such period. See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, once applicable, directly to the IESO.

[2] Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer for a corresponding purchase price. Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset following payment by the Issuer of the corresponding purchase price, the Issuer will acquire an Investment Interest.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers. Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA, provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation that is issued is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Payment of Carrying Costs until July 31, 2021

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes). The amounts paid by the IESO to the Issuer to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest pursuant to the FHPA.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer. Furthermore, as security for the performance of its obligations under the Regulations to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account. The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period, divided by the number of months in such Reference Period. See *"Capital Markets Platform — Acceleration and Remedies — Limitation on Available Amounts on Acceleration"* for a description of the amounts that would be available to be paid under the Master Trust Indenture in such circumstances.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Senior Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the Act or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the Act or any portion thereof, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued, provided that for purposes of determining voting rights with respect to Notes, Notes in which the Province of Ontario has an interest will be deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

It will be a condition to any Offering of Senior Notes that such Senior Notes constitute Approved Obligations under the Change of Law Protection Agreement.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

A "**Certified Primary Obligation**" means a Primary Obligation: (i) incurred by or on behalf of the Issuer to fund its ownership of an Investment Interest, including any Refinancing, other than a Post-Suspension Refinancing or a Pre-Approved Refinancing (each as defined below), of such a Primary Obligation (for greater certainty, including, in the case of any Certified Primary Obligation permitting funding transactions pursuant to a Funding Obligation Agreement applicable to the Certified Primary Obligation, each individual borrowing or funding utilization thereunder), (ii) incurred by or on behalf of the Issuer upon the Issuer entering into a derivative agreement, in which case the Certified Primary Obligation therefor shall be the Master Agreement applicable to such derivative agreement and not any individual trade confirmation other than a trade confirmation that modifies or purports to override the express terms or conditions of the related Master Agreement, or (iii) incurred by or on behalf of the Issuer upon entering into a contract that has a term of more than three (3) years which is not terminable by the Issuer giving three (3) years' notice or less and expected (as determined by the Manager, acting reasonably) aggregate payments by the

Issuer thereunder during the term of such contract are or would be in excess of $5,000,000 (that, for greater certainty, is not otherwise captured in clauses (i) and (ii) above).

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including the Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document to which the Limited Guarantee applies and which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Issuer Trustee is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

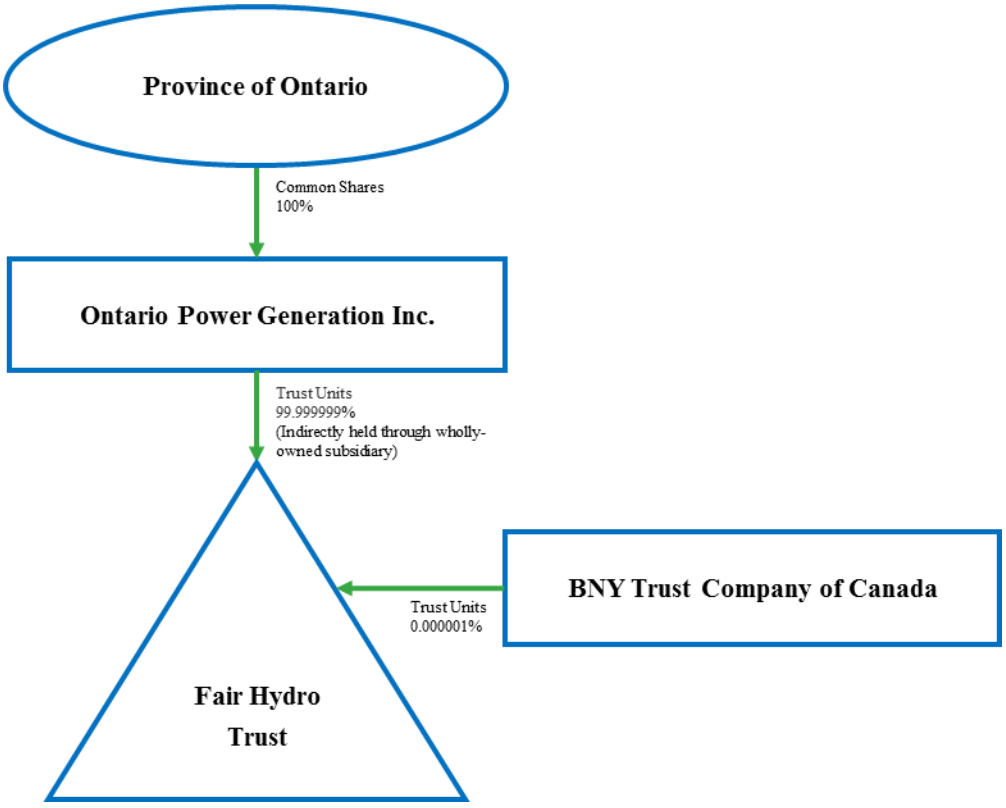
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, the Manager (on behalf of the Issuer) shall review, or cause to be reviewed,

on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors — Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager."*

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross

negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

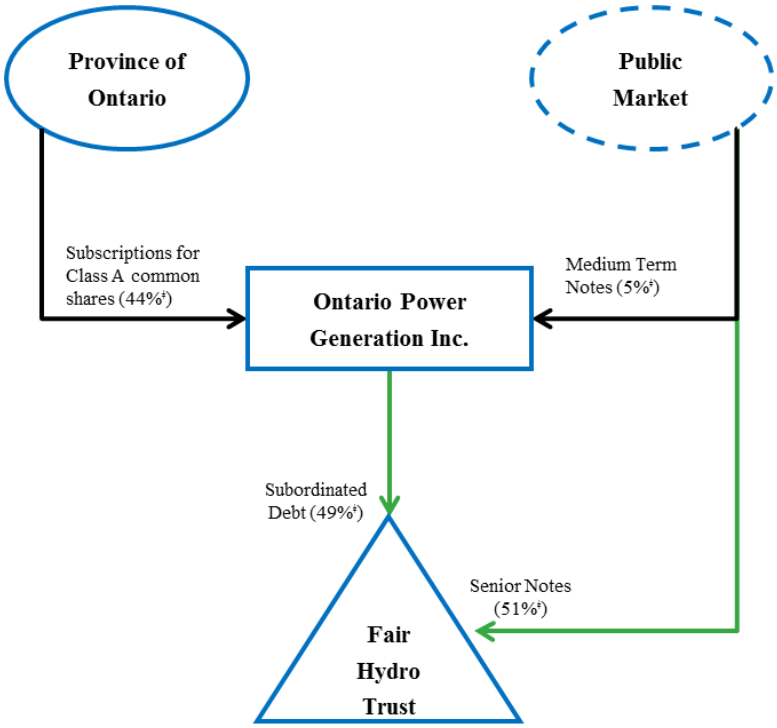
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximately 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



ǂ OPG is expected to acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(a) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(b) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(c) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest on December 21, 2017.

THE TRANSFEROR AND SERVICER

Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to Transfer to the Issuer a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of receiving the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts received in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on the 18th business day of each month, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) providing forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period.

The IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions. The Master Transfer and Servicing Agreement provides for various limitations on the duties and responsibilities of the IESO including that: (i) the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, (ii) the IESO is under no responsibility or obligation to the Issuer with respect to the nature or extent of the Investment Interest, the collectability of the Clean Energy Adjustment or that Clean Energy Adjustment amounts received will be sufficient to satisfy the Issuer's Funding Obligations, (iii) the IESO shall have no liability or responsibility to any person in respect of any forecasts or other information provided, provided only that such forecasts or other information has been prepared and provided in good faith and (iv) the IESO is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from Specified Consumers or not remitted by Electricity Vendors to the IESO. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"* and *"Ontario's Fair Hydro Plan — Other Statutory Protections"* with respect to the manner in which the risks associated with incorrect forecasts by the IESO, and shortfalls in Clean Energy Adjustments as a result of amounts not being collected by Electricity Vendors or remitted by Electricity Vendors, are mitigated.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA, including its obligation to pay the Carrying Costs to the Issuer.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations

of the Issuer, including repayment of principal on the Senior Notes. Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer.

As security for the performance of its obligation to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for Transfer to the Issuer in a subsequent period. Upon completion of such Transfer, the Issuer will acquire an Investment Interest pursuant to the FHPA.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors or such other number as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program

Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement or the FHPA (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to

the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);
- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and
- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "— *Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "— *Payment Waterfalls Prior to Acceleration — Collection Account*", "— *Payment Waterfalls Prior to Acceleration — Protection Account*" and "— *Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material

conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and

deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the Internal Revenue Code, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a

specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all

amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall. Amounts in the Program Cash Reserve Account will be available to pay interest and principal on the Senior Notes.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible

Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "— *Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "— *Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference

to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying

its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "— *Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel, each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized,

executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;

- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;

- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;

- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;

- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;

- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;

- facilitate the issuance of foreign currency Issuer Funding Obligations;

- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;

- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or

- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined based on the extent, if any, to which the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"Capital Markets Platform"*.

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF SENIOR NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this *"Description of Senior Notes"* section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;

- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s), if any, and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;
- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;
- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;
- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;
- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and
- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer) or of the IESO. The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will

also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Payment Dates on which such amounts are to be accumulated for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than an expected Principal Payment Date if an optional redemption occurs and may receive principal payments later than an expected Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on an expected Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit were successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA should no longer be law in Ontario or that the FHPA should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See *"Change of Law Protection Agreement"*. However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA referenced in the previous paragraph were amended or repealed through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Crown, nor may an order for execution or attachment be made against the Crown, although the remedy of damages is available. Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior

Notes, and the Issuer must rely for payment of all of its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs to the Issuer. The amounts paid by the IESO with respect to Carrying Costs cannot be applied on account of principal on the Senior Notes. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Carrying Costs to the Issuer. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring September 30, 2022, which can be used to pay the Carrying Costs to the Issuer. There can be no assurance that the IESO will continue to have sufficient funds available to pay the Carrying Costs to the Issuer during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay the Carrying Costs to the Issuer and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior Notes, and the Issuer must rely on the IESO for the funds necessary to pay its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs to the Issuer. Amounts paid by the IESO are not available to pay principal on the Senior Notes. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and

- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt or general obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA, rights to enforcement of the FHPA and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the

Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform -- Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring Investment Interests. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the Transfer by the IESO of specified portions of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, the Investment Asset will be co-owned by all Financing Entities (including the Issuer) and consequently Clean Energy Adjustment amounts collected by or for the benefit of the Financing Entities will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA and the Master Transfer and Servicing Agreement impose new duties and obligations on the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Master Transfer and Servicing Agreement. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or providing forecast information, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or

reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.

The FHPA imposes new duties and obligations on OPG, as Financial Services Manager, and the Program Agreements impose new duties and obligations on OPG, as Manager. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA, including determining the Clean Energy Adjustment (inclusive of the True-up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated based upon a forecast of Specified Consumer usage to be newly developed based on forecast information provided by the IESO. Under the Regulations, the IESO is required to provide forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period. The amount of the Clean Energy Adjustment collected in any period will depend in part on actual electricity usage by Specified Consumers and the amount of collections and write-offs for Specified Consumers. If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. The FHPA does not require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in FHPA. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment. The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-up Amount. Until such adjustments are made or, if those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to provide indemnification, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20° Celsius. Winters include snow and icy conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization,

if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.

Ordinarily, the interests of the Issuer as acquirer of an Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time the corresponding Regulatory Asset was Transferred to the Issuer. This could reduce the amounts that may be available to the Issuer in respect of the Investment Interest and, consequently, the holders of Senior Notes. Section 27(3) of the Act provides that at the time of the Transfer of the Regulatory Asset to a Financing Entity, such Transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the Act provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the Transfer and the property rights and interests acquired by the Transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the Act in such circumstances is untested. The Transfers of the Regulatory Asset to the Issuer will be made in accordance with section 26 of the Act. Section 27(1) of the Act provides that a Transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Transferee. Therefore, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Regulatory Asset. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO or such Electricity Vendor may be significantly impaired or delayed.

Under the Master Transfer and Servicing Agreement, collections received by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior

Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities

laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Capital Markets Platform — Covenants of the Issuer — Financial Statements; Statement as to Compliance"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of

an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Financial and Consumer Affairs Authority of Saskatchewan.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

(i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum (which shall for the purposes hereof be considered to include any document or record incorporated or deemed to be incorporated by reference herein), together with any amendments hereto (which shall for the purposes hereof be considered to include any document or record incorporated or deemed to be incorporated by reference therein), or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "misrepresentation"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action may be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any

misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference herein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference herein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference herein, not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the *Securities Act* (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer or the selling security holder on whose behalf the distribution is made. "Misrepresentation" means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer and selling security holder will be liable if the person proves that:

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

  (ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

  (iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that:

    (A) there had been a misrepresentation; or

    (B) the relevant part of the confidential shelf offering memorandum:

      a. did not fairly represent the report, statement or opinion of the expert, or

      b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) while still an owner of the Senior Notes, a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Alberta, British Columbia, Newfoundland and Labrador and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia, Newfoundland and Labrador and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, with respect to a Funding Obligation, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Act**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Change of Law Protection Agreement**" means the change of law protection agreement dated as of December 21, 2017 among the Province, the Issuer and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Ontario government related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**Crown**" means Her Majesty the Queen in Right of Ontario.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" means the declaration of trust made as of December 20, 2017 under which the Issuer was established, as amended, supplemented, restated or otherwise modified from time to time.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.

"**FHPA**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Entity**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligations**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations,

exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on page (iii) of this confidential shelf offering memorandum.

"**Issuer**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement".*

"**Management Agreement**" means the management agreement dated as of December 20, 2017 between the Manager and the Issuer, and acknowledged by the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Manitoba"*.

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**NI 31-103**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**NI 45-106**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their

capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Offering Jurisdiction**" has the meaning set out under *"Representations and Agreements of Purchasers".*

"**OPA**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO*.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month or, if such day is not a business day, the next business day.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

  (i) every six-month period following the period mentioned in (a);

  (ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Saskatchewan"*.

"**Section 130.1**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Ontario"*.

"**Section 150**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in New Brunswick"*.

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**Transfer**" has the meaning specified in the *Ontario Fair Hydro Plan Act, 2017*, and "**Transferred**" and "**Transferee**" shall have corresponding meanings.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" has the meaning set out under *"The Issuer"*.

"**U.S. Securities Act**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

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SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

Fair Hydro Trust
Investor Presentation

January 22, 2018

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Presenters

ONTARIO POWER GENERATION

Ken Hartwick
Chief Financial Officer &
Senior Vice President – Finance

John Lee
Vice President, Treasurer

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I. Introduction and Transaction Overview

Introduction

Ontario's Fair Hydro Plan	• The Province of Ontario announced its Fair Hydro Plan ("FHP") on March 2, 2017, which proposed to lower the average electricity bill for eligible customers[1] by 25% (the "Fair Adjustment") • The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax granted by the Ontario government in January 2017
Legislation	• On June 1, 2017, the Ontario Legislature passed the *Ontario Fair Hydro Plan Act, 2017* (the "FHPA" or the "Act") to give effect to the FHP • The FHPA was enacted to ensure that clean energy costs and clean energy benefits associated with Ontario's clean energy initiatives are fairly allocated among present and future Specified Consumers and to provide fairness for Specified Consumers over time • The FHPA is supplemented by regulations related to the implementation of the FHPA (the "Regulations" and together with the FHPA, the "Legislation") • The FHPA imposes an irrevocable and non-bypassable charge recoverable from Specified Consumers which is referred to as the Clean Energy Adjustment ("CEA"); the CEA will be determined by Ontario Power Generation ("OPG") in accordance with the Legislation in its role as Financial Services Manager ("FSM") under the Act • The CEA will be determined for each six month reference period and converted by the Ontario Energy Board ("OEB") into a $/kWh rate and added to electricity invoices sent to Specified Consumers commencing on May 1, 2021 • From July 1, 2017 to April 30, 2021 (the "Moratorium Period"), no payments in respect of CEA are expected to be collected; during the Moratorium Period and extending to July 31, 2021, the Independent Electricity System Operator ("IESO") is obligated to pay all funding and other expenses of the Trust (excluding principal) (referred to as "Carrying Costs") under the Legislation
Fair Hydro Trust	• The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") through the issuance of senior, subordinated and junior subordinated notes • Structured to be bankruptcy remote and even though consolidated by OPG on an accounting basis, the Trust is ring fenced from OPG's other creditors • The FHT term notes will be repaid through the CEA payments received from Specified Consumers

[1] Defined as Specified Consumers under the FHPA.

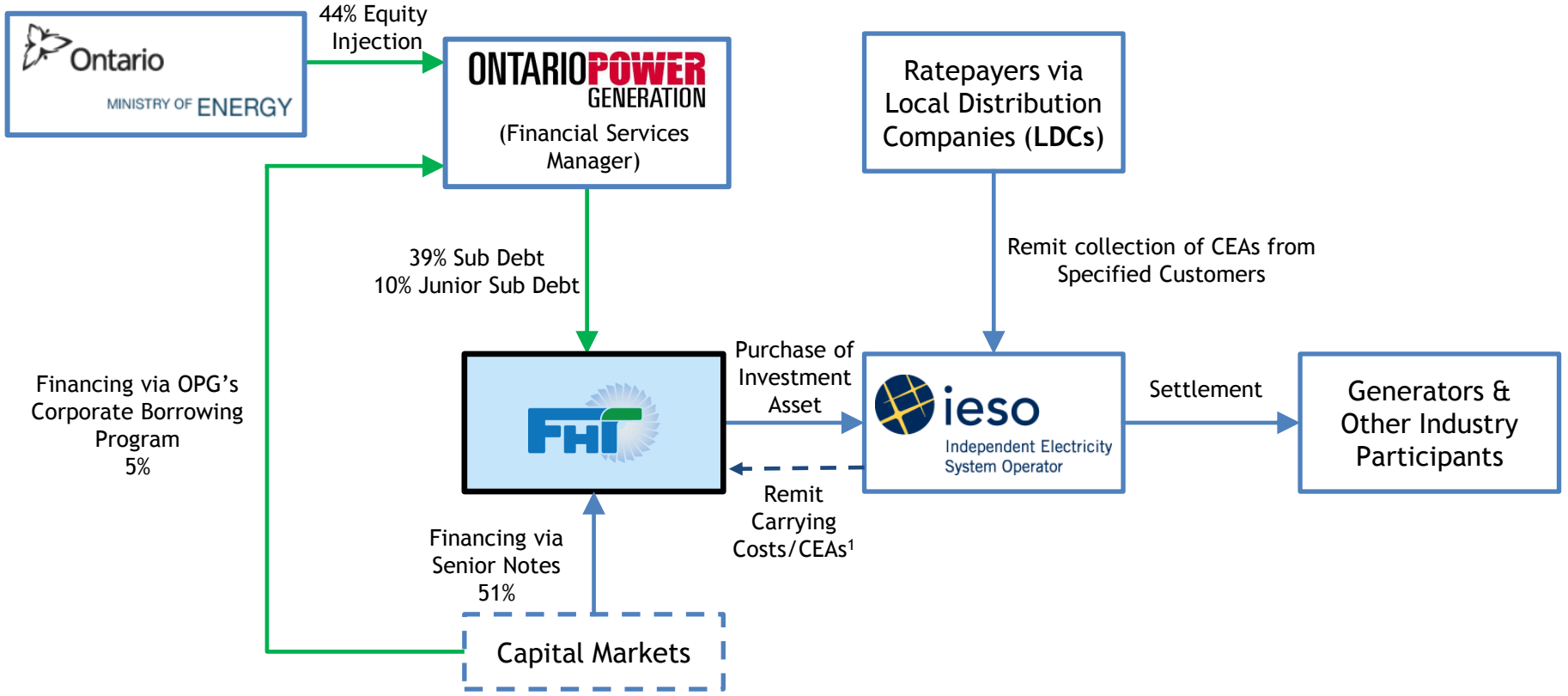
Summary of Indicative Terms

Overview of Notes

Class	Senior	Subordinated	Junior Subordinated
Issue Amount	$[●]MM	$[●]MM (placed with OPG)	$[●]MM (placed with OPG)
Initial % of Aggregate Notes	51%	39%	10%
Expected Ratings (DBRS / Moody's)	AAA(sf)/Aa2(sf)	AA(sf)/Aa2(sf)	A(sf)/Aa2(sf)
Term to Maturity	15.25 years	15.25 years	15.25 years
Expected Maturity Date	May 15, 2033	May 15, 2033	May 15, 2033
Principal Payment Default Date	May 15, 2035	May 15, 2035	May 15, 2035
Par Call Date	November 15, 2032	November 15, 2032	November 15, 2032
Principal Accumulation	Principal will be accumulated monthly commencing January 2030 to facilitate repayment of notes on the Expected Maturity Date		
Interest Type	Fixed rate		
Day Count	180/360, first payment actual/365		
Payment Dates	May 15 and November 15 or next business day		
Senior Note Credit Enhancements	Credit enhancements for the FHT 2018-1 Senior Notes will consist of: • Subordinated and Junior Subordinated notes initially equal to 49% of the aggregate issuance amount and will be retained by OPG • A segregated trust account with an eligible institution, referred to as a Program Cash Reserve Account, which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations • True-up mechanism to address any shortfalls in collections		
Operating Agents	OPG serving as the Financial Services Manager and the Independent Electricity System Operator as the Servicer		

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt and junior subordinated debt of the Trust in an aggregate amount not to exceed 49% of all outstanding debt
  - The subordination amount may vary but must at least be equal to or greater than 35% of all outstanding debt

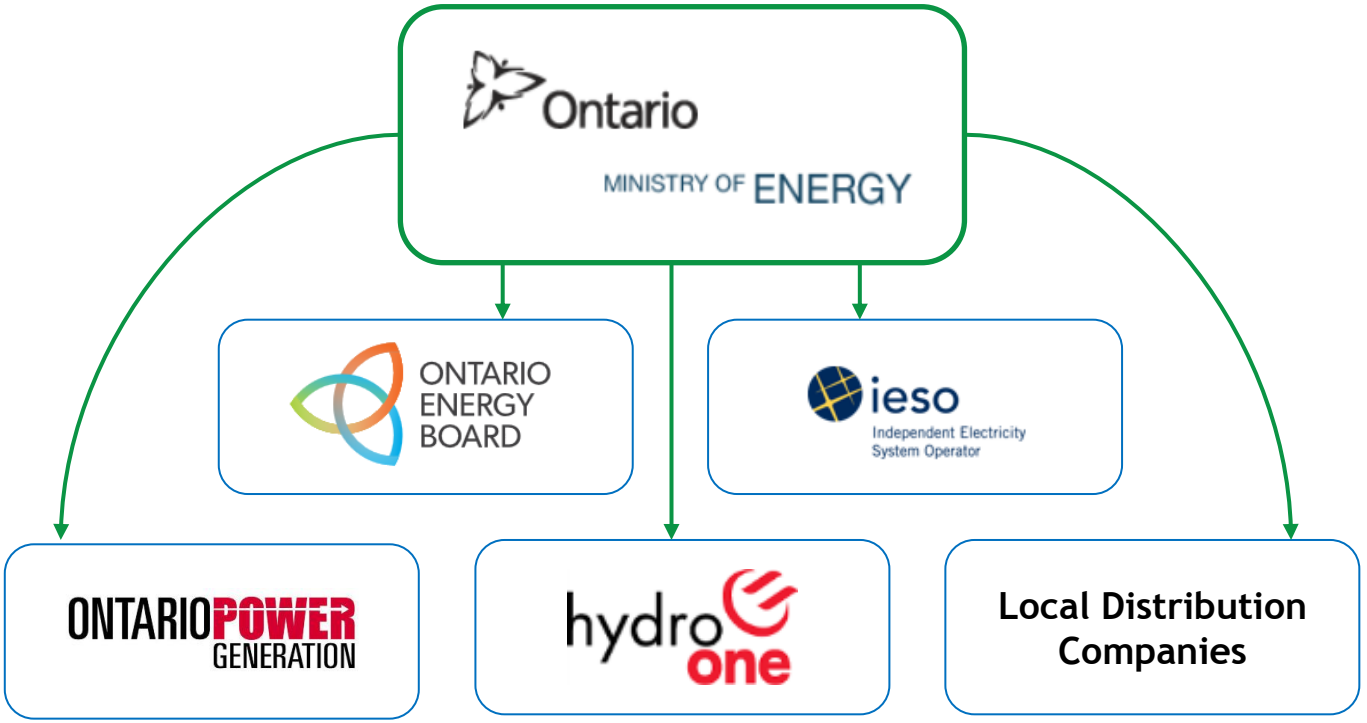


[1] The IESO is required to pay and remit Carrying Costs to the FHT up to July 31, 2021. Commencing May 1, 2021, CEAs will be included on invoices sent to Specified Consumers and collections will be used to pay all funding and other expenses of the Trust. The additional three months of IESO remittances from May 1, 2021 to July 31, 2021 is intended to cover billing and collection lags from the introduction of CEAs.
Note: The diagram above is based on subordinated debt of 49% of all outstanding debt.
Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to exclude the assets and liabilities of OPG, and vice versa.

II. Ontario Electricity Market

Overview of Ontario's Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in average annual cash flows[1]
- Transmission rates, distribution rates, and OPG's regulated rates are set by the OEB
- Rates for the majority of the remaining generation supply are set by the wholesale electricity market and by direct contracts with the IESO (e.g. Bruce Power (nuclear), wind, solar, hydroelectric)



[1] Source: "Ontario Planning Outlook – A technical report on the electricity system prepared by the IESO" dated September 1, 2016. The amount represents the mathematical average of the system costs on page 44 in the appendix "Data Tables for the OPO Technical Report".

Key Industry Participants

Participants	Credit Ratings *(DBRS / S&P / Moody's)*	Description
Ontario Ministry of Energy	**AA (l) / A+ / Aa2** [1]	• The Province of Ontario through the Ministry of Energy sets policy for the electricity system
Ontario Energy Board	--	• Independent public regulatory agency established under the *Ontario Energy Board Act, 1998* and has the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • Sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan ("RPP"); RPP rates are set twice a year (May and November)
ieso Independent Electricity System Operator	**A(h) / -- / Aa2**	• Corporation without share capital established under the *Electricity Act, 1998 (Ontario)* • Manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
Ontario Power Generation	**A(l) / BBB+ / --**	• Corporation formed under the *Business Corporation Act (Ontario)*, whose sole shareholder is the Province of Ontario • Principal business is the generation and sale of electricity in Ontario and is Ontario's largest clean energy electricity generator, providing a significant portion of the province's electricity
hydro one	**A(h) / A / A3**	• Ontario's largest electricity transmission and distribution company, delivering electricity to over 1.3 million customers across the province, and to large industrial customers and municipal utilities

[1] The credit ratings noted are for the Province of Ontario.

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry under the *Energy Competition Act, 1998*, the municipal electricity utilities became municipally-owned business corporations. The majority of LDCs continue to be municipally-owned, while others have been acquired by Hydro One or private-sector owners
- An LDC, referenced as an Electricity Vendor in the FHPA, is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors

Select Aggregate Market Stats[1]

Number of LDCs in Ontario	65
Total Revenue	$18.89 billion
Total Metered Usage (kWh)	116.11 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

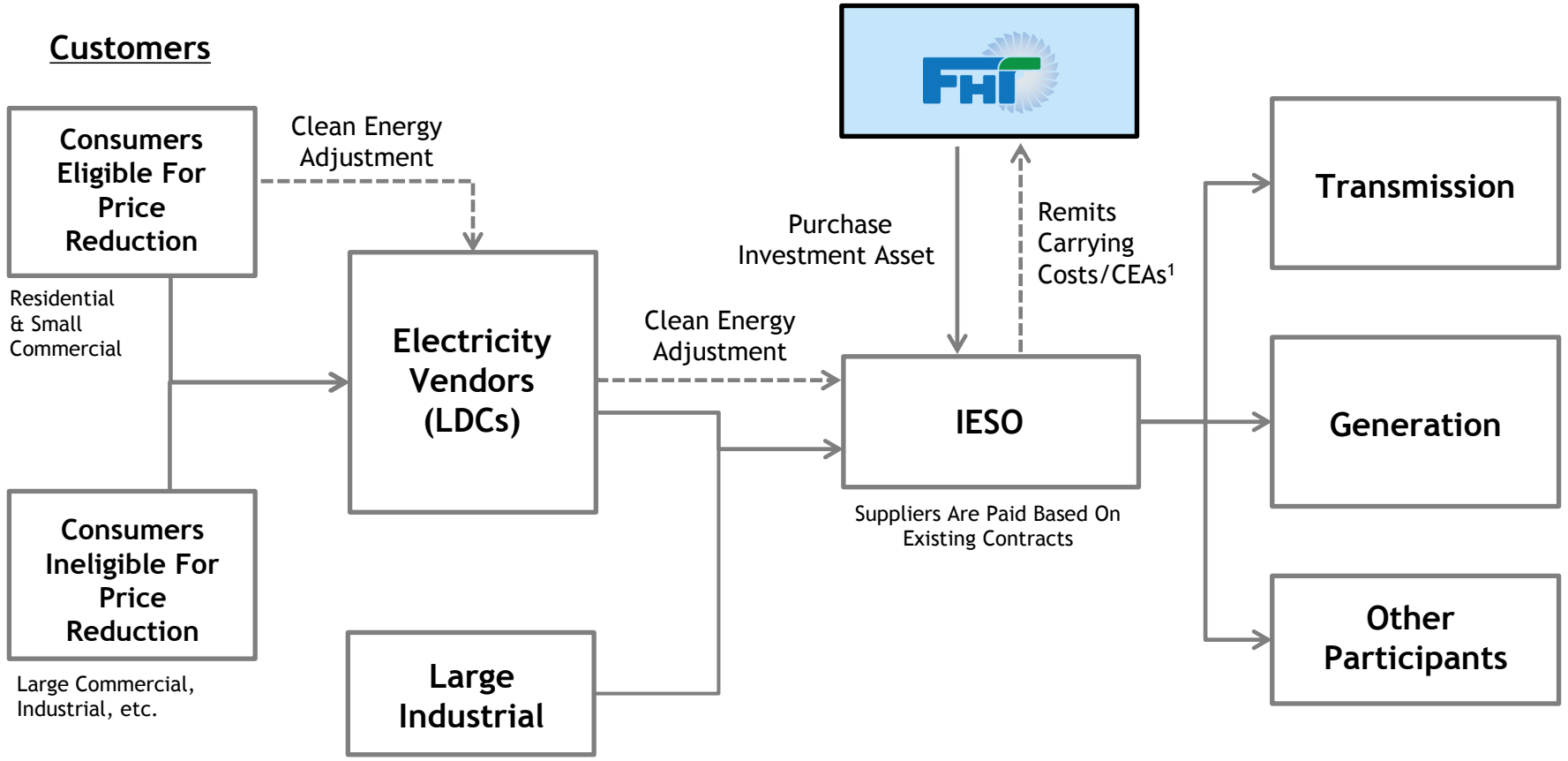
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	Customers[4] *(MM)*	Total Revenue *(C$MM)*
hydro one	A / A(h) / A3	1.30	$4,533
alectra utilities	A / A / --	0.96	$3,642
TORONTO HYDRO	A / A / --	0.75	$3,886
HydroOttawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	**$13,680**
Percentage of Residential & Small Commercial[2]		**69%**	

[1] Source: OEB 2016 Yearbook of Electricity Distributors
[2] Small Commercial includes General Service <50kW Customers
[3] Most recent rating reports from S&P, DBRS and Moody's
[4] Residential and Small Commercial customers

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the IESO deferral (the shortfall that results from the Fair Adjustment together with Carrying Costs paid, financing costs and other related costs)
- FHT will finance the shortfall and is entitled to recover its costs and the principal and interest on its debt through CEAs from Specified Consumers, commencing May 1, 2021



[1] The IESO is required to pay and remit Carrying Costs to the FHT up to July 31, 2021. Commencing May 1, 2021, CEAs will be included on invoices sent to Specified Consumers and collections will be used to pay all funding and other expenses of the Trust. The additional three months of IESO remittances from May 1, 2021 to July 31, 2021 is intended to cover billing and collection lags from the introduction of CEAs.

III. Legislative and Regulatory Framework

Legislation Overview

Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to Specified Consumers as a result of Ontario's clean energy initiatives; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• **July 1, 2017 - April 30, 2018** – Specified Consumers charged an invoice amount that is 25%[1] less than the regulated rate that would otherwise have been determined by the OEB; the 25% reduction includes an 8% rebate equivalent to the provincial portion of the HST previously granted by the Ontario government • **May 1, 2018 - April 30, 2019** - regulated rate established in the first year of the Rate Reduction Period anticipated to increase by the rate of inflation in Ontario • **May 1, 2019 - April 30, 2021** - rate reductions will be established by future regulation but anticipated to increase by the rate of inflation in Ontario

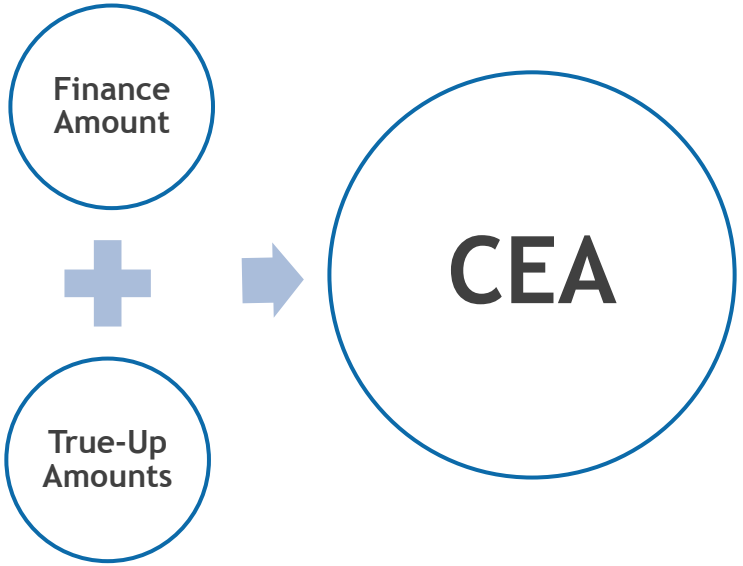
[1] Based on a typical Toronto Hydro customer; the amount of the reduction for any given Specified Consumer may vary from this account.

Legislation Overview, cont'd

Regulatory Asset	• Each month the IESO determines the IESO deferral (the shortfall that results from the Fair Adjustment together with Carrying Costs paid, financing costs and other related costs) and records this amount, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right is the "Regulatory Asset") • The IESO may from time to time transfer a specified portion of the Regulatory Asset to the Trust for a cash purchase price equal to the corresponding amount recorded in the variance account
Investment Asset	• The Trust is not obligated to purchase Regulatory Assets from the IESO • If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right is an "Investment Interest" in an Investment Asset) • By acquiring an Investment Interest, the Trust will be entitled to recover all of its associated financing costs and acquires the right to collect, receive and recover CEAs from Specified Consumers in accordance with the Legislation
Moratorium Period *(July 1, 2017 to April 30, 2021)*	• CEAs are not permitted to be collected from Specified Consumers during this period • The IESO is obligated to pay the Trust all Carrying Costs, excluding repayment of principal on any debt obligations, during the Moratorium Period and extending to July 31, 2021. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to the Regulations • As security for the performance of its obligations, the IESO has granted the Trust a first-priority security interest in its accounts receivable owing by Electricity Vendors to the IESO • The IESO has a $2 billion credit facility from the Ontario Financing Authority ("OFA") which can be used, among other things, to fund payments of the Carrying Costs

Clean Energy Adjustments

- Under the FHPA, the CEA is the amount payable by Specified Consumers to cover the financing and other costs related to the acquisition by the Trust of the Investment Asset and the associated costs of the financing, including payment of principal, interest, operating costs of the Trust and funding of reserve accounts
- CEAs shown on an invoice issued to Specified Consumers represent the amount of the consumers' indebtedness and may not be set off or bypassed

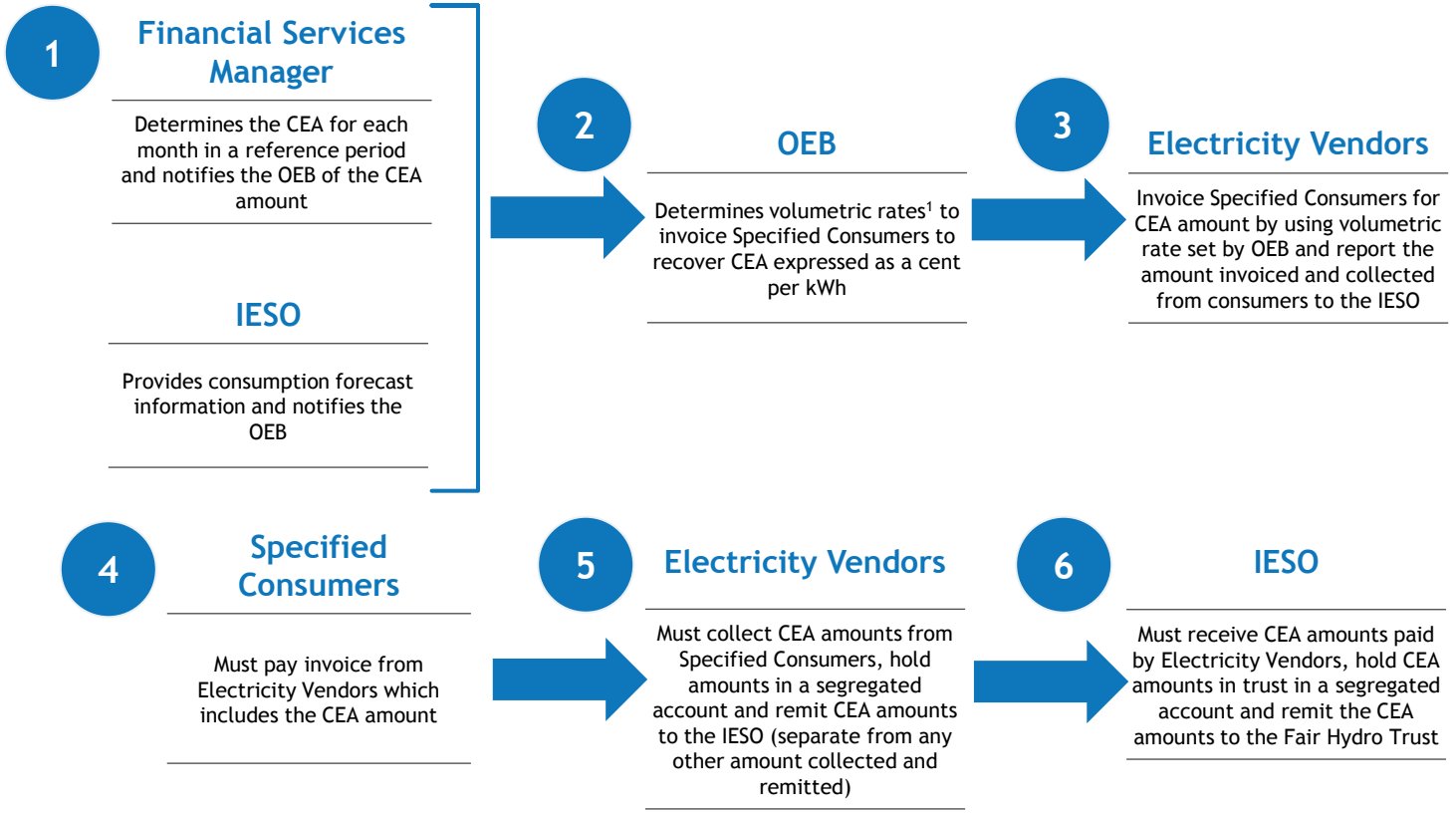


Finance amount is an estimate of the amount payable by the Trust mainly in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments

True-up amounts capture the difference between the finance amounts incurred by the Trust and the CEAs collected from Specified Consumers and also include other reasonably foreseeable differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)

Billing and Collection of CEAs

- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are mitigated through statutory rights in the FHPA, the obligations of the IESO under the Master Transfer & Servicing Agreement, and the ability to include amounts in the CEA by means of the true-up mechanism
- IESO is required to segregate the CEAs during a monthly period before remitting to FHT. If the IESO's credit rating is downgraded below investment grade, the IESO will be required to remit within two business days of receipt

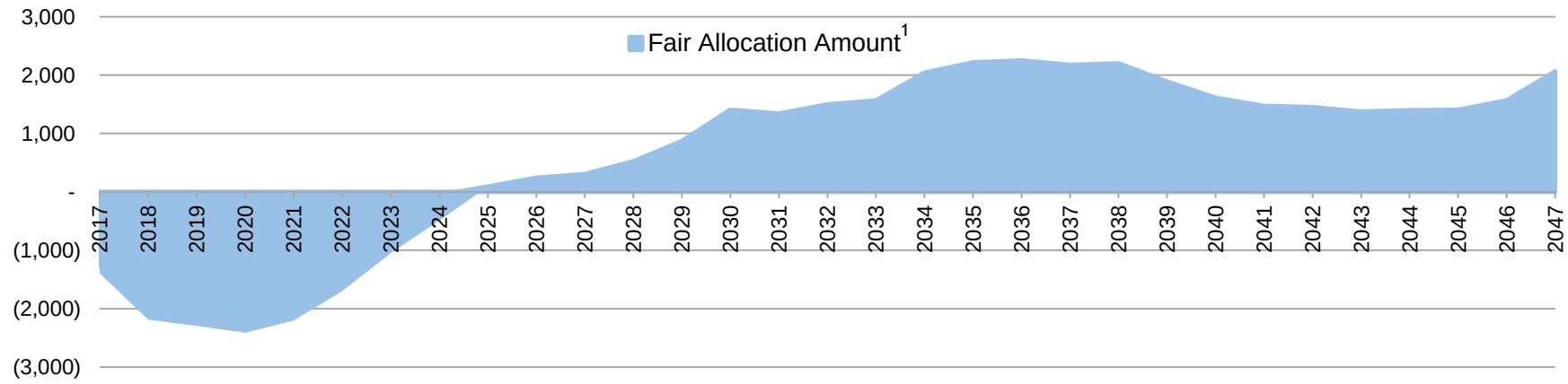


[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers.

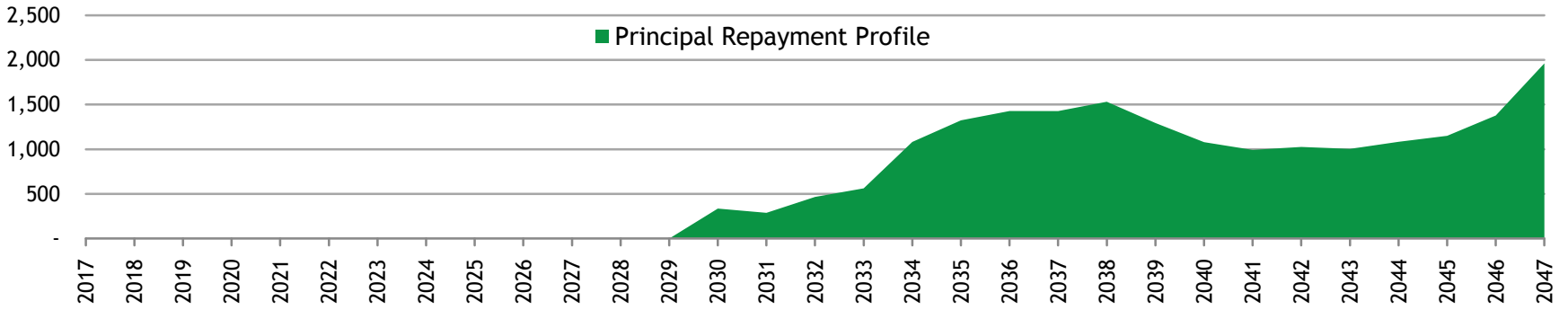
Fair Allocation Amount

- The Fair Allocation Amount ("FAA") is an amount calculated under the FHPA by the Minister of Energy in respect of each reference period that, among other things, allocates the estimated value of clean energy costs in proportion to the relative attribution of the value of clean energy benefits among Specified Consumers

Fair Allocation Amount ($ million)



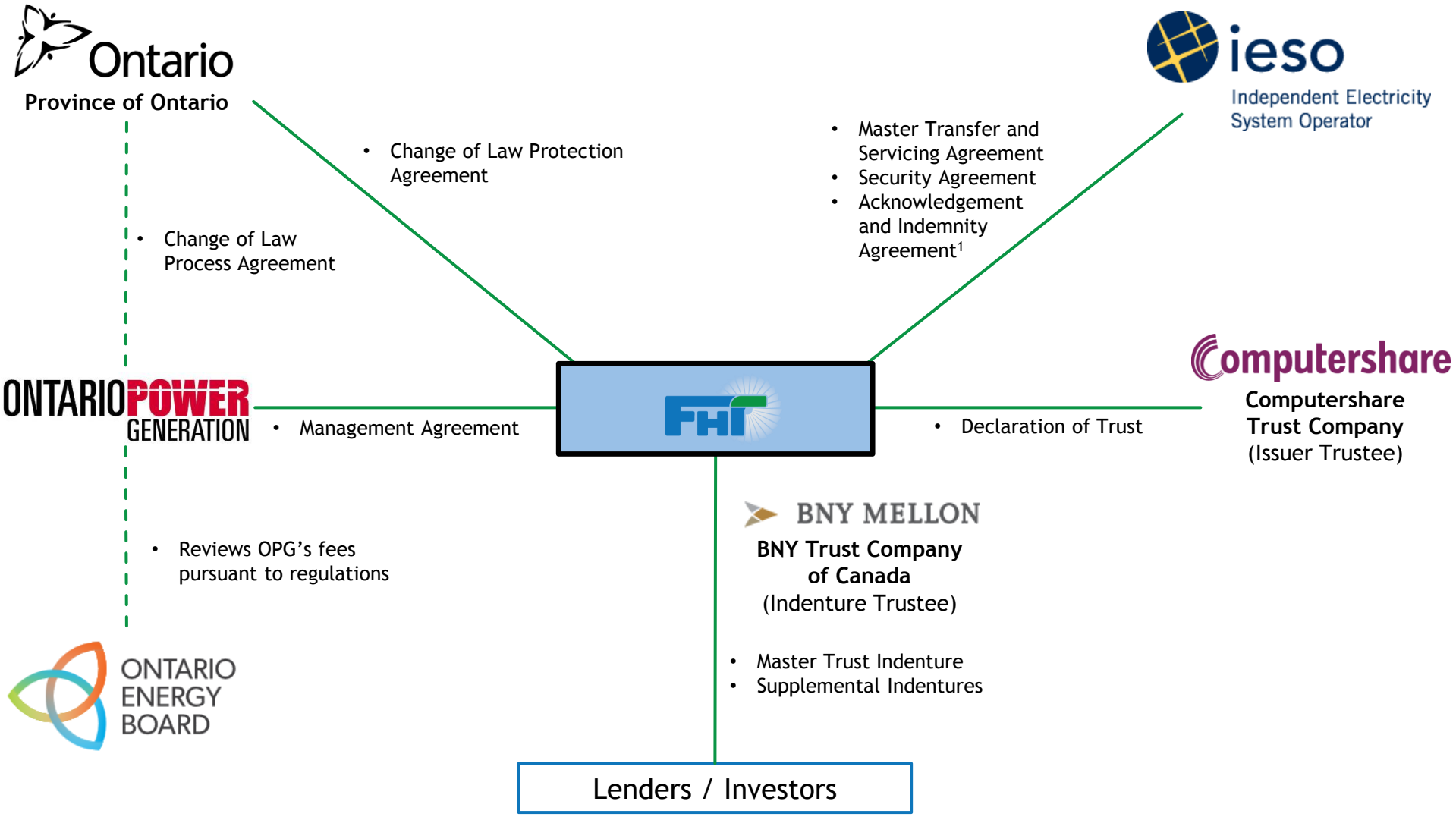
Principal Repayment Profile (derived from the FAA)



[1] Prior to 2025, the above graph of the FAA incorporates the Readjustment Amount. The Readjustment Amount represents the estimated amounts by which Specified Consumers overpaid for clean energy initiatives in the past. It has been incorporated into the FAA to further reduce electricity bills for such consumers.

IV. Contractual Framework

Simplified Contractual Structure



[1] Agreement between IESO and Indenture Trustee.

Contract Highlights

Change of Law Protection Agreement

Purpose	• Provides assurance to Specified Creditors[1] that upon the occurrence of a Protection Event, the Province of Ontario is required to make payments in respect of all Approved Obligations when due and payable
Protection Events	The occurrence of any of the following events: (1) • The Legislature repeals (and does not replace on an equivalent basis) or amends the Act or any portion thereof as in effect on the date hereof • The Legislature enacts or amends any other statute • The Lieutenant Governor in Council repeals (and does not replace on an equivalent basis) the regulations made under the Act or any portion thereof as in effect on the date hereof • The Lieutenant Governor in Council makes or amends any "Regulation" as in effect on the date hereof • The implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province or an entity controlled by the Province in each case that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount; or (2) • A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is *ultra vires* or invalid in a way that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable

Note: Additional information on the Change of Law Protection Agreement can be found in the Appendix.

[1] **Specified Creditors** refers to any Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Contract Highlights

Key Agreements

Master Transfer and Servicing Agreement	• Provides for the transfer by the IESO to the Trust of the Regulatory Asset, and upon such transfer the Trust acquires an Investment Interest in the Investment Asset • The IESO will be responsible for servicing the Investment Interest, including receiving CEA amounts from Electricity Vendors and remitting to the Trust
Management Agreement	• Issuer Trustee delegates to OPG, as Manager under the Management Agreement, all powers and duties of managing the Trust • The Manager will determine how and when to incur funding obligations to acquire Investment Interests
Other Key Agreements	• Security Agreement • Acknowledgement and Indemnity Agreement • Change of Law Process Agreement • Declaration of Trust

Note: Additional information on these key agreements can be found in the Appendix.

Allocation of Servicing Role and Responsibilities

- The shared responsibilities of servicing and management roles are summarized below

	OPG	IESO	LDC
Review Records of LDCs with Respect to CEAs (annually or less frequently in certain circumstances)	✔		
Determination of CEA for a Reference Period, including the True-Up Amount	✔		
Ongoing Reporting for Trust and Reporting to the Rating Agencies	✔		
Management of Ongoing Debt Issuances	✔		
Cash Management	✔	✔	
Preparation of Monthly Servicer Reports		✔	
Remittance of CEA to IESO and to the Trust		✔	✔
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		✔	✔
Customer Billing			✔
Customer Collections			✔
Customer Meter Reading			✔

V. Financing Program

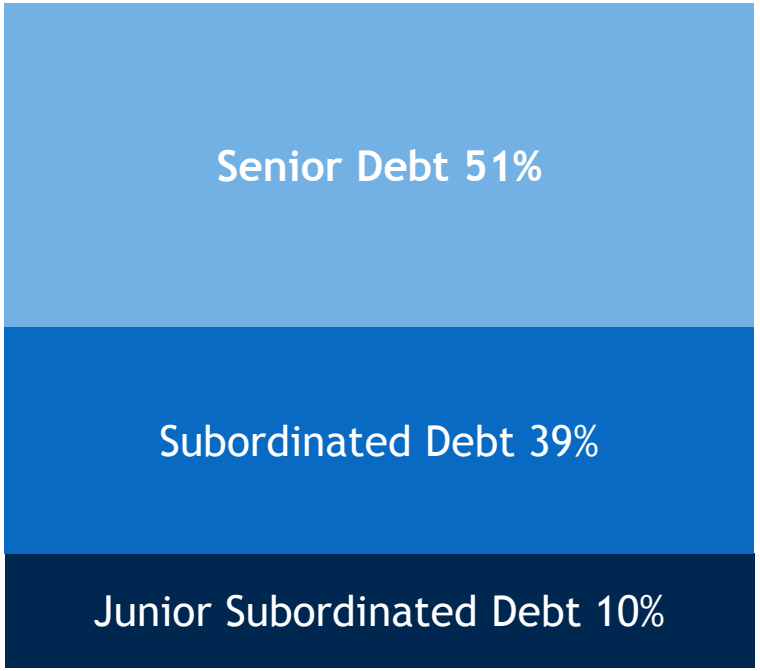
Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program
- Given the size (~$20 billion) and longevity (~10 years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Warehouse financing (ABCP conduit and bank funded senior debt) and subordinated warehouse debt and junior subordinated warehouse debt funded by OPG will be used to fund monthly Regulatory Asset purchases from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- Term debt can take the form of bullet bonds or could be issued as amortizing bonds

Warehouse Financing	• ABCP conduit and bank funded senior debt with subordinated debt funded by OPG will be used by the Trust to fund monthly Regulatory Asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance warehouse financing and the subordinated and junior subordinated warehouse debt funded by OPG • Both Canadian term debt and U.S. term debt market will be considered • Maturity profiles will be structured to ensure reasonable alignment with the FAA (bullet bonds with sinking funds or amortizing bonds) • FHT may issue debt that may be refinanced in the future
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall)

Financing Structure

- The Trust will fund Regulatory Asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51% anticipated) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required[1]) will be purchased by OPG, primarily funded by equity injections from the Province (44% of 49%) and the remaining portion from OPG (5% of 49%)



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

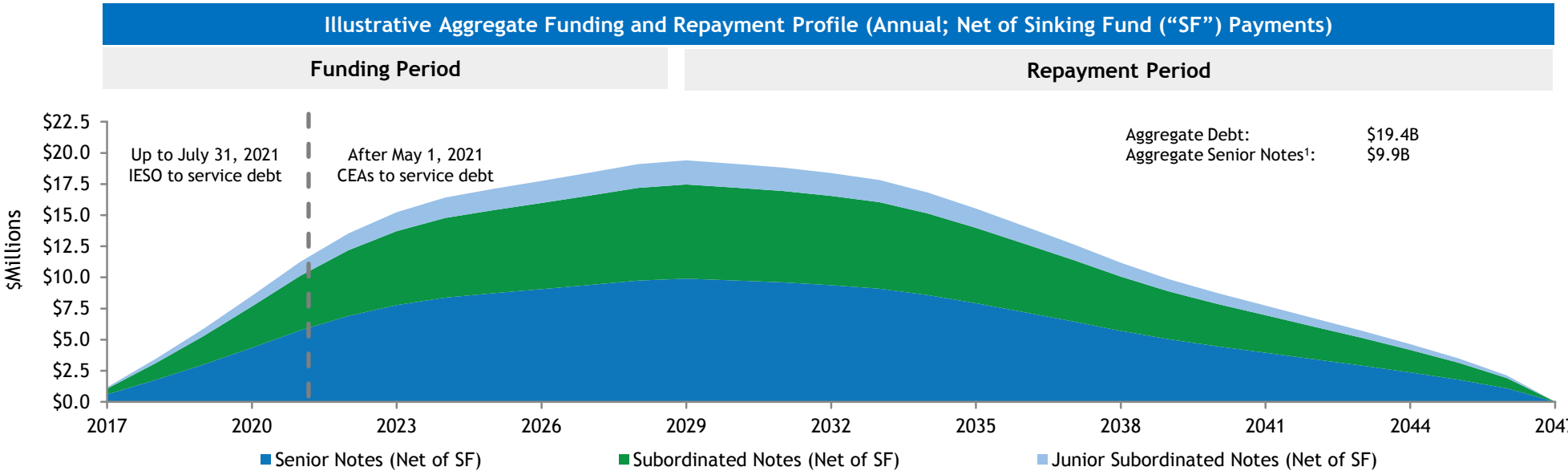
Note: Assumes 49% subordinated debt.

[1] Under the MTI, FHT is required at all times to ensure that all outstanding subordinated and junior subordinated debt be not less than 35% of all outstanding debt.

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount and the Province's electricity bill reduction targets, the following debt profile for the program is expected, peaking at just under $20 billion by 2029
- Various tranches of debt will be issued periodically during the period of 2018 - 2028, which are expected to mature over a period after 2029



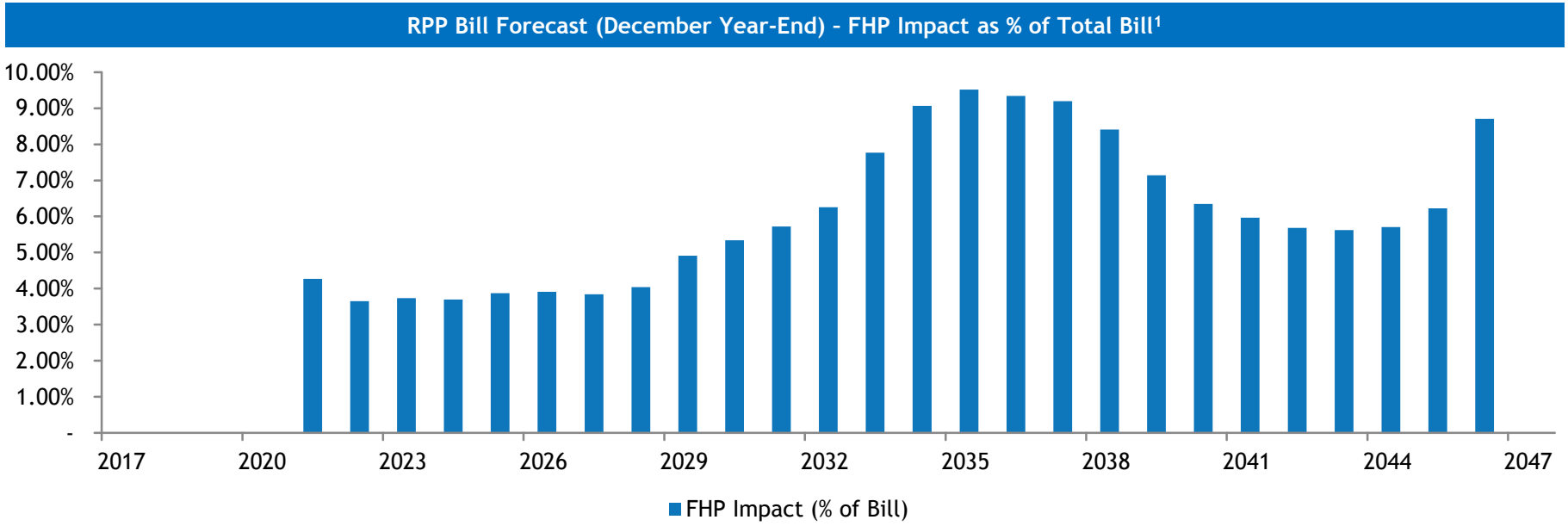
[1] Assumes 51% Senior Notes

Note: During the Moratorium Period and extending three additional months to July 31, 2021, the IESO is required under the Regulations to pay all Carrying Costs. The additional three month period is intended to cover the billing and collection lag from the introduction of Clean Energy Adjustments in May 2021.

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro Program, the CEA for the average residential customer is anticipated to remain below 10% of the total electricity bill
- Maximum CEA as a percent of the total bill is forecast to be 10.0%
- Average CEA as a percent of the total bill is forecast to be 6.9%



[1] Presents % of total bill at December year-ends; individual months in any given year may have a higher or lower impact as % of total bill.

Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• Governs the terms of the debt issued by FHT and cash flow waterfall and collateral structure for all Trust obligations to all Specified Creditors

Key Terms

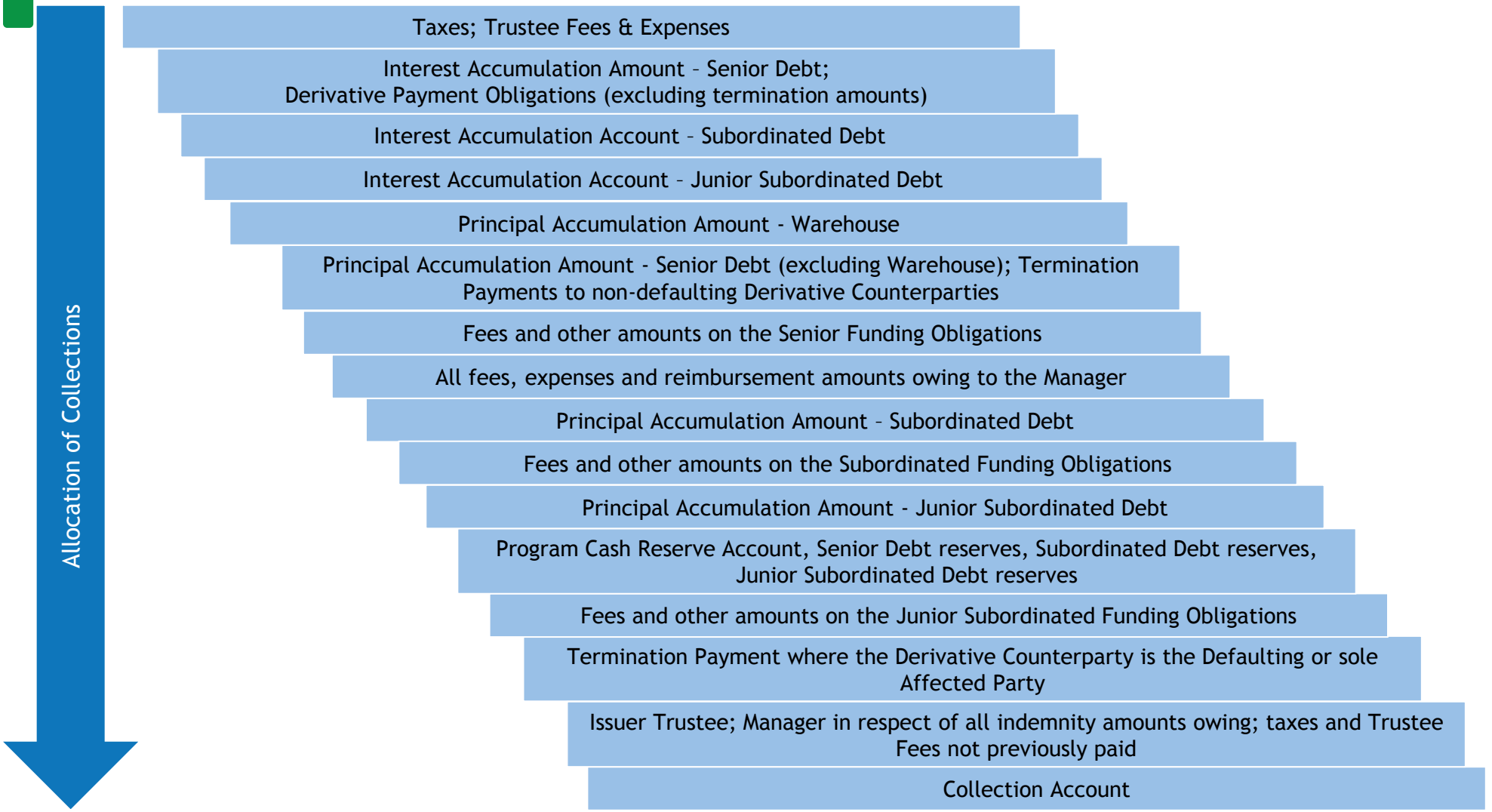
Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments including: – Note issuances under supplemental indentures – Borrowings under credit agreements – Purchase of notes under note purchase agreements – Letters of Credit/Guarantees under credit enhancement agreements – Liquidity loans under liquidity agreements backing short term notes
Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that: – the incurrence of such additional obligations will not cause an adverse effect – the incurrence of such additional obligations is materially consistent with the Financing Plan • It will also be a condition precedent that (i) each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations and (ii) the Indenture Trustee has received certain assurances as to the applicability of the Change of Law Protection Agreement to such funding obligations

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts
Subordination	• Provides for three different classes of funding obligations – (i) senior – (ii) subordinated – (iii) junior subordinated
Events of Default	• Includes payment and senior defaults, representation and covenant breaches, insolvency and Change of Law Protection Agreement ceasing to be in full force and effect against the Province
Acceleration	• Upon an acceleration, CEAs may be insufficient to repay all amounts becoming due in a period. CEAs for a period will be capped under the Regulation at the otherwise scheduled amounts, plus an additional amount equal to the amounts available under the FAA • However, the amounts received from CEAs after an acceleration will be allocated to pay senior indebtedness before principal amounts owing on subordinated and junior subordinated indebtedness. Accordingly, the subordination of debt across all series of debt should advance the repayment of the principal amount for senior funding obligations • After an acceleration, all Senior Term Notes will be paid pari-passu

Waterfall



Note: This waterfall indicates the priority of payment prior to an Event of Default and acceleration; additional information on the priority of payments after an Event of Default and acceleration can be found in the Offering Memorandum.
Note: After paying interest on the senior debt, no interest payments will be made on the subordinated debt unless there will be sufficient amounts remaining in the Interest Accumulation Account for what should be accumulated for the Senior Notes after making such payments.

VI. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• Future legislative action to change or challenge/invalidate the Act or the Change of Law Protection Agreement might materially adversely affect a holder's investment in the Notes	• Limited Guarantee provided by the Province of Ontario via the Change of Law Protection Agreement in favour of the Indenture Trustee for lenders/investors in these circumstances
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• True-up mechanism may result in a delay, but will be corrected in next True-up • Cash reserve and 35%-49% subordination which would first absorb any shortfalls • 6-month reference period • Any shortfall in collections are recoverable from all Specified Consumers
Reliance on IESO and LDCs	• Until July 31, 2021, the Trust is dependent on the IESO to remit payments to the Trust for all Carrying Costs • Receipt of CEAs dependent on the performance of LDCs and IESO • Limited ability to enforce against or replace an LDC	• Highly regulated industry and LDC and IESO are required under law and regulation to perform duties under FHP • IESO has a very strong credit profile and very low losses and grants security over its accounts receivable owed by Electricity Vendors as security during the Moratorium Period • IESO will provide a letter of credit/other security to mitigate commingling risks for CEAs held by non-rated or below investment grade rated LDCs until they are remitted to IESO • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment • $2 billion credit facility from the OFA which can be used by the IESO to pay the Carrying Costs
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	• 20-year repayment period allows for gradual rate increases • Max CEAs as a percent of the total bill over the collection period is forecast to be 10%
Disruptive Technology Risk / Change in Demographics	• Technological developments may result in reduced CEA payments as a result of increased use of alternative energy sources • Population fluctuations may result in fewer Specified Consumers	• True-up mechanism available to offset the reduction in CEAs due to technological advancements or fluctuations in the number of Specified Consumers • Collection shortfalls are allocated among a large base of Specified Consumers

VII. Summary of Offering

Summary of Indicative Terms

Initial Fair Hydro Term Issuance	**Class**	**Issue Amount**	**% of Initial Aggregate Notes**	**Expected Maturity Date**	**Principal Payment Default Date**	**Expected Ratings (DBRS / Moody's)**
	Senior Term Notes	$[●]MM	51%	May 15, 2033	May 15, 2035	AAA(sf)/Aa2(sf)
	Subordinated Notes	$[●]MM (placed with OPG)	39%	May 15, 2033	May 15, 2035	AA(sf)/Aa2(sf)
	Jr. Subordinated Notes	$[●]MM (placed with OPG)	10%	May 15, 2033	May 15, 2035	A(sf)/Aa2(sf)
Issuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager					
Financial Services Manager	Ontario Power Generation, Inc.					
Servicer	Independent Electricity System Operator					
Source of Repayment	• Moratorium Period: Statutorily mandated remittances (not including principal) from IESO (Up to July 31, 2021) • Post Moratorium Period: Non-bypassable charge from residential and small commercial customers in Ontario (After May 1, 2021)					
Payment Frequency	Semi-annual pay on May 15 and November 15 until the Expected Maturity Date, monthly thereafter if the notes are not repaid on the Expected Maturity Date					
Principal Accumulation	Principal will be accumulated monthly commencing January 2030 to facilitate repayment of notes on the Expected Maturity Date					
Interest Type	Fixed rate					
Senior Note Credit Enhancements	• Subordinated and Junior Subordinated notes initially equal to 49% of the aggregate issuance amount • Program Cash Reserve Account • Semi-annual (or more frequent) True-up mechanism to address any shortfalls in collections					
Program Cash Reserve Account	After the Moratorium Period, an amount equal to 0.50% of the aggregate amount of all outstanding Senior, Subordinated and Junior Subordinated funding obligations					
True-up	Calculated on at least a semi-annual basis post Moratorium Period					
Subordination	Subordinated and Junior Subordinated Notes will be retained by OPG					

VIII. Investment Highlights

Investment Highlights

- Protection against political risk through the Change of Law Protection Agreement
- Irrevocable & non-bypassable ratepayer charge, recoverable from Specified Consumers across the Province of Ontario
- Repayment risk spread across all Specified Consumers. Full cross-collateralization; collection shortfalls allocated among all Specified Consumers
- Robust true-up mechanism
- Credit enhancement for senior debt provided via subordinated debt
- Highly regulated market with experienced operating agents (OPG, IESO, and LDCs)
- Strong ratepayer base in Ontario

Appendix – Key Agreement Summaries

Key Agreements

Change of Law Protection Agreement

Parties	• (1) Province of Ontario and (2) Indenture Trustee as Trustee of the Issuer, on behalf of Specified Creditors[1], and (3) OPG as FSM
Purpose	• Provides assurance to Specified Creditors that upon the occurrence of a Protection Event (see slide 22 for details) the Province of Ontario will pay all Approved Obligations on behalf of the Trust, with limited rights of acceleration
Key Terms	• **Term**: Continues for as long as any protected obligations of the Trust that are secured under the Master Trust Indenture ("MTI") remain outstanding • **Limited Guarantee**: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all Approved Obligations when due and payable • **Priority of Payments**: The priority application of guarantee payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: For the Limited Guarantee to apply to an obligation of the Trust, OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the incurrence of such obligation (such obligation called an "Approved Obligation") • **Suspension Notice**: The Province may deliver a suspension notice upon the occurrence of the acceleration of any indebtedness of the Trust or other Program Breach or a default in performance or misrepresentation by OPG as FSM pursuant to certain internal reporting and other requirements contained in a Change of Law Process Agreement between OPG and the Province. Any new funding obligations that are incurred during a suspension period will not have the benefit of the Limited Guarantee, except that the Change of Law Protection Agreement applies to post-suspension refinancing of previously issued Approved Obligations

[1] **Specified Creditors** refers to any Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Key Agreements

Master Transfer and Servicing Agreement

Parties	• (1) IESO, as transferor and servicer; (2) Trust
Purpose	• Provides for the transfer, by the IESO to the Trust of specified portions of the Regulatory Asset, and upon such transfers the Trust acquires an Investment Interest; also describes the servicing obligations of IESO
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer specified portions of the Regulatory Asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer • **Servicing Duties:** The IESO will be responsible for servicing the Investment Interest under the Legislation, including receiving CEA amounts from Electricity Vendors and remitting the same to the Trust; other duties of the IESO include: – Establishing a segregated account for collecting CEAs and using commercially reasonable efforts to cause Electricity Vendors to do the same; – Remitting CEAs monthly to the Trust (unless downgraded below investment grade in which case it will remit within two business days); – Preparing monthly servicer reports; and – Providing a forecast of electricity consumption • **Carrying Costs:** During the Moratorium Period (until April 30, 2021) and extending to July 31, 2021, the IESO is required by regulation to fund all Carrying Costs of the Trust. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to regulation • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, as security for the commingling risk of CEAs collected by non-rated or non-investment grade rated Electricity Vendors and not yet remitted to the IESO

Key Agreements

Management Agreement

Parties	• (1) Issuer Trustee, on behalf of the Trust, and (2) OPG, as Manager and acknowledged and accepted by the Indenture Trustee, on behalf of specified creditors
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust
Key Terms	• **Duties Include**: – Negotiating and executing program agreements; – Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations; – Review or cause to be reviewed, records of electricity vendors on an annual basis with respect to CEAs (or less frequently in certain circumstances); – Preparing monthly portfolio reports; – Preparing financial statements; and – Paying taxes on behalf of the Trust • **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire Investment Interests • **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements • **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding • **Management Fees:** OPG is entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer

Key Agreements

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulation to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in its accounts receivable owing by Electricity Vendors
Acknowledgement and Indemnity Agreement	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee, including the right to enforce the indemnities provided to the issuer with respect to IESO's duties and obligations under the MTSA
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Limited Guarantee under the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as updated from time to time in the Financing Plan) to be exceeded
Declaration of Trust	• Establishes FHT to carry out activities for the exclusive benefit of its unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare) • The Issuer Trustee has delegated all of the powers and duties of managing the Trust to OPG under the Management Agreement

From: Donnelly, Ryan
To: Mike Manning; James Devine; Carlos Yep; Elizabeth Wallace
Cc: Bartlett, Doug - Debt Capital Markets; Janetos, Ben - Debt Capital Markets
Subject: FW: **ANNOUNCED** FAIR HYDRO TRUST
Date: Wednesday, April 18, 2018 2:37:49 PM

FYI… We have announced the second offering by Fair Hydro Trust. The offering will consist of new 20yr notes with sizing expected to be in the area of $300mln. We anticipate this to be tomorrow's business.

CIBC World Markets, Goldman Sachs, and RBC Capital Markets are pleased to announce the 2018-2 debt offering for **Fair Hydro Trust ("FHT" or the "Issuer")**. The proposed senior notes will be offered by way of private placement in Canada.

CIBC is a Joint Lead and Joint Bookrunner on this transaction.

****INDICATIVE DEAL TERMS****

Offering Type: CAD Private
Offered Certificates: Senior Notes
Rating Agencies: DBRS/Moody's (presale reports will be available via Rating Agency websites)

Class Note	Balance	Term*	Subordination	DBRS/Moody's**	Benchmark
Senior Notes	C$●	20	49.00%	AAA(sf)/Aa2(sf)	GOC+
Subordinated Notes	C$●	20	10.00%	AA(sf)/Aa2(sf)	Placed with OPG
Junior Subordinated Notes	C$●	20	0.00%	A(sf)/Aa2(sf)	Placed with OPG

* Years
** Expected Credit Ratings
Expected Pricing: Week of April 16, 2018
Expected Settlement: Week of April 23, 2018

Business of the Issuer: Fair Hydro Trust (the "Issuer"), a special purpose trust established under the laws of the Province of Ontario, and caused to be established by Ontario Power Generation Inc. ("OPG"), as Financial Services Manager, has created a program providing for the offering and issuance of senior notes. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017*; the Province of Ontario announced its Fair Hydro Plan on March 2, 2017, which proposed to lower the average electricity bill for eligible customers by 25%.

Previous Issue: FHT last accessed the Canadian Debt Capital Markets in February 2018 with a 15.25 year $500 million 3.357% Senior Notes offering due May 15, 2033.

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From: Donnelly, Ryan
To: Mike Manning; James Devine; Elizabeth Wallace; Carlos Yep
Cc: Bartlett, Doug - Debt Capital Markets; Janetos, Ben - Debt Capital Markets; Yeung, Karen - Debt Capital Markets
Subject: FW: **BOOKS OPEN** FAIR HYDRO TRUST
Date: Tuesday, February 06, 2018 10:48:36 AM

FYI … Fair Hydro has launched. Expect books to be open for a short period with pricing to take place early this afternoon.
Ryan

Following a successful investor roadshow, books are now open for the previously announced **Fair Hydro Trust** debt offering. The offering consists of a minimum $300 million of senior notes that will have room to grow, with an expected term to maturity of 15.25 years. Spread guidance has been set at +95 bps (+/-3 bps) vs. the GoC curve.
Pricing is expected later today. CIBC is Joint Lead and Joint Bookrunner on this transaction.
Details of today's launch are as follows:

****BOOKS OPEN** FAIR HYDRO TRUST**

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due May 15, 2033, Series 2018-1 (the "Series 2018-1 Senior Notes").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	Minimum $300,000,000
Initial % of Aggregate Notes:	51%
Launch Date:	February 6, 2018
Pricing Date:	February 6, 2018
Settlement Date:	February 9, 2018 (T+3)
Term:	15.25 years
Expected Maturity Date:	May 15, 2033
Principal Payment Default Date:	May 15, 2035
Par Call Date:	November 15, 2032
Interest Rate:	●% per annum
Issue Spread:	+95 bps (+/-3 bps) versus Government of Canada curve interpolated between CAN 5.75% due June 1, 2029 and CAN 5.75% due June 1, 2033 +● bps (including a ● bps curve adjustment and +● bps delay adjustment), versus the CAN 5.75% due June 1, 2033 (priced at $● to yield ●%)
Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-1 Senior Notes.
Interest Payment Dates:	May 15 and November 15 or next business day
Use of Proceeds:	The proceeds from the Series 2018-1 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
CUSIP/ISIN:	CUSIP – 30324RAA4 ISIN – CA30324RAA47

Ryan Donnelly | Executive Director, Government Finance - Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.
161 Bay Street, 5th Floor, Toronto, ON, M5J 2S8 | Tel: 416 594-7377 | Fax: 416-594-7760 | ryan.donnelly@cibc.com



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From: Donnelly, Ryan
To: Mike Manning; James Devine; Carlos Yep; Elizabeth Wallace
Cc: Bartlett, Doug - Debt Capital Markets; Janetos, Ben - Debt Capital Markets
Subject: FW: **BOOKS OPEN** FAIR HYDRO TRUST
Date: Thursday, April 19, 2018 9:17:05 AM

FYI… Fair hydro has now launched. Spread guidance has been set at +110 bps (+/-3 bps) vs. the GoC curve. Expect books to be open for ~30 minutes with pricing later this morning/.

Books are now open for the previously announced 2018-2 **Fair Hydro Trust** debt offering. The offering consists of a minimum $300 million of senior notes that will have room to grow, with an expected term to maturity of 20 years. Spread guidance has been set at +110 bps (+/-3 bps) vs. the GoC curve.
Pricing is expected later today. CIBC is Joint Lead, Joint Bookrunner and Structuring Lead on this transaction.
Details of today's launch are as follows:

****BOOKS OPEN** FAIR HYDRO TRUST**

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due May 15, 2038, Series 2018-2 (the "Series 2018-2 Senior Notes").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	Minimum $300,000,000
Initial % of Aggregate Notes:	51%
Launch Date:	April 19, 2018
Pricing Date:	April 19, 2018
Settlement Date:	April 24, 2018 (T+3)
Term:	20 years
Expected Maturity Date:	May 15, 2038
Principal Payment Default Date:	May 15, 2040
Par Call Date:	November 15, 2037
Interest Rate:	●% per annum
Issue Spread:	+110 bps (+/-3 bps) versus Government of Canada curve interpolated between CAN 5% due June 1, 2037 and CAN 4% due June 1, 2041 +● bps (including a ● bps curve adjustment and +● bps delay adjustment), versus the CAN 5% due June 1, 2037 (priced at $● to yield ●%)
Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-2 Senior Notes.
Interest Payment Dates:	May 15 and November 15 or next business day
Use of Proceeds:	The proceeds from the Series 2018-2 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-2 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
CUSIP/ISIN:	CUSIP – 30324RAB2 ISIN – CA30324RAB20

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emails that are required or permitted by law. Our mailing address is : CIBC CASL Unsubscribe, 161 Bay St, 9th Floor, Toronto, Ontario, M5J 2W5

From: Donnelly, Ryan
To: Mike Manning; James Devine; Carlos Yep; Elizabeth Wallace
Cc: Bartlett, Doug - Debt Capital Markets; Janetos, Ben - Debt Capital Markets
Subject: FW: **NEW ISSUE** FAIR HYDRO TRUST
Date: Thursday, April 19, 2018 11:58:11 AM

FYI… The second offering by Fair Hydro Trust has now priced. As the summary below indicates, the offering saw interest from 36 investors which is consistent with the prior offering. This included interest from a few new investors to the program. The total book size was in excess of $1bln.
Ryan

The **Fair Hydro Trust** offering has now priced. The deal was met with strong demand and was upsized to $400 million. The $400 million of senior notes priced at +107 bps vs. the GoC curve, the tight end of spread guidance, for a coupon of 3.52%. The offering was distributed to 36 buyers with average fills in the 5-10% range.

****NEW ISSUE** FAIR HYDRO TRUST**

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	3.52% Senior Notes due May 15, 2038, Series 2018-2 (the "Series 2018-2 Senior Notes").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	$400,000,000
Initial % of Aggregate Notes:	51%
Launch Date:	April 19, 2018
Pricing Date:	April 19, 2018
Settlement Date:	April 24, 2018 (T+3)
Term:	20 years
Expected Maturity Date:	May 15, 2038
Principal Payment Default Date:	May 15, 2040
Par Call Date:	November 15, 2037
Interest Rate:	3.52% per annum
Issue Spread:	**+**107 bps versus Government of Canada curve interpolated between CAN 5% due June 1, 2037 and CAN 4% due June 1, 2041 +107.6 bps (including a 0.6 bps curve adjustment and +0.0 bps delay adjustment), versus the CAN 5% due June 1, 2037 (priced at $138.83 to yield 2.444%)
Issue Yield:	3.52%
Issue Price:	$100.002
Interest Payment Dates:	May 15 and November 15 or next business day
Use of Proceeds:	The proceeds from the Series 2018-2 Senior Notes Offering will be used to refinance $400,000,000 of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-2 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.

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From:	Ramchandani, Rima
To:	Malle Hanslep (MOF); Mansoori, Nina; Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); Tim Christie (ENERGY); "ASHBOURNE, STEPHEN"
Cc:	"John Lee (john.s.lee@opg.com)"; "Ken Ryfa (ken.ryfa@opg.com)"; "WONG Leslie -LAWDIV"; LADAK Lubna -TREASURY; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka; Ramchandani, Rima
Subject:	Fair Hydro OM -- Revised Risk Factor
Date:	Wednesday, January 10, 2018 3:46:23 PM
Attachments:	#24745756v3_TorysAtWork_ - Risk Factor.docx Blackline_24745756v1 - 24745756v3.pdf

Hi Malle, we are proposing a change to one of the risk factors in the OM to address a comment raised by Osler (to disclose the risk related to the fact that OPG is a subsidiary of the Province and that this relationship may impact the performance of its duties as FSM and Manager). Attached is a revised draft of the relevant risk factor showing the changes we are proposing. Before sharing this with Osler, we wanted to run it by your team for review to ensure you are comfortable with the disclosure from the Province's perspective.

I understand we should be receiving comments on the OM, term sheet and investor deck from the Province tomorrow. If you're able to provide your feedback on the attached at the same time, that would be much appreciated.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 5:13 PM

To: Mansoori, Nina <nmansoori@torys.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Thompson, Scott (MOF) <Scott.Thompson@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>

Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell

<mdost@torys.com>; Olusoga, Yinka <yolusoga@torys.com>

Subject: Re: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Hi Nina

I am having trouble receiving the email with the attachments because the attachments are large. Is it possible for you to resend the attachments in separate emails? Sorry about that and would appreciate it so I can review.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Mansoori, Nina

Sent: Friday, January 5, 2018 17:04

To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: 'John Lee (john.s.lee@opg.com)'; 'Ken Ryfa (ken.ryfa@opg.com)'; 'WONG Leslie -LAWDIV'; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka

Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

All – just to clarify - we appreciate the Province will be reviewing the draft OM and may have comments on the disclosure which we would be happy to discuss once you have had a chance to review. Thanks,

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=eSOpCWolWtj8nEAO_lmIHDAGYsYljyHmYS9IepR5hMw&s=JatHrgSb2AV_pZ8DasT9VBsox6hdFLhzm5Ykq2HYu5E&e=>

[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=eSOpCWolWtj8nEAO_lmIHDAGYsYljyHmYS9IepR5hMw&s=JatHrgSb2AV_pZ8DasT9VBsox6hdFLhzm5Ykq2HYu5E&e=>

From: Mansoori, Nina

Sent: January-05-18 4:55 PM

To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; 'Scott.Thompson@ontario.ca' <Scott.Thompson@ontario.ca>; 'Anna.Strathy@ofina.on.ca' <Anna.Strathy@ofina.on.ca>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; 'David.McLean@ontario.ca' <David.McLean@ontario.ca>; 'Jonathan.Tekle@ontario.ca' <Jonathan.Tekle@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; 'Ken.Kandeepan@ofina.on.ca' <Ken.Kandeepan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; 'tim.christine@ontario.ca' <tim.christine@ontario.ca>

Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie - LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>

Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Importance: High

All,

Reference is made to the Change of Law Process Agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the Province") and Ontario Power Generation Inc. ("OPG") to be dated as of December 21, 2017 (the "Change of Law Process Agreement"). All capitalized terms used and not defined in this email shall have their respective meanings in the Change of Law Process Agreement.

On behalf of OPG, we have hand-delivered today to the Ministers and the Deputy Ministers the forms of Transaction Documents set out in the attached cover letter. For ease of reference, we also attach these documents here and attach blacklines to the last versions of the term supplemental indentures circulated to you. If you would like a blackline of any other Transaction Document, please send us the version you reviewed last.

We consider these forms settled other than:

· There is one change that has been proposed by the dealers, and which is under discussion, that will impact the term supplemental indentures and will necessitate some additional disclosure to the term sheet. The dealers have advised that following a Principal Payment Date (i.e. the date on which all amounts owing under the notes are expected to be repaid in full), it would be typical for the interest payment dates to accelerate to monthly (instead of semi-annually). Once the dealers and OPG have an opportunity to discuss and come to an agreement on this point next week, the necessary changes to reflect this will be made to the term supplemental indentures and the term sheet

· there are still some bullets in these documents which will be addressed closer to closing (including dates, pricing information and the names of all of the Agents)

· we expect there will be some minor clean up to the OM (including making sure all of our cross-references are correct and that the glossary picks up all defined terms).

Please let us know if you have any questions.

Best Regards,

Nina

P. 416.865.7332

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Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.

The FHPA and the Regulations impose new duties and obligations of OPG, as Financial Services Manager, and the Program Agreements impose new duties and obligations of OPG, as Manager. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements.

OPG, as Manager, is responsible for enforcing the rights of the Issuer under the Program Agreements, the FHPA and the Regulations, including, in particular enforcing the rights of the Issuer against the Province under the Change of Law Protection Agreement, against the IESO under the Master Transfer and Servicing Agreement and against Electricity Vendors under the FHPA and the Regulations. The Province of Ontario is the sole shareholder of all of OPG's issued and outstanding common shares. OPG's relationship with the Province may influence or impact its compliance with its duties and obligations as Manager, including its obligations to enforce the rights of the Issuer under the Change of Law Protection Agreement and the other Program Agreements, the FHPA and the Regulations.

If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA and the Regulations, including determining the Clean Energy Adjustment (inclusive of the True-Up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager ~~of the Issuer~~.

The FHPA~~,~~ **and** the Regulations **impose new duties and obligations of OPG, as** Financial Services Manager**,** and the Program Agreements impose new duties and obligations of OPG, as ~~Financial Services Manager and as~~ Manager ~~of the Issuer~~. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements.

OPG, as Manager, is responsible for enforcing the rights of the Issuer under the Program Agreements, the FHPA and the Regulations, including, in particular enforcing the rights of the Issuer against the Province under the Change of Law Protection Agreement, against the IESO under the Master Transfer and Servicing Agreement and against Electricity Vendors under the FHPA and the Regulations. The Province of Ontario is the sole shareholder of all of OPG's issued and outstanding common shares. OPG's relationship with the Province may influence or impact its compliance with its duties and obligations as Manager, including its obligations to enforce the rights of the Issuer under the Change of Law Protection Agreement and the other Program Agreements, the FHPA and the Regulations.

If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA and the Regulations, including determining the Clean Energy Adjustment (inclusive of the True-Up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Document comparison by Workshare Compare on January-10-18 3:21:46 PM

Input:	
Document 1 ID	interwovenSite://INVENTORYS1/TorysAtWork/24745756/1
Description	#24745756v1<TorysAtWork> - Risk Factor
Document 2 ID	interwovenSite://INVENTORYS1/TorysAtWork/24745756/3
Description	#24745756v3<TorysAtWork> - Risk Factor
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	6
Deletions	6
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	14

From:	Wagner, Ryan
To:	Brett Kichiy; ""John Lee"; ""Ken Ryfa"; Linda Smith; Mike Manning; "Sheen.liu@opg.com"; Gadi Mayman; "j.hahnparker@opg.com"; Kevin Shvarts; "ken.hartwick@opg.com"; Ricky Lai; "MAHMOOD Irma -FINANCE"
Cc:	Schauffert-Tam, Susan; Williams, Grant; Ruta, Olivier
Subject:	Fair Hydro Pricing Indications
Date:	Tuesday, February 27, 2018 9:40:04 AM
Attachments:	FHP_BMO_20180227.pdf FHP_BMO_20180227.xlsx

Please see our pricing input for FHP attached.

Let us know any questions.

Thank you,

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Bank Name	Bank of Montreal
Date	27-Feb-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.42%	2.30%	2.26%	2.06%	1.86%	-4bps	-4bps	-5bps	-5bps	-2bps	-3bps
Curve Adjustment (bp)	0.0	0.3	5.6	1.7	0.0	4.8	0bps	0bps	0bps	0bps	-3bps	0bps
Spread to GoC Curve (bp)	**97**	**96**	**94**	**82**	**56**	**40**	0bps	1bps	1bps	0bps	0bps	0bps
Re-Offered Yield	3.39%	3.38%	3.30%	3.10%	2.62%	2.31%	-4bps	-3bps	-4bps	-5bps	-5bps	-3bps
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9						
All-in Yield	**3.41%**	**3.42%**	**3.33%**	**3.14%**	**2.70%**	**2.38%**	-4bps	-3bps	-4bps	-5bps	-5bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	73	72	71.5	61	40	26	-1bps	-1bps	-1bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					82						0bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					74	59					0bps	0bps
MBS - BAML NHA MBS (AAA/AAA)					61	44					0bps	0bps
CMBs: (AAA/Aaa/AAA)			40.5	35.5	27.5	17.5			0bps	0bps	-1bps	0bps
PSP Investments (AAA/Aaa/AAA)				66	44	28				0bps	0bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	86			66	44	28	0bps			0bps	0bps	0bps
BMO (Senior) (A+/A1/AA)	113			88	74	62	0bps			0bps	0bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	95			78	55	44	3bps			0bps	0bps	0bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.42%	2.30%	2.26%	2.06%	1.86%	-4bps	-4bps	-5bps	-5bps	-2bps	-3bps
Curve Adjustment (bp)	0.0	0.3	5.6	1.7	0.0	4.8	0bps	0bps	0bps	0bps	-3bps	0bps
Spread to GoC Curve (bp)	**137**	**136**	**133**	**112**	**81**	**65**	0bps	0bps	1bps	0bps	0bps	0bps
Re-Offered Yield	3.79%	3.77%	3.69%	3.40%	2.87%	2.56%	-4bps	-4bps	-4bps	-5bps	-5bps	-3bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.81%**	**3.81%**	**3.72%**	**3.44%**	**2.95%**	**2.63%**	-4bps	-4bps	-4bps	-5bps	-5bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72	72	61	40	26	-1bps	-1bps	-1bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						79						0bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						94						0bps
BMO (Senior) (A+/A1/AA)	113			88	74	62	0bps			0bps	0bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	95			78	55	44	3bps			0bps	0bps	0bps
City of Toronto (AA / Aa1 / AA)	95	94	93	78	55	39	-2bps	-2bps	-2bps	0bps	0bps	0bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.42%	2.30%	2.26%	2.06%	1.86%	-4bps	-4bps	-5bps	-5bps	-2bps	-3bps
Curve Adjustment (bp)	0.0	0.3	5.6	1.7	0.0	4.8	0bps	0bps	0bps	0bps	-3bps	0bps
Spread to GoC Curve (bp)	**212**	**210**	**201**	**162**	**125**	**110**	0bps	0bps	1bps	0bps	0bps	0bps
Re-Offered Yield	4.54%	4.51%	4.37%	3.90%	3.31%	3.01%	-4bps	-4bps	-4bps	-5bps	-5bps	-3bps
Commission (bp)	2.9	3.6	3.5	4.8	7.5	6.9						
All-in Yield	**4.56%**	**4.55%**	**4.41%**	**3.94%**	**3.39%**	**3.08%**	-4bps	-4bps	-4bps	-5bps	-5bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72	72	61	40	26	-1bps	-1bps	-1bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					147						0bps	
ABS - BMO Fortified Sub A Rated Tranche					129						0bps	
Hydro One (A/A3/AH)	128			85	62	47	0bps			0bps	0bps	0bps
OPG (BBB+/-/AL)	163			115	92	77	0bps			0bps	0bps	0bps

Generic Corporate Credit Spreads AA	99			87	65		4bps			1bps	0bps	
Generic Corporate Credit Spreads A	153			114	82		0bps			0bps	0bps	
Generic Corporate Credit Spreads BBB	227			169	117		0bps			0bps	0bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	27-Feb-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.42%	2.30%	2.26%	2.06%	1.86%	-4bps	-4bps	-5bps	-5bps	-2bps	-3bps
Curve Adjustment (bp)	0.0	0.3	5.6	1.7	0.0	4.8	0bps	0bps	0bps	0bps	-3bps	0bps
Spread to GoC Curve (bp)	**97**	**96**	**94**	**82**	**56**	**40**	0bps	1bps	1bps	0bps	0bps	0bps
Re-Offered Yield	3.39%	3.38%	3.30%	3.10%	2.62%	2.31%	-4bps	-3bps	-4bps	-5bps	-5bps	-3bps
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9						
All-in Yield	**3.41%**	**3.42%**	**3.33%**	**3.14%**	**2.70%**	**2.38%**	-4bps	-3bps	-4bps	-5bps	-5bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	73	72	71.5	61	40	26	-1bps	-1bps	-1bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					82						0bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					74	59					0bps	0bps
MBS - BAML NHA MBS (AAA/AAA)					61	44					0bps	0bps
CMBs: (AAA/Aaa/AAA)			40.5	35.5	27.5	17.5			0bps	0bps	-1bps	0bps
PSP Investments (AAA/Aaa/AAA)				66	44	28				0bps	0bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	86			66	44	28	0bps			0bps	0bps	0bps
BMO (Senior) (A+/A1/AA)	113			88	74	62	0bps			0bps	0bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	95			78	55	44	3bps			0bps	0bps	0bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.42%	2.30%	2.26%	2.06%	1.86%	-4bps	-4bps	-5bps	-5bps	-2bps	-3bps
Curve Adjustment (bp)	0.0	0.3	5.6	1.7	0.0	4.8	0bps	0bps	0bps	0bps	-3bps	0bps
Spread to GoC Curve (bp)	**137**	**136**	**133**	**112**	**81**	**65**	0bps	0bps	1bps	0bps	0bps	0bps
Re-Offered Yield	3.79%	3.77%	3.69%	3.40%	2.87%	2.56%	-4bps	-4bps	-4bps	-5bps	-5bps	-3bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.81%**	**3.81%**	**3.72%**	**3.44%**	**2.95%**	**2.63%**	-4bps	-4bps	-4bps	-5bps	-5bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	72	72	61	40	26	-1bps	-1bps	-1bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						79						0bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						94						0bps
BMO (Senior) (A+/A1/AA)	113			88	74	62	0bps			0bps	0bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	95			78	55	44	3bps			0bps	0bps	0bps
City of Toronto (AA / Aa1 / AA)	95	94	93	78	55	39	-2bps	-2bps	-2bps	0bps	0bps	0bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.42%	2.30%	2.26%	2.06%	1.86%	-4bps	-4bps	-5bps	-5bps	-2bps	-3bps
Curve Adjustment (bp)	0.0	0.3	5.6	1.7	0.0	4.8	0bps	0bps	0bps	0bps	-3bps	0bps
Spread to GoC Curve (bp)	**212**	**210**	**201**	**162**	**125**	**110**	0bps	0bps	1bps	0bps	0bps	0bps
Re-Offered Yield	4.54%	4.51%	4.37%	3.90%	3.31%	3.01%	-4bps	-4bps	-4bps	-5bps	-5bps	-3bps
Commission (bp)	2.9	3.6	3.5	4.8	7.5	6.9						
All-in Yield	**4.56%**	**4.55%**	**4.41%**	**3.94%**	**3.39%**	**3.08%**	-4bps	-4bps	-4bps	-5bps	-5bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	72	72	61	40	26	-1bps	-1bps	-1bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					147						0bps	
ABS - BMO Fortified Sub A Rated Tranche					129						0bps	
Hydro One (A/A3/AH)	128			85	62	47	0bps			0bps	0bps	0bps
OPG (BBB+/-/AL)	163			115	92	77	0bps			0bps	0bps	0bps

Generic Corporate Credit Spreads AA	99			87	65		4bps			1bps	0bps	
Generic Corporate Credit Spreads A	153			114	82		0bps			0bps	0bps	
Generic Corporate Credit Spreads BBB	227			169	117		0bps			0bps	0bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

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Subject:	Fair Hydro Pricing Indications 2018.03.20
Date:	Tuesday, March 20, 2018 9:32:29 AM
Attachments:	FHP_BMO_20180320.pdf FHP_BMO_20180320.xlsx

Please see our pricing input for FHP attached.

Thank you,

Ryan Wagner, CFA, MFE

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Bank Name	Bank of Montreal
Date	20-Mar-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.32%	2.31%	2.22%	2.18%	2.02%	1.85%	-8bps	-8bps	-5bps	-4bps	-3bps	-3bps
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	5.9	0bps	0bps	-1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**105**	**104**	**100**	**88**	**63**	**46**	1bps	1bps	1bps	0bps	0bps	-1bps
Re-Offered Yield	3.37%	3.35%	3.26%	3.08%	2.65%	2.37%	-7bps	-7bps	-5bps	-5bps	-3bps	-4bps
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9						
All-in Yield	**3.39%**	**3.38%**	**3.30%**	**3.12%**	**2.73%**	**2.44%**	-7bps	-7bps	-5bps	-5bps	-3bps	-4bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	73	72	71	61	41	25.5	-3bps	-3bps	-3bps	-2bps	-2bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					85						0bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					79	62					0bps	-1bps
MBS - BAML NHA MBS (AAA/AAA)					64	47					0bps	-1bps
CMBs: (AAA/Aaa/AAA)			43	38	29.5	18			0bps	0bps	-1bps	-1bps
PSP Investments (AAA/Aaa/AAA)				68	46	30				-2bps	-1bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	88			68	46	30	-2bps			-2bps	-1bps	0bps
BMO (Senior) (A+/A1/AA)	119			94	77	65	0bps			0bps	0bps	-1bps
Nav Canada (sub) (AA-/Aa2/AAL)	104			79	54	47	3bps			-3bps	-3bps	-3bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.32%	2.31%	2.22%	2.18%	2.02%	1.85%	-8bps	-8bps	-5bps	-4bps	-3bps	-3bps
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	5.9	0bps	0bps	-1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**145**	**144**	**139**	**118**	**89**	**72**	1bps	1bps	1bps	0bps	0bps	-1bps
Re-Offered Yield	3.77%	3.75%	3.65%	3.38%	2.91%	2.63%	-7bps	-7bps	-5bps	-5bps	-3bps	-4bps
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.80%**	**3.79%**	**3.69%**	**3.42%**	**2.99%**	**2.70%**	-7bps	-7bps	-5bps	-5bps	-3bps	-4bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72	71	61	41	26	-3bps	-3bps	-3bps	-2bps	-2bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						82						-1bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						97						-1bps
BMO (Senior) (A+/A1/AA)	119			94	77	65	0bps			0bps	0bps	-1bps
Nav Canada (sub) (AA-/Aa2/AAL)	104			79	54	47	3bps			-3bps	-3bps	-3bps
City of Toronto (AA / Aa1 / AA)	93	93	91	77.5	56.5	39	-4bps	-4bps	-4bps	-3bps	-2bps	-2bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.32%	2.31%	2.22%	2.18%	2.02%	1.85%	-8bps	-8bps	-5bps	-4bps	-3bps	-3bps
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	5.9	0bps	0bps	-1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**220**	**218**	**207**	**168**	**133**	**117**	1bps	1bps	1bps	0bps	0bps	-1bps
Re-Offered Yield	4.52%	4.49%	4.33%	3.88%	3.35%	3.08%	-7bps	-7bps	-5bps	-5bps	-3bps	-4bps
Commission (bp)	2.9	3.6	3.5	4.7	7.5	6.9						
All-in Yield	**4.55%**	**4.53%**	**4.37%**	**3.92%**	**3.43%**	**3.15%**	-7bps	-7bps	-5bps	-5bps	-3bps	-4bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72	71	61	41	26	-3bps	-3bps	-3bps	-2bps	-2bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					150						0bps	
ABS - BMO Fortified Sub A Rated Tranche					132						0bps	
Hydro One (A/A3/AH)	133			91	66	51	-1bps			0bps	0bps	0bps
OPG (BBB+/-/AL)	163			116	91	76	-6bps			-1bps	-1bps	-1bps

Generic Corporate Credit Spreads AA	104			89	67		0bps			0bps	0bps	
Generic Corporate Credit Spreads A	157			116	84		1bps			1bps	0bps	
Generic Corporate Credit Spreads BBB	232			174	120		1bps			0bps	0bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	20-Mar-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.32%	2.31%	2.22%	2.18%	2.02%	1.85%	-8bps	-8bps	-5bps	-4bps	-3bps	-3bps
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	5.9	0bps	0bps	-1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**105**	**104**	**100**	**88**	**63**	**46**	1bps	1bps	1bps	0bps	0bps	-1bps
Re-Offered Yield	3.37%	3.35%	3.26%	3.08%	2.65%	2.37%	-7bps	-7bps	-5bps	-5bps	-3bps	-4bps
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9						
All-in Yield	**3.39%**	**3.38%**	**3.30%**	**3.12%**	**2.73%**	**2.44%**	-7bps	-7bps	-5bps	-5bps	-3bps	-4bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	73	72	71	61	41	25.5	-3bps	-3bps	-3bps	-2bps	-2bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					85						0bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					79	62					0bps	-1bps
MBS - BAML NHA MBS (AAA/AAA)					64	47					0bps	-1bps
CMBs: (AAA/Aaa/AAA)			43	38	29.5	18			0bps	0bps	-1bps	-1bps
PSP Investments (AAA/Aaa/AAA)				68	46	30				-2bps	-1bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	88			68	46	30	-2bps			-2bps	-1bps	0bps
BMO (Senior) (A+/A1/AA)	119			94	77	65	0bps			0bps	0bps	-1bps
Nav Canada (sub) (AA-/Aa2/AAL)	104			79	54	47	3bps			-3bps	-3bps	-3bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.32%	2.31%	2.22%	2.18%	2.02%	1.85%	-8bps	-8bps	-5bps	-4bps	-3bps	-3bps
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	5.9	0bps	0bps	-1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**145**	**144**	**139**	**118**	**89**	**72**	1bps	1bps	1bps	0bps	0bps	-1bps
Re-Offered Yield	3.77%	3.75%	3.65%	3.38%	2.91%	2.63%	-7bps	-7bps	-5bps	-5bps	-3bps	-4bps
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.80%**	**3.79%**	**3.69%**	**3.42%**	**2.99%**	**2.70%**	-7bps	-7bps	-5bps	-5bps	-3bps	-4bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	72	71	61	41	26	-3bps	-3bps	-3bps	-2bps	-2bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						82						-1bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						97						-1bps
BMO (Senior) (A+/A1/AA)	119			94	77	65	0bps			0bps	0bps	-1bps
Nav Canada (sub) (AA-/Aa2/AAL)	104			79	54	47	3bps			-3bps	-3bps	-3bps
City of Toronto (AA / Aa1 / AA)	93	93	91	77.5	56.5	39	-4bps	-4bps	-4bps	-3bps	-2bps	-2bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.32%	2.31%	2.22%	2.18%	2.02%	1.85%	-8bps	-8bps	-5bps	-4bps	-3bps	-3bps
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	5.9	0bps	0bps	-1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**220**	**218**	**207**	**168**	**133**	**117**	1bps	1bps	1bps	0bps	0bps	-1bps
Re-Offered Yield	4.52%	4.49%	4.33%	3.88%	3.35%	3.08%	-7bps	-7bps	-5bps	-5bps	-3bps	-4bps
Commission (bp)	2.9	3.6	3.5	4.7	7.5	6.9						
All-in Yield	**4.55%**	**4.53%**	**4.37%**	**3.92%**	**3.43%**	**3.15%**	-7bps	-7bps	-5bps	-5bps	-3bps	-4bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	72	71	61	41	26	-3bps	-3bps	-3bps	-2bps	-2bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					150						0bps	
ABS - BMO Fortified Sub A Rated Tranche					132						0bps	
Hydro One (A/A3/AH)	133			91	66	51	-1bps			0bps	0bps	0bps
OPG (BBB+/-/AL)	163			116	91	76	-6bps			-1bps	-1bps	-1bps

Generic Corporate Credit Spreads AA	104			89	67		0bps			0bps	0bps	
Generic Corporate Credit Spreads A	157			116	84		1bps			1bps	0bps	
Generic Corporate Credit Spreads BBB	232			174	120		1bps			0bps	0bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

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Cc:	Williams, Grant; Schauffert-Tam, Susan; Ruta, Olivier; Lai, Hodge
Subject:	Fair Hydro Pricing Indications 2018.03.27
Date:	Tuesday, March 27, 2018 9:01:04 AM
Attachments:	FHP_BMO_20180327.pdf FHP_BMO_20180327.xlsx

Please see our pricing input for FHP attached.

Thank you,

Ryan Wagner, CFA, MFE

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Bank Name	Bank of Montreal
Date	27-Mar-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.32%	2.31%	2.25%	2.20%	2.07%	1.93%	1bps	0bps	2bps	3bps	5bps	7bps
Curve Adjustment (bp)	0.0	0.7	2.9	1.9	0.3	6.1	0bps	0bps	-1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**105**	**104**	**100**	**88**	**63**	**46**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	3.37%	3.35%	3.28%	3.10%	2.71%	2.45%	1bps	0bps	2bps	3bps	5bps	8bps
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9						
All-in Yield	**3.40%**	**3.39%**	**3.31%**	**3.15%**	**2.78%**	**2.52%**	1bps	0bps	2bps	3bps	5bps	8bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	77	76	74.5	64	43	27.5	4bps	4bps	4bps	3bps	2bps	2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					85						0bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					79	62					0bps	0bps
MBS - BAML NHA MBS (AAA/AAA)					64	47					0bps	0bps
CMBs: (AAA/Aaa/AAA)			43	38	29	18			0bps	0bps	-1bps	0bps
PSP Investments (AAA/Aaa/AAA)				66	46	30				-2bps	0bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	86			66	46	30	-2bps			-2bps	0bps	0bps
BMO (Senior) (A+/A1/AA)	119			94	77	65	0bps			0bps	0bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	98			81	56	47	-6bps			2bps	2bps	0bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.32%	2.31%	2.25%	2.20%	2.07%	1.93%	1bps	0bps	2bps	3bps	5bps	7bps
Curve Adjustment (bp)	0.0	0.7	2.9	1.9	0.3	6.1	0bps	0bps	-1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**145**	**144**	**139**	**118**	**89**	**72**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	3.77%	3.75%	3.67%	3.40%	2.97%	2.71%	1bps	0bps	2bps	3bps	5bps	8bps
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.80%**	**3.79%**	**3.70%**	**3.45%**	**3.04%**	**2.78%**	1bps	0bps	2bps	3bps	5bps	8bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	76	75	64	43	28	4bps	4bps	4bps	3bps	2bps	2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						82						0bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						97						0bps
BMO (Senior) (A+/A1/AA)	119			94	77	65	0bps			0bps	0bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	98			81	56	47	-6bps			2bps	2bps	0bps
City of Toronto (AA / Aa1 / AA)	97	97	94.5	80.5	58.5	41	4bps	4bps	4bps	3bps	2bps	2bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.32%	2.31%	2.25%	2.20%	2.07%	1.93%	1bps	0bps	2bps	3bps	5bps	7bps
Curve Adjustment (bp)	0.0	0.7	2.9	1.9	0.3	6.1	0bps	0bps	-1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**220**	**218**	**207**	**168**	**133**	**117**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	4.52%	4.49%	4.35%	3.90%	3.41%	3.16%	1bps	0bps	2bps	3bps	5bps	8bps
Commission (bp)	2.9	3.6	3.5	4.8	7.5	6.9						
All-in Yield	**4.55%**	**4.53%**	**4.38%**	**3.95%**	**3.48%**	**3.23%**	1bps	0bps	2bps	3bps	5bps	8bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	76	75	64	43	28	4bps	4bps	4bps	3bps	2bps	2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					150						0bps	
ABS - BMO Fortified Sub A Rated Tranche					132						0bps	
Hydro One (A/A3/AH)	135			96	71	54	2bps			5bps	5bps	3bps
OPG (BBB+/-/AL)	166			119	94	77	3bps			3bps	3bps	1bps

Generic Corporate Credit Spreads AA	102			89	68		-2bps			0bps	1bps	
Generic Corporate Credit Spreads A	158			117	85		1bps			1bps	1bps	
Generic Corporate Credit Spreads BBB	232			175	121		0bps			1bps	1bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	27-Mar-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.32%	2.31%	2.25%	2.20%	2.07%	1.93%	1bps	0bps	2bps	3bps	5bps	7bps
Curve Adjustment (bp)	0.0	0.7	2.9	1.9	0.3	6.1	0bps	0bps	-1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**105**	**104**	**100**	**88**	**63**	**46**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	3.37%	3.35%	3.28%	3.10%	2.71%	2.45%	1bps	0bps	2bps	3bps	5bps	8bps
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9						
All-in Yield	**3.40%**	**3.39%**	**3.31%**	**3.15%**	**2.78%**	**2.52%**	1bps	0bps	2bps	3bps	5bps	8bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	77	76	74.5	64	43	27.5	4bps	4bps	4bps	3bps	2bps	2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					85						0bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					79	62					0bps	0bps
MBS - BAML NHA MBS (AAA/AAA)					64	47					0bps	0bps
CMBs: (AAA/Aaa/AAA)			43	38	29	18			0bps	0bps	-1bps	0bps
PSP Investments (AAA/Aaa/AAA)				66	46	30				-2bps	0bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	86			66	46	30	-2bps			-2bps	0bps	0bps
BMO (Senior) (A+/A1/AA)	119			94	77	65	0bps			0bps	0bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	98			81	56	47	-6bps			2bps	2bps	0bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.32%	2.31%	2.25%	2.20%	2.07%	1.93%	1bps	0bps	2bps	3bps	5bps	7bps
Curve Adjustment (bp)	0.0	0.7	2.9	1.9	0.3	6.1	0bps	0bps	-1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**145**	**144**	**139**	**118**	**89**	**72**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	3.77%	3.75%	3.67%	3.40%	2.97%	2.71%	1bps	0bps	2bps	3bps	5bps	8bps
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.80%**	**3.79%**	**3.70%**	**3.45%**	**3.04%**	**2.78%**	1bps	0bps	2bps	3bps	5bps	8bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	76	75	64	43	28	4bps	4bps	4bps	3bps	2bps	2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						82						0bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						97						0bps
BMO (Senior) (A+/A1/AA)	119			94	77	65	0bps			0bps	0bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	98			81	56	47	-6bps			2bps	2bps	0bps
City of Toronto (AA / Aa1 / AA)	97	97	94.5	80.5	58.5	41	4bps	4bps	4bps	3bps	2bps	2bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.32%	2.31%	2.25%	2.20%	2.07%	1.93%	1bps	0bps	2bps	3bps	5bps	7bps
Curve Adjustment (bp)	0.0	0.7	2.9	1.9	0.3	6.1	0bps	0bps	-1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**220**	**218**	**207**	**168**	**133**	**117**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	4.52%	4.49%	4.35%	3.90%	3.41%	3.16%	1bps	0bps	2bps	3bps	5bps	8bps
Commission (bp)	2.9	3.6	3.5	4.8	7.5	6.9						
All-in Yield	**4.55%**	**4.53%**	**4.38%**	**3.95%**	**3.48%**	**3.23%**	1bps	0bps	2bps	3bps	5bps	8bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	76	75	64	43	28	4bps	4bps	4bps	3bps	2bps	2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					150						0bps	
ABS - BMO Fortified Sub A Rated Tranche					132						0bps	
Hydro One (A/A3/AH)	135			96	71	54	2bps			5bps	5bps	3bps
OPG (BBB+/-/AL)	166			119	94	77	3bps			3bps	3bps	1bps

Generic Corporate Credit Spreads AA	102			89	68		-2bps			0bps	1bps	
Generic Corporate Credit Spreads A	158			117	85		1bps			1bps	1bps	
Generic Corporate Credit Spreads BBB	232			175	121		0bps			1bps	1bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

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Cc:	Williams, Grant; Schauffert-Tam, Susan; Ruta, Olivier; Lai, Hodge
Subject:	Fair Hydro Pricing Indications 2018.04.03
Date:	Wednesday, April 04, 2018 10:28:01 AM
Attachments:	FHP_BMO_20180403.xlsx FHP_BMO_20180403.pdf

Please see our pricing input for FHP attached.

Thank you,

Ryan Wagner, CFA, MFE

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Bank Name	Bank of Montreal
Date	3-Apr-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.19%	2.15%	2.01%	1.87%	-3bps	-4bps	-6bps	-6bps	-7bps	-6bps
Curve Adjustment (bp)	0.0	0.8	3.4	2.0	0.5	5.9	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**106**	**105**	**101**	**90**	**66**	**51**	1bps	1bps	1bps	2bps	3bps	5bps
Re-Offered Yield	3.35%	3.33%	3.24%	3.07%	2.67%	2.44%	-2bps	-3bps	-4bps	-4bps	-4bps	-1bps
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9						
All-in Yield	**3.38%**	**3.36%**	**3.27%**	**3.11%**	**2.75%**	**2.51%**	-2bps	-3bps	-4bps	-4bps	-4bps	-1bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	84	83	81.5	72.5	49	30	7bps	7bps	7bps	9bps	6bps	3bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					88						3bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					82	67					3bps	5bps
MBS - BAML NHA MBS (AAA/AAA)					67	52					3bps	5bps
CMBs: (AAA/Aaa/AAA)			47	42	33.5	18.5			4bps	4bps	5bps	1bps
PSP Investments (AAA/Aaa/AAA)				68	48	32				2bps	2bps	2bps
CPP Investment Board (AAA/Aaa/AAA)	88			68	48	32	2bps			2bps	2bps	2bps
BMO (Senior) (A+/A1/AA)	122			97	80	70	3bps			3bps	3bps	5bps
Nav Canada (sub) (AA-/Aa2/AAL)	102			83	58	51	4bps			2bps	2bps	4bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.19%	2.15%	2.01%	1.87%	-3bps	-4bps	-6bps	-6bps	-7bps	-6bps
Curve Adjustment (bp)	0.0	0.8	3.4	2.0	0.5	5.9	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**146**	**145**	**140**	**120**	**92**	**77**	1bps	1bps	1bps	2bps	3bps	5bps
Re-Offered Yield	3.75%	3.73%	3.63%	3.37%	2.93%	2.70%	-2bps	-3bps	-4bps	-4bps	-4bps	-1bps
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.78%**	**3.76%**	**3.66%**	**3.41%**	**3.01%**	**2.77%**	-2bps	-3bps	-4bps	-4bps	-4bps	-1bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	84	83	82	73	49	30	7bps	7bps	7bps	9bps	6bps	3bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						87						5bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						102						5bps
BMO (Senior) (A+/A1/AA)	122			97	80	70	3bps			3bps	3bps	5bps
Nav Canada (sub) (AA-/Aa2/AAL)	102			83	58	51	4bps			2bps	2bps	4bps
City of Toronto (AA / Aa1 / AA)	104	104	101.5	89	64.5	43.5	7bps	7bps	7bps	9bps	6bps	3bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.19%	2.15%	2.01%	1.87%	-3bps	-4bps	-6bps	-6bps	-7bps	-6bps
Curve Adjustment (bp)	0.0	0.8	3.4	2.0	0.5	5.9	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**220**	**218**	**207**	**170**	**136**	**122**	0bps	0bps	0bps	2bps	3bps	5bps
Re-Offered Yield	4.49%	4.46%	4.30%	3.87%	3.37%	3.15%	-3bps	-4bps	-5bps	-4bps	-4bps	-1bps
Commission (bp)	2.8	3.6	3.5	4.7	7.5	6.9						
All-in Yield	**4.52%**	**4.49%**	**4.33%**	**3.91%**	**3.45%**	**3.22%**	-3bps	-4bps	-5bps	-4bps	-4bps	-1bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	84	83	82	73	49	30	7bps	7bps	7bps	9bps	6bps	3bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					153						3bps	
ABS - BMO Fortified Sub A Rated Tranche					135						3bps	
Hydro One (A/A3/AH)	138			100	75	60	3bps			4bps	4bps	6bps
OPG (BBB+/-/AL)	170			123	98	83	4bps			4bps	4bps	6bps

Generic Corporate Credit Spreads AA	104			93	72		2bps			4bps	4bps	
Generic Corporate Credit Spreads A	162			121	90		4bps			4bps	5bps	
Generic Corporate Credit Spreads BBB	235			180	126		3bps			5bps	5bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	3-Apr-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.19%	2.15%	2.01%	1.87%	-3bps	-4bps	-6bps	-6bps	-7bps	-6bps
Curve Adjustment (bp)	0.0	0.8	3.4	2.0	0.5	5.9	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**106**	**105**	**101**	**90**	**66**	**51**	1bps	1bps	1bps	2bps	3bps	5bps
Re-Offered Yield	3.35%	3.33%	3.24%	3.07%	2.67%	2.44%	-2bps	-3bps	-4bps	-4bps	-4bps	-1bps
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9						
All-in Yield	**3.38%**	**3.36%**	**3.27%**	**3.11%**	**2.75%**	**2.51%**	-2bps	-3bps	-4bps	-4bps	-4bps	-1bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	84	83	81.5	72.5	49	30	7bps	7bps	7bps	9bps	6bps	3bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					88						3bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					82	67					3bps	5bps
MBS - BAML NHA MBS (AAA/AAA)					67	52					3bps	5bps
CMBs: (AAA/Aaa/AAA)			47	42	33.5	18.5			4bps	4bps	5bps	1bps
PSP Investments (AAA/Aaa/AAA)				68	48	32				2bps	2bps	2bps
CPP Investment Board (AAA/Aaa/AAA)	88			68	48	32	2bps			2bps	2bps	2bps
BMO (Senior) (A+/A1/AA)	122			97	80	70	3bps			3bps	3bps	5bps
Nav Canada (sub) (AA-/Aa2/AAL)	102			83	58	51	4bps			2bps	2bps	4bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.19%	2.15%	2.01%	1.87%	-3bps	-4bps	-6bps	-6bps	-7bps	-6bps
Curve Adjustment (bp)	0.0	0.8	3.4	2.0	0.5	5.9	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**146**	**145**	**140**	**120**	**92**	**77**	1bps	1bps	1bps	2bps	3bps	5bps
Re-Offered Yield	3.75%	3.73%	3.63%	3.37%	2.93%	2.70%	-2bps	-3bps	-4bps	-4bps	-4bps	-1bps
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.78%**	**3.76%**	**3.66%**	**3.41%**	**3.01%**	**2.77%**	-2bps	-3bps	-4bps	-4bps	-4bps	-1bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	84	83	82	73	49	30	7bps	7bps	7bps	9bps	6bps	3bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						87						5bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						102						5bps
BMO (Senior) (A+/A1/AA)	122			97	80	70	3bps			3bps	3bps	5bps
Nav Canada (sub) (AA-/Aa2/AAL)	102			83	58	51	4bps			2bps	2bps	4bps
City of Toronto (AA / Aa1 / AA)	104	104	101.5	89	64.5	43.5	7bps	7bps	7bps	9bps	6bps	3bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.19%	2.15%	2.01%	1.87%	-3bps	-4bps	-6bps	-6bps	-7bps	-6bps
Curve Adjustment (bp)	0.0	0.8	3.4	2.0	0.5	5.9	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**220**	**218**	**207**	**170**	**136**	**122**	0bps	0bps	0bps	2bps	3bps	5bps
Re-Offered Yield	4.49%	4.46%	4.30%	3.87%	3.37%	3.15%	-3bps	-4bps	-5bps	-4bps	-4bps	-1bps
Commission (bp)	2.8	3.6	3.5	4.7	7.5	6.9						
All-in Yield	**4.52%**	**4.49%**	**4.33%**	**3.91%**	**3.45%**	**3.22%**	-3bps	-4bps	-5bps	-4bps	-4bps	-1bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	84	83	82	73	49	30	7bps	7bps	7bps	9bps	6bps	3bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					153						3bps	
ABS - BMO Fortified Sub A Rated Tranche					135						3bps	
Hydro One (A/A3/AH)	138			100	75	60	3bps			4bps	4bps	6bps
OPG (BBB+/-/AL)	170			123	98	83	4bps			4bps	4bps	6bps

Generic Corporate Credit Spreads AA	104			93	72		2bps			4bps	4bps	
Generic Corporate Credit Spreads A	162			121	90		4bps			4bps	5bps	
Generic Corporate Credit Spreads BBB	235			180	126		3bps			5bps	5bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

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Cc:	Williams, Grant; Schauffert-Tam, Susan; Ruta, Olivier; Lai, Hodge
Subject:	Fair Hydro Pricing Indications 2018.04.10
Date:	Tuesday, April 10, 2018 12:25:07 PM
Attachments:	FHP_BMO_20180410.xlsx FHP_BMO_20180410.pdf

Please see our pricing input for FHP attached.

Thank you,

Ryan Wagner, CFA, MFE

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Bank Name	Bank of Montreal
Date	10-Apr-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.33%	2.30%	2.24%	2.19%	2.04%	1.89%	3bps	3bps	5bps	4bps	3bps	2bps
Curve Adjustment (bp)	0.0	0.7	2.9	2.4	0.7	5.9	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**107**	**106**	**102**	**91**	**67**	**52**	1bps	1bps	1bps	1bps	1bps	1bps
Re-Offered Yield	3.40%	3.37%	3.29%	3.12%	2.72%	2.47%	4bps	4bps	5bps	5bps	4bps	3bps
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9						
All-in Yield	**3.42%**	**3.41%**	**3.32%**	**3.17%**	**2.79%**	**2.54%**	4bps	4bps	5bps	6bps	4bps	3bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	82	82	80	71.5	50	32	-2bps	-2bps	-2bps	-1bps	1bps	2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					89						1bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					83	69					1bps	2bps
MBS - BAML NHA MBS (AAA/AAA)					68	54					1bps	2bps
CMBs: (AAA/Aaa/AAA)			46	41	32	18			-1bps	-1bps	-2bps	-1bps
PSP Investments (AAA/Aaa/AAA)				74	51	32				6bps	3bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	94			74	51	32	6bps			6bps	3bps	0bps
BMO (Senior) (A+/A1/AA)	123			98	81	72	1bps			1bps	1bps	2bps
Nav Canada (sub) (AA-/Aa2/AAL)	104			87	62	55	2bps			4bps	4bps	4bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.33%	2.30%	2.24%	2.19%	2.04%	1.89%	3bps	3bps	5bps	4bps	3bps	2bps
Curve Adjustment (bp)	0.0	0.7	2.9	2.4	0.7	5.9	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**146**	**145**	**140**	**120**	**92**	**77**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	3.79%	3.76%	3.67%	3.41%	2.97%	2.72%	3bps	3bps	4bps	4bps	3bps	2bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.82%**	**3.80%**	**3.71%**	**3.46%**	**3.04%**	**2.79%**	3bps	3bps	4bps	5bps	3bps	2bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	82	82	80	72	50	32	-2bps	-2bps	-2bps	-1bps	1bps	2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						89						2bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						104						2bps
BMO (Senior) (A+/A1/AA)	123			98	81	72	1bps			1bps	1bps	2bps
Nav Canada (sub) (AA-/Aa2/AAL)	104			87	62	55	2bps			4bps	4bps	4bps
City of Toronto (AA / Aa1 / AA)	103	102	100	88.5	65.5	45.5	-2bps	-2bps	-2bps	-1bps	1bps	2bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.33%	2.30%	2.24%	2.19%	2.04%	1.89%	3bps	3bps	5bps	4bps	3bps	2bps
Curve Adjustment (bp)	0.0	0.7	2.9	2.4	0.7	5.9	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**220**	**218**	**207**	**170**	**136**	**122**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	4.53%	4.49%	4.34%	3.91%	3.41%	3.17%	3bps	3bps	4bps	4bps	3bps	2bps
Commission (bp)	2.9	3.6	3.5	4.8	7.5	6.9						
All-in Yield	**4.56%**	**4.53%**	**4.38%**	**3.96%**	**3.48%**	**3.24%**	3bps	3bps	4bps	5bps	3bps	2bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	82	82	80	72	50	32	-2bps	-2bps	-2bps	-1bps	1bps	2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					154						1bps	
ABS - BMO Fortified Sub A Rated Tranche					136						1bps	
Hydro One (A/A3/AH)	142			105	80	65	4bps			5bps	5bps	5bps
OPG (BBB+/-/AL)	172			125	100	85	2bps			2bps	2bps	2bps

Generic Corporate Credit Spreads AA	105			93	72		1bps			0bps	0bps	
Generic Corporate Credit Spreads A	163			122	90		1bps			1bps	0bps	
Generic Corporate Credit Spreads BBB	237			181	127		2bps			1bps	1bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	10-Apr-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.33%	2.30%	2.24%	2.19%	2.04%	1.89%	3bps	3bps	5bps	4bps	3bps	2bps
Curve Adjustment (bp)	0.0	0.7	2.9	2.4	0.7	5.9	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**107**	**106**	**102**	**91**	**67**	**52**	1bps	1bps	1bps	1bps	1bps	1bps
Re-Offered Yield	3.40%	3.37%	3.29%	3.12%	2.72%	2.47%	4bps	4bps	5bps	5bps	4bps	3bps
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9						
All-in Yield	**3.42%**	**3.41%**	**3.32%**	**3.17%**	**2.79%**	**2.54%**	4bps	4bps	5bps	6bps	4bps	3bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	82	82	80	71.5	50	32	-2bps	-2bps	-2bps	-1bps	1bps	2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					89						1bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					83	69					1bps	2bps
MBS - BAML NHA MBS (AAA/AAA)					68	54					1bps	2bps
CMBs: (AAA/Aaa/AAA)			46	41	32	18			-1bps	-1bps	-2bps	-1bps
PSP Investments (AAA/Aaa/AAA)				74	51	32				6bps	3bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	94			74	51	32	6bps			6bps	3bps	0bps
BMO (Senior) (A+/A1/AA)	123			98	81	72	1bps			1bps	1bps	2bps
Nav Canada (sub) (AA-/Aa2/AAL)	104			87	62	55	2bps			4bps	4bps	4bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.33%	2.30%	2.24%	2.19%	2.04%	1.89%	3bps	3bps	5bps	4bps	3bps	2bps
Curve Adjustment (bp)	0.0	0.7	2.9	2.4	0.7	5.9	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**146**	**145**	**140**	**120**	**92**	**77**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	3.79%	3.76%	3.67%	3.41%	2.97%	2.72%	3bps	3bps	4bps	4bps	3bps	2bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.82%**	**3.80%**	**3.71%**	**3.46%**	**3.04%**	**2.79%**	3bps	3bps	4bps	5bps	3bps	2bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	82	82	80	72	50	32	-2bps	-2bps	-2bps	-1bps	1bps	2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						89						2bps
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BMO (Senior) (A+/A1/AA)	123			98	81	72	1bps			1bps	1bps	2bps
Nav Canada (sub) (AA-/Aa2/AAL)	104			87	62	55	2bps			4bps	4bps	4bps
City of Toronto (AA / Aa1 / AA)	103	102	100	88.5	65.5	45.5	-2bps	-2bps	-2bps	-1bps	1bps	2bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.33%	2.30%	2.24%	2.19%	2.04%	1.89%	3bps	3bps	5bps	4bps	3bps	2bps
Curve Adjustment (bp)	0.0	0.7	2.9	2.4	0.7	5.9	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**220**	**218**	**207**	**170**	**136**	**122**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	4.53%	4.49%	4.34%	3.91%	3.41%	3.17%	3bps	3bps	4bps	4bps	3bps	2bps
Commission (bp)	2.9	3.6	3.5	4.8	7.5	6.9						
All-in Yield	**4.56%**	**4.53%**	**4.38%**	**3.96%**	**3.48%**	**3.24%**	3bps	3bps	4bps	5bps	3bps	2bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	82	82	80	72	50	32	-2bps	-2bps	-2bps	-1bps	1bps	2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					154						1bps	
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Generic Corporate Credit Spreads BBB	237			181	127		2bps			1bps	1bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

From:	Wagner, Ryan
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Cc:	Williams, Grant; Schauffert-Tam, Susan; Ruta, Olivier; Lai, Hodge
Subject:	Fair Hydro Pricing Indications 2018.04.17
Date:	Tuesday, April 17, 2018 9:33:31 AM
Attachments:	FHP_BMO_20180417.xlsx FHP_BMO_20180417.pdf

Please see our pricing input for FHP attached.

Thank you,

Ryan Wagner, CFA, MFE

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Bank Name	Bank of Montreal
Date	17-Apr-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.32%	2.28%	2.12%	1.96%	5bps	6bps	7bps	9bps	8bps	7bps
Curve Adjustment (bp)	0.0	0.6	1.9	1.8	1.2	6.1	0bps	0bps	-1bps	-1bps	0bps	0bps
Spread to GoC Curve (bp)	**106**	**105**	**100**	**90**	**66**	**50**	-1bps	-1bps	-2bps	-1bps	-1bps	-2bps
Re-Offered Yield	3.44%	3.42%	3.34%	3.19%	2.79%	2.52%	4bps	5bps	4bps	7bps	8bps	5bps
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9						
All-in Yield	**3.46%**	**3.45%**	**3.37%**	**3.24%**	**2.87%**	**2.59%**	4bps	5bps	4bps	7bps	8bps	5bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	77	77	75	67.5	45	28	-5bps	-5bps	-5bps	-4bps	-5bps	-4bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					88						-1bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					82	67					-1bps	-2bps
MBS - BAML NHA MBS (AAA/AAA)					67	52					-1bps	-2bps
CMBs: (AAA/Aaa/AAA)			43	38	30	17			-3bps	-3bps	-2bps	-1bps
PSP Investments (AAA/Aaa/AAA)				71	48	32				-3bps	-3bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	91			71	48	32	-3bps			-3bps	-3bps	0bps
BMO (Senior) (A+/A1/AA)	122			97	82	70	-1bps			-1bps	1bps	-2bps
Nav Canada (sub) (AA-/Aa2/AAL)	99			82	57	52	-5bps			-5bps	-5bps	-3bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.32%	2.28%	2.12%	1.96%	5bps	6bps	7bps	9bps	8bps	7bps
Curve Adjustment (bp)	0.0	0.6	1.9	1.8	1.2	6.1	0bps	0bps	-1bps	-1bps	0bps	0bps
Spread to GoC Curve (bp)	**145**	**144**	**138**	**119**	**91**	**75**	-1bps	-1bps	-2bps	-1bps	-1bps	-2bps
Re-Offered Yield	3.83%	3.81%	3.72%	3.48%	3.04%	2.77%	4bps	5bps	4bps	7bps	8bps	5bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.86%**	**3.84%**	**3.75%**	**3.53%**	**3.12%**	**2.84%**	4bps	5bps	4bps	7bps	8bps	5bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	68	45	28	-5bps	-5bps	-5bps	-4bps	-5bps	-4bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						87						-2bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						102						-2bps
BMO (Senior) (A+/A1/AA)	122			97	82	70	-1bps			-1bps	1bps	-2bps
Nav Canada (sub) (AA-/Aa2/AAL)	99			82	57	52	-5bps			-5bps	-5bps	-3bps
City of Toronto (AA / Aa1 / AA)	98	97	95	84.5	60.5	41.5	-5bps	-5bps	-5bps	-4bps	-5bps	-4bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.32%	2.28%	2.12%	1.96%	5bps	6bps	7bps	9bps	8bps	7bps
Curve Adjustment (bp)	0.0	0.6	1.9	1.8	1.2	6.1	0bps	0bps	-1bps	-1bps	0bps	0bps
Spread to GoC Curve (bp)	**219**	**217**	**205**	**169**	**135**	**120**	-1bps	-1bps	-2bps	-1bps	-1bps	-2bps
Re-Offered Yield	4.57%	4.54%	4.39%	3.98%	3.48%	3.22%	4bps	5bps	4bps	7bps	8bps	5bps
Commission (bp)	2.9	3.6	3.5	4.8	7.5	6.9						
All-in Yield	**4.60%**	**4.57%**	**4.42%**	**4.03%**	**3.56%**	**3.29%**	4bps	5bps	4bps	7bps	8bps	5bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	68	45	28	-5bps	-5bps	-5bps	-4bps	-5bps	-4bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					153						-1bps	
ABS - BMO Fortified Sub A Rated Tranche					135						-1bps	
Hydro One (A/A3/AH)	137			100	75	62	-5bps			-5bps	-5bps	-3bps
OPG (BBB+/-/AL)	166			119	94	81	-6bps			-6bps	-6bps	-4bps

Generic Corporate Credit Spreads AA	101			91	70		-4bps			-2bps	-2bps	
Generic Corporate Credit Spreads A	159			119	88		-4bps			-3bps	-2bps	
Generic Corporate Credit Spreads BBB	233			177	123		-4bps			-4bps	-4bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	17-Apr-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.32%	2.28%	2.12%	1.96%	5bps	6bps	7bps	9bps	8bps	7bps
Curve Adjustment (bp)	0.0	0.6	1.9	1.8	1.2	6.1	0bps	0bps	-1bps	-1bps	0bps	0bps
Spread to GoC Curve (bp)	**106**	**105**	**100**	**90**	**66**	**50**	-1bps	-1bps	-2bps	-1bps	-1bps	-2bps
Re-Offered Yield	3.44%	3.42%	3.34%	3.19%	2.79%	2.52%	4bps	5bps	4bps	7bps	8bps	5bps
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9						
All-in Yield	**3.46%**	**3.45%**	**3.37%**	**3.24%**	**2.87%**	**2.59%**	4bps	5bps	4bps	7bps	8bps	5bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	77	77	75	67.5	45	28	-5bps	-5bps	-5bps	-4bps	-5bps	-4bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
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BMO (Senior) (A+/A1/AA)	122			97	82	70	-1bps			-1bps	1bps	-2bps
Nav Canada (sub) (AA-/Aa2/AAL)	99			82	57	52	-5bps			-5bps	-5bps	-3bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
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Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
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Curve Adjustment (bp)	0.0	0.6	1.9	1.8	1.2	6.1	0bps	0bps	-1bps	-1bps	0bps	0bps
Spread to GoC Curve (bp)	**145**	**144**	**138**	**119**	**91**	**75**	-1bps	-1bps	-2bps	-1bps	-1bps	-2bps
Re-Offered Yield	3.83%	3.81%	3.72%	3.48%	3.04%	2.77%	4bps	5bps	4bps	7bps	8bps	5bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.86%**	**3.84%**	**3.75%**	**3.53%**	**3.12%**	**2.84%**	4bps	5bps	4bps	7bps	8bps	5bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
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Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	68	45	28	-5bps	-5bps	-5bps	-4bps	-5bps	-4bps

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Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
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Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
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Curve Adjustment (bp)	0.0	0.6	1.9	1.8	1.2	6.1	0bps	0bps	-1bps	-1bps	0bps	0bps
Spread to GoC Curve (bp)	**219**	**217**	**205**	**169**	**135**	**120**	-1bps	-1bps	-2bps	-1bps	-1bps	-2bps
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Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	68	45	28	-5bps	-5bps	-5bps	-4bps	-5bps	-4bps

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Cc:	Williams, Grant; Schauffert-Tam, Susan; Ruta, Olivier; Lai, Hodge
Subject:	Fair Hydro Pricing Indications 2018.04.19
Date:	Thursday, April 19, 2018 12:05:27 PM
Attachments:	FHP_BMO_20180419.xlsx FHP_BMO_20180419.pdf

Please see attached updated pricing following the deal today.

Thank you,

Ryan Wagner, CFA, MFE

Associate

Investment Grade Origination

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Bank Name	Bank of Montreal
Date	19-Apr-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
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Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.37%	2.33%	2.18%	1.99%	10bps	11bps	13bps	15bps	14bps	10bps
Curve Adjustment (bp)	0.0	0.6	1.9	1.7	1.5	6.9	0bps	0bps	-1bps	-1bps	1bps	1bps
Spread to GoC Curve (bp)	**108**	**107**	**100**	**90**	**66**	**50**	1bps	1bps	-2bps	-1bps	-1bps	-2bps
Re-Offered Yield	3.51%	3.49%	3.39%	3.25%	2.85%	2.56%	11bps	12bps	10bps	13bps	13bps	9bps
Commission (bp)	2.7	3.4	3.4	4.6	7.5	6.9						
All-in Yield	**3.54%**	**3.52%**	**3.43%**	**3.30%**	**2.92%**	**2.63%**	11bps	12bps	10bps	13bps	13bps	9bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	75	75	73	65	43	28	-7bps	-7bps	-7bps	-7bps	-7bps	-4bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					88						-1bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					82	67					-1bps	-2bps
MBS - BAML NHA MBS (AAA/AAA)					67	52					-1bps	-2bps
CMBs: (AAA/Aaa/AAA)			41	36	29	17			-5bps	-5bps	-3bps	-1bps
PSP Investments (AAA/Aaa/AAA)				71	48	32				-3bps	-3bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	91			71	48	32	-3bps			-3bps	-3bps	0bps
BMO (Senior) (A+/A1/AA)	122			97	82	70	-1bps			-1bps	1bps	-2bps
Nav Canada (sub) (AA-/Aa2/AAL)	99			82	57	52	-5bps			-5bps	-5bps	-3bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.37%	2.33%	2.18%	1.99%	10bps	11bps	13bps	15bps	14bps	10bps
Curve Adjustment (bp)	0.0	0.6	1.9	1.7	1.5	6.9	0bps	0bps	-1bps	-1bps	1bps	1bps
Spread to GoC Curve (bp)	**147**	**146**	**138**	**119**	**91**	**75**	1bps	1bps	-2bps	-1bps	-1bps	-2bps
Re-Offered Yield	3.90%	3.88%	3.77%	3.54%	3.10%	2.81%	11bps	12bps	10bps	13bps	13bps	9bps
Commission (bp)	2.8	3.5	3.5	4.7	7.5	6.9						
All-in Yield	**3.93%**	**3.92%**	**3.81%**	**3.59%**	**3.17%**	**2.88%**	11bps	12bps	10bps	13bps	13bps	9bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	65	43	28	-7bps	-7bps	-7bps	-7bps	-7bps	-4bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						87						-2bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						102						-2bps
BMO (Senior) (A+/A1/AA)	122			97	82	70	-1bps			-1bps	1bps	-2bps
Nav Canada (sub) (AA-/Aa2/AAL)	99			82	57	52	-5bps			-5bps	-5bps	-3bps
City of Toronto (AA / Aa1 / AA)	96	95	93	82	58.5	41.5	-7bps	-7bps	-7bps	-7bps	-7bps	-4bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.37%	2.33%	2.18%	1.99%	10bps	11bps	13bps	15bps	14bps	10bps
Curve Adjustment (bp)	0.0	0.6	1.9	1.7	1.5	6.9	0bps	0bps	-1bps	-1bps	1bps	1bps
Spread to GoC Curve (bp)	**221**	**217**	**205**	**169**	**135**	**120**	1bps	-1bps	-2bps	-1bps	-1bps	-2bps
Re-Offered Yield	4.64%	4.59%	4.44%	4.04%	3.54%	3.26%	11bps	10bps	10bps	13bps	13bps	9bps
Commission (bp)	2.9	3.7	3.5	4.8	7.6	6.9						
All-in Yield	**4.67%**	**4.63%**	**4.48%**	**4.09%**	**3.62%**	**3.33%**	11bps	10bps	10bps	13bps	13bps	9bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	65	43	28	-7bps	-7bps	-7bps	-7bps	-7bps	-4bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					153						-1bps	
ABS - BMO Fortified Sub A Rated Tranche					135						-1bps	
Hydro One (A/A3/AH)	137			100	75	62	-5bps			-5bps	-5bps	-3bps
OPG (BBB+/-/AL)	166			119	94	81	-6bps			-6bps	-6bps	-4bps

Generic Corporate Credit Spreads AA	101			91	70		-4bps			-2bps	-2bps	
Generic Corporate Credit Spreads A	159			119	88		-4bps			-3bps	-2bps	
Generic Corporate Credit Spreads BBB	233			177	123		-4bps			-4bps	-4bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	19-Apr-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.37%	2.33%	2.18%	1.99%	10bps	11bps	13bps	15bps	14bps	10bps
Curve Adjustment (bp)	0.0	0.6	1.9	1.7	1.5	6.9	0bps	0bps	-1bps	-1bps	1bps	1bps
Spread to GoC Curve (bp)	**108**	**107**	**100**	**90**	**66**	**50**	1bps	1bps	-2bps	-1bps	-1bps	-2bps
Re-Offered Yield	3.51%	3.49%	3.39%	3.25%	2.85%	2.56%	11bps	12bps	10bps	13bps	13bps	9bps
Commission (bp)	2.7	3.4	3.4	4.6	7.5	6.9						
All-in Yield	**3.54%**	**3.52%**	**3.43%**	**3.30%**	**2.92%**	**2.63%**	11bps	12bps	10bps	13bps	13bps	9bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	75	75	73	65	43	28	-7bps	-7bps	-7bps	-7bps	-7bps	-4bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					88						-1bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					82	67					-1bps	-2bps
MBS - BAML NHA MBS (AAA/AAA)					67	52					-1bps	-2bps
CMBs: (AAA/Aaa/AAA)			41	36	29	17			-5bps	-5bps	-3bps	-1bps
PSP Investments (AAA/Aaa/AAA)				71	48	32				-3bps	-3bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	91			71	48	32	-3bps			-3bps	-3bps	0bps
BMO (Senior) (A+/A1/AA)	122			97	82	70	-1bps			-1bps	1bps	-2bps
Nav Canada (sub) (AA-/Aa2/AAL)	99			82	57	52	-5bps			-5bps	-5bps	-3bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.37%	2.33%	2.18%	1.99%	10bps	11bps	13bps	15bps	14bps	10bps
Curve Adjustment (bp)	0.0	0.6	1.9	1.7	1.5	6.9	0bps	0bps	-1bps	-1bps	1bps	1bps
Spread to GoC Curve (bp)	**147**	**146**	**138**	**119**	**91**	**75**	1bps	1bps	-2bps	-1bps	-1bps	-2bps
Re-Offered Yield	3.90%	3.88%	3.77%	3.54%	3.10%	2.81%	11bps	12bps	10bps	13bps	13bps	9bps
Commission (bp)	2.8	3.5	3.5	4.7	7.5	6.9						
All-in Yield	**3.93%**	**3.92%**	**3.81%**	**3.59%**	**3.17%**	**2.88%**	11bps	12bps	10bps	13bps	13bps	9bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	65	43	28	-7bps	-7bps	-7bps	-7bps	-7bps	-4bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						87						-2bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						102						-2bps
BMO (Senior) (A+/A1/AA)	122			97	82	70	-1bps			-1bps	1bps	-2bps
Nav Canada (sub) (AA-/Aa2/AAL)	99			82	57	52	-5bps			-5bps	-5bps	-3bps
City of Toronto (AA / Aa1 / AA)	96	95	93	82	58.5	41.5	-7bps	-7bps	-7bps	-7bps	-7bps	-4bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.37%	2.33%	2.18%	1.99%	10bps	11bps	13bps	15bps	14bps	10bps
Curve Adjustment (bp)	0.0	0.6	1.9	1.7	1.5	6.9	0bps	0bps	-1bps	-1bps	1bps	1bps
Spread to GoC Curve (bp)	**221**	**217**	**205**	**169**	**135**	**120**	1bps	-1bps	-2bps	-1bps	-1bps	-2bps
Re-Offered Yield	4.64%	4.59%	4.44%	4.04%	3.54%	3.26%	11bps	10bps	10bps	13bps	13bps	9bps
Commission (bp)	2.9	3.7	3.5	4.8	7.6	6.9						
All-in Yield	**4.67%**	**4.63%**	**4.48%**	**4.09%**	**3.62%**	**3.33%**	11bps	10bps	10bps	13bps	13bps	9bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	65	43	28	-7bps	-7bps	-7bps	-7bps	-7bps	-4bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					153						-1bps	
ABS - BMO Fortified Sub A Rated Tranche					135						-1bps	
Hydro One (A/A3/AH)	137			100	75	62	-5bps			-5bps	-5bps	-3bps
OPG (BBB+/-/AL)	166			119	94	81	-6bps			-6bps	-6bps	-4bps

Generic Corporate Credit Spreads AA	101			91	70		-4bps			-2bps	-2bps	
Generic Corporate Credit Spreads A	159			119	88		-4bps			-3bps	-2bps	
Generic Corporate Credit Spreads BBB	233			177	123		-4bps			-4bps	-4bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

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Cc:	Williams, Grant; Schauffert-Tam, Susan; Ruta, Olivier; Lai, Hodge
Subject:	Fair Hydro Pricing Indications 2018.04.24
Date:	Tuesday, April 24, 2018 9:17:37 AM
Attachments:	FHP_BMO_20180424.xlsx FHP_BMO_20180424.pdf

Please see attached our updated weekly fair hydro pricing indications.

Thank you,

Ryan Wagner, CFA, MFE

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Bank Name	Bank of Montreal
Date	24-Apr-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.36%	2.18%	1.96%	1bps	2bps	2bps	2bps	0bps	-3bps
Curve Adjustment (bp)	0.0	0.5	2.0	1.7	1.9	7.5	0bps	0bps	0bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**103**	**102**	**95**	**86**	**65**	**49**	-5bps	-5bps	-5bps	-4bps	-1bps	-1bps
Re-Offered Yield	3.47%	3.46%	3.36%	3.23%	2.84%	2.53%	-4bps	-3bps	-3bps	-2bps	-1bps	-3bps
Commission (bp)	2.6	3.4	3.4	4.6	7.5	6.9						
All-in Yield	**3.50%**	**3.49%**	**3.40%**	**3.28%**	**2.92%**	**2.59%**	-4bps	-3bps	-3bps	-2bps	-1bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	77	77	75	66.5	44	28.5	2bps	2bps	2bps	2bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					87						-1bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					81	66					-1bps	-1bps
MBS - BAML NHA MBS (AAA/AAA)					66	51					-1bps	-1bps
CMBs: (AAA/Aaa/AAA)			42	37	28	16.5			1bps	1bps	-1bps	-1bps
PSP Investments (AAA/Aaa/AAA)				68	45	30				-3bps	-3bps	-2bps
CPP Investment Board (AAA/Aaa/AAA)	88			68	45	30	-3bps			-3bps	-3bps	-2bps
BMO (Senior) (A+/A1/AA)	118			93	81	68	-4bps			-4bps	-1bps	-2bps
Nav Canada (sub) (AA-/Aa2/AAL)	99			79	54	47	0bps			-3bps	-3bps	-5bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.36%	2.18%	1.96%	1bps	2bps	2bps	2bps	0bps	-3bps
Curve Adjustment (bp)	0.0	0.5	2.0	1.7	1.9	7.5	0bps	0bps	0bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**142**	**141**	**133**	**115**	**90**	**74**	-5bps	-5bps	-5bps	-4bps	-1bps	-1bps
Re-Offered Yield	3.86%	3.85%	3.74%	3.52%	3.09%	2.78%	-4bps	-3bps	-3bps	-2bps	-1bps	-3bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.89%**	**3.88%**	**3.78%**	**3.57%**	**3.17%**	**2.84%**	-4bps	-3bps	-3bps	-2bps	-1bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	67	44	29	2bps	2bps	2bps	2bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						86						-1bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						101						-1bps
BMO (Senior) (A+/A1/AA)	118			93	81	68	-4bps			-4bps	-1bps	-2bps
Nav Canada (sub) (AA-/Aa2/AAL)	99			79	54	47	0bps			-3bps	-3bps	-5bps
City of Toronto (AA / Aa1 / AA)	98	97	95	83.5	59.5	42	2bps	2bps	2bps	2bps	1bps	1bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.36%	2.18%	1.96%	1bps	2bps	2bps	2bps	0bps	-3bps
Curve Adjustment (bp)	0.0	0.5	2.0	1.7	1.9	7.5	0bps	0bps	0bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**216**	**212**	**200**	**165**	**134**	**119**	-5bps	-5bps	-5bps	-4bps	-1bps	-1bps
Re-Offered Yield	4.60%	4.56%	4.41%	4.02%	3.53%	3.23%	-4bps	-3bps	-3bps	-2bps	-1bps	-3bps
Commission (bp)	2.9	3.7	3.5	4.8	7.6	6.9						
All-in Yield	**4.63%**	**4.59%**	**4.45%**	**4.07%**	**3.61%**	**3.30%**	-4bps	-3bps	-3bps	-2bps	-1bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	67	44	29	2bps	2bps	2bps	2bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					152						-1bps	
ABS - BMO Fortified Sub A Rated Tranche					134						-1bps	
Hydro One (A/A3/AH)	135			97	72	57	-2bps			-3bps	-3bps	-5bps
OPG (BBB+/-/AL)	163			116	91	76	-3bps			-3bps	-3bps	-5bps

Generic Corporate Credit Spreads AA	101			90	70		0bps			-1bps	0bps	
Generic Corporate Credit Spreads A	158			118	87		-1bps			-1bps	-1bps	
Generic Corporate Credit Spreads BBB	231			176	122		-2bps			-1bps	-1bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	24-Apr-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.36%	2.18%	1.96%	1bps	2bps	2bps	2bps	0bps	-3bps
Curve Adjustment (bp)	0.0	0.5	2.0	1.7	1.9	7.5	0bps	0bps	0bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**103**	**102**	**95**	**86**	**65**	**49**	-5bps	-5bps	-5bps	-4bps	-1bps	-1bps
Re-Offered Yield	3.47%	3.46%	3.36%	3.23%	2.84%	2.53%	-4bps	-3bps	-3bps	-2bps	-1bps	-3bps
Commission (bp)	2.6	3.4	3.4	4.6	7.5	6.9						
All-in Yield	**3.50%**	**3.49%**	**3.40%**	**3.28%**	**2.92%**	**2.59%**	-4bps	-3bps	-3bps	-2bps	-1bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	77	77	75	66.5	44	28.5	2bps	2bps	2bps	2bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					87						-1bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					81	66					-1bps	-1bps
MBS - BAML NHA MBS (AAA/AAA)					66	51					-1bps	-1bps
CMBs: (AAA/Aaa/AAA)			42	37	28	16.5			1bps	1bps	-1bps	-1bps
PSP Investments (AAA/Aaa/AAA)				68	45	30				-3bps	-3bps	-2bps
CPP Investment Board (AAA/Aaa/AAA)	88			68	45	30	-3bps			-3bps	-3bps	-2bps
BMO (Senior) (A+/A1/AA)	118			93	81	68	-4bps			-4bps	-1bps	-2bps
Nav Canada (sub) (AA-/Aa2/AAL)	99			79	54	47	0bps			-3bps	-3bps	-5bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.36%	2.18%	1.96%	1bps	2bps	2bps	2bps	0bps	-3bps
Curve Adjustment (bp)	0.0	0.5	2.0	1.7	1.9	7.5	0bps	0bps	0bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**142**	**141**	**133**	**115**	**90**	**74**	-5bps	-5bps	-5bps	-4bps	-1bps	-1bps
Re-Offered Yield	3.86%	3.85%	3.74%	3.52%	3.09%	2.78%	-4bps	-3bps	-3bps	-2bps	-1bps	-3bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.89%**	**3.88%**	**3.78%**	**3.57%**	**3.17%**	**2.84%**	-4bps	-3bps	-3bps	-2bps	-1bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	67	44	29	2bps	2bps	2bps	2bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						86						-1bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						101						-1bps
BMO (Senior) (A+/A1/AA)	118			93	81	68	-4bps			-4bps	-1bps	-2bps
Nav Canada (sub) (AA-/Aa2/AAL)	99			79	54	47	0bps			-3bps	-3bps	-5bps
City of Toronto (AA / Aa1 / AA)	98	97	95	83.5	59.5	42	2bps	2bps	2bps	2bps	1bps	1bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.36%	2.18%	1.96%	1bps	2bps	2bps	2bps	0bps	-3bps
Curve Adjustment (bp)	0.0	0.5	2.0	1.7	1.9	7.5	0bps	0bps	0bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**216**	**212**	**200**	**165**	**134**	**119**	-5bps	-5bps	-5bps	-4bps	-1bps	-1bps
Re-Offered Yield	4.60%	4.56%	4.41%	4.02%	3.53%	3.23%	-4bps	-3bps	-3bps	-2bps	-1bps	-3bps
Commission (bp)	2.9	3.7	3.5	4.8	7.6	6.9						
All-in Yield	**4.63%**	**4.59%**	**4.45%**	**4.07%**	**3.61%**	**3.30%**	-4bps	-3bps	-3bps	-2bps	-1bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	67	44	29	2bps	2bps	2bps	2bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					152						-1bps	
ABS - BMO Fortified Sub A Rated Tranche					134						-1bps	
Hydro One (A/A3/AH)	135			97	72	57	-2bps			-3bps	-3bps	-5bps
OPG (BBB+/-/AL)	163			116	91	76	-3bps			-3bps	-3bps	-5bps

Generic Corporate Credit Spreads AA	101			90	70		0bps			-1bps	0bps	
Generic Corporate Credit Spreads A	158			118	87		-1bps			-1bps	-1bps	
Generic Corporate Credit Spreads BBB	231			176	122		-2bps			-1bps	-1bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

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Cc:	Williams, Grant; Schauffert-Tam, Susan; Ruta, Olivier; Lai, Hodge
Subject:	Fair Hydro Pricing Indications 2018.05.01
Date:	Tuesday, May 01, 2018 9:48:22 AM
Attachments:	FHP_BMO_20180501.xlsx FHP_BMO_20180501.pdf

Please see attached our updated weekly fair hydro pricing indications.

Thank you,

Ryan Wagner, CFA, MFE

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Bank Name	Bank of Montreal
Date	1-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.41%	2.35%	2.32%	2.16%	1.96%	-2bps	-2bps	-4bps	-4bps	-2bps	0bps
Curve Adjustment (bp)	0.0	0.5	2.6	1.6	1.8	7.9	0bps	0bps	1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**105**	**104**	**96**	**86**	**65**	**49**	2bps	2bps	1bps	0bps	0bps	0bps
Re-Offered Yield	3.47%	3.45%	3.34%	3.19%	2.82%	2.53%	0bps	0bps	-3bps	-4bps	-2bps	0bps
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9						
All-in Yield	**3.49%**	**3.49%**	**3.37%**	**3.24%**	**2.90%**	**2.60%**	0bps	0bps	-3bps	-4bps	-2bps	0bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	80	79	78	69	45	29	3bps	3bps	3bps	3bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					83						-4bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					77	63					-4bps	-3bps
MBS - BAML NHA MBS (AAA/AAA)					62	48					-4bps	-3bps
CMBs: (AAA/Aaa/AAA)			45	40	30.5	17			3bps	3bps	3bps	1bps
PSP Investments (AAA/Aaa/AAA)				70	46	30				2bps	1bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	90			70	46	30	2bps			2bps	1bps	0bps
BMO (Senior) (A+/A1/AA)	115			90	77	65	-3bps			-3bps	-4bps	-3bps
Nav Canada (sub) (AA-/Aa2/AAL)	108			85	60	48	9bps			6bps	6bps	1bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.41%	2.35%	2.32%	2.16%	1.96%	-2bps	-2bps	-4bps	-4bps	-2bps	0bps
Curve Adjustment (bp)	0.0	0.5	2.6	1.6	1.8	7.9	0bps	0bps	1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**144**	**143**	**134**	**115**	**90**	**74**	2bps	2bps	1bps	0bps	0bps	0bps
Re-Offered Yield	3.86%	3.84%	3.72%	3.48%	3.07%	2.78%	0bps	0bps	-3bps	-4bps	-2bps	0bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.89%**	**3.88%**	**3.75%**	**3.53%**	**3.15%**	**2.85%**	0bps	0bps	-3bps	-4bps	-2bps	0bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	79	78	69	45	29	3bps	3bps	3bps	3bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						83						-3bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						98						-3bps
BMO (Senior) (A+/A1/AA)	115			90	77	65	-3bps			-3bps	-4bps	-3bps
Nav Canada (sub) (AA-/Aa2/AAL)	108			85	60	48	9bps			6bps	6bps	1bps
City of Toronto (AA / Aa1 / AA)	100	99	97.5	86	60.5	42.5	2bps	2bps	3bps	3bps	1bps	1bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.41%	2.35%	2.32%	2.16%	1.96%	-2bps	-2bps	-4bps	-4bps	-2bps	0bps
Curve Adjustment (bp)	0.0	0.5	2.6	1.6	1.8	7.9	0bps	0bps	1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**218**	**214**	**201**	**165**	**134**	**119**	2bps	2bps	1bps	0bps	0bps	0bps
Re-Offered Yield	4.60%	4.55%	4.39%	3.98%	3.51%	3.23%	0bps	0bps	-3bps	-4bps	-2bps	0bps
Commission (bp)	2.9	3.7	3.5	4.8	7.6	6.9						
All-in Yield	**4.63%**	**4.59%**	**4.42%**	**4.03%**	**3.59%**	**3.30%**	0bps	0bps	-3bps	-4bps	-2bps	0bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	79	78	69	45	29	3bps	3bps	3bps	3bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					148						-4bps	
ABS - BMO Fortified Sub A Rated Tranche					130						-4bps	
Hydro One (A/A3/AH)	136			98	73	58	1bps			1bps	1bps	1bps
OPG (BBB+/-/AL)	166			119	92	77	3bps			3bps	1bps	1bps

Generic Corporate Credit Spreads AA	102			91	72		1bps			1bps	2bps	
Generic Corporate Credit Spreads A	158			119	89		0bps			1bps	2bps	
Generic Corporate Credit Spreads BBB	232			176	123		1bps			0bps	1bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	1-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.41%	2.35%	2.32%	2.16%	1.96%	-2bps	-2bps	-4bps	-4bps	-2bps	0bps
Curve Adjustment (bp)	0.0	0.5	2.6	1.6	1.8	7.9	0bps	0bps	1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**105**	**104**	**96**	**86**	**65**	**49**	2bps	2bps	1bps	0bps	0bps	0bps
Re-Offered Yield	3.47%	3.45%	3.34%	3.19%	2.82%	2.53%	0bps	0bps	-3bps	-4bps	-2bps	0bps
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9						
All-in Yield	**3.49%**	**3.49%**	**3.37%**	**3.24%**	**2.90%**	**2.60%**	0bps	0bps	-3bps	-4bps	-2bps	0bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	80	79	78	69	45	29	3bps	3bps	3bps	3bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					83						-4bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					77	63					-4bps	-3bps
MBS - BAML NHA MBS (AAA/AAA)					62	48					-4bps	-3bps
CMBs: (AAA/Aaa/AAA)			45	40	30.5	17			3bps	3bps	3bps	1bps
PSP Investments (AAA/Aaa/AAA)				70	46	30				2bps	1bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	90			70	46	30	2bps			2bps	1bps	0bps
BMO (Senior) (A+/A1/AA)	115			90	77	65	-3bps			-3bps	-4bps	-3bps
Nav Canada (sub) (AA-/Aa2/AAL)	108			85	60	48	9bps			6bps	6bps	1bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.41%	2.35%	2.32%	2.16%	1.96%	-2bps	-2bps	-4bps	-4bps	-2bps	0bps
Curve Adjustment (bp)	0.0	0.5	2.6	1.6	1.8	7.9	0bps	0bps	1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**144**	**143**	**134**	**115**	**90**	**74**	2bps	2bps	1bps	0bps	0bps	0bps
Re-Offered Yield	3.86%	3.84%	3.72%	3.48%	3.07%	2.78%	0bps	0bps	-3bps	-4bps	-2bps	0bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.89%**	**3.88%**	**3.75%**	**3.53%**	**3.15%**	**2.85%**	0bps	0bps	-3bps	-4bps	-2bps	0bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	80	79	78	69	45	29	3bps	3bps	3bps	3bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						83						-3bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						98						-3bps
BMO (Senior) (A+/A1/AA)	115			90	77	65	-3bps			-3bps	-4bps	-3bps
Nav Canada (sub) (AA-/Aa2/AAL)	108			85	60	48	9bps			6bps	6bps	1bps
City of Toronto (AA / Aa1 / AA)	100	99	97.5	86	60.5	42.5	2bps	2bps	3bps	3bps	1bps	1bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.41%	2.35%	2.32%	2.16%	1.96%	-2bps	-2bps	-4bps	-4bps	-2bps	0bps
Curve Adjustment (bp)	0.0	0.5	2.6	1.6	1.8	7.9	0bps	0bps	1bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**218**	**214**	**201**	**165**	**134**	**119**	2bps	2bps	1bps	0bps	0bps	0bps
Re-Offered Yield	4.60%	4.55%	4.39%	3.98%	3.51%	3.23%	0bps	0bps	-3bps	-4bps	-2bps	0bps
Commission (bp)	2.9	3.7	3.5	4.8	7.6	6.9						
All-in Yield	**4.63%**	**4.59%**	**4.42%**	**4.03%**	**3.59%**	**3.30%**	0bps	0bps	-3bps	-4bps	-2bps	0bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	80	79	78	69	45	29	3bps	3bps	3bps	3bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					148						-4bps	
ABS - BMO Fortified Sub A Rated Tranche					130						-4bps	
Hydro One (A/A3/AH)	136			98	73	58	1bps			1bps	1bps	1bps
OPG (BBB+/-/AL)	166			119	92	77	3bps			3bps	1bps	1bps

Generic Corporate Credit Spreads AA	102			91	72		1bps			1bps	2bps	
Generic Corporate Credit Spreads A	158			119	89		0bps			1bps	2bps	
Generic Corporate Credit Spreads BBB	232			176	123		1bps			0bps	1bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

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Cc:	Williams, Grant; Schauffert-Tam, Susan; Ruta, Olivier; Lai, Hodge
Subject:	Fair Hydro Pricing Indications 2018.05.08
Date:	Tuesday, May 08, 2018 10:44:32 AM
Attachments:	FHP_BMO_20180508.xlsx FHP_BMO_20180508.pdf

Please see attached our updated weekly fair hydro pricing indications.

Thank you,

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Bank Name	Bank of Montreal
Date	9-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.42%	2.36%	2.34%	2.17%	1.97%	1bps	1bps	1bps	2bps	1bps	1bps
Curve Adjustment (bp)	0.0	0.4	2.7	1.1	1.9	8.4	0bps	0bps	0bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**103**	**102**	**95**	**85**	**64**	**48**	-2bps	-2bps	-1bps	-1bps	-1bps	-1bps
Re-Offered Yield	3.45%	3.45%	3.34%	3.20%	2.83%	2.53%	-1bps	-1bps	0bps	1bps	0bps	1bps
Commission (bp)	2.6	3.4	3.4	4.6	7.5	6.9						
All-in Yield	**3.48%**	**3.48%**	**3.37%**	**3.25%**	**2.90%**	**2.60%**	-1bps	-1bps	0bps	1bps	0bps	1bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	80	79	78	67.5	44	28	0bps	0bps	0bps	-2bps	-1bps	-1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					86						3bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					80	66					3bps	3bps
MBS - BAML NHA MBS (AAA/AAA)					65	51					3bps	3bps
CMBs: (AAA/Aaa/AAA)			43	38	29	17			-2bps	-2bps	-2bps	0bps
PSP Investments (AAA/Aaa/AAA)				73	48	31				3bps	2bps	1bps
CPP Investment Board (AAA/Aaa/AAA)	93			73	48	31	3bps			3bps	2bps	1bps
BMO (Senior) (A+/A1/AA)	118			93	80	68	3bps			3bps	3bps	3bps
Nav Canada (sub) (AA-/Aa2/AAL)	104			85	60	49	-4bps			0bps	0bps	1bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.42%	2.36%	2.34%	2.17%	1.97%	1bps	1bps	1bps	2bps	1bps	1bps
Curve Adjustment (bp)	0.0	0.4	2.7	1.1	1.9	8.4	0bps	0bps	0bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**142**	**141**	**133**	**114**	**89**	**73**	-2bps	-2bps	-1bps	-1bps	-1bps	-1bps
Re-Offered Yield	3.84%	3.84%	3.72%	3.49%	3.08%	2.78%	-1bps	-1bps	0bps	1bps	0bps	1bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.87%**	**3.87%**	**3.75%**	**3.54%**	**3.15%**	**2.85%**	-1bps	-1bps	0bps	1bps	0bps	1bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	79	78	68	44	28	0bps	0bps	0bps	-2bps	-1bps	-1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						86						3bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						101						3bps
BMO (Senior) (A+/A1/AA)	118			93	80	68	3bps			3bps	3bps	3bps
Nav Canada (sub) (AA-/Aa2/AAL)	104			85	60	49	-4bps			0bps	0bps	1bps
City of Toronto (AA / Aa1 / AA)	100	99	97.5	84.5	59.5	41.5	0bps	0bps	0bps	-2bps	-1bps	-1bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.42%	2.36%	2.34%	2.17%	1.97%	1bps	1bps	1bps	2bps	1bps	1bps
Curve Adjustment (bp)	0.0	0.4	2.7	1.1	1.9	8.4	0bps	0bps	0bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**216**	**212**	**200**	**164**	**133**	**118**	-2bps	-2bps	-1bps	-1bps	-1bps	-1bps
Re-Offered Yield	4.58%	4.55%	4.39%	3.99%	3.52%	3.23%	-1bps	-1bps	0bps	1bps	0bps	1bps
Commission (bp)	2.9	3.7	3.5	4.8	7.6	6.9						
All-in Yield	**4.61%**	**4.58%**	**4.42%**	**4.04%**	**3.59%**	**3.30%**	-1bps	-1bps	0bps	1bps	0bps	1bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	79	78	68	44	28	0bps	0bps	0bps	-2bps	-1bps	-1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					151						3bps	
ABS - BMO Fortified Sub A Rated Tranche					133						3bps	
Hydro One (A/A3/AH)	136			98	73	60	0bps			0bps	0bps	2bps
OPG (BBB+/-/AL)	165			118	93	80	-1bps			-1bps	1bps	3bps

Generic Corporate Credit Spreads AA	104			92	73		2bps			1bps	1bps	
Generic Corporate Credit Spreads A	160			120	90		2bps			1bps	1bps	
Generic Corporate Credit Spreads BBB	234			178	124		2bps			2bps	1bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	9-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.42%	2.36%	2.34%	2.17%	1.97%	1bps	1bps	1bps	2bps	1bps	1bps
Curve Adjustment (bp)	0.0	0.4	2.7	1.1	1.9	8.4	0bps	0bps	0bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**103**	**102**	**95**	**85**	**64**	**48**	-2bps	-2bps	-1bps	-1bps	-1bps	-1bps
Re-Offered Yield	3.45%	3.45%	3.34%	3.20%	2.83%	2.53%	-1bps	-1bps	0bps	1bps	0bps	1bps
Commission (bp)	2.6	3.4	3.4	4.6	7.5	6.9						
All-in Yield	**3.48%**	**3.48%**	**3.37%**	**3.25%**	**2.90%**	**2.60%**	-1bps	-1bps	0bps	1bps	0bps	1bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	80	79	78	67.5	44	28	0bps	0bps	0bps	-2bps	-1bps	-1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					86						3bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					80	66					3bps	3bps
MBS - BAML NHA MBS (AAA/AAA)					65	51					3bps	3bps
CMBs: (AAA/Aaa/AAA)			43	38	29	17			-2bps	-2bps	-2bps	0bps
PSP Investments (AAA/Aaa/AAA)				73	48	31				3bps	2bps	1bps
CPP Investment Board (AAA/Aaa/AAA)	93			73	48	31	3bps			3bps	2bps	1bps
BMO (Senior) (A+/A1/AA)	118			93	80	68	3bps			3bps	3bps	3bps
Nav Canada (sub) (AA-/Aa2/AAL)	104			85	60	49	-4bps			0bps	0bps	1bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.42%	2.36%	2.34%	2.17%	1.97%	1bps	1bps	1bps	2bps	1bps	1bps
Curve Adjustment (bp)	0.0	0.4	2.7	1.1	1.9	8.4	0bps	0bps	0bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**142**	**141**	**133**	**114**	**89**	**73**	-2bps	-2bps	-1bps	-1bps	-1bps	-1bps
Re-Offered Yield	3.84%	3.84%	3.72%	3.49%	3.08%	2.78%	-1bps	-1bps	0bps	1bps	0bps	1bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.87%**	**3.87%**	**3.75%**	**3.54%**	**3.15%**	**2.85%**	-1bps	-1bps	0bps	1bps	0bps	1bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	80	79	78	68	44	28	0bps	0bps	0bps	-2bps	-1bps	-1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						86						3bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						101						3bps
BMO (Senior) (A+/A1/AA)	118			93	80	68	3bps			3bps	3bps	3bps
Nav Canada (sub) (AA-/Aa2/AAL)	104			85	60	49	-4bps			0bps	0bps	1bps
City of Toronto (AA / Aa1 / AA)	100	99	97.5	84.5	59.5	41.5	0bps	0bps	0bps	-2bps	-1bps	-1bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.42%	2.42%	2.36%	2.34%	2.17%	1.97%	1bps	1bps	1bps	2bps	1bps	1bps
Curve Adjustment (bp)	0.0	0.4	2.7	1.1	1.9	8.4	0bps	0bps	0bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**216**	**212**	**200**	**164**	**133**	**118**	-2bps	-2bps	-1bps	-1bps	-1bps	-1bps
Re-Offered Yield	4.58%	4.55%	4.39%	3.99%	3.52%	3.23%	-1bps	-1bps	0bps	1bps	0bps	1bps
Commission (bp)	2.9	3.7	3.5	4.8	7.6	6.9						
All-in Yield	**4.61%**	**4.58%**	**4.42%**	**4.04%**	**3.59%**	**3.30%**	-1bps	-1bps	0bps	1bps	0bps	1bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	80	79	78	68	44	28	0bps	0bps	0bps	-2bps	-1bps	-1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					151						3bps	
ABS - BMO Fortified Sub A Rated Tranche					133						3bps	
Hydro One (A/A3/AH)	136			98	73	60	0bps			0bps	0bps	2bps
OPG (BBB+/-/AL)	165			118	93	80	-1bps			-1bps	1bps	3bps

Generic Corporate Credit Spreads AA	104			92	73		2bps			1bps	1bps	
Generic Corporate Credit Spreads A	160			120	90		2bps			1bps	1bps	
Generic Corporate Credit Spreads BBB	234			178	124		2bps			2bps	1bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

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Cc:	Williams, Grant; Schauffert-Tam, Susan; Ruta, Olivier; Lai, Hodge
Subject:	Fair Hydro Pricing Indications 2018.05.15
Date:	Tuesday, May 15, 2018 10:38:03 AM
Attachments:	FHP_BMO_20180515.xlsx FHP_BMO_20180515.pdf

Please see attached our updated weekly fair hydro pricing indications.

Thank you,

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Bank Name	Bank of Montreal
Date	15-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.52%	2.53%	2.50%	2.48%	2.30%	2.06%	9bps	11bps	13bps	14bps	13bps	9bps
Curve Adjustment (bp)	0.0	0.2	2.0	1.0	2.1	9.6	0bps	0bps	-1bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**102**	**101**	**95**	**85**	**64**	**47**	-1bps	-1bps	0bps	0bps	0bps	-1bps
Re-Offered Yield	3.54%	3.54%	3.47%	3.34%	2.96%	2.63%	8bps	10bps	13bps	14bps	14bps	9bps
Commission (bp)	2.7	3.4	3.4	4.7	7.5	6.9						
All-in Yield	**3.56%**	**3.57%**	**3.50%**	**3.38%**	**3.04%**	**2.70%**	8bps	10bps	13bps	14bps	14bps	9bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	76	76	74.5	64.5	41.5	26	-4bps	-4bps	-4bps	-3bps	-3bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					86						0bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					80	66					0bps	0bps
MBS - BAML NHA MBS (AAA/AAA)					65	51					0bps	0bps
CMBs: (AAA/Aaa/AAA)			42	37	29	16.5			-1bps	-1bps	0bps	-1bps
PSP Investments (AAA/Aaa/AAA)				73	48	31				0bps	0bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	93			73	48	31	0bps			0bps	0bps	0bps
BMO (Senior) (A+/A1/AA)	118			93	80	67	0bps			0bps	0bps	-1bps
Nav Canada (sub) (AA-/Aa2/AAL)	103			88	63	50	-1bps			3bps	3bps	1bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.52%	2.53%	2.50%	2.48%	2.30%	2.06%	9bps	11bps	13bps	14bps	13bps	9bps
Curve Adjustment (bp)	0.0	0.2	2.0	1.0	2.1	9.6	0bps	0bps	-1bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**141**	**140**	**133**	**114**	**89**	**72**	-1bps	-1bps	0bps	0bps	0bps	-1bps
Re-Offered Yield	3.93%	3.93%	3.85%	3.63%	3.21%	2.88%	8bps	10bps	13bps	14bps	14bps	9bps
Commission (bp)	2.8	3.6	3.5	4.7	7.5	6.9						
All-in Yield	**3.95%**	**3.97%**	**3.88%**	**3.67%**	**3.29%**	**2.95%**	8bps	10bps	13bps	14bps	14bps	9bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	75	65	42	26	-4bps	-4bps	-4bps	-3bps	-3bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						86						0bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						101						0bps
BMO (Senior) (A+/A1/AA)	118			93	80	67	0bps			0bps	0bps	-1bps
Nav Canada (sub) (AA-/Aa2/AAL)	103			88	63	50	-1bps			3bps	3bps	1bps
City of Toronto (AA / Aa1 / AA)	97	96	94.5	81	56.5	39.5	-3bps	-3bps	-3bps	-4bps	-3bps	-2bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.52%	2.53%	2.50%	2.48%	2.30%	2.06%	9bps	11bps	13bps	14bps	13bps	9bps
Curve Adjustment (bp)	0.0	0.2	2.0	1.0	2.1	9.6	0bps	0bps	-1bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**215**	**211**	**200**	**164**	**133**	**117**	-1bps	-1bps	0bps	0bps	0bps	-1bps
Re-Offered Yield	4.67%	4.64%	4.52%	4.13%	3.65%	3.33%	8bps	10bps	13bps	14bps	14bps	9bps
Commission (bp)	2.9	3.7	3.6	4.8	7.6	6.9						
All-in Yield	**4.70%**	**4.68%**	**4.55%**	**4.17%**	**3.73%**	**3.40%**	8bps	10bps	13bps	14bps	14bps	9bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	75	65	42	26	-4bps	-4bps	-4bps	-3bps	-3bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					151						0bps	
ABS - BMO Fortified Sub A Rated Tranche					133						0bps	
Hydro One (A/A3/AH)	137			99	74	59	1bps			1bps	1bps	-1bps
OPG (BBB+/-/AL)	166			119	94	79	1bps			1bps	1bps	-1bps

Generic Corporate Credit Spreads AA	104			91	72		0bps			-1bps	-1bps	
Generic Corporate Credit Spreads A	160			120	90		0bps			0bps	0bps	
Generic Corporate Credit Spreads BBB	233			178	124		-1bps			0bps	0bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	15-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.52%	2.53%	2.50%	2.48%	2.30%	2.06%	9bps	11bps	13bps	14bps	13bps	9bps
Curve Adjustment (bp)	0.0	0.2	2.0	1.0	2.1	9.6	0bps	0bps	-1bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**102**	**101**	**95**	**85**	**64**	**47**	-1bps	-1bps	0bps	0bps	0bps	-1bps
Re-Offered Yield	3.54%	3.54%	3.47%	3.34%	2.96%	2.63%	8bps	10bps	13bps	14bps	14bps	9bps
Commission (bp)	2.7	3.4	3.4	4.7	7.5	6.9						
All-in Yield	**3.56%**	**3.57%**	**3.50%**	**3.38%**	**3.04%**	**2.70%**	8bps	10bps	13bps	14bps	14bps	9bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	76	76	74.5	64.5	41.5	26	-4bps	-4bps	-4bps	-3bps	-3bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					86						0bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					80	66					0bps	0bps
MBS - BAML NHA MBS (AAA/AAA)					65	51					0bps	0bps
CMBs: (AAA/Aaa/AAA)			42	37	29	16.5			-1bps	-1bps	0bps	-1bps
PSP Investments (AAA/Aaa/AAA)				73	48	31				0bps	0bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	93			73	48	31	0bps			0bps	0bps	0bps
BMO (Senior) (A+/A1/AA)	118			93	80	67	0bps			0bps	0bps	-1bps
Nav Canada (sub) (AA-/Aa2/AAL)	103			88	63	50	-1bps			3bps	3bps	1bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.52%	2.53%	2.50%	2.48%	2.30%	2.06%	9bps	11bps	13bps	14bps	13bps	9bps
Curve Adjustment (bp)	0.0	0.2	2.0	1.0	2.1	9.6	0bps	0bps	-1bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**141**	**140**	**133**	**114**	**89**	**72**	-1bps	-1bps	0bps	0bps	0bps	-1bps
Re-Offered Yield	3.93%	3.93%	3.85%	3.63%	3.21%	2.88%	8bps	10bps	13bps	14bps	14bps	9bps
Commission (bp)	2.8	3.6	3.5	4.7	7.5	6.9						
All-in Yield	**3.95%**	**3.97%**	**3.88%**	**3.67%**	**3.29%**	**2.95%**	8bps	10bps	13bps	14bps	14bps	9bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76	76	75	65	42	26	-4bps	-4bps	-4bps	-3bps	-3bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						86						0bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						101						0bps
BMO (Senior) (A+/A1/AA)	118			93	80	67	0bps			0bps	0bps	-1bps
Nav Canada (sub) (AA-/Aa2/AAL)	103			88	63	50	-1bps			3bps	3bps	1bps
City of Toronto (AA / Aa1 / AA)	97	96	94.5	81	56.5	39.5	-3bps	-3bps	-3bps	-4bps	-3bps	-2bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.52%	2.53%	2.50%	2.48%	2.30%	2.06%	9bps	11bps	13bps	14bps	13bps	9bps
Curve Adjustment (bp)	0.0	0.2	2.0	1.0	2.1	9.6	0bps	0bps	-1bps	0bps	0bps	1bps
Spread to GoC Curve (bp)	**215**	**211**	**200**	**164**	**133**	**117**	-1bps	-1bps	0bps	0bps	0bps	-1bps
Re-Offered Yield	4.67%	4.64%	4.52%	4.13%	3.65%	3.33%	8bps	10bps	13bps	14bps	14bps	9bps
Commission (bp)	2.9	3.7	3.6	4.8	7.6	6.9						
All-in Yield	**4.70%**	**4.68%**	**4.55%**	**4.17%**	**3.73%**	**3.40%**	8bps	10bps	13bps	14bps	14bps	9bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76	76	75	65	42	26	-4bps	-4bps	-4bps	-3bps	-3bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					151						0bps	
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Generic Corporate Credit Spreads AA	104			91	72		0bps			-1bps	-1bps	
Generic Corporate Credit Spreads A	160			120	90		0bps			0bps	0bps	
Generic Corporate Credit Spreads BBB	233			178	124		-1bps			0bps	0bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

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Cc:	Williams, Grant; Schauffert-Tam, Susan; Ruta, Olivier; Lai, Hodge
Subject:	Fair Hydro Pricing Indications 2018.05.22
Date:	Wednesday, May 23, 2018 9:18:11 AM
Attachments:	FHP_BMO_20180522.xlsx FHP_BMO_20180522.pdf

Please see attached our updated weekly fair hydro pricing indications.

Thank you,

Ryan Wagner, CFA, MFE

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Bank Name	Bank of Montreal
Date	22-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.50%	2.52%	2.50%	2.49%	2.31%	2.08%	-2bps	-1bps	0bps	1bps	0bps	2bps
Curve Adjustment (bp)	0.0	0.2	1.5	0.7	2.1	9.4	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**98**	**97**	**92**	**82**	**61**	**44**	-4bps	-4bps	-3bps	-3bps	-3bps	-3bps
Re-Offered Yield	3.48%	3.49%	3.43%	3.31%	2.94%	2.62%	-6bps	-5bps	-3bps	-2bps	-3bps	-1bps
Commission (bp)	2.7	3.4	3.4	4.7	7.5	6.9						
All-in Yield	**3.50%**	**3.52%**	**3.47%**	**3.36%**	**3.01%**	**2.68%**	-6bps	-5bps	-3bps	-2bps	-3bps	-1bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	76	76	74	64.5	41.5	26	-1bps	0bps	-1bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					87						1bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					81	66					1bps	0bps
MBS - BAML NHA MBS (AAA/AAA)					66	52					1bps	1bps
CMBs: (AAA/Aaa/AAA)			42	37	29	16.5			0bps	0bps	0bps	0bps
PSP Investments (AAA/Aaa/AAA)				64	41	27				-9bps	-7bps	-4bps
CPP Investment Board (AAA/Aaa/AAA)	84			64	41	27	-9bps			-9bps	-7bps	-4bps
BMO (Senior) (A+/A1/AA)	119			94	80	68	1bps			1bps	0bps	1bps
Nav Canada (sub) (AA-/Aa2/AAL)	102			87	62	48	-1bps			-1bps	-1bps	-2bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.50%	2.52%	2.50%	2.49%	2.31%	2.08%	-2bps	-1bps	0bps	1bps	0bps	2bps
Curve Adjustment (bp)	0.0	0.2	1.5	0.7	2.1	9.4	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**137**	**136**	**130**	**111**	**86**	**69**	-4bps	-4bps	-3bps	-3bps	-3bps	-3bps
Re-Offered Yield	3.87%	3.88%	3.81%	3.60%	3.19%	2.87%	-6bps	-5bps	-3bps	-2bps	-3bps	-1bps
Commission (bp)	2.8	3.5	3.5	4.7	7.5	6.9						
All-in Yield	**3.89%**	**3.91%**	**3.85%**	**3.65%**	**3.26%**	**2.93%**	-6bps	-5bps	-3bps	-2bps	-3bps	-1bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	74	65	42	26	-1bps	0bps	-1bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						87						1bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						102						1bps
BMO (Senior) (A+/A1/AA)	119			94	80	68	1bps			1bps	0bps	1bps
Nav Canada (sub) (AA-/Aa2/AAL)	102			87	62	48	-1bps			-1bps	-1bps	-2bps
City of Toronto (AA / Aa1 / AA)	96	96	93.5	80.5	56	39.5	-1bps	-1bps	-1bps	-1bps	-1bps	0bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.50%	2.52%	2.50%	2.49%	2.31%	2.08%	-2bps	-1bps	0bps	1bps	0bps	2bps
Curve Adjustment (bp)	0.0	0.2	1.5	0.7	2.1	9.4	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**211**	**207**	**197**	**161**	**130**	**114**	-4bps	-4bps	-3bps	-3bps	-3bps	-3bps
Re-Offered Yield	4.61%	4.59%	4.48%	4.10%	3.63%	3.32%	-6bps	-5bps	-3bps	-2bps	-3bps	-1bps
Commission (bp)	2.9	3.7	3.6	4.8	7.6	6.9						
All-in Yield	**4.63%**	**4.63%**	**4.52%**	**4.15%**	**3.70%**	**3.38%**	-6bps	-5bps	-3bps	-2bps	-3bps	-1bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	74	65	42	26	-1bps	0bps	-1bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					152						1bps	
ABS - BMO Fortified Sub A Rated Tranche					134						1bps	
Hydro One (A/A3/AH)	136			98	73	57	-1bps			-1bps	-1bps	-2bps
OPG (BBB+/-/AL)	164			117	92	76	-2bps			-2bps	-2bps	-3bps

Generic Corporate Credit Spreads AA	104			92	72		0bps			1bps	0bps	
Generic Corporate Credit Spreads A	160			120	90		0bps			0bps	0bps	
Generic Corporate Credit Spreads BBB	233			178	124		0bps			0bps	0bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	22-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.50%	2.52%	2.50%	2.49%	2.31%	2.08%	-2bps	-1bps	0bps	1bps	0bps	2bps
Curve Adjustment (bp)	0.0	0.2	1.5	0.7	2.1	9.4	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**98**	**97**	**92**	**82**	**61**	**44**	-4bps	-4bps	-3bps	-3bps	-3bps	-3bps
Re-Offered Yield	3.48%	3.49%	3.43%	3.31%	2.94%	2.62%	-6bps	-5bps	-3bps	-2bps	-3bps	-1bps
Commission (bp)	2.7	3.4	3.4	4.7	7.5	6.9						
All-in Yield	**3.50%**	**3.52%**	**3.47%**	**3.36%**	**3.01%**	**2.68%**	-6bps	-5bps	-3bps	-2bps	-3bps	-1bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	76	76	74	64.5	41.5	26	-1bps	0bps	-1bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					87						1bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					81	66					1bps	0bps
MBS - BAML NHA MBS (AAA/AAA)					66	52					1bps	1bps
CMBs: (AAA/Aaa/AAA)			42	37	29	16.5			0bps	0bps	0bps	0bps
PSP Investments (AAA/Aaa/AAA)				64	41	27				-9bps	-7bps	-4bps
CPP Investment Board (AAA/Aaa/AAA)	84			64	41	27	-9bps			-9bps	-7bps	-4bps
BMO (Senior) (A+/A1/AA)	119			94	80	68	1bps			1bps	0bps	1bps
Nav Canada (sub) (AA-/Aa2/AAL)	102			87	62	48	-1bps			-1bps	-1bps	-2bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.50%	2.52%	2.50%	2.49%	2.31%	2.08%	-2bps	-1bps	0bps	1bps	0bps	2bps
Curve Adjustment (bp)	0.0	0.2	1.5	0.7	2.1	9.4	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**137**	**136**	**130**	**111**	**86**	**69**	-4bps	-4bps	-3bps	-3bps	-3bps	-3bps
Re-Offered Yield	3.87%	3.88%	3.81%	3.60%	3.19%	2.87%	-6bps	-5bps	-3bps	-2bps	-3bps	-1bps
Commission (bp)	2.8	3.5	3.5	4.7	7.5	6.9						
All-in Yield	**3.89%**	**3.91%**	**3.85%**	**3.65%**	**3.26%**	**2.93%**	-6bps	-5bps	-3bps	-2bps	-3bps	-1bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76	76	74	65	42	26	-1bps	0bps	-1bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						87						1bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						102						1bps
BMO (Senior) (A+/A1/AA)	119			94	80	68	1bps			1bps	0bps	1bps
Nav Canada (sub) (AA-/Aa2/AAL)	102			87	62	48	-1bps			-1bps	-1bps	-2bps
City of Toronto (AA / Aa1 / AA)	96	96	93.5	80.5	56	39.5	-1bps	-1bps	-1bps	-1bps	-1bps	0bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.50%	2.52%	2.50%	2.49%	2.31%	2.08%	-2bps	-1bps	0bps	1bps	0bps	2bps
Curve Adjustment (bp)	0.0	0.2	1.5	0.7	2.1	9.4	0bps	0bps	0bps	0bps	0bps	0bps
Spread to GoC Curve (bp)	**211**	**207**	**197**	**161**	**130**	**114**	-4bps	-4bps	-3bps	-3bps	-3bps	-3bps
Re-Offered Yield	4.61%	4.59%	4.48%	4.10%	3.63%	3.32%	-6bps	-5bps	-3bps	-2bps	-3bps	-1bps
Commission (bp)	2.9	3.7	3.6	4.8	7.6	6.9						
All-in Yield	**4.63%**	**4.63%**	**4.52%**	**4.15%**	**3.70%**	**3.38%**	-6bps	-5bps	-3bps	-2bps	-3bps	-1bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76	76	74	65	42	26	-1bps	0bps	-1bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					152						1bps	
ABS - BMO Fortified Sub A Rated Tranche					134						1bps	
Hydro One (A/A3/AH)	136			98	73	57	-1bps			-1bps	-1bps	-2bps
OPG (BBB+/-/AL)	164			117	92	76	-2bps			-2bps	-2bps	-3bps

Generic Corporate Credit Spreads AA	104			92	72		0bps			1bps	0bps	
Generic Corporate Credit Spreads A	160			120	90		0bps			0bps	0bps	
Generic Corporate Credit Spreads BBB	233			178	124		0bps			0bps	0bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

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Cc:	Williams, Grant; Schauffert-Tam, Susan; Ruta, Olivier; Lai, Hodge
Subject:	Fair Hydro Pricing Indications 2018.05.29
Date:	Tuesday, May 29, 2018 9:42:35 AM
Attachments:	FHP_BMO_20180529.xlsx FHP_BMO_20180529.pdf

Please see attached our updated weekly fair hydro pricing indications.

Thank you,

Ryan Wagner, CFA, MFE

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Bank Name	Bank of Montreal
Date	29-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.33%	2.34%	2.30%	2.27%	2.13%	1.96%	-17bps	-18bps	-20bps	-22bps	-18bps	-12bps
Curve Adjustment (bp)	0.0	0.3	2.3	1.3	1.5	8.3	0bps	0bps	1bps	1bps	-1bps	-1bps
Spread to GoC Curve (bp)	**99**	**98**	**93**	**83**	**62**	**44**	1bps	1bps	1bps	1bps	1bps	0bps
Re-Offered Yield	3.32%	3.32%	3.25%	3.11%	2.76%	2.48%	-16bps	-17bps	-19bps	-20bps	-17bps	-13bps
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9						
All-in Yield	**3.34%**	**3.36%**	**3.28%**	**3.16%**	**2.84%**	**2.55%**	-16bps	-17bps	-19bps	-20bps	-17bps	-13bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	81	81	79	69.5	46	30	5bps	5bps	5bps	5bps	5bps	4bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					89						2bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					83	66					2bps	0bps
MBS - BAML NHA MBS (AAA/AAA)					68	52					2bps	0bps
CMBs: (AAA/Aaa/AAA)			44.5	39.5	32	20			3bps	3bps	3bps	4bps
PSP Investments (AAA/Aaa/AAA)				68	45	28				4bps	4bps	1bps
CPP Investment Board (AAA/Aaa/AAA)	88			68	45	28	4bps			4bps	4bps	1bps
BMO (Senior) (A+/A1/AA)	121			96	82	68	2bps			2bps	2bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	100			88	63	49	-2bps			1bps	1bps	1bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.33%	2.34%	2.30%	2.27%	2.13%	1.96%	-17bps	-18bps	-20bps	-22bps	-18bps	-12bps
Curve Adjustment (bp)	0.0	0.3	2.3	1.3	1.5	8.3	0bps	0bps	1bps	1bps	-1bps	-1bps
Spread to GoC Curve (bp)	**138**	**137**	**131**	**112**	**87**	**69**	1bps	1bps	1bps	1bps	1bps	0bps
Re-Offered Yield	3.71%	3.71%	3.63%	3.40%	3.01%	2.73%	-16bps	-17bps	-19bps	-20bps	-17bps	-13bps
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.73%**	**3.75%**	**3.66%**	**3.45%**	**3.09%**	**2.80%**	-16bps	-17bps	-19bps	-20bps	-17bps	-13bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	81	81	79	70	46	30	5bps	5bps	5bps	5bps	5bps	4bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						87						0bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						102						0bps
BMO (Senior) (A+/A1/AA)	121			96	82	68	2bps			2bps	2bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	100			88	63	49	-2bps			1bps	1bps	1bps
City of Toronto (AA / Aa1 / AA)	101	101	98.5	85.5	60.5	43.5	5bps	5bps	5bps	5bps	5bps	4bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.33%	2.34%	2.30%	2.27%	2.13%	1.96%	-17bps	-18bps	-20bps	-22bps	-18bps	-12bps
Curve Adjustment (bp)	0.0	0.3	2.3	1.3	1.5	8.3	0bps	0bps	1bps	1bps	-1bps	-1bps
Spread to GoC Curve (bp)	**212**	**208**	**198**	**162**	**131**	**114**	1bps	1bps	1bps	1bps	1bps	0bps
Re-Offered Yield	4.45%	4.42%	4.30%	3.90%	3.45%	3.18%	-16bps	-17bps	-19bps	-20bps	-17bps	-13bps
Commission (bp)	2.8	3.6	3.5	4.8	7.5	6.9						
All-in Yield	**4.48%**	**4.46%**	**4.33%**	**3.95%**	**3.53%**	**3.25%**	-16bps	-17bps	-19bps	-20bps	-17bps	-13bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	81	81	79	70	46	30	5bps	5bps	5bps	5bps	5bps	4bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					154						2bps	
ABS - BMO Fortified Sub A Rated Tranche					136						2bps	
Hydro One (A/A3/AH)	136			99	74	58	0bps			1bps	1bps	1bps
OPG (BBB+/-/AL)	161			116	91	75	-3bps			-1bps	-1bps	-1bps

Generic Corporate Credit Spreads AA	104			94	74		0bps			2bps	2bps	
Generic Corporate Credit Spreads A	161			121	91		1bps			1bps	1bps	
Generic Corporate Credit Spreads BBB	232			178	124		-1bps			0bps	0bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	29-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.33%	2.34%	2.30%	2.27%	2.13%	1.96%	-17bps	-18bps	-20bps	-22bps	-18bps	-12bps
Curve Adjustment (bp)	0.0	0.3	2.3	1.3	1.5	8.3	0bps	0bps	1bps	1bps	-1bps	-1bps
Spread to GoC Curve (bp)	**99**	**98**	**93**	**83**	**62**	**44**	1bps	1bps	1bps	1bps	1bps	0bps
Re-Offered Yield	3.32%	3.32%	3.25%	3.11%	2.76%	2.48%	-16bps	-17bps	-19bps	-20bps	-17bps	-13bps
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9						
All-in Yield	**3.34%**	**3.36%**	**3.28%**	**3.16%**	**2.84%**	**2.55%**	-16bps	-17bps	-19bps	-20bps	-17bps	-13bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	81	81	79	69.5	46	30	5bps	5bps	5bps	5bps	5bps	4bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					89						2bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					83	66					2bps	0bps
MBS - BAML NHA MBS (AAA/AAA)					68	52					2bps	0bps
CMBs: (AAA/Aaa/AAA)			44.5	39.5	32	20			3bps	3bps	3bps	4bps
PSP Investments (AAA/Aaa/AAA)				68	45	28				4bps	4bps	1bps
CPP Investment Board (AAA/Aaa/AAA)	88			68	45	28	4bps			4bps	4bps	1bps
BMO (Senior) (A+/A1/AA)	121			96	82	68	2bps			2bps	2bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	100			88	63	49	-2bps			1bps	1bps	1bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.33%	2.34%	2.30%	2.27%	2.13%	1.96%	-17bps	-18bps	-20bps	-22bps	-18bps	-12bps
Curve Adjustment (bp)	0.0	0.3	2.3	1.3	1.5	8.3	0bps	0bps	1bps	1bps	-1bps	-1bps
Spread to GoC Curve (bp)	**138**	**137**	**131**	**112**	**87**	**69**	1bps	1bps	1bps	1bps	1bps	0bps
Re-Offered Yield	3.71%	3.71%	3.63%	3.40%	3.01%	2.73%	-16bps	-17bps	-19bps	-20bps	-17bps	-13bps
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.73%**	**3.75%**	**3.66%**	**3.45%**	**3.09%**	**2.80%**	-16bps	-17bps	-19bps	-20bps	-17bps	-13bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	81	81	79	70	46	30	5bps	5bps	5bps	5bps	5bps	4bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						87						0bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						102						0bps
BMO (Senior) (A+/A1/AA)	121			96	82	68	2bps			2bps	2bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	100			88	63	49	-2bps			1bps	1bps	1bps
City of Toronto (AA / Aa1 / AA)	101	101	98.5	85.5	60.5	43.5	5bps	5bps	5bps	5bps	5bps	4bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.33%	2.34%	2.30%	2.27%	2.13%	1.96%	-17bps	-18bps	-20bps	-22bps	-18bps	-12bps
Curve Adjustment (bp)	0.0	0.3	2.3	1.3	1.5	8.3	0bps	0bps	1bps	1bps	-1bps	-1bps
Spread to GoC Curve (bp)	**212**	**208**	**198**	**162**	**131**	**114**	1bps	1bps	1bps	1bps	1bps	0bps
Re-Offered Yield	4.45%	4.42%	4.30%	3.90%	3.45%	3.18%	-16bps	-17bps	-19bps	-20bps	-17bps	-13bps
Commission (bp)	2.8	3.6	3.5	4.8	7.5	6.9						
All-in Yield	**4.48%**	**4.46%**	**4.33%**	**3.95%**	**3.53%**	**3.25%**	-16bps	-17bps	-19bps	-20bps	-17bps	-13bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	81	81	79	70	46	30	5bps	5bps	5bps	5bps	5bps	4bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					154						2bps	
ABS - BMO Fortified Sub A Rated Tranche					136						2bps	
Hydro One (A/A3/AH)	136			99	74	58	0bps			1bps	1bps	1bps
OPG (BBB+/-/AL)	161			116	91	75	-3bps			-1bps	-1bps	-1bps

Generic Corporate Credit Spreads AA	104			94	74		0bps			2bps	2bps	
Generic Corporate Credit Spreads A	161			121	91		1bps			1bps	1bps	
Generic Corporate Credit Spreads BBB	232			178	124		-1bps			0bps	0bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

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Cc:	Williams, Grant; Schauffert-Tam, Susan; Ruta, Olivier; Lai, Hodge
Subject:	Fair Hydro Pricing Indications 2018.06.05
Date:	Tuesday, June 05, 2018 3:17:08 PM
Attachments:	FHP_BMO_20180605.xlsx FHP_BMO_20180605.pdf

Please see attached our updated weekly fair hydro pricing indications.

Thank you,

Ryan Wagner, CFA, MFE

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Bank Name	Bank of Montreal
Date	5-Jun-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.30%	2.31%	2.26%	2.24%	2.12%	1.95%	-3bps	-3bps	-3bps	-3bps	-1bps	-1bps
Curve Adjustment (bp)	0.0	0.3	2.0	1.1	0.6	6.8	0bps	0bps	0bps	0bps	-1bps	-1bps
Spread to GoC Curve (bp)	**99**	**98**	**93**	**83**	**62**	**44**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	3.29%	3.29%	3.21%	3.08%	2.75%	2.46%	-3bps	-3bps	-4bps	-3bps	-2bps	-2bps
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9						
All-in Yield	**3.31%**	**3.32%**	**3.25%**	**3.13%**	**2.82%**	**2.53%**	-3bps	-3bps	-4bps	-3bps	-2bps	-2bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	81	81	79	69.5	46	30	0bps	0bps	0bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					91						2bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					85	68					2bps	2bps
MBS - BAML NHA MBS (AAA/AAA)					69	54					1bps	2bps
CMBs: (AAA/Aaa/AAA)			44.5	39.5	32	20			0bps	0bps	0bps	0bps
PSP Investments (AAA/Aaa/AAA)				72	48	31				4bps	3bps	3bps
CPP Investment Board (AAA/Aaa/AAA)	92			72	48	31	4bps			4bps	3bps	3bps
BMO (Senior) (A+/A1/AA)	125			100	84	74	4bps			4bps	2bps	6bps
Nav Canada (sub) (AA-/Aa2/AAL)	102			92	67	51	2bps			4bps	4bps	2bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.30%	2.31%	2.26%	2.24%	2.12%	1.95%	-3bps	-3bps	-3bps	-3bps	-1bps	-1bps
Curve Adjustment (bp)	0.0	0.3	2.0	1.1	0.6	6.8	0bps	0bps	0bps	0bps	-1bps	-1bps
Spread to GoC Curve (bp)	**138**	**137**	**131**	**112**	**87**	**69**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	3.68%	3.68%	3.59%	3.37%	3.00%	2.71%	-3bps	-3bps	-4bps	-3bps	-2bps	-2bps
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.71%**	**3.72%**	**3.63%**	**3.42%**	**3.07%**	**2.78%**	-3bps	-3bps	-4bps	-3bps	-2bps	-2bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	81	81	79	70	46	30	0bps	0bps	0bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						89						2bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						104						2bps
BMO (Senior) (A+/A1/AA)	125			100	84	74	4bps			4bps	2bps	6bps
Nav Canada (sub) (AA-/Aa2/AAL)	102			92	67	51	2bps			4bps	4bps	2bps
City of Toronto (AA / Aa1 / AA)	101	101	98.5	85.5	60.5	43.5	0bps	0bps	0bps	0bps	0bps	0bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.30%	2.31%	2.26%	2.24%	2.12%	1.95%	-3bps	-3bps	-3bps	-3bps	-1bps	-1bps
Curve Adjustment (bp)	0.0	0.3	2.0	1.1	0.6	6.8	0bps	0bps	0bps	0bps	-1bps	-1bps
Spread to GoC Curve (bp)	**212**	**208**	**198**	**162**	**131**	**114**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	4.42%	4.39%	4.26%	3.87%	3.44%	3.16%	-3bps	-3bps	-4bps	-3bps	-2bps	-2bps
Commission (bp)	2.8	3.6	3.5	4.7	7.5	6.9						
All-in Yield	**4.45%**	**4.43%**	**4.30%**	**3.92%**	**3.51%**	**3.23%**	-3bps	-3bps	-4bps	-3bps	-2bps	-2bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	81	81	79	70	46	30	0bps	0bps	0bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					156						2bps	
ABS - BMO Fortified Sub A Rated Tranche					136						0bps	
Hydro One (A/A3/AH)	138			103	78	62	2bps			4bps	4bps	4bps
OPG (BBB+/-/AL)	164			119	94	78	3bps			3bps	3bps	3bps

Generic Corporate Credit Spreads AA	104			98	79		0bps			4bps	5bps	
Generic Corporate Credit Spreads A	162			123	93		1bps			2bps	2bps	
Generic Corporate Credit Spreads BBB	237			182	129		5bps			4bps	5bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	5-Jun-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.30%	2.31%	2.26%	2.24%	2.12%	1.95%	-3bps	-3bps	-3bps	-3bps	-1bps	-1bps
Curve Adjustment (bp)	0.0	0.3	2.0	1.1	0.6	6.8	0bps	0bps	0bps	0bps	-1bps	-1bps
Spread to GoC Curve (bp)	**99**	**98**	**93**	**83**	**62**	**44**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	3.29%	3.29%	3.21%	3.08%	2.75%	2.46%	-3bps	-3bps	-4bps	-3bps	-2bps	-2bps
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9						
All-in Yield	**3.31%**	**3.32%**	**3.25%**	**3.13%**	**2.82%**	**2.53%**	-3bps	-3bps	-4bps	-3bps	-2bps	-2bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	81	81	79	69.5	46	30	0bps	0bps	0bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					91						2bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					85	68					2bps	2bps
MBS - BAML NHA MBS (AAA/AAA)					69	54					1bps	2bps
CMBs: (AAA/Aaa/AAA)			44.5	39.5	32	20			0bps	0bps	0bps	0bps
PSP Investments (AAA/Aaa/AAA)				72	48	31				4bps	3bps	3bps
CPP Investment Board (AAA/Aaa/AAA)	92			72	48	31	4bps			4bps	3bps	3bps
BMO (Senior) (A+/A1/AA)	125			100	84	74	4bps			4bps	2bps	6bps
Nav Canada (sub) (AA-/Aa2/AAL)	102			92	67	51	2bps			4bps	4bps	2bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.30%	2.31%	2.26%	2.24%	2.12%	1.95%	-3bps	-3bps	-3bps	-3bps	-1bps	-1bps
Curve Adjustment (bp)	0.0	0.3	2.0	1.1	0.6	6.8	0bps	0bps	0bps	0bps	-1bps	-1bps
Spread to GoC Curve (bp)	**138**	**137**	**131**	**112**	**87**	**69**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	3.68%	3.68%	3.59%	3.37%	3.00%	2.71%	-3bps	-3bps	-4bps	-3bps	-2bps	-2bps
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.71%**	**3.72%**	**3.63%**	**3.42%**	**3.07%**	**2.78%**	-3bps	-3bps	-4bps	-3bps	-2bps	-2bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	81	81	79	70	46	30	0bps	0bps	0bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						89						2bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						104						2bps
BMO (Senior) (A+/A1/AA)	125			100	84	74	4bps			4bps	2bps	6bps
Nav Canada (sub) (AA-/Aa2/AAL)	102			92	67	51	2bps			4bps	4bps	2bps
City of Toronto (AA / Aa1 / AA)	101	101	98.5	85.5	60.5	43.5	0bps	0bps	0bps	0bps	0bps	0bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.30%	2.31%	2.26%	2.24%	2.12%	1.95%	-3bps	-3bps	-3bps	-3bps	-1bps	-1bps
Curve Adjustment (bp)	0.0	0.3	2.0	1.1	0.6	6.8	0bps	0bps	0bps	0bps	-1bps	-1bps
Spread to GoC Curve (bp)	**212**	**208**	**198**	**162**	**131**	**114**	0bps	0bps	0bps	0bps	0bps	0bps
Re-Offered Yield	4.42%	4.39%	4.26%	3.87%	3.44%	3.16%	-3bps	-3bps	-4bps	-3bps	-2bps	-2bps
Commission (bp)	2.8	3.6	3.5	4.7	7.5	6.9						
All-in Yield	**4.45%**	**4.43%**	**4.30%**	**3.92%**	**3.51%**	**3.23%**	-3bps	-3bps	-4bps	-3bps	-2bps	-2bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	81	81	79	70	46	30	0bps	0bps	0bps	0bps	0bps	0bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					156						2bps	
ABS - BMO Fortified Sub A Rated Tranche					136						0bps	
Hydro One (A/A3/AH)	138			103	78	62	2bps			4bps	4bps	4bps
OPG (BBB+/-/AL)	164			119	94	78	3bps			3bps	3bps	3bps

Generic Corporate Credit Spreads AA	104			98	79		0bps			4bps	5bps	
Generic Corporate Credit Spreads A	162			123	93		1bps			2bps	2bps	
Generic Corporate Credit Spreads BBB	237			182	129		5bps			4bps	5bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

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Cc:	Williams, Grant; Schauffert-Tam, Susan; Ruta, Olivier; Lai, Hodge
Subject:	Fair Hydro Pridcing Indications 2018.03.13
Date:	Tuesday, March 13, 2018 10:40:55 AM
Attachments:	FHP_BMO_20180313.xlsx FHP_BMO_20180313.pdf

Please see our pricing input for FHP attached.

Thank you,

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Bank Name	Bank of Montreal
Date	13-Mar-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.40%	2.39%	2.27%	2.22%	2.06%	1.88%	0bps	0bps	1bps	-3bps	2bps	3bps
Curve Adjustment (bp)	0.0	0.6	5.2	2.0	0.2	5.7	0bps	0bps	0bps	1bps	0bps	1bps
Spread to GoC Curve (bp)	**104**	**103**	**99**	**88**	**63**	**47**	-1bps	-1bps	-3bps	-2bps	-1bps	-1bps
Re-Offered Yield	3.44%	3.42%	3.32%	3.12%	2.69%	2.41%	-1bps	-1bps	-2bps	-3bps	1bps	3bps
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9						
All-in Yield	**3.47%**	**3.46%**	**3.35%**	**3.17%**	**2.76%**	**2.48%**	-1bps	-1bps	-2bps	-3bps	1bps	3bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	76	75	74	63	42.5	27	-3bps	-3bps	-3bps	-3bps	-2bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					85						-1bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					79	63					1bps	-1bps
MBS - BAML NHA MBS (AAA/AAA)					64	48					-1bps	-1bps
CMBs: (AAA/Aaa/AAA)			43	38	30	18.5			-1bps	-1bps	0bps	0bps
PSP Investments (AAA/Aaa/AAA)				70	47	30				2bps	2bps	1bps
CPP Investment Board (AAA/Aaa/AAA)	90			70	47	30	2bps			2bps	2bps	1bps
BMO (Senior) (A+/A1/AA)	119			94	77	66	0bps			0bps	-1bps	-1bps
Nav Canada (sub) (AA-/Aa2/AAL)	101			82	57	50	-4bps			-1bps	-1bps	1bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.40%	2.39%	2.27%	2.22%	2.06%	1.88%	0bps	0bps	1bps	-3bps	2bps	3bps
Curve Adjustment (bp)	0.0	0.6	5.2	2.0	0.2	5.7	0bps	0bps	0bps	1bps	0bps	1bps
Spread to GoC Curve (bp)	**144**	**143**	**138**	**118**	**89**	**73**	-1bps	-1bps	-3bps	-2bps	0bps	0bps
Re-Offered Yield	3.84%	3.82%	3.71%	3.42%	2.95%	2.67%	-1bps	-1bps	-2bps	-3bps	2bps	4bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.87%**	**3.86%**	**3.74%**	**3.47%**	**3.02%**	**2.74%**	-1bps	-1bps	-2bps	-3bps	2bps	4bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	63	43	27	-3bps	-3bps	-3bps	-3bps	-2bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						83						-1bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						98						-1bps
BMO (Senior) (A+/A1/AA)	119			94	77	66	0bps			0bps	-1bps	-1bps
Nav Canada (sub) (AA-/Aa2/AAL)	101			82	57	50	-4bps			-1bps	-1bps	1bps
City of Toronto (AA / Aa1 / AA)	97	96	94.5	80	58.5	40.5	-3bps	-3bps	-3bps	-3bps	-2bps	-2bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.40%	2.39%	2.27%	2.22%	2.06%	1.88%	0bps	0bps	1bps	-3bps	2bps	3bps
Curve Adjustment (bp)	0.0	0.6	5.2	2.0	0.2	5.7	0bps	0bps	0bps	1bps	0bps	1bps
Spread to GoC Curve (bp)	**219**	**217**	**206**	**168**	**133**	**118**	-1bps	-1bps	-3bps	-2bps	0bps	0bps
Re-Offered Yield	4.59%	4.56%	4.39%	3.92%	3.39%	3.12%	-1bps	-1bps	-2bps	-3bps	2bps	4bps
Commission (bp)	2.9	3.7	3.5	4.8	7.5	6.9						
All-in Yield	**4.62%**	**4.60%**	**4.42%**	**3.97%**	**3.46%**	**3.19%**	-1bps	-1bps	-2bps	-3bps	2bps	4bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	63	43	27	-3bps	-3bps	-3bps	-3bps	-2bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					150						-1bps	
ABS - BMO Fortified Sub A Rated Tranche					132						-1bps	
Hydro One (A/A3/AH)	134			91	66	51	2bps			1bps	1bps	1bps
OPG (BBB+/-/AL)	169			117	92	77	2bps			-1bps	-1bps	-1bps

Generic Corporate Credit Spreads AA	104			89	67		-1bps			-2bps	-2bps	
Generic Corporate Credit Spreads A	156			115	84		-2bps			-2bps	-2bps	
Generic Corporate Credit Spreads BBB	231			174	120		-1bps			-1bps	-2bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	13-Mar-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.40%	2.39%	2.27%	2.22%	2.06%	1.88%	0bps	0bps	1bps	-3bps	2bps	3bps
Curve Adjustment (bp)	0.0	0.6	5.2	2.0	0.2	5.7	0bps	0bps	0bps	1bps	0bps	1bps
Spread to GoC Curve (bp)	**104**	**103**	**99**	**88**	**63**	**47**	-1bps	-1bps	-3bps	-2bps	-1bps	-1bps
Re-Offered Yield	3.44%	3.42%	3.32%	3.12%	2.69%	2.41%	-1bps	-1bps	-2bps	-3bps	1bps	3bps
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9						
All-in Yield	**3.47%**	**3.46%**	**3.35%**	**3.17%**	**2.76%**	**2.48%**	-1bps	-1bps	-2bps	-3bps	1bps	3bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	76	75	74	63	42.5	27	-3bps	-3bps	-3bps	-3bps	-2bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					85						-1bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					79	63					1bps	-1bps
MBS - BAML NHA MBS (AAA/AAA)					64	48					-1bps	-1bps
CMBs: (AAA/Aaa/AAA)			43	38	30	18.5			-1bps	-1bps	0bps	0bps
PSP Investments (AAA/Aaa/AAA)				70	47	30				2bps	2bps	1bps
CPP Investment Board (AAA/Aaa/AAA)	90			70	47	30	2bps			2bps	2bps	1bps
BMO (Senior) (A+/A1/AA)	119			94	77	66	0bps			0bps	-1bps	-1bps
Nav Canada (sub) (AA-/Aa2/AAL)	101			82	57	50	-4bps			-1bps	-1bps	1bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.40%	2.39%	2.27%	2.22%	2.06%	1.88%	0bps	0bps	1bps	-3bps	2bps	3bps
Curve Adjustment (bp)	0.0	0.6	5.2	2.0	0.2	5.7	0bps	0bps	0bps	1bps	0bps	1bps
Spread to GoC Curve (bp)	**144**	**143**	**138**	**118**	**89**	**73**	-1bps	-1bps	-3bps	-2bps	0bps	0bps
Re-Offered Yield	3.84%	3.82%	3.71%	3.42%	2.95%	2.67%	-1bps	-1bps	-2bps	-3bps	2bps	4bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.87%**	**3.86%**	**3.74%**	**3.47%**	**3.02%**	**2.74%**	-1bps	-1bps	-2bps	-3bps	2bps	4bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	63	43	27	-3bps	-3bps	-3bps	-3bps	-2bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						83						-1bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						98						-1bps
BMO (Senior) (A+/A1/AA)	119			94	77	66	0bps			0bps	-1bps	-1bps
Nav Canada (sub) (AA-/Aa2/AAL)	101			82	57	50	-4bps			-1bps	-1bps	1bps
City of Toronto (AA / Aa1 / AA)	97	96	94.5	80	58.5	40.5	-3bps	-3bps	-3bps	-3bps	-2bps	-2bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.40%	2.39%	2.27%	2.22%	2.06%	1.88%	0bps	0bps	1bps	-3bps	2bps	3bps
Curve Adjustment (bp)	0.0	0.6	5.2	2.0	0.2	5.7	0bps	0bps	0bps	1bps	0bps	1bps
Spread to GoC Curve (bp)	**219**	**217**	**206**	**168**	**133**	**118**	-1bps	-1bps	-3bps	-2bps	0bps	0bps
Re-Offered Yield	4.59%	4.56%	4.39%	3.92%	3.39%	3.12%	-1bps	-1bps	-2bps	-3bps	2bps	4bps
Commission (bp)	2.9	3.7	3.5	4.8	7.5	6.9						
All-in Yield	**4.62%**	**4.60%**	**4.42%**	**3.97%**	**3.46%**	**3.19%**	-1bps	-1bps	-2bps	-3bps	2bps	4bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	63	43	27	-3bps	-3bps	-3bps	-3bps	-2bps	-2bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					150						-1bps	
ABS - BMO Fortified Sub A Rated Tranche					132						-1bps	
Hydro One (A/A3/AH)	134			91	66	51	2bps			1bps	1bps	1bps
OPG (BBB+/-/AL)	169			117	92	77	2bps			-1bps	-1bps	-1bps

Generic Corporate Credit Spreads AA	104			89	67		-1bps			-2bps	-2bps	
Generic Corporate Credit Spreads A	156			115	84		-2bps			-2bps	-2bps	
Generic Corporate Credit Spreads BBB	231			174	120		-1bps			-1bps	-2bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

From:	Carter, Dexter
To:	Brett Kichiy; ""John Lee"; ""Ken Ryfa"; Linda Smith; Mike Manning; "Sheen.liu@opg.com"; "Gadi.Mayman@ofina.on.ca"; "j.hahnparker@opg.com"; "Kevin.Shvarts@ofina.on.ca"; "ken.hartwick@opg.com"; "Ricky.Lai@ofina.on.ca"; "MAHMOOD Irma -FINANCE"
Cc:	Schauffert-Tam, Susan; Williams, Grant; Ruta, Olivier; Wagner, Ryan
Subject:	Fair Hydro Pridcing Indications
Date:	Thursday, March 08, 2018 4:42:15 PM
Attachments:	FHP_BMO_20180308.pdf FHP_BMO_20180308.xlsx

Please see our pricing input for FHP attached.
Let us know any questions.

Thanks,
Dexter

Dexter Carter
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Bank Name	Bank of Montrea
Date	8-Mar-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.40%	2.38%	2.27%	2.25%	2.04%	1.85%	-2bps	-4bps	-4bps	-1bps	-3bps	-1bps
Curve Adjustment (bp)	0.0	0.6	5.1	0.6	0.4	5.2	0bps	0bps	-1bps	-1bps	0bps	0bps
Spread to GoC Curve (bp)	**105**	**104**	**102**	**90**	**64**	**48**	8bps	8bps	8bps	8bps	8bps	8bps
Re-Offered Yield	3.45%	3.43%	3.34%	3.16%	2.68%	2.38%	6bps	5bps	4bps	6bps	6bps	7bps
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9						
All-in Yield	**3.48%**	**3.46%**	**3.37%**	**3.20%**	**2.75%**	**2.45%**	6bps	5bps	4bps	6bps	6bps	7bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	78	78	77	65.5	44	28.5	6bps	6bps	6bps	5bps	4bps	3bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					86						4bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					78	64					4bps	5bps
MBS - BAML NHA MBS (AAA/AAA)					65	49					4bps	5bps
CMBs: (AAA/Aaa/AAA)			44	39	30	18.5			4bps	4bps	3bps	1bps
PSP Investments (AAA/Aaa/AAA)				68	45	29				2bps	1bps	1bps
CPP Investment Board (AAA/Aaa/AAA)	88			68	45	29	2bps			2bps	1bps	1bps
BMO (Senior) (A+/A1/AA)	119			94	78	67	6bps			6bps	4bps	5bps
Nav Canada (sub) (AA-/Aa2/AAL)	105			83	58	49	10bps			5bps	3bps	5bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.40%	2.38%	2.27%	2.25%	2.04%	1.85%	-2bps	-4bps	-4bps	-1bps	-3bps	-1bps
Curve Adjustment (bp)	0.0	0.6	5.1	0.6	0.4	5.2	0bps	0bps	-1bps	-1bps	0bps	0bps
Spread to GoC Curve (bp)	**145**	**144**	**141**	**120**	**89**	**73**	8bps	8bps	8bps	8bps	8bps	8bps
Re-Offered Yield	3.85%	3.83%	3.73%	3.46%	2.93%	2.63%	6bps	6bps	4bps	6bps	6bps	7bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.88%**	**3.86%**	**3.76%**	**3.50%**	**3.00%**	**2.70%**	6bps	6bps	4bps	6bps	6bps	7bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	66	44	29	6bps	6bps	6bps	5bps	4bps	3bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						84						5bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						99						5bps
BMO (Senior) (A+/A1/AA)	119			94	78	67	6bps			6bps	4bps	5bps
Nav Canada (sub) (AA-/Aa2/AAL)	105			83	58	49	10bps			5bps	3bps	5bps
City of Toronto (AA / Aa1 / AA)	99	99	97.5	82.5	60	42	5bps	5bps	5bps	5bps	5bps	3bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.40%	2.38%	2.27%	2.25%	2.04%	1.85%	-2bps	-4bps	-4bps	-1bps	-3bps	-1bps
Curve Adjustment (bp)	0.0	0.6	5.1	0.6	0.4	5.2	0bps	0bps	-1bps	-1bps	0bps	0bps
Spread to GoC Curve (bp)	**220**	**218**	**209**	**170**	**133**	**118**	8bps	8bps	8bps	8bps	8bps	8bps
Re-Offered Yield	4.60%	4.57%	4.41%	3.96%	3.37%	3.08%	6bps	6bps	4bps	6bps	6bps	7bps
Commission (bp)	2.9	3.7	3.5	4.8	7.5	6.9						
All-in Yield	**4.63%**	**4.61%**	**4.44%**	**4.00%**	**3.44%**	**3.15%**	6bps	6bps	4bps	6bps	6bps	7bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	66	44	29	6bps	6bps	6bps	5bps	4bps	3bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					151						4bps	
ABS - BMO Fortified Sub A Rated Tranche					133						4bps	
Hydro One (A/A3/AH)	132			90	65	50	4bps			5bps	3bps	3bps
OPG (BBB+/-/AL)	167			118	93	78	4bps			3bps	1bps	1bps

Generic Corporate Credit Spreads AA	105			91	69		6bps			4bps	4bps	
Generic Corporate Credit Spreads A	158			117	86		5bps			3bps	4bps	
Generic Corporate Credit Spreads BBB	232			175	122		5bps			6bps	5bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	8-Mar-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.40%	2.38%	2.27%	2.25%	2.04%	1.85%	-2bps	-4bps	-4bps	-1bps	-3bps	-1bps
Curve Adjustment (bp)	0.0	0.6	5.1	0.6	0.4	5.2	0bps	0bps	-1bps	-1bps	0bps	0bps
Spread to GoC Curve (bp)	**105**	**104**	**102**	**90**	**64**	**48**	8bps	8bps	8bps	8bps	8bps	8bps
Re-Offered Yield	3.45%	3.43%	3.34%	3.16%	2.68%	2.38%	6bps	5bps	4bps	6bps	6bps	7bps
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9						
All-in Yield	**3.48%**	**3.46%**	**3.37%**	**3.20%**	**2.75%**	**2.45%**	6bps	5bps	4bps	6bps	6bps	7bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	78	78	77	65.5	44	28.5	6bps	6bps	6bps	5bps	4bps	3bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					86						4bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					78	64					4bps	5bps
MBS - BAML NHA MBS (AAA/AAA)					65	49					4bps	5bps
CMBs: (AAA/Aaa/AAA)			44	39	30	18.5			4bps	4bps	3bps	1bps
PSP Investments (AAA/Aaa/AAA)				68	45	29				2bps	1bps	1bps
CPP Investment Board (AAA/Aaa/AAA)	88			68	45	29	2bps			2bps	1bps	1bps
BMO (Senior) (A+/A1/AA)	119			94	78	67	6bps			6bps	4bps	5bps
Nav Canada (sub) (AA-/Aa2/AAL)	105			83	58	49	10bps			5bps	3bps	5bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.40%	2.38%	2.27%	2.25%	2.04%	1.85%	-2bps	-4bps	-4bps	-1bps	-3bps	-1bps
Curve Adjustment (bp)	0.0	0.6	5.1	0.6	0.4	5.2	0bps	0bps	-1bps	-1bps	0bps	0bps
Spread to GoC Curve (bp)	**145**	**144**	**141**	**120**	**89**	**73**	8bps	8bps	8bps	8bps	8bps	8bps
Re-Offered Yield	3.85%	3.83%	3.73%	3.46%	2.93%	2.63%	6bps	6bps	4bps	6bps	6bps	7bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.88%**	**3.86%**	**3.76%**	**3.50%**	**3.00%**	**2.70%**	6bps	6bps	4bps	6bps	6bps	7bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	66	44	29	6bps	6bps	6bps	5bps	4bps	3bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						84						5bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						99						5bps
BMO (Senior) (A+/A1/AA)	119			94	78	67	6bps			6bps	4bps	5bps
Nav Canada (sub) (AA-/Aa2/AAL)	105			83	58	49	10bps			5bps	3bps	5bps
City of Toronto (AA / Aa1 / AA)	99	99	97.5	82.5	60	42	5bps	5bps	5bps	5bps	5bps	3bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.40%	2.38%	2.27%	2.25%	2.04%	1.85%	-2bps	-4bps	-4bps	-1bps	-3bps	-1bps
Curve Adjustment (bp)	0.0	0.6	5.1	0.6	0.4	5.2	0bps	0bps	-1bps	-1bps	0bps	0bps
Spread to GoC Curve (bp)	**220**	**218**	**209**	**170**	**133**	**118**	8bps	8bps	8bps	8bps	8bps	8bps
Re-Offered Yield	4.60%	4.57%	4.41%	3.96%	3.37%	3.08%	6bps	6bps	4bps	6bps	6bps	7bps
Commission (bp)	2.9	3.7	3.5	4.8	7.5	6.9						
All-in Yield	**4.63%**	**4.61%**	**4.44%**	**4.00%**	**3.44%**	**3.15%**	6bps	6bps	4bps	6bps	6bps	7bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	66	44	29	6bps	6bps	6bps	5bps	4bps	3bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					151						4bps	
ABS - BMO Fortified Sub A Rated Tranche					133						4bps	
Hydro One (A/A3/AH)	132			90	65	50	4bps			5bps	3bps	3bps
OPG (BBB+/-/AL)	167			118	93	78	4bps			3bps	1bps	1bps

Generic Corporate Credit Spreads AA	105			91	69		6bps			4bps	4bps	
Generic Corporate Credit Spreads A	158			117	86		5bps			3bps	4bps	
Generic Corporate Credit Spreads BBB	232			175	122		5bps			6bps	5bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

From: Ricky Lai
To: Mike Manning
Cc: James Devine; Carlos Yep
Subject: Fair Hydro Spreads
Date: Thursday, March 29, 2018 9:35:40 AM
Attachments: Fair Hydro price indications March 29 2018.xlsx

Please find attached this week's Fair Hydro spreads.
Ricky

FAIR HYDRO SPREADS

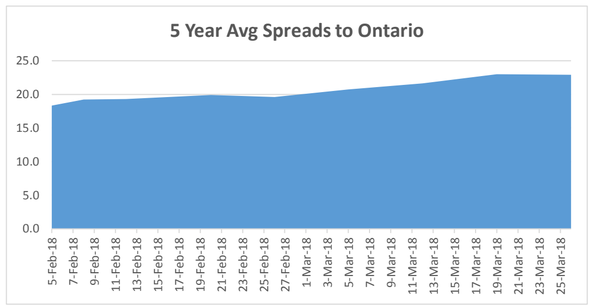
Week of March 26, 2018

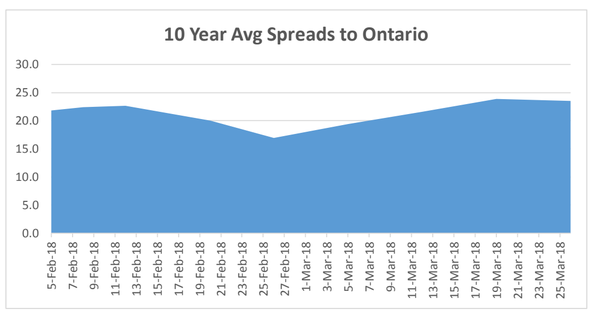
Senior Note

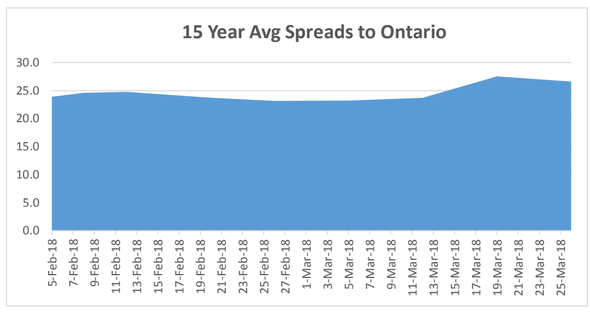
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
34.5	31.2	25.7	23.4	22.9	22.9

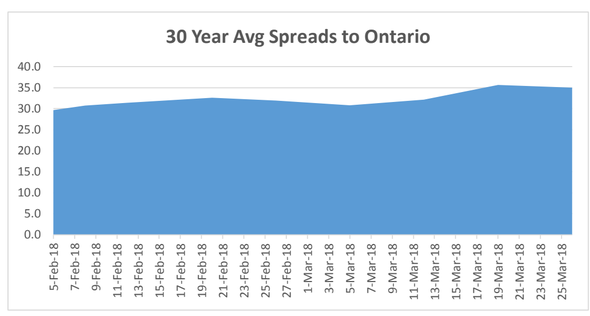
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
110.6	106.9	99.4	88.6	65.8	49.9
Last Week's	108.6	105.0	97.4	86.6	63.7	48.4
Change	2.0	1.9	2.0	2.0	2.1	1.5

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*RBC*	*CIBC*	*GS*	*BMO*	*CIBC*
	102.0	102.0	95.0	81.9	63.0	45.5
Maximum	*TD*	*TD*	*RBC*	*Scotia*	*RBC*	*RBC*
	122.0	112.0	102.0	97.0	69.0	53.0







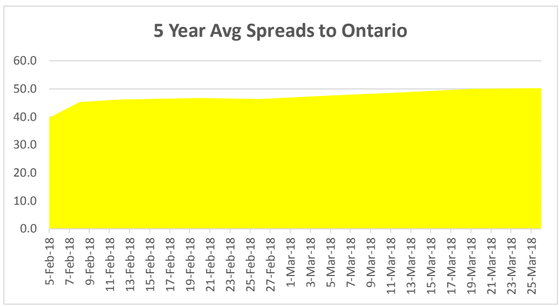


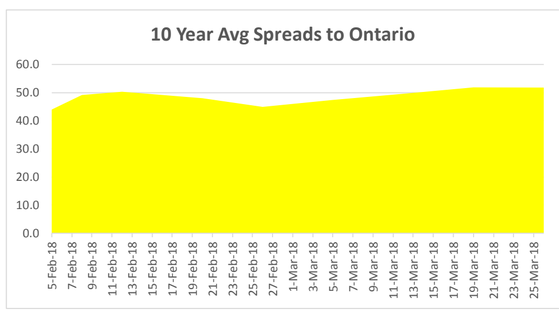
Sub Note

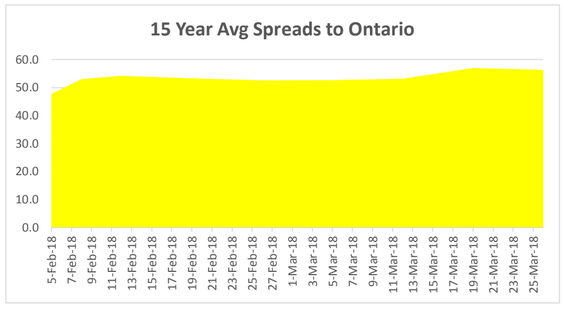
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
65.2	61.7	55.4	51.7	50.3	50.1

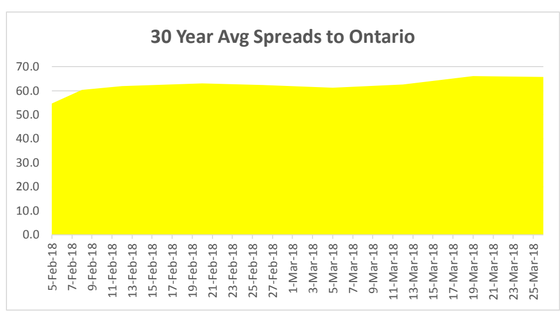
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
141.3	137.3	129.1	116.8	93.1	77.1
Last Week's	139.0	135.1	126.8	114.6	90.7	75.3
Change	2.3	2.2	2.3	2.3	2.4	1.8

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*NBF*	*NBF*	*CIBC*
	131.5	131.0	120.0	110.0	87.0	70.5
Maximum	*TD*	*BMO*	*BMO*	*Scotia*	*RBC*	*RBC*
	152.0	144.0	139.0	127.0	99.0	83.0







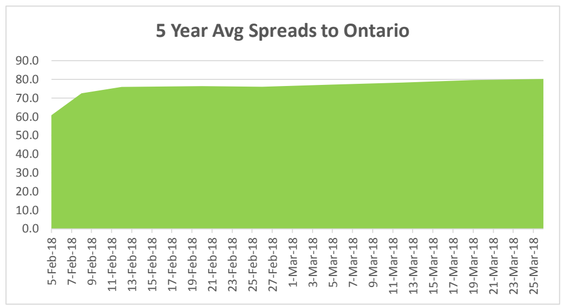


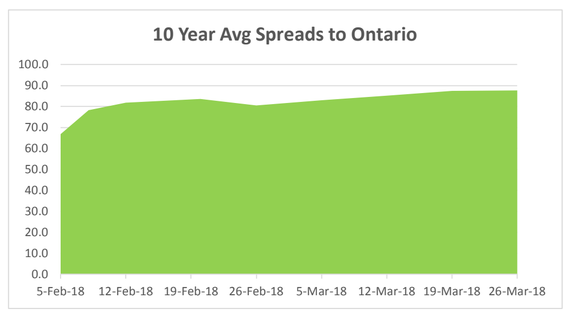
Junior Sub Note

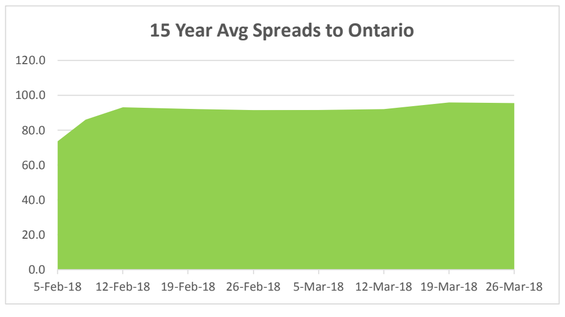
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
107.1	102.2	95.6	87.4	80.3	80.4

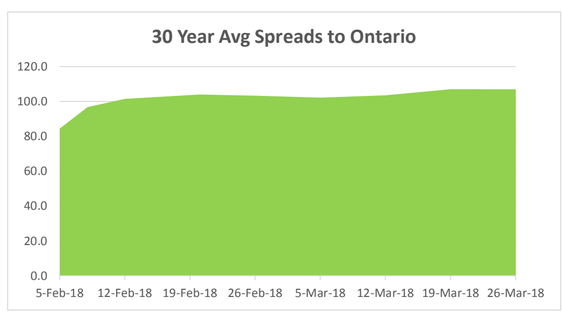
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
182.6	178.2	168.4	152.7	123.1	107.4
Last Week's	180.0	175.7	165.8	150.1	120.3	105.3
Change	2.6	2.5	2.6	2.6	2.8	2.2

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*NBF*	*NBF*	*NBF*
	156.5	156.0	145.0	132.0	104.0	90.0
Maximum	*BMO*	*BMO*	*BMO*	*GS*	*BMO*	*BMO*
	220.0	218.0	207.0	171.9	133.0	117.0









Indicative New Issue Spreads
Week of March 26, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.32%	2.31%	2.25%	2.20%	2.07%	1.93%	2.34%	2.33%	2.29%	2.24%	2.17%	2.08%	2.32%	2.31%	2.27%	2.19%			2.33%	2.32%
Curve Adjustment (bp)	0.0	0.7	2.9	1.9	0.3	6.1	0.0	0.3	(0.2)	(0.4)	(0.6)	0.3	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	105	104	100	88	63	46	107	106	95	87	63	46	122	112	102	81.9			113	110
Re-Offered Yield	3.37%	3.35%	3.28%	3.10%	2.71%	2.45%	3.40%	3.39%	3.24%	3.10%	2.80%	2.54%	3.54%	3.43%	3.29%	3.01%			3.46%	3.42%
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.40%**	**3.39%**	**3.31%**	**3.15%**	**2.78%**	**2.52%**	**3.43%**	**3.42%**	**3.26%**	**3.12%**	**2.81%**	**2.55%**	**3.56%**	**3.46%**	**3.32%**	**3.06%**			**3.49%**	**3.45%**
All-in Spread to GoC Curve (bp)	**107.62**	**107.39**	**103.34**	**92.61**	**70.43**	**52.87**	**109.19**	**108.68**	**97.37**	**88.57**	**64.74**	**46.70**	**123.57**	**114.40**	**105.23**	**86.90**			**115.70**	**113.48**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	77	76	75	64	43	28	77	76	74	67	43	26	72	77	67	64			76	75

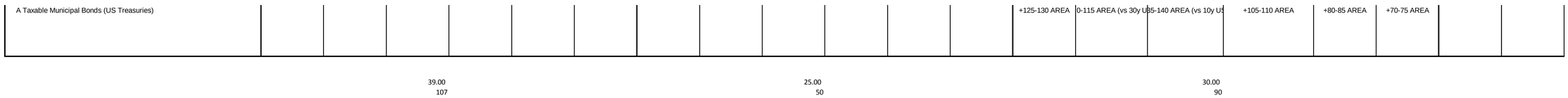
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							169	--	--	121	79	63								
Toronto Hydro Corporation (A/-/A)							130	--	--	90	64	52								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	98	0	0	81	56	47														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			135	129
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			118	112
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			140	135
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	85	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	79	62														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	64	47														
CMBs: (AAA/Aaa/AAA)	0	0	43	38	29	18														
PSP Investments (AAA/Aaa/AAA)	0	0	0	66	46	30														
CPP Investment Board (AAA/Aaa/AAA)	86	0	0	66	46	30														
BMO (Senior) (A+/A1/AA)	119	0	0	94	77	65														
Nova Scotia Power (BBB+ / - / A(l))							147	--	--	103	74	59								
FortisAlberta (A- / Baa1 / A(l))							134	--	--	93	67	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							237	--	--	177	122	100								
Bruce Power (BBB / Baa2 / BBB)							205	--	--	150	105	--								
City of Toronto (- / Aa1 / AA)							99	98	--	79	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																80 bps area				
AAA Taxable Municipal Bonds (US Treasuries)													+90 AREA	5-80 AREA (vs 30y U	30-105 AREA (vs 10y U	+70-75 AREA	+55-60 AREA	+40-45 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.32%	2.31%	2.25%	2.20%	2.07%	1.93%	2.34%	2.33%	2.29%	2.24%	2.17%	2.08%	2.32%	2.31%	2.27%	2.19%			2.33%	2.32%
Curve Adjustment (bp)	0.0	0.7	2.9	1.9	0.3	6.1	0.0	0.3	(0.2)	(0.4)	(0.6)	0.3	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	145	144	139	118	89	72	132	131	120	112	88	71	152	142	132	112			138	135
Re-Offered Yield	3.77%	3.75%	3.67%	3.40%	2.97%	2.71%	3.65%	3.64%	3.49%	3.35%	3.05%	2.79%	3.84%	3.73%	3.59%	3.31%			3.71%	3.67%
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.80%**	**3.79%**	**3.70%**	**3.45%**	**3.04%**	**2.78%**	**3.68%**	**3.67%**	**3.51%**	**3.37%**	**3.06%**	**2.80%**	**3.86%**	**3.76%**	**3.59%**	**3.36%**			**3.74%**	**3.70%**
All-in Spread to GoC Curve (bp)	**147.75**	**147.51**	**142.43**	**122.67**	**96.47**	**78.89**	**134.19**	**133.68**	**122.37**	**113.57**	**89.74**	**71.70**	**153.57**	**144.40**	**135.23**	**116.90**			**140.70**	**138.48**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			130	123
NAV Canada (AA-, AA low)																			95	93
GTAA (Aa3, A+)																			100	97
Hydro One (A3/A/A high)																			130	124
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	82														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	97														
BMO (Senior) (A+/A1/AA)	119	0	0	94	77	65														
Nav Canada (sub) (AA-/Aa2/AAL)	98	0	0	81	56	47														
City of Toronto (AA / Aa1 / AA)	97	97	95	81	59	41														
Bank ABS (AAA / - / AAA)							--	--	--	--	80	66								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	89	76								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	47	37								
AA CMBS (USD Swaps)																100 - 115 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+100-105 AREA	85 AREA (vs 30y UST	0-115 AREA (vs 10y U	+85-90 AREA	+60-65 AREA	+45-50 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.32%	2.31%	2.25%	2.20%	2.07%	1.93%	2.34%	2.33%	2.29%	2.24%	2.17%	2.08%	2.32%	2.31%	2.27%	2.19%			2.33%	2.32%
Curve Adjustment (bp)	0.0	0.7	2.9	1.9	0.3	6.1	0.0	0.3	(0.2)	(0.4)	(0.6)	0.3	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	220	218	207	168	133	117	157	156	145	137	113	96	212	202	192	172			168	165
Re-Offered Yield	4.52%	4.49%	4.35%	3.90%	3.41%	3.16%	3.90%	3.89%	3.74%	3.60%	3.30%	3.04%	4.44%	4.33%	4.19%	3.91%			4.01%	3.97%
Commission (bp)	2.9	3.6	3.5	4.8	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.55%**	**4.53%**	**4.38%**	**3.95%**	**3.48%**	**3.23%**	**3.93%**	**3.92%**	**3.76%**	**3.62%**	**3.31%**	**3.05%**	**4.46%**	**4.36%**	**4.19%**	**3.96%**			**4.04%**	**4.00%**
All-in Spread to GoC Curve (bp)	**222.85**	**221.64**	**210.53**	**172.75**	**140.54**	**123.93**	**159.19**	**158.68**	**147.37**	**138.57**	**114.74**	**96.70**	**213.57**	**204.40**	**195.23**	**176.90**			**170.70**	**168.48**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			155.0	149.8
Highway 407 (A, A)																			130.0	123.3
Enbridge Gas Distribution (A-, A)																			130.0	124.8
Hydro One (A3/A/A high)																			130.0	124.0
Schedule 1 Bank ABS (A)																			195.0	190.0
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	150.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	132.0	-														
Hydro One (A/A3/AH)	135.0	-	-	96.0	71.0	54.0														
OPG (BBB+/-/AL)	166.0	-	-	119.0	94.0	77.0														
10-year A CMBS (USD Swaps)																150 - 160 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+125-130 AREA
0-115 AREA (vs 30y U
35-140 AREA (vs 10y US
+105-110 AREA
+80-85 AREA
+70-75 AREA
39.00
107
25.00
50
30.00
90

Indicative New Issue Spreads
Week of March 26, 2018

NBF *NBF* *NBF* NBF

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	NBF			
	Current			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.30%	2.24%	2.09%	1.99%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	100	87.00	64	50
Re-Offered Yield	3.30%	3.11%	2.73%	2.49%
Commission (bp)	3.8	4.7	7.6	8.7
All-in Yield	**3.34%**	**3.16%**	**2.81%**	**2.58%**
All-in Spread to GoC Curve (bp)	**103.84**	**91.70**	**71.55**	**58.71**

Primary Comparable (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73	64	43	27

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	112	95	75	65
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	95	80	60	52
Schedule I Bank ABS (Aaa ; AAA ; AAA)	118	95	75	65
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.30%	2.24%	2.09%	1.99%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	124	110	87	72
Re-Offered Yield	3.54%	3.34%	2.96%	2.71%
Commission (bp)	3.8	4.7	7.6	8.7
All-in Yield	**3.58%**	**3.39%**	**3.04%**	**2.80%**
All-in Spread to GoC Curve (bp)	**127.84**	**114.70**	**94.55**	**80.71**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
RBC Sr-Sub.				
Highway 407 (A, A)	104	85	60	50
NAV Canada (AA-, AA low)	86	80	55	45
GTAA (Aa3, A+)	89	80	55	45
Hydro One (A3/A/A high)	107	90	70	55
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.30%	2.24%	2.09%	1.99%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	152	132	104	90
Re-Offered Yield	3.82%	3.56%	3.13%	2.89%
Commission (bp)	3.8	4.7	7.6	8.7
All-in Yield	**3.86%**	**3.61%**	**3.21%**	**2.98%**
All-in Spread to GoC Curve (bp)	**155.84**	**136.70**	**111.55**	**98.71**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	134.9	120.0	90.0	75.0
Highway 407 (A, A)	104.1	85.0	60.0	50.0
Enbridge Gas Distribution (A-, A)	109.9	95.0	70.0	55.0
Hydro One (A3/A/A high)	107.0	90.0	70.0	55.0
Schedule 1 Bank ABS (A)	173.0	150.0	130.0	115.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads
Week of March 26, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	RBC	RBC	RBC	RBC	RBC	RBC	Scotia	Scotia	Scotia	Scotia	Scotia	Scotia	TD	TD	TD	TD	TD	TD
	RBC						Scotia						TD					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.34%	2.33%	2.27%	2.22%	2.09%	2.00%	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	2.35%	2.34%	2.28%	2.24%	2.11%	2.00%
Curve Adjustment (bp)	0.0	0.7	2.9	1.8	0.3	0.5	0.0	0.7	(0.1)	1.8	0.3	0.5	0.0	0.7	3.1	1.9	0.0	0.7
Spread to GoC Curve (bp)	102	102	100	92.00	69	53	104	103	97	88	69	53	122	112	102	97	67	52
Re-Offered Yield	3.36%	3.35%	3.30%	3.16%	2.78%	2.53%	3.32%	3.30%	3.21%	3.06%	2.73%	2.49%	3.57%	3.46%	3.33%	3.22%	2.78%	2.53%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	2.3	3.1	3.6	4.5	7.4	8.6	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.39%**	**3.39%**	**3.33%**	**3.21%**	**2.86%**	**2.62%**	**3.35%**	**3.33%**	**3.24%**	**3.10%**	**2.81%**	**2.58%**	**3.59%**	**3.49%**	**3.37%**	**3.27%**	**2.85%**	**2.61%**
All-in Spread to GoC Curve (bp)	**104.67**	**105.46**	**103.84**	**96.71**	**76.56**	**61.72**	**105.82**	**105.64**	**100.56**	**91.98**	**75.91**	**61.63**	**124.34**	**115.15**	**105.58**	**101.50**	**74.43**	**60.64**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76	77	77	67	44	28	76	75	74	64	42	27	76	76	71	66	43	28

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	38	29	18												
City of Toronto (AA/Aa1/AA)	98	99	94	83	59	42												
Hydro One Inc. (A(H)/A3/A)	138	n/a	n/a	96	65	55							135	125	100	92	70	57
Ontario Power Generation Inc. (A(low)/-/BBB+)	160	n/a	n/a	118	87	76	163	0	0	118	93	81						
Toronto Hydro Corporation (A/-/A)	131	n/a	n/a	93	62	52												
Canadian National Railway Co (A/A2/A)	132	n/a	n/a	91	67	59												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	100	n/a	n/a	80	60	50												
NAV Canada (AA(low)/Aa2/AA-)	98	n/a	n/a	78	58	50												
OPB Finance Trust (AA+/-/AA(H))													116	106	101	92	64	46
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	86	66	55
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							78	0	0	68	47	30						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							129	0	0	99	82	70						
Golden Credit Card Trust							0	0	0	93	76	64						
Master Credit Card Trust							0	0	0	93	76	64						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.34%	2.33%	2.27%	2.22%	2.09%	2.00%	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	2.35%	2.34%	2.28%	2.24%	2.11%	2.00%
Curve Adjustment (bp)	0.0	0.7	2.9	1.8	0.3	0.5	0.0	0.7	(0.1)	1.8	0.3	0.5	0.0	0.7	3.1	1.9	0.0	0.7
Spread to GoC Curve (bp)	132	132	130	122	99	83	139	136	127	118	99	83	152	142	132	127	97	82
Re-Offered Yield	3.66%	3.65%	3.60%	3.46%	3.08%	2.83%	3.67%	3.63%	3.51%	3.36%	3.03%	2.79%	3.87%	3.76%	3.63%	3.52%	3.08%	2.83%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	2.3	3.1	3.6	4.5	7.4	8.6	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.69%**	**3.69%**	**3.64%**	**3.51%**	**3.16%**	**2.92%**	**3.70%**	**3.66%**	**3.54%**	**3.40%**	**3.11%**	**2.88%**	**3.89%**	**3.79%**	**3.67%**	**3.57%**	**3.15%**	**2.91%**
All-in Spread to GoC Curve (bp)	**134.77**	**135.56**	**133.92**	**126.78**	**106.62**	**91.76**	**140.82**	**138.64**	**130.56**	**121.98**	**105.91**	**91.63**	**154.34**	**145.15**	**135.58**	**131.50**	**104.43**	**90.64**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	68	45	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.34%	2.33%	2.27%	2.22%	2.09%	2.00%	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	2.35%	2.34%	2.28%	2.24%	2.11%	2.00%
Curve Adjustment (bp)	0.0	0.7	2.9	1.8	0.3	0.5	0.0	0.7	(0.1)	1.8	0.3	0.5	0.0	0.7	3.1	1.9	0.0	0.7
Spread to GoC Curve (bp)	166	166	164	156	133	117	174	169	157	148	129	113	182	172	162	157	127	112
Re-Offered Yield	4.00%	3.99%	3.94%	3.80%	3.42%	3.17%	4.02%	3.96%	3.81%	3.66%	3.33%	3.09%	4.17%	4.06%	3.93%	3.82%	3.38%	3.13%
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	2.3	3.1	3.6	4.5	7.4	8.6	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.03%**	**4.03%**	**3.98%**	**3.85%**	**3.50%**	**3.26%**	**4.05%**	**3.99%**	**3.84%**	**3.70%**	**3.41%**	**3.18%**	**4.19%**	**4.09%**	**3.97%**	**3.87%**	**3.45%**	**3.21%**
All-in Spread to GoC Curve (bp)	**168.89**	**169.66**	**168.01**	**160.86**	**140.69**	**125.82**	**175.82**	**171.64**	**160.56**	**151.98**	**135.91**	**121.63**	**184.34**	**175.15**	**165.58**	**161.50**	**134.43**	**120.64**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			30.00 64					30.00 60						30.00 60				

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	23.7
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2
12-Mar-18	21.7	21.6	23.7
19-Mar-18	23.0	23.9	27.5
26-Mar-18	22.9	23.5	26.6

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
29.7	56.8	80.6	91.2	99.1	38.5
30.8	59.3	81.4	92.0	100.4	40.1
31.4	61.0	83.7	94.5	103.6	41.7
32.6	59.8	82.1	94.1	104.8	39.8
31.9	59.4	82.1	94.0	104.6	39.8
30.8	63.4	84.9	96.7	107.1	42.7
32.2	63.8	85.3	97.0	107.9	42.2
35.7	63.7	86.6	97.4	108.6	40.7
35.0	65.8	88.6	99.4	110.6	42.8

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8
62.7	69.9	72.9
65.0	72.8	75.5

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6
12-Mar-18	48.7	49.6	53.1
19-Mar-18	50.0	51.9	57.0
26-Mar-18	50.3	51.8	56.3

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
54.7	78.2	102.8	115.0	124.1	38.5
60.3	85.4	108.2	120.4	130.0	40.1
61.9	87.8	111.3	123.9	134.1	41.7
63.0	86.6	110.1	123.6	135.2	39.8
62.4	86.3	110.1	123.4	135.1	39.8
61.2	90.3	112.9	126.1	137.6	42.7
62.6	90.8	113.3	126.4	138.3	42.2
66.1	90.7	114.6	126.8	139.0	40.7
65.7	93.1	116.8	129.1	141.3	42.8

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8
62.7	69.9	72.9
65.0	72.8	75.5

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6
12-Mar-18	78.3	85.2	92.1
19-Mar-18	79.7	87.5	96.0
26-Mar-18	80.3	87.7	95.6

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
84.5	99.3	125.6	141.0	153.9	38.5
96.8	112.7	137.3	153.5	166.5	40.1
101.5	117.7	142.8	162.9	173.7	41.7
104.0	116.3	145.6	162.6	176.2	39.8
103.4	115.9	145.6	162.4	176.1	39.8
102.2	119.9	148.5	165.1	178.6	42.7
103.6	120.5	148.9	165.4	179.3	42.2
107.1	120.3	150.1	165.8	180.0	40.7
107.0	123.1	152.7	168.4	182.6	42.8

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8
62.7	69.9	72.9
65.0	72.8	75.5

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.32%	2.31%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**105**	**104**
Re-Offered Yield	3.37%	3.35%
Commission (bp)	2.6	3.4
All-in Yield	**3.40%**	**3.39%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	77	76

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	86	
BMO (Senior) (A+/A1/AA)	119	
Nav Canada (sub) (AA-/Aa2/AAL)	98	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.32%	2.31%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**145**	**144**
Re-Offered Yield	3.77%	3.75%
Commission (bp)	2.7	3.5
All-in Yield	**3.80%**	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	77	76

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	119	
Nav Canada (sub) (AA-/Aa2/AAL)	98	
City of Toronto (AA / Aa1 / AA)	97	97

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.32%	2.31%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**220**	**218**
Re-Offered Yield	4.52%	4.49%
Commission (bp)	2.9	3.6
All-in Yield	**4.55%**	**4.53%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	77	76

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	135	
OPG (BBB+/-/AL)	166	

Generic Corporate Credit Spreads AA	102	
Generic Corporate Credit Spreads A	158	
Generic Corporate Credit Spreads BBB	232	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.25%	2.20%	2.07%	1.93%	1bps	0bps	2bps	3bps	5bps
2.9	1.9	0.3	6.1	0bps	0bps	-1bps	0bps	0bps
100	**88**	**63**	**46**	0bps	0bps	0bps	0bps	0bps
3.28%	3.10%	2.71%	2.45%	1bps	0bps	2bps	3bps	5bps
3.3	4.6	7.4	6.9					
3.31%	**3.15%**	**2.78%**	**2.52%**	1bps	0bps	2bps	3bps	5bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
74.5	64	43	27.5	4bps	4bps	4bps	3bps	2bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
		85						0bps
		79	62					0bps
		64	47					0bps
43	38	29	18			0bps	0bps	-1bps
	66	46	30				-2bps	0bps
	66	46	30	-2bps			-2bps	0bps
	94	77	65	0bps			0bps	0bps
	81	56	47	-6bps			2bps	2bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.25%	2.20%	2.07%	1.93%	1bps	0bps	2bps	3bps	5bps
2.9	1.9	0.3	6.1	0bps	0bps	-1bps	0bps	0bps
139	**118**	**89**	**72**	0bps	0bps	0bps	0bps	0bps
3.67%	3.40%	2.97%	2.71%	1bps	0bps	2bps	3bps	5bps
3.4	4.7	7.5	6.9					
3.70%	**3.45%**	**3.04%**	**2.78%**	1bps	0bps	2bps	3bps	5bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
75	64	43	28	4bps	4bps	4bps	3bps	2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			82					
			97					
	94	77	65	0bps			0bps	0bps
	81	56	47	-6bps			2bps	2bps
94.5	80.5	58.5	41	4bps	4bps	4bps	3bps	2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.25%	2.20%	2.07%	1.93%	1bps	0bps	2bps	3bps	5bps
2.9	1.9	0.3	6.1	0bps	0bps	-1bps	0bps	0bps
207	**168**	**133**	**117**	0bps	0bps	0bps	0bps	0bps
4.35%	3.90%	3.41%	3.16%	1bps	0bps	2bps	3bps	5bps
3.5	4.8	7.5	6.9					
4.38%	**3.95%**	**3.48%**	**3.23%**	1bps	0bps	2bps	3bps	5bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
75	64	43	28	4bps	4bps	4bps	3bps	2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		150						0bps
		132						0bps
	96	71	54	2bps			5bps	5bps
	119	94	77	3bps			3bps	3bps

	89	68		-2bps			0bps	1bps
	117	85		1bps			1bps	1bps
	175	121		0bps			1bps	1bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
27-Mar-18

3-year
7bps 0bps 0bps 8bps
8bps

3-year
2bps

3-year
0bps 0bps 0bps 0bps 0bps 0bps 0bps

3-year
7bps 0bps 0bps 8bps
8bps

3-year
2bps

3-year
0bps
0bps
0bps
0bps
2bps

3-year
7bps
0bps
0bps
8bps
8bps

3-year
2bps

3-year
3bps
1bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.34%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**107**
Re-Offered Yield	3.40%
Commission (bp)	2.7
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	77

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	169
Toronto Hydro (A / - / A)	130
Nova Scotia Power (BBB+ / - / A(l))	147
FortisAlberta (A- / Baa1 / A(l))	134
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	237
Bruce Power (BBB / Baa2 / BBB)	205
City of Toronto (- / Aa1 / AA)	99

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.34%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**132**
Re-Offered Yield	3.65%
Commission (bp)	2.7
All-in Yield	**3.68%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	77

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.34%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**157**
Re-Offered Yield	3.90%
Commission (bp)	2.7
All-in Yield	**3.93%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	77

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.33%	2.29%	2.24%	2.17%	2.08%	0.05%	0.04%	0.06%	0.07%	0.08%
0.3	(0.2)	(0.4)	(0.6)	0.3	0.0	0.0	0.1	0.1	0.2
106	**95**	**87**	**63**	**46**	4	4	4	3	3
3.39%	3.24%	3.10%	2.80%	2.54%	0.09%	0.08%	0.10%	0.10%	0.10%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.42%	**3.26%**	**3.12%**	**2.81%**	**2.55%**	**0.09%**	**0.08%**	**0.10%**	**0.10%**	**0.10%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
76	74	67	43	25.5	4	4	4	3	3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	121	79	63	4	--	--	3	2
--	--	90	64	52	0	--	--	0	0
--	--	103	74	59	1	--	--	1	1
--	--	93	67	--	0	--	--	1	1
--	--	177	122	100	2	--	--	2	0
--	--	150	105	--	5	--	--	5	5
98	--	78.5	--	--	4	4	--	(2)	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.33%	2.29%	2.24%	2.17%	2.08%	0.05%	0.04%	0.06%	0.07%	0.08%
0.3	(0.2)	(0.4)	(0.6)	0.3	0	0	0	0	0
131	**120**	**111.5**	**88**	**70.5**	4	4	4	3	3
3.64%	3.49%	3.35%	3.05%	2.79%	0.09%	0.08%	0.10%	0.10%	0.10%
2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.67%	**3.51%**	**3.37%**	**3.06%**	**2.80%**	**0.09%**	**0.08%**	**0.10%**	**0.10%**	**0.10%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
76	74	66.5	43	25.5	4	4	4	3	3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	--	80	66	--	--	--	--	2
--	--	--	89	76	--	--	--	--	2
--	--	--	47	37	--	--	--	--	1

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.33%	2.29%	2.24%	2.17%	2.08%	0.05%	0.04%	0.06%	0.07%	0.08%
0.3	(0.2)	(0.4)	(0.6)	0.3	0	0	0	0	0
156	**145**	**136.5**	**113**	**95.5**	4	4	4	3	3
3.89%	3.74%	3.60%	3.30%	3.04%	0.09%	0.08%	0.10%	0.10%	0.10%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.92%	**3.76%**	**3.62%**	**3.31%**	**3.05%**	**0.09%**	**0.08%**	**0.10%**	**0.10%**	**0.10%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
76	74	66.5	43	25.5	4	4	4	3	3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year

CIBC
3/26/2018

3-year
-
-
0.09%
0.1
1
0.10%
-
0.10%

3-year
1

3-year
2
0
1
--
2
--
--

3-year
-
-
0.09%
0
1
0.10%
0.00%
0.10%

3-year
1

3-year
2
2
1

3-year
-
-
0.09%
0
1
0.10%
-
0.10%

3-year
1

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.323%	2.315%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.219%**	**1.119%**
Re-Offered Yield	3.542%	3.434%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.56%**	**3.46%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.723%**	**0.7684%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+90 AREA	-80 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.323%	2.315%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.519%**	**1.419%**
Re-Offered Yield	3.842%	3.734%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.86%**	**3.76%**

Primary Comparable (S&P/Moody's/ DBRS)

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.723%**	**0.7684%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+100-105 AREA	35 AREA (vs 30y US

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.323%	2.315%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**2.119%**	**2.019%**
Re-Offered Yield	4.442%	4.334%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.46%**	**4.36%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.723%**	**0.7684%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+125-130 AREA	-115 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.270%	2.193%			
0.049%	0.008%			
1.019%	**0.819%**			
3.289%	3.012%			
0.033%	0.050%			
3.32%	**3.06%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.671%	**0.642%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-105 AREA (vs 10y	80 bps area +70-75 AREA	+55-60 AREA	+40-45 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.270%	2.193%			
0.049%	0.008%			
1.319%	**1.119%**			
3.589%	3.312%			
0.033%	0.050%			
3.59%	**3.36%**			

Current	

15-year	10-year	5-year	3-year	30-year
0.671%	**0.642%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	100 - 115 bps AREA			
-115 AREA (vs 10y	+85-90 AREA	+60-65 AREA	+45-50 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.270%	2.193%			
0.049%	0.008%			
1.919%	**1.719%**			
4.189%	3.912%			
0.033%	0.050%			
4.19%	**3.96%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.671%	**0.642%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	150 - 160 bps AREA			
-140 AREA (vs 10y	+105-110 AREA	+80-85 AREA	+70-75 AREA	+0 bps

Bank Name	GS
Date	2/15/2018

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	15-year	10-year	5-year	3-year
+0 bps	+0 bps	+2 - 5 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week

20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 - 5 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.33%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	113
Re-Offered Yield	3.46%
Commission (bp)	2.7
All-in Yield	**3.49%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.33%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	138
Re-Offered Yield	3.71%
Commission (bp)	2.7
All-in Yield	**3.74%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	130
NAV Canada (AA-, AA low)	95
GTAA (Aa3, A+)	100
Hydro One (A3/A/A high)	130

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.33%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	168
Re-Offered Yield	4.01%
Commission (bp)	2.7
All-in Yield	**4.04%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	155
Highway 407 (A, A)	130
Enbridge Gas Distribution (A-, A)	130
Hydro One (A3/A/A high)	130
Schedule 1 Bank ABS (A)	195

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.32%	2.30%	2.24%	2.09%
0.0	0.0	0.0	0.0
110	100	87	64
3.42%	3.30%	3.11%	2.73%
3.5	3.8	4.7	7.6
3.45%	**3.34%**	**3.16%**	**2.81%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	72.5	63.5	42.5

Current			
20-year	**15-year**	**10-year**	**5-year**
129	112	95	75
112	95	80	60
135	118	95	75

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.32%	2.30%	2.24%	2.09%
0.0	0.0	0.0	0.0
135	124	110	87
3.67%	3.54%	3.34%	2.96%
3.5	3.8	4.7	7.6
3.70%	**3.58%**	**3.39%**	**3.04%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	73	64	43

Current			
20-year	**15-year**	**10-year**	**5-year**
123	104	85	60
93	86	80	55
97	89	80	55
124	107	90	70

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.32%	2.30%	2.24%	2.09%
0.0	0.0	0.0	0.0
165	152	132	104
3.97%	3.82%	3.56%	3.13%
3.5	3.8	4.7	7.6
4.00%	**3.86%**	**3.61%**	**3.21%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	73	64	43

Current			
20-year	**15-year**	**10-year**	**5-year**
150	135	120	90
123	104	85	60
125	110	95	70
124	107	90	70
190	173	150	130

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.99%	0.01%	0.01%	0.02%
0.0	0.0	0.0	0.0
50	1	1	1
2.49%	0.02%	0.02%	0.03%
8.7	0.0	0.0	0.0
2.58%	**0.02%**	**0.02%**	**0.03%**

			Week
3-year	**30-year**	**20-year**	**15-year**
26.5	4	4	4

			Week
3-year	**30-year**	**20-year**	**15-year**
65	0	1	3
52	0	1	3
65	0	0	0

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
1.99%	0.01%	0.01%	0.02%
0.0	0.0	0.0	0.0
72	1	1	1
2.71%	0.02%	0.02%	0.03%
8.7	0.0	0.0	0.0
2.80%	**0.02%**	**0.02%**	**0.03%**

			Week
3-year	**30-year**	**20-year**	**15-year**
27	4	4	4

			Week
3-year	**30-year**	**20-year**	**15-year**
50	0	0	0
45	-5	-4	-2
45	0	0	0
55	0	0	0

	Week

3-year	30-year	20-year	15-year
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.99%	0.01%	0.01%	0.02%
0.0	0.0	0.0	0.0
90	1	1	1
2.89%	0.02%	0.02%	0.03%
8.7	0.0	0.0	0.0
2.98%	**0.02%**	**0.02%**	**0.03%**

	Week

3-year	30-year	20-year	15-year
27	4	4	4

	Week

3-year	30-year	20-year	15-year
75	0	0	0
50	0	0	0
55	0	0	0
55	0	0	0
115	0	0	0

Bank Name	National Bank of Canada
Date	3/26/2018

over Week

10-year	5-year	3-year
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.04%	0.08%	0.08%
0.0	0.0	0.0
2	2	2
0.06%	0.10%	0.10%
0.0	0.0	0.0
0.06%	**0.10%**	**0.10%**

over Week

10-year	5-year	3-year
3.5	3	2

over Week

10-year	5-year	3-year
5	0	0
5	0	0
0	0	0

over Week

10-year	5-year	3-year
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.04%	0.08%	0.08%
0.0	0.0	0.0
2	2	2
0.06%	0.10%	0.10%
0.0	0.0	0.0
0.06%	**0.10%**	**0.10%**

over Week

10-year	5-year	3-year
4	3	2

over Week

10-year	5-year	3-year
0	0	0
0	0	0
0	0	0
0	5	5

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.04%	0.08%	0.08%
0.0	0.0	0.0
2	2	2
0.06%	0.10%	0.10%
0.0	0.0	0.0
0.06%	**0.10%**	**0.10%**

over Week		
10-year	**5-year**	**3-year**
4	3	2

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
0	0	0
0	5	5
0	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.34%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**102**
Re-Offered Yield	3.36%
Commission (bp)	2.7
All-in Yield	**3.39%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**76**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**98**
Hydro One Inc. (A(H)/A3/A)	**138**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**160**
Toronto Hydro Corporation (A/-/A)	**131**
Canadian National Railway Co (A/A2/A)	**132**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**100**
NAV Canada (AA(low)/Aa2/AA-)	**98**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.34%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**132**
Re-Offered Yield	3.66%
Commission (bp)	2.8
All-in Yield	**3.69%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.34%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**166**
Re-Offered Yield	4.00%
Commission (bp)	2.9
All-in Yield	**4.03%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.33%	**2.27%**	**2.22%**	**2.09%**
0.7	**2.9**	**1.8**	**0.3**
102	**100**	**92**	**69**
3.35%	3.30%	3.16%	2.78%
3.5	3.8	4.7	7.6
3.39%	**3.33%**	**3.21%**	**2.86%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	**77**	**67**	**44**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**38**	**29**
99	**94**	**83**	**59**
n/a	**n/a**	**96**	**65**
n/a	**n/a**	**118**	**87**
n/a	**n/a**	**93**	**62**
n/a	**n/a**	**91**	**67**
n/a	**n/a**	**80**	**60**
n/a	**n/a**	**78**	**58**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.33%	2.27%	2.22%	2.09%
0.7	2.9	1.8	0.3
132	**130**	**122**	**99**
3.65%	3.60%	3.46%	3.08%
3.6	3.9	4.8	7.6
3.69%	**3.64%**	**3.51%**	**3.16%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	77	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**68**	**45**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.33%	2.27%	2.22%	2.09%
0.7	2.9	1.8	0.3
166	**164**	**156**	**133**
3.99%	3.94%	3.80%	3.42%
3.7	4.0	4.9	7.7
4.03%	**3.98%**	**3.85%**	**3.50%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	77	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**

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s or damage, direct or indirect, arising from the use of the Information.

Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.00%	3.1	2.8	4.9	5.0	7.6
0.5	-	0.1	-0.9	-	0.2
53	6.0	6.0	6.0	6.0	5.0
2.53%	9.1	8.9	10.0	11.0	12.8
8.7	0.0	0.0	0.0	0.0	0.0
2.62%	9.1	8.9	10.0	11.0	12.8

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	3.0	4.0	6.0	4.5	2.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
18				-1.5	-
42	2.5	4.0	3.5	3.0	2.0
55	3.0			1.0	-
76	-			-	-
52	1.0			1.0	-
59	-			-	-
50	-4.0			-3.0	-
50	-			-	-

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.00%					
0.5					
83	8.0	8.0	8.0	8.0	7.0
2.83%	11.1	10.9	12.0	13.0	14.8
8.8	0.04	0.03	0.03	0.03	0.03
2.92%	11.1	10.9	12.0	13.0	14.8

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	3.0	4.0	6.0	4.5	2.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				1.0	2.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
2.00%					
0.5					
117	10.0	10.0	10.0	10.0	9.0
3.17%	13.1	12.9	14.0	15.0	16.8
8.8	0.05	0.04	0.04	0.04	0.03
3.26%	13.1	12.9	14.0	15.0	16.8

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	3.0	4.0	6.0	4.5	2.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

RBC
28-Mar-18

	3-year
	10.0
	0.1
	3.0
	13.1
	0.0
	13.1

	3-year
	1.5

	3-year
	-
	1.0
	-
	-
	-
	-
	-
	-

	3-year
	5.0
	15.1
	0.02
	15.1

	3-year
	1.5

	3-year

3-year
7.0
17.1
0.03
17.1

3-year
1.5

3-year

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icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.29%	2.27%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**+104**	**+103**
Re-Offered Yield	3.32%	3.30%
Commission (bp)	2.3	3.1
All-in Yield	**3.35%**	**3.33%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	163	
CPP	78	
BNS - Denior Deposit Notes	129	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.29%	2.27%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**+139**	**+136**
Re-Offered Yield	3.67%	3.63%
Commission (bp)	2.3	3.1
All-in Yield	**3.70%**	**3.66%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.29%	2.27%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**+174**	**+169**
Re-Offered Yield	4.02%	3.96%
Commission (bp)	2.3	3.1
All-in Yield	**4.05%**	**3.99%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.24%	2.17%	2.04%	1.96%	-0.06%
(0.1)	1.8	0.3	0.5	0
+97	**+88**	**+69**	**+53**	-1
3.21%	3.06%	2.73%	2.49%	-0.07%
3.6	4.5	7.4	8.6	-1
3.24%	**3.10%**	**2.81%**	**2.58%**	**-0.07%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
74	64	42	27	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	118	93	81	3
	68	47	30	1
	99	82	70	5
	93	76	64	
	93	76	64	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.24%	2.17%	2.04%	1.96%	-0.06%
(0.1)	1.8	0.3	0.5	0
+127	**+118**	**+99**	**+83**	-1
3.51%	3.36%	3.03%	2.79%	-0.07%
3.6	4.5	7.4	8.6	0
3.54%	**3.40%**	**3.11%**	**2.88%**	**-0.07%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
74	64	42	27	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	93	76	64	
	93	76	64	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.24%	2.17%	2.04%	1.96%	0.00%
(0.1)	1.8	0.3	0.5	0
+157	**+148**	**+129**	**+113**	-1
3.81%	3.66%	3.33%	3.09%	-0.01%
3.6	4.5	7.4	8.6	0
3.84%	**3.70%**	**3.41%**	**3.18%**	**-0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
74	64	42	27	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	93	76	64	
	93	76	64	

Bank Name	BNS
Date	3/27/2018

Week over Week				
20-year	15-year	10-year	5-year	3-year
-0.06%	-0.05%	-0.05%	-0.01%	0.02%
0	0	0	0	0
-1	-1	-1	-1	-1
-0.07%	-0.06%	-0.06%	-0.02%	0.01%
0	0	0	0	0
-0.07%	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Week over Week				
20-year	15-year	10-year	5-year	3-year
1	1	1	1	1

Week over Week				
20-year	15-year	10-year	5-year	3-year
		3	3	3
		1	1	0
		5	5	5
		3	3	3
		3	3	3

Week over Week				
20-year	15-year	10-year	5-year	3-year
-0.06%	-0.05%	-0.05%	-0.01%	0.02%
0	0	0	0	0
-1	-1	-1	-1	-1
-0.07%	-0.06%	-0.06%	-0.02%	0.01%
0	0	0	0	0
-0.07%	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Week over Week				
20-year	15-year	10-year	5-year	3-year
1	1	1	1	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		3	3	3
		3	3	3

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0
-1	-1	-1	-1	-1
-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
0	0	0	0	0
-0.01%	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1	1	1	1	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		3	3	3
		3	3	3

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.35%	2.34%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**122**	**112**
Re-Offered Yield	3.57%	3.46%
Commission (bp)	2.3	3.2
All-in Yield	**3.59%**	**3.49%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	116	106
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	135	125

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.35%	2.34%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**152**	**142**
Re-Offered Yield	3.87%	3.76%
Commission (bp)	2.3	3.2
All-in Yield	**3.89%**	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.35%	2.34%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**182**	**172**
Re-Offered Yield	4.17%	4.06%
Commission (bp)	2.3	3.2
All-in Yield	**4.19%**	**4.09%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-
5.75%	1.00%	1.50%	0.75%	-
2.28%	2.24%	2.11%	2.00%	0.045%
3.1	1.9	0.0	0.7	-
102	**97**	**67**	**52**	4
3.33%	3.22%	2.78%	2.53%	0.09%
3.6	4.5	7.4	8.6	-
3.37%	**3.27%**	**2.85%**	**2.61%**	**0.09%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
71	66	43	28	3.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
101	92	64	46	3
N/A	86	66	55	N/A
100	92	70	57	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-
5.75%	1.00%	1.50%	0.75%	-
2.28%	2.24%	2.11%	2.00%	0.045%
3.1	1.9	0.0	0.7	-
132	**127**	**97**	**82**	4
3.63%	3.52%	3.08%	2.83%	0.08%
3.6	4.5	7.4	8.6	-
3.67%	**3.57%**	**3.15%**	**2.91%**	**0.09%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

71	66	43	28	3.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-
5.75%	1.00%	1.50%	0.75%	-
2.28%	2.24%	2.11%	2.00%	0.045%
3.1	1.9	0.0	0.7	-
162	**157**	**127**	**112**	4
3.93%	3.82%	3.38%	3.13%	0.09%
3.6	4.5	7.4	8.6	-
3.97%	**3.87%**	**3.45%**	**3.21%**	**0.09%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
71	66	43	28	3.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	3/26/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.046%	0.068%	0.067%	0.096%	0.104%
-	-	-	-	-
4	4	4	4	4
0.09%	0.09%	0.11%	0.14%	0.15%
-	-	-	-	-
0.09%	**0.09%**	**0.11%**	**0.14%**	**0.15%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
3.0	2.5	2.0	2.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
3	3	3	2	1
N/A	N/A	4	3	5
1	2	2	5	5

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.046%	0.068%	0.067%	0.096%	0.104%
-	-	-	-	-
4	4	4	4	4
0.09%	0.09%	0.11%	0.14%	0.15%
-	-	-	-	-
0.09%	**0.09%**	**0.11%**	**0.14%**	**0.15%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

3.0	2.5	2.0	2.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.046%	0.068%	0.067%	0.096%	0.104%
-	-	-	-	-
4	4	4	4	4
0.09%	0.09%	0.11%	0.14%	0.15%
-	-	-	-	-
0.09%	**0.09%**	**0.11%**	**0.14%**	**0.15%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
3.0	2.5	2.0	2.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	Whitfield, Tobias P. (MOF)
To:	Mike Manning; Malle Hanslep (MOF); Thouin, Alena (ENERGY); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc:	Ken Kandeepan; Tim Christie (ENERGY); Anna Strathy
Subject:	Fair Hydro Trust - Disclosure Documents
Attachments:	ATT80226 1.jpg ATT46294 2.jpg

Revising to 3:30.

Setting a time of 1:30, so that the OFA can make it. Let me know if that doesn't work for anyone.

Dial in number to follow.

Toby

_____

From: Mike Manning [mailto:Mike.Manning@ofina.on.ca]
Sent: January 17, 2018 11:20 AM
To: Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Christie, Tim (ENERGY); Strathy, Anna (OFA)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Unfortunately not around after 2:30.

Mike

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Wednesday, January 17, 2018 11:08 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com) <STEPHEN.ASHBOURNE@blakes.com>
Cc: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Fair Hydro Trust - Disclosure Documents

I am available at any time today.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Hanslep, Malle (MOF)
Sent: January 17, 2018 10:30 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY); Strathy, Anna (OFA)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Hi – Adding Anna Strathy to the email group.

From: Hanslep, Malle (MOF)
Sent: January-17-18 10:27 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Sure.

From: Thouin, Alena (ENERGY)
Sent: January-17-18 10:26 AM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Thanks Malle. Can we set up a call to discuss?
Thank you

Sent with BlackBerry Work
(www.blackberry.com[blackberry.com])
From: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>
Date: Wednesday, Jan 17, 2018, 10:21 AM
To: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>, Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>, ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com) <STEPHEN.ASHBOURNE@blakes.com>
Cc: Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>, Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>, Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>

Subject: FW: Fair Hydro Trust - Disclosure Documents

Should we discuss this approach? It may have implications for future documents and transactions. I have not had the opportunity to review the changes that were accepted but if we think they are important it would be best to be able to preserve those as the version of the "OM" as a reference document under the Process Agreement for future transactions rather than the initial version they sent us. I realize there is a problem with the 10 days but if we could figure out a way to make the final version (or close to final) become the reference document that would be best. So I'm not sure that we want to write back and just agree with Les that we don't take a contrary view without considering carefully. Technically if the 10 days expire without the Province objecting the document becomes a reference document. I know Toby has drafted a delegation of the powers under the process agreement for MOF/OFA. Not sure what the timing of the deal is right now.

Thanks,

Malle

From: WONG Leslie -LAWDIV [mailto:leslie.wong@opg.com]
Sent: January-17-18 9:45 AM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF)
Cc: LEE John -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Saulnier, Brett; Ramchandani, Rima; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro Trust - Disclosure Documents

Dear Alena and Malle,

You will have seen the revised draft of the OM and term sheet circulated by Torys (attached again for reference). A revised draft of the Investor Presentation is also in progress and will be circulated once available. We do not view the changes made to the OM, term sheet or the IP as material (in form or substance) and we would appreciate it if you could confirm that the Province does not take a contrary view. As you know, under the change of law process agreement, OPG is required to certify that these documents are substantially in the form as previously provided to the Province, which we believe is the case. Therefore, there is no reason for us to restart the 10 Business Day clock running following delivery of the revised documents. If you have any concerns with our interpretation or approach please let us know.

Regards,

Les

Leslie Wong
Senior Counsel
Ontario Power Generation Inc.
700 University Avenue, H18 G26.1, Toronto, ON M5G 1X6
T: (416) 592-3110 | E: leslie.wong@opg.com

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: Wednesday, January 17, 2018 1:31 AM
To: VINER, JON <JON.VINER@blakes.com>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>
Subject: EXTERNAL – RE: Fair Hydro Trust - Disclosure Documents

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

All,

Please find attached revised versions of the Offering Memorandum and Term Sheet. We have accepted the majority of the Province's comments where appropriate and I have included blacklines of each document against the version circulated by Jon below. The attached also reflect comments received from the IESO and some additional clean-up changes made since the documents were provided to the Province on January 5.

In the interest of time, we are circulating these drafts to all parties concurrently. Accordingly, they remain subject to review and comment by OPG, IESO, the dealers and their respective counsel.

Thanks,
Brett

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[na01.safelinks.protection.outlook.com] [na01.safelinks.protection.outlook.com]
From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January-16-18 10:48 AM
To: LEE John -TREASURY <john.s.lee@opg.com>; 'ken.ryfa@opg.com' <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Ramchandani, Rima <rramchandani@torys.com>

Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>
Subject: Fair Hydro Trust - Disclosure Documents

All,

Please find attached the Province's comments on the offering memorandum, investor presentation and term sheet. We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,
Jon

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499

_____

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
Tel: 416-863-2400 Fax: 416-863-2653
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Unsubscribe[na01.safelinks.protection.outlook.com]

Blake, Cassels & Graydon LLP | Barristers & Solicitors | Patent & Trade-mark Agents
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TORYS


Blakes

From:	Whitfield, Tobias P. (MOF)
To:	Mike Manning; Malle Hanslep (MOF); Thouin, Alena (ENERGY); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc:	Ken Kandeepan; Tim Christie (ENERGY); Anna Strathy
Subject:	Fair Hydro Trust - Disclosure Documents
Attachments:	ATT54529 1.jpg ATT19984 2.jpg

Setting a time of 1:30, so that the OFA can make it. Let me know if that doesn't work for anyone.

Dial in number to follow.

Toby

_____
From: Mike Manning [mailto:Mike.Manning@ofina.on.ca]
Sent: January 17, 2018 11:20 AM
To: Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Christie, Tim (ENERGY); Strathy, Anna (OFA)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Unfortunately not around after 2:30.

Mike

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Wednesday, January 17, 2018 11:08 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com) <STEPHEN.ASHBOURNE@blakes.com>
Cc: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Fair Hydro Trust - Disclosure Documents

I am available at any time today.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Hanslep, Malle (MOF)
Sent: January 17, 2018 10:30 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY); Strathy, Anna (OFA)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Hi – Adding Anna Strathy to the email group.

From: Hanslep, Malle (MOF)
Sent: January-17-18 10:27 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Sure.

From: Thouin, Alena (ENERGY)
Sent: January-17-18 10:26 AM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Thanks Malle. Can we set up a call to discuss?
Thank you

Sent with BlackBerry Work
(www.blackberry.com[blackberry.com])
From: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>
Date: Wednesday, Jan 17, 2018, 10:21 AM
To: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>, Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>, ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com) <STEPHEN.ASHBOURNE@blakes.com>
Cc: Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>, Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>, Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>
Subject: FW: Fair Hydro Trust - Disclosure Documents

Should we discuss this approach? It may have implications for future documents and transactions. I have not had the opportunity to review the

changes that were accepted but if we think they are important it would be best to be able to preserve those as the version of the "OM" as a reference document under the Process Agreement for future transactions rather than the initial version they sent us. I realize there is a problem with the 10 days but if we could figure out a way to make the final version (or close to final) become the reference document that would be best. So I'm not sure that we want to write back and just agree with Les that we don't take a contrary view without considering carefully. Technically if the 10 days expire without the Province objecting the document becomes a reference document. I know Toby has drafted a delegation of the powers under the process agreement for MOF/OFA. Not sure what the timing of the deal is right now.

Thanks,

Malle

From: WONG Leslie -LAWDIV [mailto:leslie.wong@opg.com]
Sent: January-17-18 9:45 AM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF)
Cc: LEE John -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Saulnier, Brett; Ramchandani, Rima; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro Trust - Disclosure Documents

Dear Alena and Malle,

You will have seen the revised draft of the OM and term sheet circulated by Torys (attached again for reference). A revised draft of the Investor Presentation is also in progress and will be circulated once available. We do not view the changes made to the OM, term sheet or the IP as material (in form or substance) and we would appreciate it if you could confirm that the Province does not take a contrary view. As you know, under the change of law process agreement, OPG is required to certify that these documents are substantially in the form as previously provided to the Province, which we believe is the case. Therefore, there is no reason for us to restart the 10 Business Day clock running following delivery of the revised documents. If you have any concerns with our interpretation or approach please let us know.

Regards,

Les

Leslie Wong
Senior Counsel
Ontario Power Generation Inc.
700 University Avenue, H18 G26.1, Toronto, ON M5G 1X6
T: (416) 592-3110 | E: leslie.wong@opg.com

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: Wednesday, January 17, 2018 1:31 AM
To: VINER, JON <JON.VINER@blakes.com>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>
Subject: EXTERNAL – RE: Fair Hydro Trust - Disclosure Documents

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

All,

Please find attached revised versions of the Offering Memorandum and Term Sheet. We have accepted the majority of the Province's comments where appropriate and I have included blacklines of each document against the version circulated by Jon below. The attached also reflect comments received from the IESO and some additional clean-up changes made since the documents were provided to the Province on January 5.

In the interest of time, we are circulating these drafts to all parties concurrently. Accordingly, they remain subject to review and comment by OPG, IESO, the dealers and their respective counsel.

Thanks,
Brett

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[na01.safelinks.protection.outlook.com] [na01.safelinks.protection.outlook.com]
From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January-16-18 10:48 AM
To: LEE John -TREASURY <john.s.lee@opg.com>; 'ken.ryfa@opg.com' <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Ramchandani, Rima <rramchandani@torys.com>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Malle

Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>
Subject: Fair Hydro Trust - Disclosure Documents

All,

Please find attached the Province's comments on the offering memorandum, investor presentation and term sheet. We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,
Jon

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499

_____

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
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Blake, Cassels & Graydon LLP | Barristers & Solicitors | Patent & Trade-mark Agents
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TORYS


Blakes

From:	VINER, JON
To:	LEE John -TREASURY; "ken.ryfa@opg.com"; WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Cc:	Thouin, Alena (ENERGY); Tim Christie (ENERGY); Daniel Cayley (ENERGY); Mike Manning; Ken Kandeepan; Anna Strathy; Veinot, Cindy (TBS); Mark Donaldson (MOF); Malle Hanslep (MOF); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN; Ronald Kwan; Huang, Jackson (MEDG/MRIS); Sawwaf, Khareem (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); Gadi Mayman
Subject:	Fair Hydro Trust - Disclosure Documents
Date:	Tuesday, January 16, 2018 10:48:20 AM
Attachments:	23291241-v2-Fair Hydro Trust Investor Presentation - Comments.DOCX Fair Hydro Trust OM - Comments of the Province.pdf 2018-1 Senior Notes Term Sheet - Comments of the Province.pdf

---

All,

Please find attached the Province's comments on the offering memorandum, investor presentation and term sheet.

We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,

Jon

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499

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Fair Hydro Trust
Investor Presentation

January [xx], 2018

General Comments:

A. Please consider adding an executive summary given the density of the presentation.

B. Please consider focusing on the mechanics of the FHPA.

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This presentation does not, and does not purport to, contain all information that may be material to an investment decision in respect of the Issuer's Notes. It is only a summary of certain information in respect of the Issuer. Prior to making an investment decision with respect to the Issuer's Notes, prospective investors should carefully review the Confidential Shelf Offering Memorandum, including the related Term Sheet, pursuant to which such Notes are offered (the Offering Memorandum). The information and opinions contained in this presentation are qualified in their entirety by reference to the Offering Memorandum. **[Consider indicating that the presentation is incorporated by reference into and forms part of the OM]** In particular, reference should be made to the risks of any investment in the Issuer's Notes offered and the statutory rights of rescission or rights to damages available to purchasers of such Notes described in the Offering Memorandum. No representation or warranty, express or implied, is given by or on behalf of the Issuer, the Agents or any other person as to the accuracy or completeness of the information or opinions contained in this presentation.

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The information presented herein is only current as of the date on the cover of this presentation. Except as required by law, neither the Issuer nor Ontario Power Generation (OPG) intends, or assumes any obligation, to revise or update any information in this presentation.

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Presenters

ONTARIO POWER GENERATION

Ken Hartwick
Chief Financial Officer & Senior Vice President – Finance

John Lee
Vice President, Treasurer

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I. Introduction and Transaction Overview

Introduction

Ontario's Fair Hydro Plan

- ~~The Province of Ontario announced its Fair Hydro Plan (FHP) on March 2, 2017, which proposed to lower the average electricity bill for eligible customers1 (referred to as Specified Consumers) by 25% (the Fair Adjustment)~~
- ~~The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax granted by the Ontario government in January 2017~~
- ~~It is expected that the rate reduction will be in effect until April 30, 2021, with any rate increases until that date limited to the rate of inflation in Ontario~~
- **[Rather introduce by focusing on the enacted legislation. Earlier plan and announcement were superceded by the more detailed context of the legislation.]**

Legislation

- On June 1, 2017, the Ontario government passed the *Ontario Fair Hydro Plan Act, 2017* (~~together, with the regulations promulgated thereunder,~~ the "FHPA" or "Act") to give effect to the FHP~~, legislation that reallocates certain electricity costs over time and provides immediate rate relief contemplated by the Fair Hydro Plan to Specified Consumers~~. **[Track the purpose language in s. 3 OFHPA. Rate reduction is incidental and need not be emphasized.]**
- The FHPA is supplemented by regulations related to the implementation of the FHPA (the "Regulations" and (together, with the FHPA, the "[Legislation]").
- The FHPA imposes an irrevocable and non-bypassable charge recoverable from Specified Consumers and referred to as the Clean Energy Adjustment (CEA). The CEA for a period ~~that~~ will be determined in accordance with the Legislation by Ontario Power Generation (OPG) in its role as Financial Services Manager under the Act.
- The CEA will be determined for each month during successive six month reference periods and will be ~~period and~~ converted by the Ontario Energy Board (OEB) into a cent per ~~$/~~kWh rate and added to electricity invoices sent to Specified Consumers ~~commencing on May 1, 2021~~.
- From [July 1, 2017] to April 30, 2021 (the "Moratorium Period"), no payments in respect of the CEA are expected to be collected. During the Moratorium Period and until July 31, 2021, ~~CEA will be collected; during this period~~ the Independent Electricity System Operator (IESO) is obligated to pay all funding and [other expenses] of the [Trust][Financing Entities] (excluding principal) (referred to as "Carrying Costs") under the Regulations. **[Confirm square bracketed information.]**

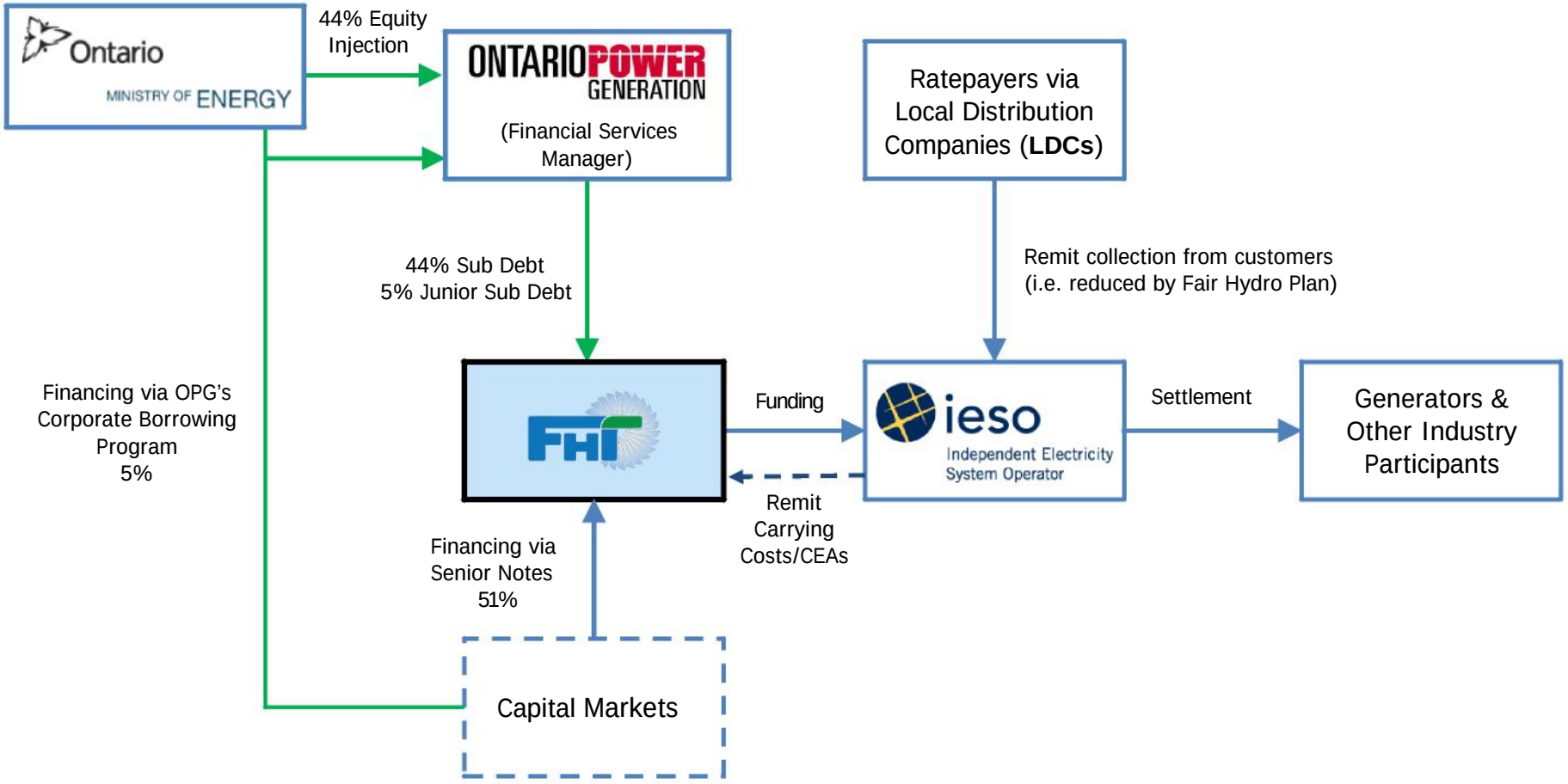
Fair Hydro Trust

- The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") **[Consider other financing entities?]**through the issuance of senior, subordinated and junior subordinated notes.
- Structured to be bankruptcy remote and even though consolidated by OPG on an accounting basis is ring fenced from OPG's other creditors
- The FHT term notes will be repaid through the CEA payments received from Specified Consumers or from the proceeds of one or more refinancings.

1 Primarily Regulated Price Plan-eligible customers.

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt and junior subordinated debt of the Trust in an aggregate amount not to exceed 49% of all outstanding debt



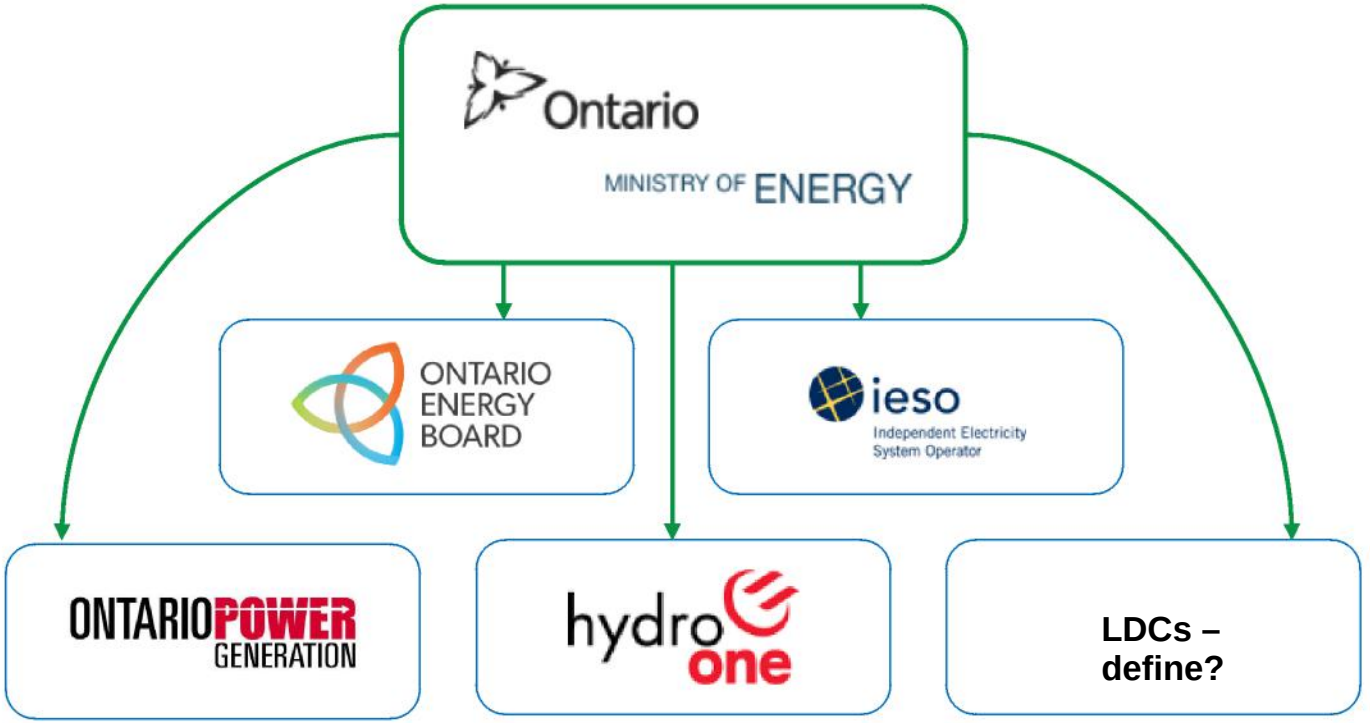
Note: The diagram above is based on subordinated debt of 49% of all outstanding debt; under the Master Trust Indenture, the Trust covenants to maintain the level of subordinated debt plus junior subordinated debt at not less than [35% of all outstanding debt] **[Elaborate]**

Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to exclude the assets and liabilities of OPG, and vice versa. **[Needed?]**

II. Ontario Electricity Market

Overview of Ontario's Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in average annual cash flows[1]
- Transmission rates, distribution rates, and OPG's regulated rates are set by the OEB
- Rates for the majority of the remaining generation supply are set by direct contracts with the IESO (e.g. wind, solar, hydroelectric)



[1] Source: "Ontario Planning Outlook – A technical report on the electricity system prepared by the IESO" dated September 1, 2016. The amount represents the mathematical average of the system costs on page 44 in the appendix to the technical report, entitled "Data Tables for the OPO Technical Report".

Key Industry Participants

Participants	Credit Ratings *(DBRS / S&P / Moody's)*	Description
Ontario Ministry of Energy	**AA (l) / A+ / Aa2** [1]	• The Province of Ontario through the Ministry of Energy sets the policy for the electricity system
Ontario Energy Board	**--**	• Independent public regulatory agency established under the *Ontario Energy Board Act, 1998* and has the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • Sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan (RPP); RPP rates are set twice a year (May and November)
IESO Independent Electricity System Operator	**A(h) / -- / Aa2**	• Not-for-profit corporation established under the *Electricity Act, 1998 (Ontario)* • Manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
Ontario Power Generation	**A(l) / BBB+ / --**	• Corporation formed under the *Business Corporation Act (Ontario)*, whose sole shareholder is the Province of Ontario • Principal business is the generation and sale of electricity in Ontario and is Ontario's largest clean energy electricity generator, providing approximately half of the province's electricity
Hydro One	**A(h) / A / A3**	• Ontario's largest electricity transmission and distribution company, delivering electricity to over 1.3 million customers across the province, and to large industrial customers and municipal utilities **[Relevance? Not named in OM.]**

[1] The credit ratings noted are for the Province of Ontario.

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry under the *Energy Competition Act, 1998*, the municipal electricity utilities became municipally-owned business corporations, including LDCs. The majority of LDCs continue to be municipally-owned, while others have been sold to or acquired by Hydro One or private-sector owners
- An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors

Select Aggregate Market Stats[1]

Number of LDCs in Ontario	65
Residential & Small Commercial[2] Revenue	$18.89 billion
Residential & Small Commercial[2] Metered Usage (kWh)	52.39 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

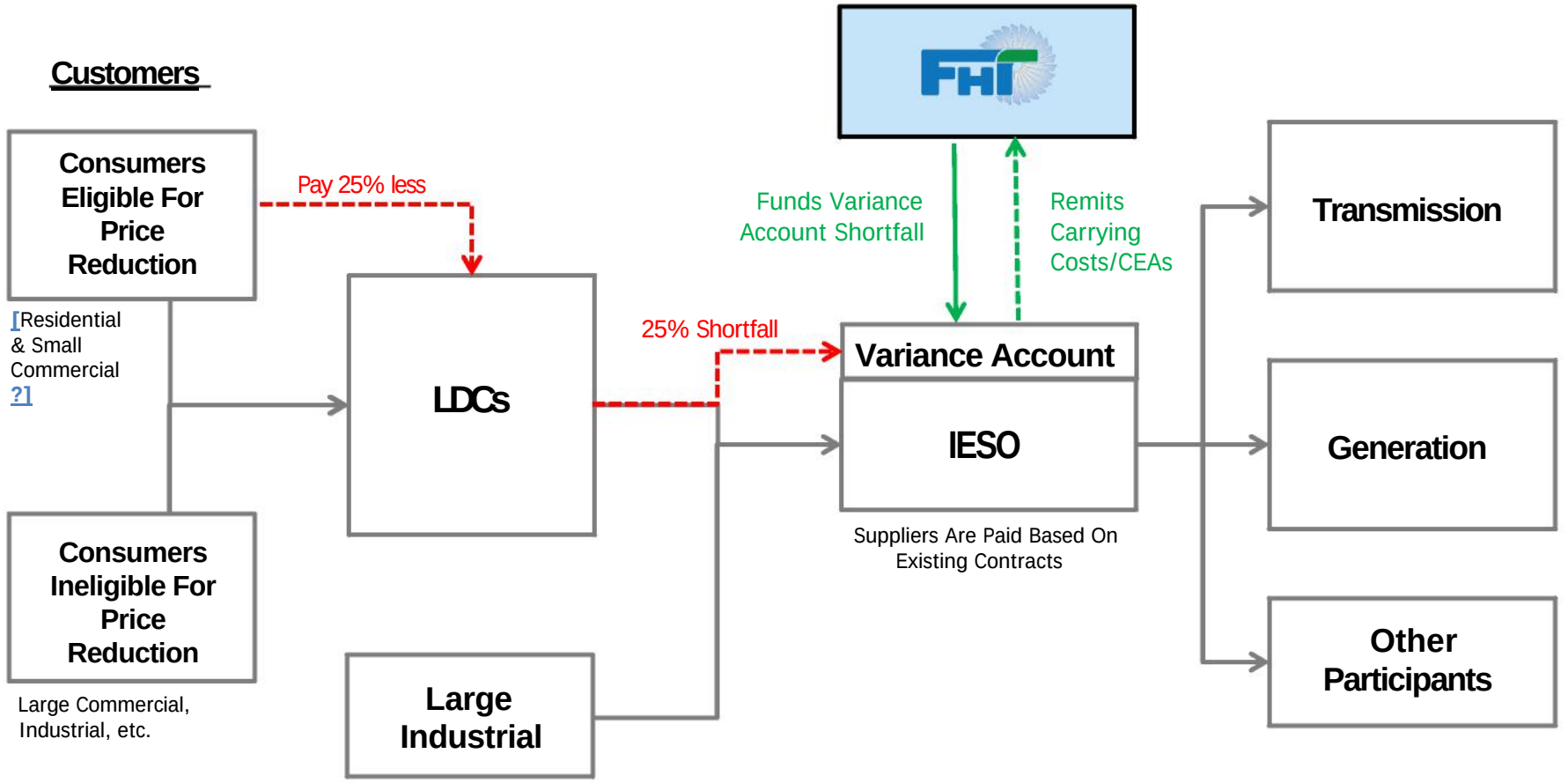
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	Customers[4] *(MM)*	Revenue[4] *(C$MM)*
hydro one	A / A(h) / A3	1.30	$4,533
alectra utilities	A / A / --	0.96	$3,642
TORONTO HYDRO	A / A / --	0.75	$3,886
HydroOttawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	$13,680

1 Source: OEB 2016 Yearbook of Electricity Distributors **[Update?]**
2 Small Commercial includes General Service <50kW Customers
3 Most recent rating reports from S&P, DBRS and Moody's
4 Residential and Small Commercial customers **[Compare to Specified Consumers?]**

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the shortfall that [results from the Fair Adjustment] **[Please consider more precisions. See the statutory definition of "IESO deferral".]** and records this amount, together with financing costs, in a variance account
- FHT will [acquire the Investment Interest to be financed by…] ~~finance the~~ ~~shortfall and is entitled to recover~~ The acquired Investment Interest entitles FHT to be paid an amount determined by reference to its costs and the principal and interest on its debt, through CEAs from Specified Consumers



III. Legislative and Regulatory Framework

Legislation Overview

Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to consumers as a result of Ontario's clean energy initiatives; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• **July 1, 2017** – **April 30, 2018** – Specified Consumers charged an invoice amount that is 25%[1] less than the regulated rate that would otherwise have been determined by the OEB; the 25% reduction includes an 8% rebate equivalent to the provincial portion of the HST previously granted by the Ontario government • **May 1, 2018** – **April 30, 2019** - regulated rate established in the first year of the Rate Reduction Period anticipated to increase by the rate of inflation in Ontario • **May 1, 2019** – **April 30, 2021** - rate reductions [will be established by future regulation] but anticipated to increase by the rate of inflation in Ontario

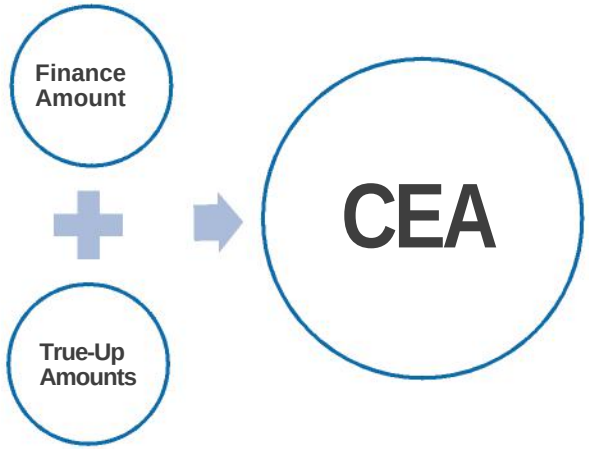
[1] Based on a typical Toronto Hydro customer; the amount of the reduction for any given Specified Consumer may vary from this account.

Legislation Overview, cont'd

Regulatory Asset	• Each month the IESO determines [the shortfall that results from the Fair Adjustment] **[Replace with concept of IESO deferral]** and records this amount, together with the costs of financing the shortfall, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right is the "Regulatory Asset") • The IESO may transfer a specified portion of the Regulatory Asset to **[**the Trust**]** for a cash purchase price equal to the corresponding amount recorded in the variance account
Investment Asset and Investment Interests	• The Trust is not obligated to purchase Regulatory Assets from the IESO • If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right is an **"**Investment Interest**"**) • By acquiring an Investment Interest, **[**the Trust**]** will be entitled to recover all of its associated financing costs and acquires the right to impose, invoice, collect, receive and recover CEAs from Specified Consumers in accordance with the Legislation
Moratorium Period *(July 1, 2017 to April 30, 2021)*	• CEAs are **[**not permitted to be collected from Specified Consumers during this period**]** **[Conform to Legislation]** • The IESO is obligated to pay [the Trust all Carrying Costs**]**, excluding repayment of principal on any debt obligations, during the Moratorium Period and extending to July 31, 2021. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to Regulations • As security for the performance of its obligations, the IESO has granted the Trust a first-priority security interest in all of its accounts receivable owing by Electricity Vendors to the IESO • The IESO has a $2 billion general credit facility from the Ontario Financing Authority (OFA) which can be used to pay the Carrying Costs **[Suggestive that OFA line will necessarily be available to cover varying costs?]**

Clean Energy Adjustments

- Under the FHPA, the CEA is the amount payable by Specified Consumers to cover the [cost of financing the shortfall from the Fair Adjustment] **[consider precision/alignment with Legislation]** and the associated costs of the financing, including payment of principal, operating costs of the Trust and funding of reserve accounts
- CEAs shown on an invoice issued to Specified Consumers represents the amount of the consumers' indebtedness and may not be set off or bypassed

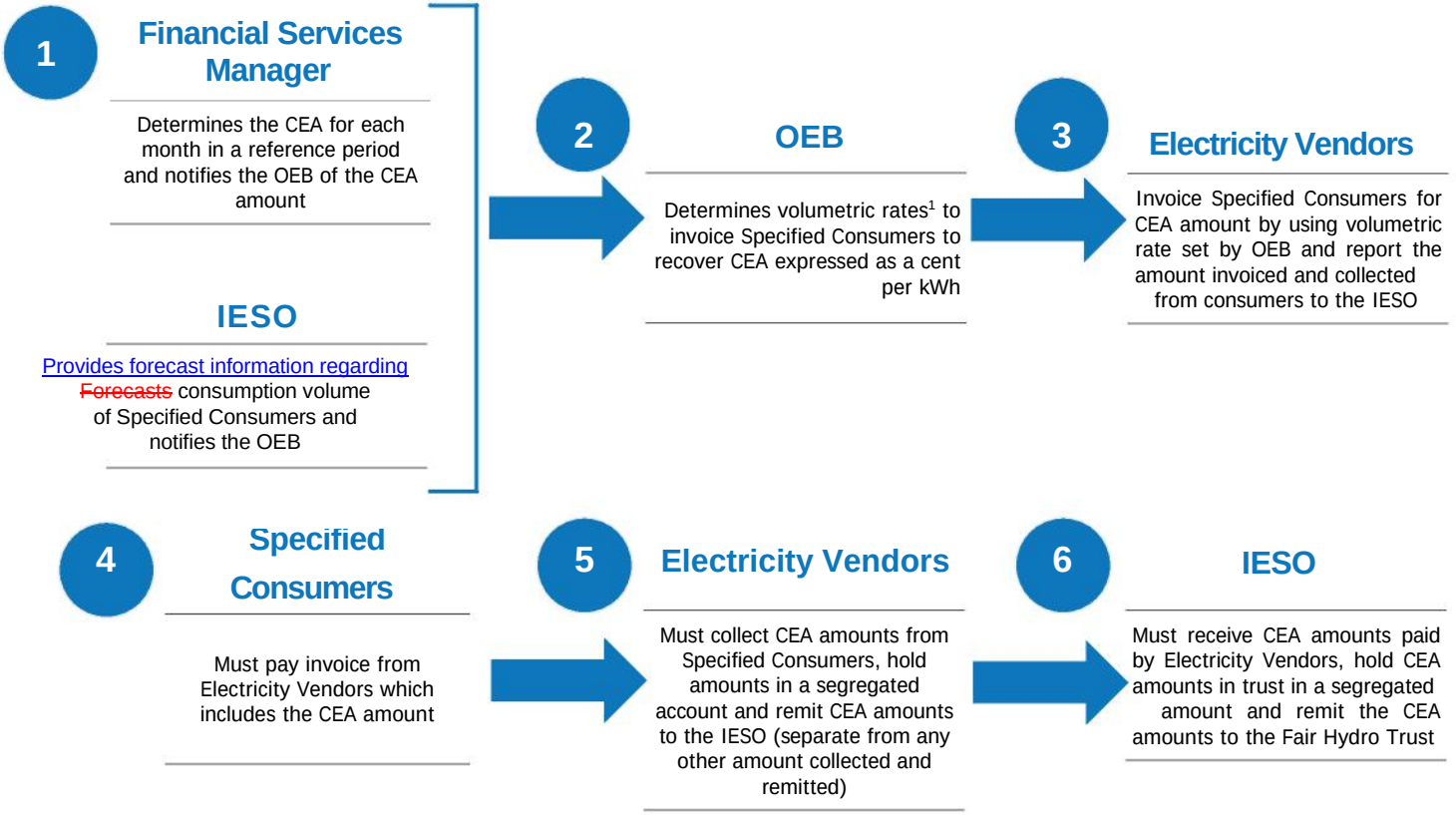


Finance amount = estimate of the amount payable by the Trust mainly in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments

True-up amounts capture the difference between the finance amounts incurred by the Trust and the CEAs collected from Specified Consumers and also include other anticipated shortfalls and differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)

Billing and Collection of CEAs

- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are mitigated through statutory rights in the FHPA, the collection obligations of the IESO under the Master Transfer & Servicing Agreement (MTSA), and the ability to include amounts into the true up mechanism
- IESO is allowed to commingle the CEAs during a monthly period before remitting to FHT. If the IESO's rating is downgraded below investment grade, it will not be allowed to commingle CEAs and will remit within two business days of receipt



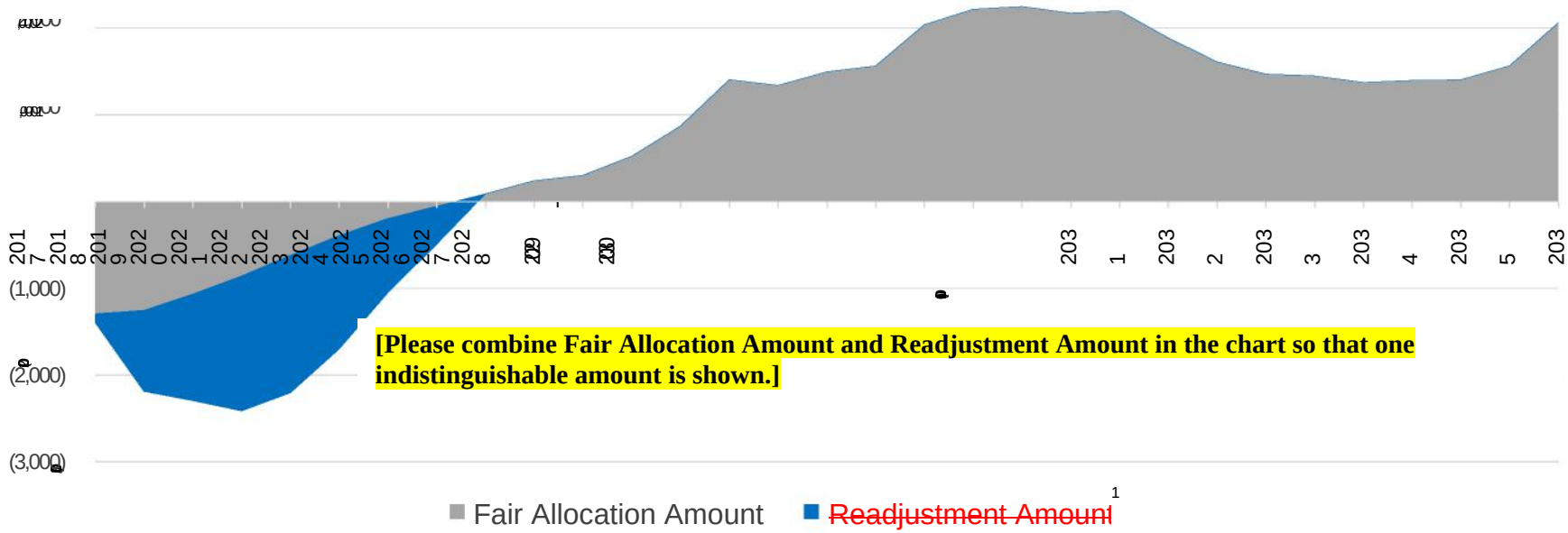
[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers.

[Please note that the graph on this slide was distorted in converting the pdf to Word to insert comments.]

[Please delete the text on this slide. Fair allocation amount is a calculation amount. It is not based on an expectation – it is an absolute value at a point in time.]

[Please revise the chart to aggregate the Fair Allocation Amount and Readjustment Amount such that only one indistinguishable amount is shown.]

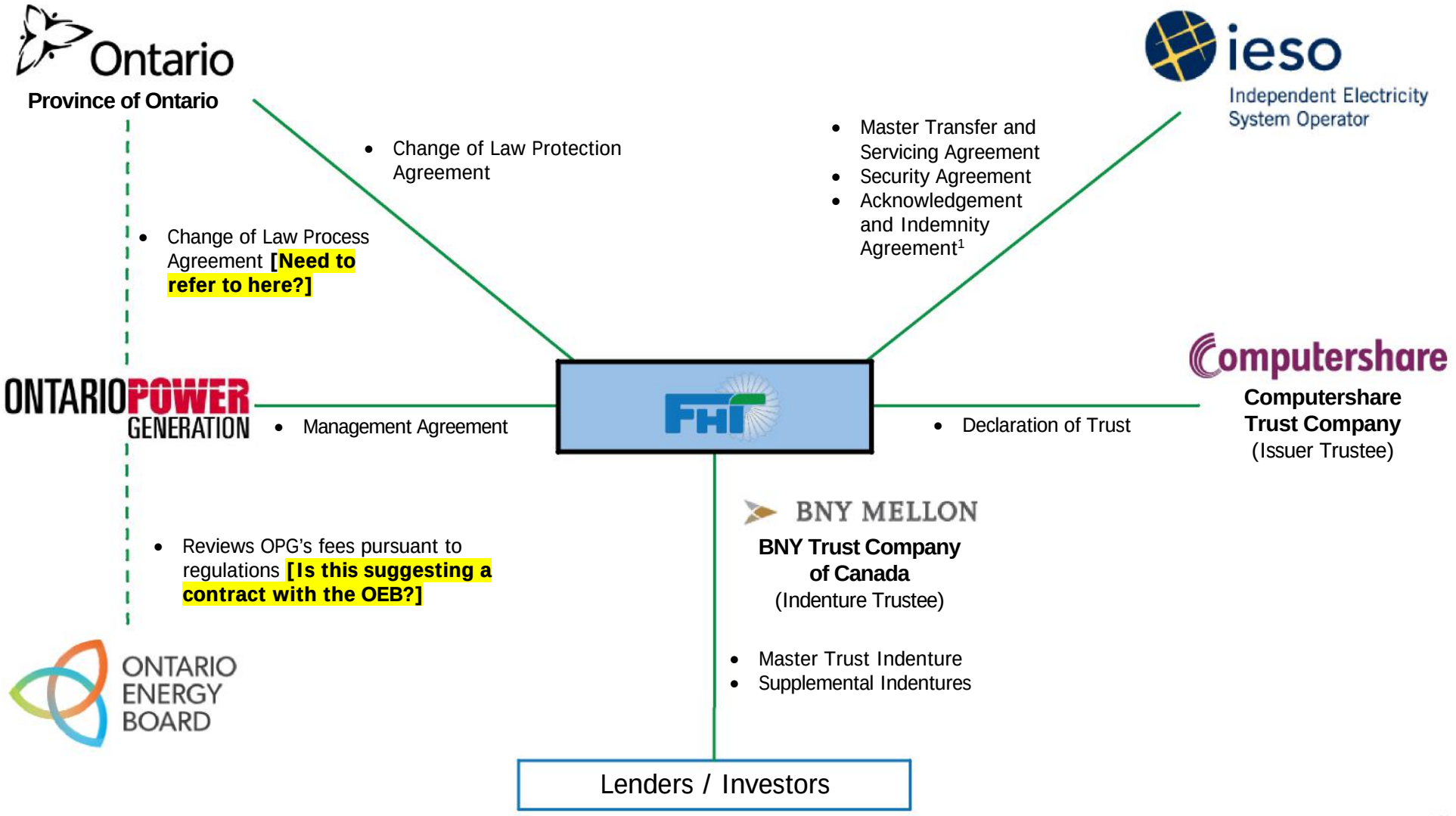
- ~~The Fair Allocation Amount (FAA) is the estimated clean energy costs without the FHP compared to these same costs reallocated on the basis of estimated clean energy benefits to Specified Consumers in respect of each reference period and includes operating and financing costs of the FHT~~
- ~~If the FAA is negative, this means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of clean energy costs (with the consequent rate reduction for current Specified Consumers); the FAA is expected to be negative until at least May 2024~~
- ~~The Ministry of Energy may provide updated FAAs to OPG from time-to-time~~



[Please combine Fair Allocation Amount and Readjustment Amount in the chart so that one indistinguishable amount is shown.]

IV. Contractual Framework

Simplified Contractual Structure



[1] Agreement between IESO and Indenture Trustee.

Key Agreements

Change of Law Protection Agreement

Parties	• (1) Province of Ontario and (2) Indenture Trustee, ~~as Trustee of the Issuer, on behalf of Specified Creditors~~[1] as trustee for Specified Creditors1, and (3) OPG as Financial Services Manager (FSM) and as Manager
Purpose	• Provides assurance to Specified Creditors that upon the occurrence of a Protection Event referred to below, the Province of Ontario will pay all Approved Obligations on behalf of the Trust, with limited rights of acceleration
Key Terms	• **Term**: Continues for as long as any protected obligations of the Trust that are secured under the Master Trust Indenture (MTI) remain outstanding **[Conform to agreement]** • **Limited Guarantee** ~~**Mandatory Payment**~~: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all Approved Obligations when due and payable (subject to limits on payment obligations following an acceleration) • **Priority of Payments**: The priority application of guarantee payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: For the Limited Guarantee to apply to an obligation of the Trust, OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the incurrence of such obligation (such obligation called an ~~issuance of debt which is to benefit from the Change of Law Protection Agreement from the Province (such debt~~ "Approved Obligation~~s~~") • **Suspension Notice**: The Province may deliver a suspension notice upon the occurrence of the acceleration of any indebtedness of the Trust or other [Program Breach] or a default in performance or misrepresentation by OPG as FSM pursuant to certain internal reporting and other requirements contained in a change of law process agreement between OPG and the Province. Any ~~, and any~~ new funding obligations that are incurred during a suspension period will not have the benefit of the Limited Guarantee ~~Change of Law Protection Agreement,~~ except that the Change of Law Protection Agreement applies to Post-Suspension Refinancing of previously issued Pre-Approved Refinancing

[1] **Specified Creditors** are any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Key Agreements

Change of Law Protection Agreement (cont'd)

Protection Events

The occurrence of any of the following events:

(1)

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

in each case that adversely affects the ability of the Trust to pay its obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount

(2)

- A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is *ultra vires* or invalid in a way that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable

Key Agreements (cont'd)

Master Transfer and Servicing Agreement

Parties	• (1) IESO, as transferor and servicer; (2) Trust
Purpose	• Provides for the transfer, by the IESO to [the Trust] of the Regulatory Asset, and upon such transfer the Trust acquires an Investment Interest and describes the servicing obligations of IESO
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer the specified portions of the Regulatory Asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer. • **Servicing Duties:** The IESO will be responsible for servicing the Investment Interest under the regulations **[Consider distinguishing MTSA and regulations]**, including collecting CEA amounts from Electricity Vendors and remitting the same to the [Trust], including: – Establishing a segregated account for collecting CEAs and use reasonable efforts to cause Electricity Vendors to do the same; – Collect CEAs from Electricity Vendors; – Remit CEAs monthly to [the Trust] (unless downgraded below investment grade in which case it will remit daily); – Prepare monthly servicer reports; and – Forecast electricity consumption of Specified Consumers • **Moratorium Period:** During the Moratorium Period (until April 30, 2021) and extending to July 31, 2021, the IESO is required by regulation to fund all Carrying Costs of the Trust. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to regulation. • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, as security for the commingling risk of CEAs collected by non-rated or non-investment grade rated Electricity Vendors and not yet remitted to the IESO

Key Agreements (cont'd)

Management Agreement

Parties	• (1) Issuer Trustee, on behalf of the Trust, and (2) OPG, as Manager and acknowledged and accepted by the Indenture Trustee, as trustee for ~~on behalf of~~ Specified Creditors
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust
Key Terms	• **Duties Include**: – Negotiating and executing program agreements; – Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations; – Review or cause to be reviewed, records of electricity vendors on an annual basis with respect to CEAs (or less frequently in certain circumstances); – Preparing monthly portfolio reports; – Preparing financial statements; and – [Paying taxes on behalf of the Trust]**[Confirm OPG's obligation re tax]** • **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire Investment Interests **[Or is this the FSM?]** • **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements • **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding • **Management Fees:** OPG is entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer

Key Agreements (cont'd)

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulations to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in all of its accounts receivable owing by Electricity Vendors
Acknowledgement and Indemnity Agreement (IESO)	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee, including the right to enforce the indemnities provided to the issuer with respect to IESO's duties and obligations under the MTSA
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Limited Guarantee under the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as updated from time to time in the Financing Plan) to be exceeded
Declaration of Trust	• Establishes FHT to carry out activities for the exclusive benefit of its unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare) • The Issuer Trustee has delegated substantially all of **[**the powers and**]** **[Confirm]** duties of managing the Trust to OPG under the Management Agreement

Allocation of Servicing Role and Responsibilities

- The shared responsibilities of servicing and management roles are summarized below

	OPG	IESO	LDC
Review Records of LDCs with Respect to CEAs (annually or less frequently in certain circumstances)	✓		
Determination of CEA for a Reference Period, including the True-Up Amount	✓		
Ongoing Reporting for Trust and Reporting to the Rating Agencies	✓		
Management of Ongoing Debt Issuances	✓		
Cash Management	✓	✓	
Preparation of Monthly Servicer Reports		✓	
Remittance of CEA to IESO and to the Trust		✓	✓
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		✓	✓
Customer Billing			✓
Customer Collections			✓
Customer Meter Reading			✓

V. Financing Program

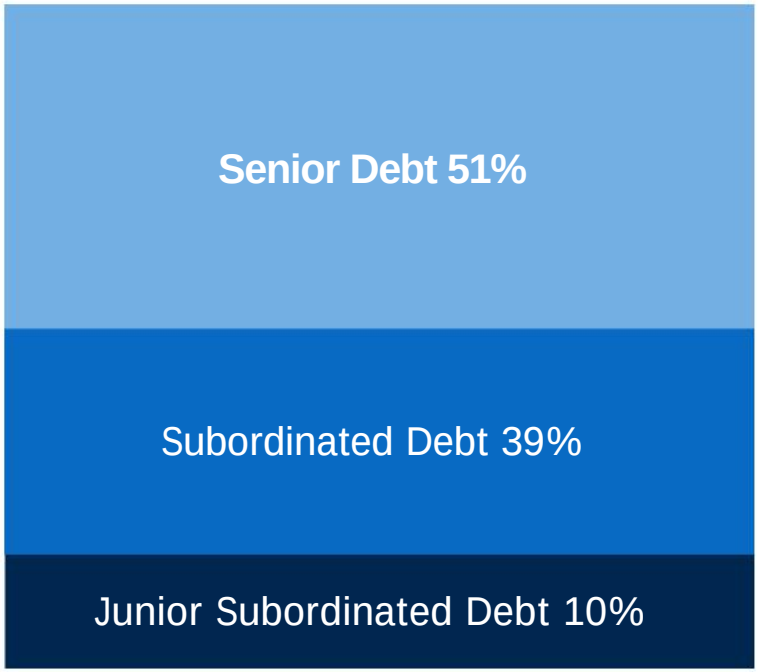
Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program, as the initial FSM appointed under the Act
- Given the size (~[$20][Confirm] billion) and longevity (~[10][Confirm] years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Initial Warehouse financing (ABCP conduit and bank funded senior debt) and subordinated warehouse debt and junior subordinated warehouse debt funded by OPG will be used to fund monthly [Regulatory Asset purchases] from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- For example, term debt can take the form of bullet bonds or could be issued as amortizing bonds

Initial Warehouse	• ABCP conduit and bank funded senior debt and subordinated debt funded by OPG will be used by the Trust to fund monthly Regulatory Asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance warehouse financing and the subordinated debt and junior subordinated debt funded by OPG • Both Canadian term debt [and U.S. term debt market will be considered] **[Confirm]** • Maturity profiles will be structured to ensure reasonable alignment with the FAA (bullet bonds with sinking funds or amortizing bonds) **[Describe possible refinancings of shorter maturing debt?]**
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall **[Principal only?]**)

Financing Structure

- The Trust will fund Regulatory Asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51%) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required) will be **[Incurrence or maintenance requirement?]** purchased by OPG, primarily funded by equity injections from the Province (44% of the 49%) and the remaining portion from OPG (5% of 49%)



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

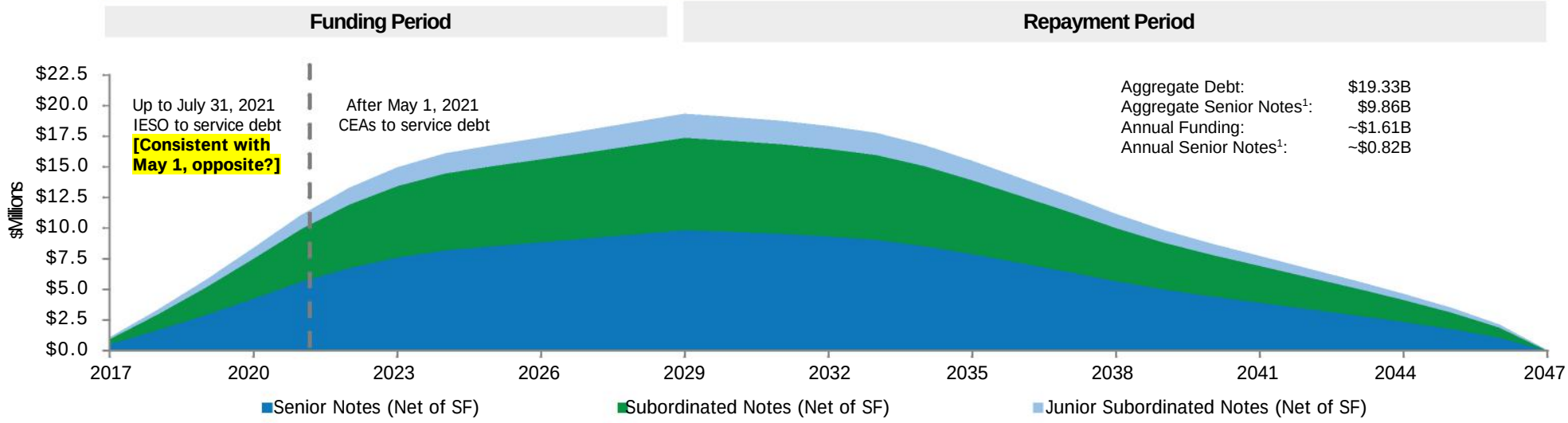
Note: Assumes 49% Subordinated Debt.

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount **[repayments, but not incurrences]** and the Province's electricity bill reduction targets the following debt profile for the program is expected, peaking at just under $20 billion by 2029 **[Confirm]**
- Various tranches of debts will be issued periodically during the period of 2017 - 2028, which are expected to mature over a period after 2029 **[Confirm. Consider refinancings or shorter maturities?]**

Illustrative Aggregate Funding and Repayment Profile (Annual; Net of Sinking Fund ("SF") Payments)

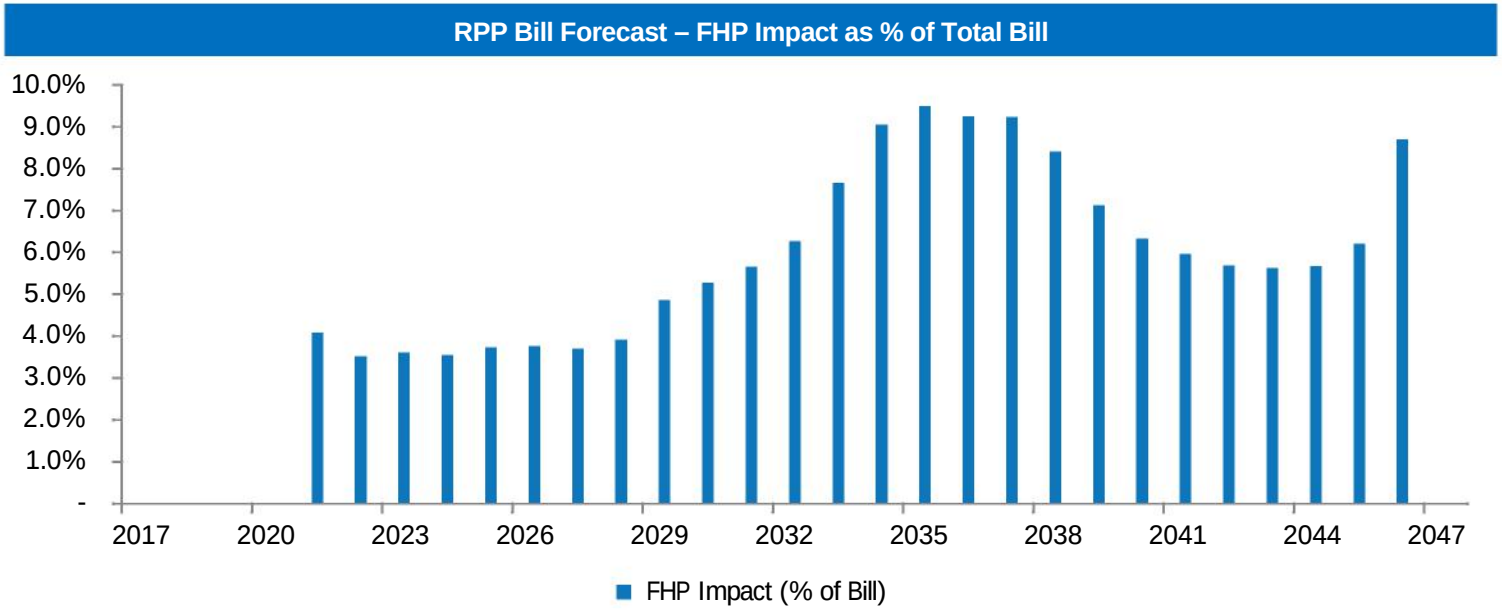


[1] Assumes 51% Senior Notes

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro Program, the CEA for the average residential customer is anticipated to remain below 10% of the total electricity bill
- Max CEA as a percent of the total bill is forecast to be 10.1%
- Average CEA as a percent of the total bill is forecast to be 6.9%



Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• Governs the terms of the debt issued by FHT and cash flow waterfall and collateral structure for all Trust obligations to all Specified Creditors

Key Terms

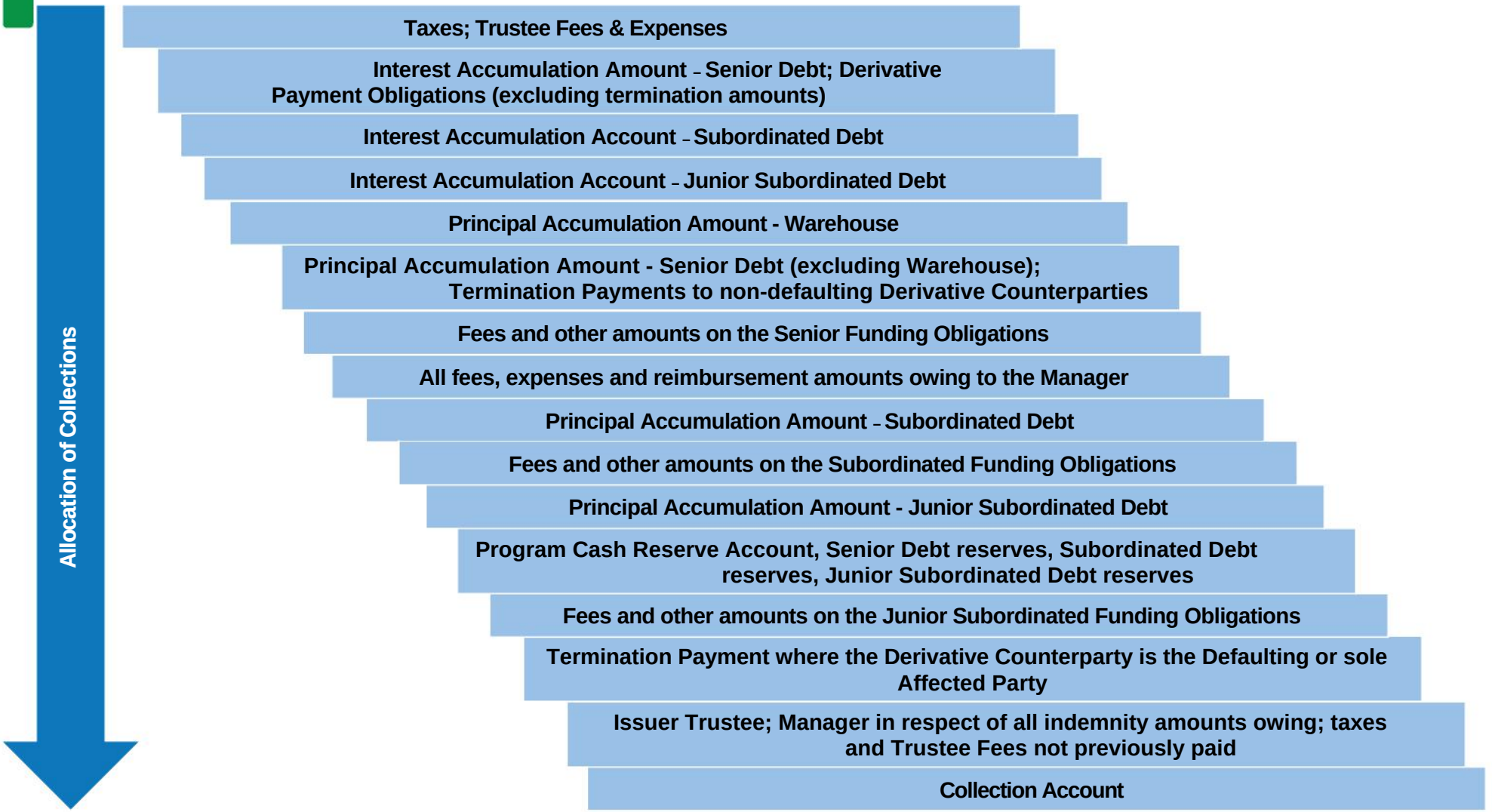
Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments, including: – Note issuances under supplemental indentures – Borrowings under future credit agreements – Sales of notes under note purchase agreements – Letters of Credit/Guarantees under credit enhancement agreements – Liquidity loans under liquidity agreements backing short term notes
Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that: – the incurrence of such additional obligations will not cause an adverse effect – the incurrence of such additional obligations is materially consistent with the Financing Plan • It will also be a condition precedent that (i) each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations and (ii) the Indenture Trustee has received certain assurances as to the applicability of the Change of Law Protection Agreement to such funding obligations

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts
Subordination	• Provides for three different classes of funding obligations – (i) senior – (ii) subordinated – (iii) junior subordinated
Events of Default	• Include payment defaults, representation and covenant breaches, insolvency and Change of Law Protection Agreement ceasing to be in full force and effect against the Province
Acceleration	• Upon an acceleration, CEAs may be insufficient to repay all amounts becoming due in a period. CEAs for a period will be capped ~~CEAs cannot be increased to the level required to immediately repay all outstanding principal following acceleration. The increase in CEAs is limited~~ under the Regulation at the otherwise scheduled amounts, plus an additional amount if the aggregate of those otherwise scheduled amounts would be less than ~~to the amount available per~~ the FAA for the period • However, the amounts received from CEAs after an acceleration will be allocated to pay senior indebtedness before principal amounts owing on subordinated and junior subordinated indebtedness ~~CEAs are allocated to paying the senior indebtedness first~~. Accordingly, the subordination of debt across all series of debt should ~~would~~ advance the repayment of the principal amount for senior funding obligations • After an acceleration, all **[Confirm. Can a series elect to defer payment on acceleration?]** Senior Term Notes will be paid pa~~r~~ri passu

Waterfall



Note: This waterfall indicates the priority of payment prior to an Event of Default and acceleration; additional information on the priority of payments after an Event of Default and acceleration can be found in the Offering Memorandum.

Note: After paying interest on the senior debt, no interest payments will be made on the subordinated debt unless there will be sufficient amounts remaining in the Interest Accumulation Account for what should be accumulated for the Senior Notes after making such payments.

VI. Summary of Offering

Summary of Indicative Terms

Initial Fair Hydro Term Issuance	**Class**	**Size**	**% of Trust**	**Expected Maturity**	**Principal Payment Default Date**	**Rating (DBRS / Moody's)**
	Senior Term Notes	$[ ] mm	[ ]%	[ ]	[ ]	AAA (sf) / Aa2 (sf)
	Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
	Jr. Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
ssuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager					
Financial Services Manager	Ontario Power Generation, Inc.					
Servicer	Independent Electricity System Operator					
Source of Repayment	• Moratorium Period: Statutorily mandated remittances (not including principal) from IESO (Up to July 31, 2021) • Post Moratorium Period: Non-bypassable charge from certain residential and commercial customers in Ontario, related collections and reserve accounts (After May 1, 2021)					
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	Principal Accumulation Date ● , 20●			Principal Accumulation Amount $●		
Payment Frequency	Semi-annual					
Interest	Fixed rate					
Senior Note Credit Enhancements	• Semi-annual (or more frequent) True-up • Reserve Account • Subordination					
Program Cash Reserve Account	After Moratorium period, an amount equal to 0.50% of the aggregate amount of all outstanding Senior, Subordinated and Junior Subordinated funding obligations					
True-up	Calculated on at least a semi-annual basis post-moratorium period					
Subordination	Subordinated and Junior Subordinated Notes will be retained by OPG					
Additional Issuance	Master Trust Indenture allows for the issuance of additional notes subject to satisfaction of Rating Agency Condition					

VII. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• Future legislative action to change or challenge/invalidate the Act or the Change of Law Protection Agreement might materially adversely affect a holder's investment in the Notes	• Limited Guarantee provided by the Province of Ontario via the Change of Law Protection Agreement in favour of the Indenture Trustee for lenders/investors in these circumstances
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• True up mechanism may result in a delay, but will be corrected in next True up **[Frequency?]** • Cash reserve and 35%-49% subordination which would first absorb any shortfalls **[Maintenance vs Incurrence?]** • 6-month reference period • Any shortfall in collections are recoverable from all Specified Consumers
Reliance on IESO and LDCs	• During the Moratorium Period, the Trust is dependent on the IESO to pay for all Carrying Costs **[Suggests that IESO will pay; not provide cash for Trust to pay]** • Receipt of CEAs dependent on the performance of LDCs and IESO • Limited ability to enforce against or replace an ~~on~~ LDC	• Highly regulated industry and LDC and IESO are required under law and regulation to perform duties under FHP • IESO has a very strong credit profile and [very low losses] **[Any? Socialized?]** and grants security over all of its accounts receivables as security during the Moratorium Period • IESO will provide a letter of credit/other security to mitigate commingling risks for CEAs held ~~for the commingling of CEAs~~ by non-rated or below investment grade rated LDCs until they are remitted to IESO • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment **[Sensitive?]** • $2 billion general credit facility from the OFA which can be used to pay the Carrying Costs
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	• 20-year repayment period allows for gradual rate increases • Max CEAs as a percent of the total bill is forecast to be ~10%

VIII. Investment Highlights

Investment Highlights

- Protection against political risk through the Change of Law Protection Agreement
- Irrevocable & non-bypassable rate payer charge, recoverable from Specified Consumers across the Province of Ontario
- Repayment risk spread across all Specified Consumers. Full cross-collateralization; collection shortfalls allocated among all Specified Consumers (Joint and Several Liability)
- Robust ~~Enhanced~~ true-up mechanism **[If this is comparing to a precedent deal, should indicate the comparison]**
- Credit enhancement for senior debt provided via subordinated debt
- Highly regulated market with experienced operating agents (OPG, IESO, and LDCs)
- Strong service territory **[Meaning?]**
- No large user industrial risk exposure **[Meaning?]**

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement January ■, 2018

FAIR HYDRO TRUST
Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust ~~established under~~governed by the laws of the Province of Ontario, established by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (the "**FHPA**"), legislation [that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms).][1] Under the FHPA, ~~Ontario Power Generation Inc. ("**OPG**")~~OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA.[2] The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or ~~general~~ obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be ~~nonrecourse~~limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

[1] **Note:** This narrative should be removed or, if necessary, it should track the purposes of the FHPA set out in Section 3 of the Act.
[2] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended or supplemented by supplemental indentures thereto.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with

liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount & Financing Plan"*, *"Subordinated Debt"*, *"■"*[3] and *"Risk Factors"* of this confidential shelf offering memorandum and *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"*, *"■"*[4] and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be ~~significantly~~ impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval by resolution of the holders of all Series of Senior Notes.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

[3] **Note:** Please complete.
[4] **Note:** Please complete.

- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Power outages could impair payment of the Senior Notes.[5]
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

[5] Is this relevant? Is the concern that the CEA would be spread across a relatively smaller base due to lower usage in a period?

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

PRIOR TO RECEIVING THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER MUST HAVE ENTERED INTO A CONFIDENTIALITY UNDERTAKING WITH THE ISSUER (IN A FORM ACCEPTABLE TO THE ISSUER) WHICH PROVIDES THAT BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER. ***[NTD: Logistics to be discussed between Dealers and OPG.]***

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete

certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at https://www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust ~~established under~~governed by the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See "— *Change of Law Protection Agreement*".
Ontario~~'s~~ Fair Hydro Plan Act:	~~On March 2, 2017, the Province of Ontario announced its Fair Hydro Plan, proposing to lower the average electricity bill for certain eligible customers.~~ On June 1, 2017, the Ontario ~~government~~Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "**FHPA**"), ~~legislation that reallocates certain electricity costs over time and provides immediate rate relief to~~. The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms)~~. From~~; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[~~1~~6] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[7] for that period. Under the FHPA, OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding**

[~~1~~6] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[7] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

	Obligations") for the purposes of the FHPA and the Regulations.[8] The Issuer is a Financing Entity[9] under the FHPA and the Regulations and the Notes are Funding Obligations being offered for the purposes of the FHPA and the Regulations. See *"Ontario's Fair Hydro Plan — Background"*.
Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of series (each a "**Series**"), in one or several offerings (each, an "**Offering**"). A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the master trust indenture dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Trust Indenture**") between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**"), as supplemented by a supplemental indenture dated the date of the issuance of such Series between the Issuer and the Indenture Trustee (a "**Supplemental Indenture**" and collectively with the Master Trust Indenture, the "**Indenture**") authorizing that Series.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a not-for-profit corporation established under the *Electricity Act, 1998* (Ontario). The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market.[10] Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). However, the FHPA provides that the IESO is not permitted to exercise such right before May 1, 2021 is limited under the FHPA. The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may, on a monthly basis, offer to transfer a specified portion of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"Transferor and Servicer"*.
Investment Interest:	Upon acceptance of the transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the ~~right~~rights specified in the FHPA, including the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the

[8] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

[9] **Note**: Elsewhere, the disclosure refers only to the Issuer without adverting to the possibility of other future Financing Entities. To the extent that this simplification suggests in a particular context that other future Financing Entities would not be permitted or similarly treated, references to the Trust should be broadened to encompass the possibility of future Financing Entities.

[10] **Note:** Consider also referring to IESO's planning and procurement functions. They may be meaningful here to the extent they impact IESO objectives and governance generally.

FHPA and the Regulations. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.

Clean Energy Adjustment:

The FHPA and the Regulations impose an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager ~~and will be converted by the OEB into a $/kWh rate and added to the electricity invoices sent to~~based on the calculations and parameters set out in the FHPA. The OEB is required to determine the rates at which Specified Consumers are to be invoiced in order to recover the Clean Energy Adjustment in respected of a specified Reference Period (which is generally a six month period, or a shorter period in certain circumstances). The rates are to be determined by reference to forecasted electricity consumption of Specified Consumers for a period and are expressed as a cent per KWh rate. See *"— Statutory Duties of the OEB"* below.

The required Clean Energy Adjustment ~~is an amount~~will be determined by the Financial Services Manager for each month in a Reference Period ~~(which is generally a six month period, subject to more frequent determinations in certain circumstances)~~ and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which ~~includes all financing and other expenses of the Issuer for~~will include an estimate of all repayments, redemptions, funding costs, derivative payments, required deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is ~~comprised of~~required to be calculated by the Financial Services manager in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustment is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment during preceding Reference Periods ~~plus other anticipated shortfalls.~~ .

The True-up Amount ~~accounts for~~may also reflect historical and reasonably foreseeable differences between the ~~required Clean Energy Adjustment~~estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs~~,~~; and variations in billings due to variations in electricity consumption ~~and~~. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not ~~be~~been paid in full. The

Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for ~~such~~a Reference Period.

[Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other ~~carrying costs~~Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.][11]

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs during the Moratorium Period:

During the Moratorium Period and extending to July 31, ~~2021,~~2021,[12] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of its ~~carrying costs~~Carrying Costs. Under the Regulations, ~~"carrying costs"~~Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).[13]

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of ~~carrying costs~~Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement,[14] the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■,

[11] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) *[limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*]. In particular, the suggestion that CEAs cannot be collected in any circumstance during the Moratorium Period goes beyond 21(4) and presumes that there will be no Readjustment.

[12] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending on July 31, 2021.

[13] **Note:** Consider revising to conform with Section 9.3(3) of the General Regulation. This Section provides that "carrying costs" also include derivative payments, etc.

[14] **Note:** Not sure how this lines up with fee recovery.

which ~~can~~is permitted to be used to pay the Issuer's ~~carrying costs~~Carrying Costs. The amounts paid by the IESO to fund these ~~carrying costs~~Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for the performance of its obligation under the Regulations to pay the Issuer's ~~carrying costs~~Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment ~~after such time shall~~for a period will be determined without regard to the fact that such amount has become ~~immediately~~ due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount and Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.[15]

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g. OEB licensees) in Ontario's [electricity market][16], including the activities of transmitters and distributors as well as the IESO (all Electricity Vendors for the purposes of the FHPA).

[15] **Note:** Add detailed descriptions to correspond to the limitation on cashflows during acceleration in the applicable detailed portions of the OM and specifically address in Risk Factors.

[16] **Note:** Technically, the IESO administers (supervises) the IESO-administered markets. There is no definition for "electricity market".

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed ~~in $/~~as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment ~~in respect of the relevant period of time~~ as determined by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast ~~provided by the IESO~~ of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided to the OEB by the IESO. See *"— Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA and the Regulations require Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment ~~commencing May 1, 2021,~~ as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of [the Issuer][17], amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of [the Issuer][18] until ~~deposited with the IESO and remit such amounts~~remitted to the IESO for the benefit of [the owners of Investment Interests (initially, only the Issuer)].[19] If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate ~~the~~any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[20] It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.[21]

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required from the IESO is based on a formula as set out in the Master Transfer and Servicing Agreement and will equal: (i) 50% of forecasted Clean Energy Adjustment amounts that are to be collected by such non-investment grade rated Electricity Vendors and held for 45 days

[17] **Note:** This and similar references to the Issuer should instead refer to Financing Entities (Investment Interest owners), of which the Trust is the first, and then cross-refer to the concept of co-ownership in order to facilitate additional financings in the future.
[18] **Note:** Please see note 17.
[19] **Note:** Please see note 17.
[20] **Note:** Please consider revising this to conform more closely to Section 17(4) of the FHPA.
[21] **Note:** Please confirm.

prior to the funds being remitted to the Issuer; or (ii) such other amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

OPG has entered into a management agreement (the "**Management Agreement**") with the Issuer pursuant to which the Issuer has delegated to OPG, as manager (the "**Manager**"), all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer. See *"The Manager"*.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA and the Regulations, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. See *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of [the Issuer][22], to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of [the Issuer] and remit such amounts to [the Issuer] [on a monthly basis, subject to daily remittance being required in certain limited circumstances.][23] In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including ~~forecasting~~providing forecast information regarding electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts to [the Issuer] and fulfilling certain additional

[22] **Note:** Please see note 17 regarding bracketed references to the "Issuer" in this paragraph..

[23] **Note:** Please consider disclosing which IESO duties are statutory and which arise under the MTSA. For instance, in this sentence, these time requirements arise from the MTSA. Section 9(2) of the General Regulation requires that the IESO remit within a reasonable period of time.

reporting requirements. [Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.][24] However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement in favour of the ~~Issuer and the~~ Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" ~~under~~when due and payable into the ~~Change of Law~~ Protection ~~Agreement and which~~Account (which, provided that the Notes are Approved Obligations, includes payments of amounts that are due and payable in respect of ~~the~~ Notes), although the amount of Province of Ontario's payment obligations in a particular period will differ depending on whether an Acceleration has occurred. See "*Change of Law Protection Agreement*". The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation.

Generally, an "Approved Obligation" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years ~~and which~~that are not terminable by the Issuer on less than three years' notice ~~and on payment~~under which the Manager, acting reasonably, expects aggregate payments by the Issuer ~~of~~during the term of the contract in an amount ~~equal to or less than~~in excess of $5,000,000.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA~~, in whole~~ or ~~in part~~any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not

[24] **Note:** Please confirm.

replace on an equivalent basis, the regulations made under ~~or in connection with,~~ the FHPA~~, in whole~~ or ~~in part~~any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the ~~Province of Ontario~~Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) ~~there is~~the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or ~~any~~an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and subsequent delivery of a written payment demand by the Indenture

Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts ~~in respect of Approved Obligations, including the Senior Notes, the~~when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. The Province of Ontario will have ~~a right of subrogation that includes the entitlement to all rights and interests under and in respect of such Approved Obligations, including the security interest in each related Investment Interest and any related property of the Issuer.~~the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations, such amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee ~~prior to~~on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master

Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect ~~for as long as any Senior Notes remain outstanding~~until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant ~~or representation of OPG~~, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions ~~having~~have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall ~~cease to~~not apply ~~only~~ in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer~~, in each case following delivery of a Suspension Notice~~.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension ~~if~~that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA and the Regulations by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of certain costs allocated to Specified Consumers in respect of the Ontario government's clean energy initiatives ("**Clean Energy Costs**")[25] in proportion to the relative attribution of the value of benefits determined to be derived by or accruing to Specified Consumers as a result of such clean energy initiatives ("**Clean Energy Benefits**") among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.[26]

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations should be incurred by the Issuer or other Financing Entities ~~and having~~for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred ~~so that~~such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA~~, namely, to ensure that present and future Specified Consumers are bearing their share of the costs of providing Clean Energy Benefits~~.[27] Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

~~Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024. Accordingly, the~~[28] The Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May

[25] **Note:** Consider that "Clean Energy Costs" is more thoroughly defined in the Glossary. Through the OM, reconsider instances where there are two different definitions.
[26] **Note:** The description of the fair allocation amount should more closely align to Section 20(1) of the FHPA.
[27] **Note:** We have omitted narrative regarding the purposes of the legislation that is not a strict recital of section 3 of the FHPA. The deleted language is not precise and draws a connection to clean energy benefits that is not in the FHPA nor entirely accurate.
[28] **Note:** Fair allocation amount is a calculation amount. It is not based on an expectation – it is an absolute value at a point in time. We recommend deleting this language as it is inappropriate.

	2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the [ability to accelerate][29] their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount on subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes. The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.
Subordinated Debt:	Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes. Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.
Use of Proceeds:	The proceeds from each Offering may be used to (i) acquire an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement, (ii) refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) pay Offering and related costs of the Issuer and (iv) fund specific reserve accounts as required. The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.

[29] **Note:** CEAs will automatically step up at the original maturity date without the need to accelerate assuming a refinancing cannot be completed.

Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of ~~carrying costs~~Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay ~~carrying costs~~Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount. In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering. See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for senior obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for subordinated obligations;
- payments of or accumulations in respect of interest for junior subordinated obligations;
- payment of or accumulations in respect of principal for warehouse obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for senior obligations (other than warehouse obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on senior obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for subordinated obligations;
- fees and other amounts (other than principal and interest) on subordinated obligations;
- payment of or accumulations in respect of principal for junior subordinated obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for subordinated obligations or junior subordinated obligations);
- replenishment of Series Accounts established for subordinated obligations;
- fees and other amounts (other than principal and interest) on junior subordinated obligations;
- replenishment of Series Accounts established for junior subordinated obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on senior obligations and payments under derivative agreements (other than termination payments), *pari passu*, then

subordinated obligations (other than principal) and then junior subordinated obligations (other than principal);
- principal for warehouse obligations;
- *pari passu*, principal on senior obligations (other than warehouse obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for subordinated obligations and then junior subordinated obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103).

By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.

Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydropower, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from generating facilities to local areas; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses using lower voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of small scale solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy from a few flexible loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Virtually all generators in Ontario also have bilateral contracts with the IESO or receive regulated prices, or payment amounts, that provide for payments in addition to the market price of electricity that is paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario), whose sole shareholder is the Province of Ontario. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold all of the generation assets. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power turbine. OPG's mission is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit

of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for almost half of the total energy generated and injected into Ontario's electricity transmission system, as reported by the IESO. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for operating the real-time electricity markets in Ontario, as well as administering the market rules. The OPA was the counterparty that entered into bilateral power or capacity purchase contracts with generators. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners, but it is governed by an independent Board of Directors whose chair and directors are appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors which are also Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

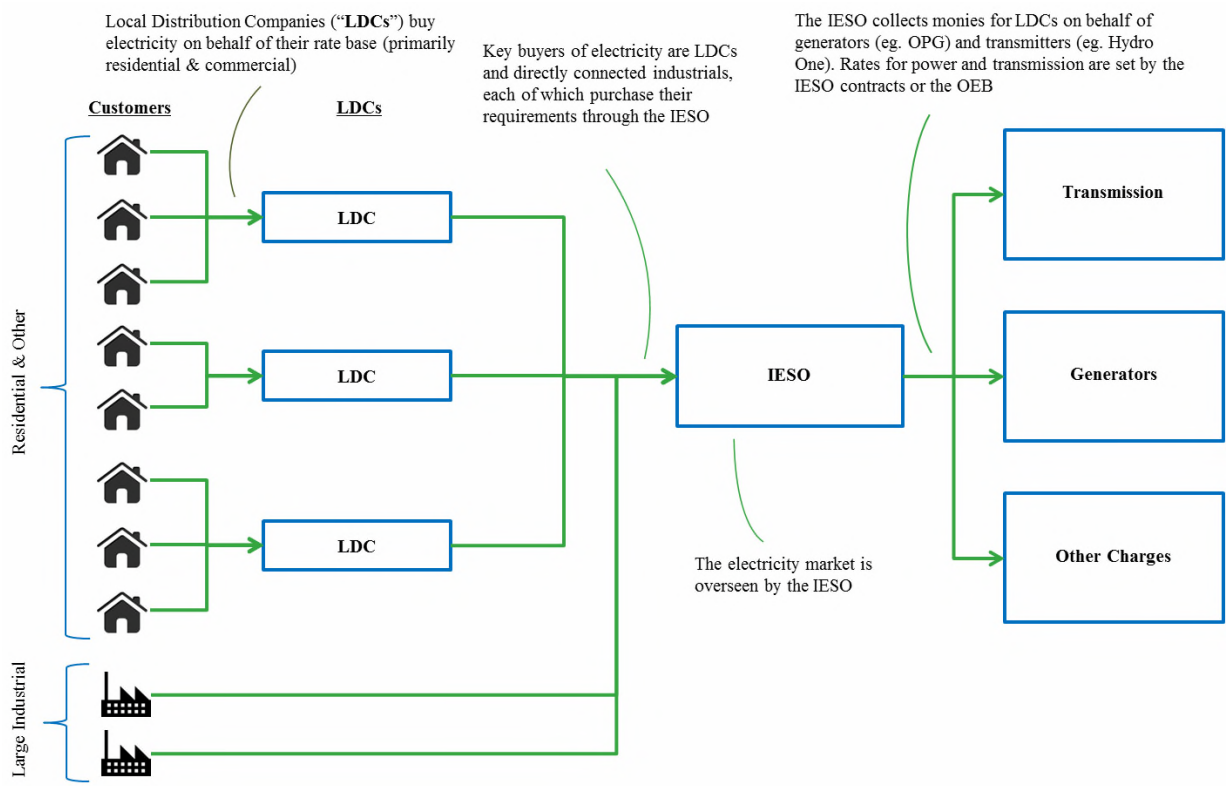
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers,

acquisitions, amalgamations and divestitures involving distributors, transmitters and other entities which it licenses. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB. The following diagram depicts a simplified flow of funds between the key industry participants:[30]



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two ~~main~~ components that make up the commodity cost of electricity in Ontario, the ~~hourly~~Hourly Ontario ~~energy price~~Energy Price ("**HOEP**") and the ~~global adjustment~~Global Adjustment charge.

[30] **Note:** Proposed revisions to the text in the chart: (i) "The electricity market is ~~overseen~~ administered by the IESO"; (ii) "~~Rates for power and transmission are set by the IESO contracts or the OEB~~ Prices paid to generators are determined by IESO contracts or approved by the OEB. Transmission rates are approved by the OEB."

- The HOEP is set by the IESO ~~on an hourly basis~~ based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is ~~also~~ paid by ~~loads~~all consumers. It is established monthly by the IESO in accordance with regulations and is used to collect funds used by the IESO to pay certain "out of market" costs that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to certain generators, including OPG, that are entitled to a regulated rate of return based on OEB-established payment amounts. For ~~all loads with a peak demand under 500 kW (in other words,~~ all Specified Consumers~~),~~[31] the global adjustment charge is based on electricity usage on a per unit basis.

Prior to the FHPA being passed, the amount collected by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's liabilities in this regard, subject to certain periodic true-ups and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, and in accordance with amendments to legislation, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered commodity prices for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in ~~the~~ previous ~~period~~periods. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from a licensed retailer pursuant to a retail contract that provides a fixed rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario ~~government~~Legislature passed the *Ontario Fair Hydro Plan Act, 2017*[32] (the "**FHPA**")[, legislation that reallocates certain electricity costs over time and provides immediate rate relief to consumers][33]. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will ~~in effect~~ be the ~~rate~~rates that ~~would~~ result in a representative consumer being charged an invoice amount that is 25%~~[2]~~[34] less than the rate that would otherwise have been determined by the OEB for that period (the "**Fair Adjustment**") absent Ontario's Fair Hydro Plan.

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

[31] **Note:** Some consumers below 500 kw are not Specified Consumers.
[32] **Note:** The FHPA was Schedule 1 to omnibus legislation entitled the *Fair Hydro Act, 2017*. Further, already defined as the FHPA above.
[33] **Note:** This narrative should be removed, or if necessary, the description of the FHPA should track the purposes of the Act as set out in Section 3 to the Act.
~~[2]~~[34] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government and the shifting of certain support program costs from the rate base to the tax base.

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one ~~of~~or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated its intention that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as the initial Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (such obligations, "**Funding Obligations**") to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, in a variance account.[35] The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). However, in accordance with the FHPA, the IESO is not entitled to collect all or part of the balance recorded in the variance account (which is the basis of the Regulatory Asset) from specified consumers before May 1, 2021. The IESO may, in accordance with the FHPA, transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

[35] **Note:** Please consider disclosure of further details as to what is recorded in the variance account. For instance, paragraph 3 of Section 15 in the General Regulation states that amounts incurred by the IESO on or after May 1, 2017 but before the FHPA came into force may be recorded in the IESO deferral.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment and, as an owner of the Investment Interest, will be entitled to recover ~~all~~ its "Finance Amount" (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest from the IESO, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the transfer of a specified portion of the Regulatory Asset from the IESO, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and ~~the Issuer's~~an ownership interest therein, an "**Investment Interest**"). The Investment ~~Interest consists of,~~ Asset consists, collectively, of the following rights and interests of Investment Interest owners (among other things):[36]

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest, including any rights to receive a payment obligation incurred by the IESO as part of the transfer of the Regulatory Asset (such payment obligations incurred by the IESO being "**Funding Rebates**"); and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers [to cover the cost of financing the shortfall that results from the Fair Adjustment].[37] The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a ~~Reference Period~~period of time is an amount determined by the Financial Services Manager as follows:

[36] **Note:** Please consider disclosing in this section that the Investment Asset is a collective right of the Investment Interest owners. While this is explained in a risk factor ("The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities), additional explanation/ disclosure may be warranted here.

[37] **Note:** Consider that the statutory definition of "Clean Energy Adjustment" states that it is "the amount determined under section 15 [of the FHPA] and payable by specified consumers". The FHPA does not expressly state the purpose of the Clean Energy Adjustment.

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the ~~Reference Period~~period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the ~~Reference Period~~period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment, redemption or repurchase, that are paid or payable during the ~~Reference Period~~period;

(iv) payments required to be made in respect of any derivative agreements during the ~~Reference Period~~period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) ~~fees~~Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the ~~Reference Period; and~~period;

(vii) taxes paid or payable by ~~the Issuer~~or on behalf of the Issuer, incurred directly or indirectly by the Issuer, or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that ~~are paid or~~ payable during the ~~Reference Period;~~period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a funding obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the ~~Reference Period~~period;

(ii) for any period before May 1, 2021, amounts received during the ~~Reference Period in respect of funding rebates~~period in respect of Carrying Costs and Funding Rebates and for any period on and after May 1, 2021, amounts received during the period in respect of Funding Rebates;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the ~~Reference Period~~period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the ~~Reference Period~~period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the ~~Reference Period~~period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax ~~during the Reference Period~~and to which the Issuer is entitled as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA during the period; and

(c) subtracting the sum calculated under (~~a~~b) from the sum calculated under (~~b~~a).

~~The Clean Energy Adjustment will also take into account a true up comprised of~~In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustments is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment ~~plus other anticipated shortfalls (the "**True-up Amount**")~~during the preceding Reference Periods. The True-up Amount ~~accounts for~~may also reflect historical and reasonably foreseeable differences between the ~~required Clean Energy Adjustment~~estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs~~,~~; and variations in billings due to variations in electricity consumption~~ and~~. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. ~~After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly.~~ The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

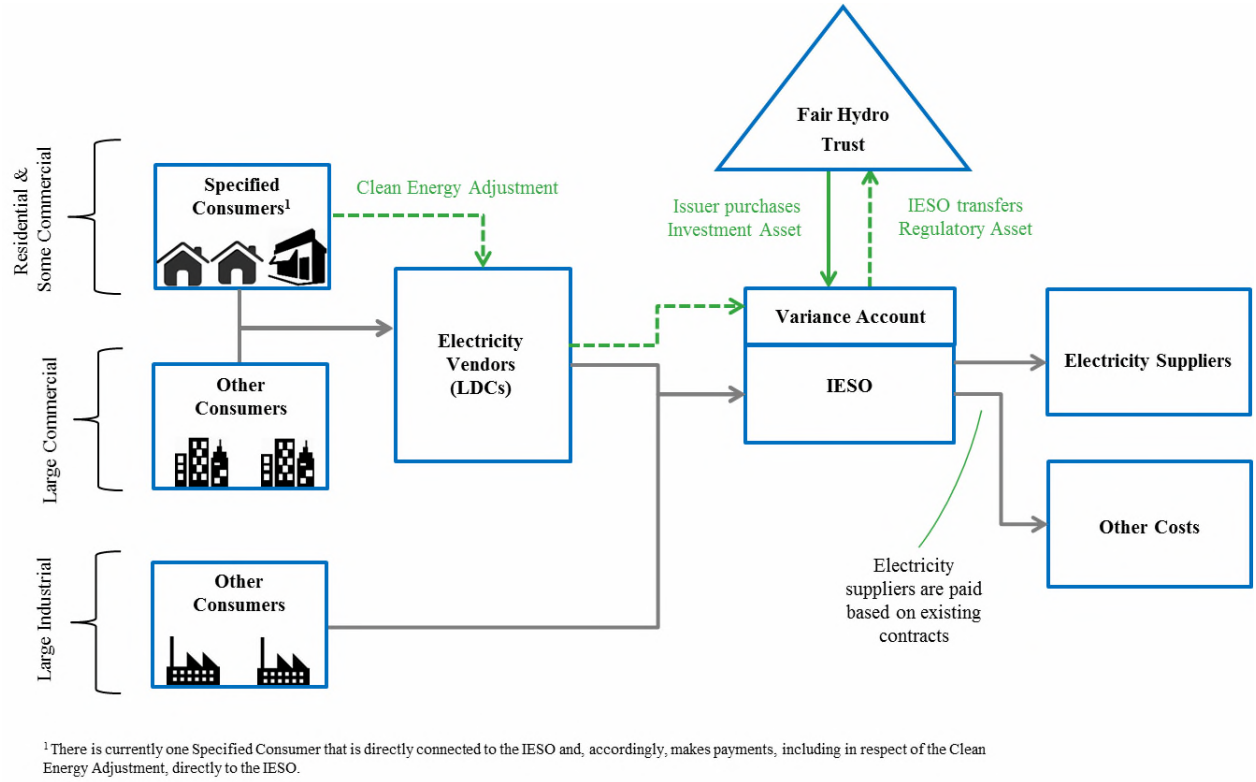
The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a ~~$/~~cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment ~~in respect of the relevant period of time~~ provided by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast of electricity consumption ~~provided by the IESO~~ of Specified ~~Consumers~~Creditors in respect of ~~the period~~such period, based on forecast information provided to the OEB by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the [Issuer],[38] amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the [Issuer] until ~~deposited with the IESO and remit such amounts~~remitted to the IESO for the benefit of the [the owners of Investment Interests (initially, only the Issuer)]. If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate ~~the~~any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[39] It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.[40] If there are any

[38] **Note:** Please see note 17 regarding the placement of square brackets around "the Issuer" in this paragraph. The disclosure should indicate that amounts are collected for the Investment Interests owners (and that, as at the date of the OM, the Issuer is the only Investment Interest owner).
[39] **Note:** Please consider revising to conform more closely to Section 17(4) of the FHPA.
[40] **Note:** Please confirm.

amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to [the Issuer] during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. [Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other ~~carrying costs~~Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period.][41] See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, directly to the IESO.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and

[41] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) [*limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*].

will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers.[42] Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of ~~any~~the first Funding ~~Obligations and the~~Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA, provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred ~~so that~~such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA~~, namely, to ensure that present and future Specified Consumers are bearing their share of the costs of providing Clean Energy Benefits~~. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

~~Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024. Accordingly, the~~The Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount of subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

IESO Payment of Carrying Costs During the Moratorium Period

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. During the Moratorium Period and extending to July 31, 2021,[43] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its ~~"carrying costs". "~~Carrying Costs. Carrying ~~costs"~~Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes).[44] The amounts paid by the IESO to fund these ~~carrying costs~~Carrying Costs will be recorded by the IESO in a variance account and form part of the

[42] **Note:** Please consider a description of the fair allocation amount that more closely aligns to Section 20(1) of the FHPA.
[43] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending July 31, 2021.
[44] **Note:** Consider revising to conform with the definition of "carrying costs" in Section 9.1(3) of the General Regulation.

Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of ~~carrying costs~~Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which ~~can~~is permitted to be used to pay the Issuer's ~~carrying costs~~Carrying Costs. Furthermore, as security for the performance of its obligations under the Regulations to pay the Issuer's ~~carrying costs~~Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the ~~Ontario government~~Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA or the Regulations, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement in favour of the ~~Issuer and~~Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee~~, upon a Protection Event~~ of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account (as hereinafter defined). The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Obligation Secured on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Obligation Secured on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period for purposes of [section 15(1) of the FHPA (in effect as at December 21, 2017), including section 6.1 of the General

Regulation under the FHPA (in effect as at December 21, 2017)][45], divided by the number of months in such Reference Period.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA, in whole or in part, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under ~~or in connection with,~~ the FHPA, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the ~~Province of Ontario~~Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) ~~there is~~the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or ~~any~~an entity controlled by the Province of Ontario,

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

[45] Perhaps this should instead cross-reference a more detailed description and explanation of the "Acceleration" mechanics under 6.1 of the Regulation.

Change of Law Protection Agreement or of any of the agreements under which Approved Obligations arise; or

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

~~The priority of payments made~~

On a Protection Event and payment by the Province of Ontario ~~under the Change of Law Protection Agreement is governed by the Master Trust Indenture. Upon paying amounts in respect of the Approved Obligations, the Province of Ontario will have a right of subrogation that includes the entitlement to all rights and interests under and in respect of such Approved Obligations, including the security interest in each related Investment Interest and any related property of the Issuer.~~of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral (as hereinafter defined) and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture and no person entitled under any Obligation Secured (including a Specified Creditor) that ranks equal with or subordinate to the Approved Obligation in respect of which the Province of Ontario is owed a Subrogation Amount will be entitled to make any claim or assert any right in or to the amounts paid or payable to the Province of Ontario, and no such person will have any right to the Collateral or any proceeds therefrom in respect of any Subrogation Amount. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

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

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee ~~prior to~~on or before the incurrence of such obligation certifying ~~that it~~, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition,

notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect ~~for as long as any Senior Notes remain outstanding~~until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

A "**Post-Suspension Refinancing**" means a Funding Obligation that is an Obligation Secured and that is incurred on or after the occurrence of a Suspension Event in compliance with the requirements of the Change of Law Protection Agreement, as a ~~refinancing~~Refinancing of one or more Series of Approved Obligations (including any Pre-Approved Refinancing incurred on or after the occurrence of a Suspension Event), in each case the proceeds of which, together with any other funds that may be available, are used solely for the purpose of paying in full such Series of Approved Obligations and any costs and expenses associated with such ~~refinancing~~Refinancing.

A "**Pre-Approved Refinancing**" means a ~~refinancing~~Refinancing of a Certified Primary Obligation in respect of which the Province of Ontario has, prior to the incurrence of such Certified Primary Obligation, agreed shall be an Approved Obligation, subject to compliance with such conditions and requirements as may be specified in such agreement.

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document ~~to which the Limited Guarantee applies and~~ which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA or the Regulations; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were Approved Obligations issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust ~~established under~~governed by the laws of the Province of Ontario pursuant to a declaration of trust made December 20, 2017 (the "**Declaration of Trust**"). Computershare Trust Company of Canada (the "**Issuer Trustee**") is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

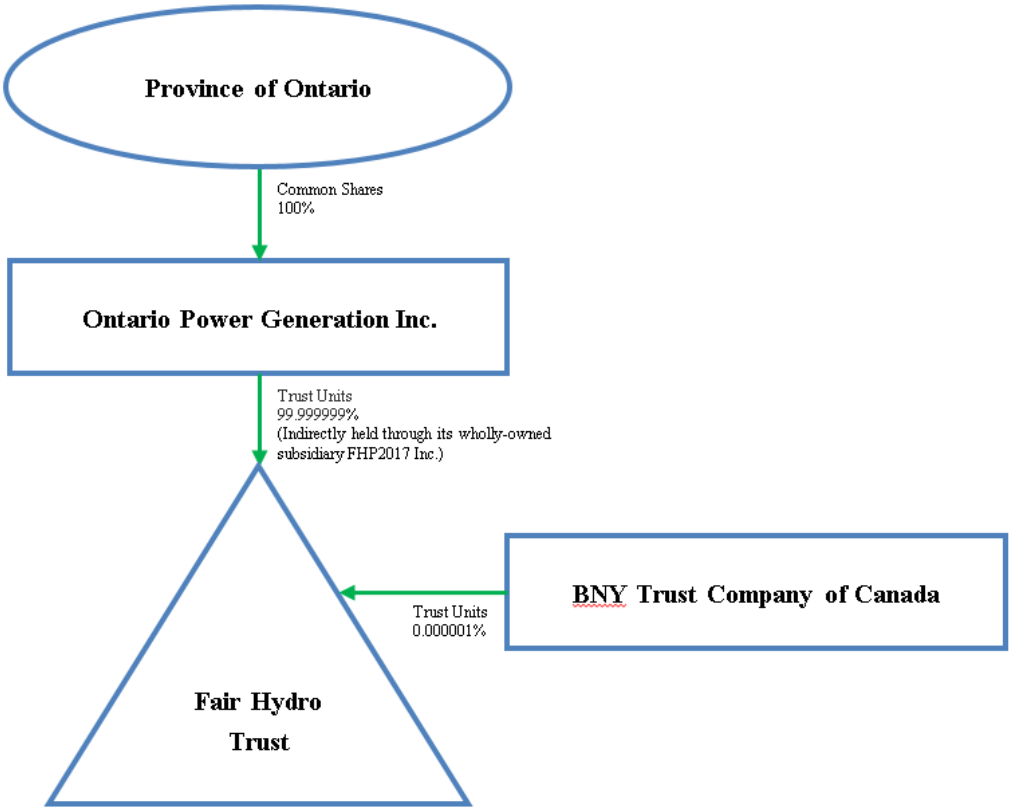
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

OPG has entered into a management agreement with the Issuer dated as of December 20, 2017 (the "**Management Agreement**") pursuant to which the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA and the Regulations, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations,[46] the Manager shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA and the Regulations, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests in accordance with the FHPA or for the purposes of a Refinancing;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

[46] Please confirm the source of the right to review electricity vendor records under the Regulations. If this refers to Section 10(4) of the General Regulation, the right is that of the Issuer or the FSM.

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors – Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and Manager of the Issuer.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or ~~carrying costs~~Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

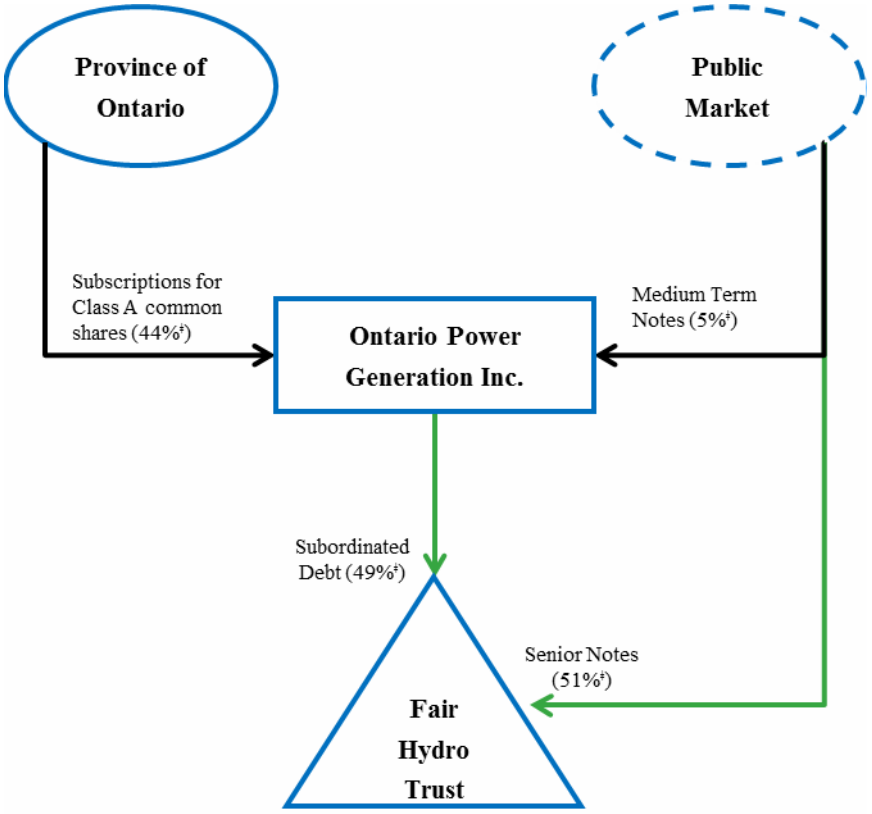
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximate 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes).

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



‡ OPG will acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

THE TRANSFEROR AND SERVICER

The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may periodically transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to transfer to the Issuer its right, title and interest in, to and under a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of collecting the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts collected in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on a monthly basis, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) forecasting the electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer.

While the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that the Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, the IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.[47] However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA or the Regulations, including its obligation to pay the Issuer's ~~carrying costs~~Carrying Costs.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its ~~carrying costs~~Carrying Costs. Under the Regulations ~~"carrying costs"~~, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes.[48] Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of ~~carrying costs~~Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which ~~can~~is permitted to be used to pay the Issuer's ~~carrying costs~~Carrying Costs.

As security for the performance of its obligation to pay the Issuer's ~~carrying costs~~Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO with respect to the global adjustment charge. The amounts paid by the IESO to fund these ~~carrying costs~~Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for transfer to the Issuer in a subsequent period and, upon completion of such transfer, shall become part of the Issuer's Investment Interest pursuant to the Regulations.

[47] **Note:** Please confirm.

[48] **Note:** Consider a description of "carrying costs" that conforms to the definition set out in Section 9.1(3) of the General Regulation. Also note that the Glossary defines "Carrying Costs" as having the meaning ascribed to the term in the Regulations.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee

has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);
- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and
- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor

Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the United States Internal Revenue Code~~,~~ of 1986, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the

Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or

by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").[49]

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has ~~an~~ been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the

[49] **Note:** Consider also including the floating charge in all of the property, assets and undertaking now owned or hereafter acquired by the Issuer in the definition of Collateral. (s. 2.01(b) of the Master Trust Indenture).

IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the ~~Collection~~Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. ~~All~~On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario ~~pursuant to~~under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities**

Account"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will ~~not~~ be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments

owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations

have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "—*Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "*— Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral, and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in ~~the~~ any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "*— Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then

outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel ~~of external counsel~~,[50] each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less

[50] **Note:** Please confirm deletion of "external counsel". Please see definition of "Opinion of Counsel" and s. 13.19(c) in Master Trust Indenture.

than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;
- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;
- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;
- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;
- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;
- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;
- facilitate the issuance of foreign currency Issuer Funding Obligations;
- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;
- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or
- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or
- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;
- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or
- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;
- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;
- a reduction in the amount of a discount note payable upon its acceleration;
- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;
- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;
- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or
- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;
- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;
- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;
- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;
- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;
- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;
- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the

Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"Capital Markets Platform"*.[51]

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

[51] **Note:** Please consider tracking the specific terms of section 6.1 of the General Regulation, and add detailed descriptions to correspond to the limitation on cashflows during acceleration in the applicable detailed portions of the OM and Risk Factors.

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "— *Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this "Description of the Senior Notes" section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such

Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;
- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s) and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;
- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;
- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;

- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;

- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and

- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Principal Accumulation Date(s) for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than a Principal Payment Date if an optional redemption occurs and may receive principal payments later than a Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on a Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "~~**depository**~~**Depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the ~~depository~~Depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the ~~depository~~Depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the ~~depository~~Depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The ~~depository~~Depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the ~~depository~~Depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the ~~depository~~Depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the ~~depository~~Depository or any action to be taken by the ~~depository~~Depository or at the direction of its Participants. The rules governing the ~~depository~~Depository provide that it acts as the agent and ~~depository~~Depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the ~~depository~~Depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the ~~depository~~Depository notifies the Issuer in writing that the ~~depository~~Depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the ~~depository~~Depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant

European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer

and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA, the Regulations or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA or the Regulations.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA or the Regulations will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit ~~were successful, it would likely be a Protection Event and the provisions of the Change of Law Protection Agreement would apply. See "Change of Law Protection Agreement". If such successful lawsuit was not, however, a Protection Event~~was successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the ~~Province of Ontario~~Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or ~~revoked~~repealed. Therefore, the only way for such provisions of the FHPA to be amended or ~~revoked~~repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA or the Regulations should no longer be law in Ontario or that the FHPA or Regulations should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that ~~materially and~~ adversely ~~effects~~affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay ~~its obligations under the Senior Notes~~Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See "*Change of Law Protection Agreement*". However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA or the Regulations referenced in the previous paragraph were amended or revoked through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of

voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Province of Ontario, although the remedy of damages is available.[52] Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.[53]

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other ~~carrying costs~~Carrying Costs, solely upon the IESO who is obligated under the Regulations to pay these ~~carrying costs~~Carrying Costs. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Issuer's ~~carrying costs~~Carrying Costs. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring ■, 20■, which ~~can~~is permitted to be used to pay the Issuer's ~~carrying costs~~Carrying Costs. ***[NTD: IESO credit facility description to be confirmed.]***[54] There can be no assurance that the IESO will continue to have sufficient funds available to pay interest on the Senior Notes or to pay the Issuer's other ~~carrying costs~~Carrying Costs during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay interest on the Senior Notes or the Issuer's other ~~carrying costs~~Carrying Costs and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of

[52] **Note:** Consider mentioning that section 21 of the *Proceedings Against the Crown Act* (Ontario) prohibits execution, attachment and process against the Province.

[53] **Note:** Consider mentioning, as a mitigant, that section 22 of the *Proceedings Against the Crown Act* (Ontario), which states that "the Minister of Finance shall pay out of the Consolidated Revenue Fund the amount payable by the Crown, (a) under an order of a court that is final and not subject to appeal; (b) under a settlement of a proceeding in a court…".

[54] **Note:** Is there any other information to be added apart from the expiry date?

courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of ~~carrying costs~~Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of ~~carrying costs~~Carrying Costs or enforcement of any security provided by the IESO under the Master Transfer and Servicing Agreement.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other ~~carrying costs~~Carrying Costs, solely upon the IESO who is obligated under the Regulations to pay these ~~carrying costs~~Carrying Costs. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA and the Regulations.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event and delivery by the Indenture Trustee to the Province of Ontario of a written payment demand. See *"Change of Law Protection Agreement"*. The Senior Notes will be ~~nonrecourse~~limited recourse obligations, secured only by the collateral. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"*. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or ~~general~~other obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. ~~However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.~~

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA and the Regulations, rights to enforcement of the FHPA, the Regulations and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and

once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform ~~—~~= Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Funding Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring an Investment Interest. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the transfer by the IESO of a specified portion of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy

Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.[55]

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA, the Regulations and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA, the Regulations and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or forecasting consumption, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of OPG, as Financial Services Manager and as Manager of the Issuer. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA and the Regulations, including determining the Clean

[55] **Note:** Consider explaining under this risk factor that the Investment Asset is a bundle of rights and interests held collectively by all investment interest owners.

Energy Adjustment (inclusive of the True-Up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated in part based upon a forecast of Specified Consumer usage to be newly developed by the IESO[, adjusted for expected billing lags and charge-offs] [including the effect of delinquencies and write-offs] ***[Confirm whether the IESO forecast takes into account items noted in square brackets.]***. Under the ~~FHPA~~Regulations, the IESO is required to provide to the OEB forecast information regarding electricity consumption of Specified Consumers. The amount and the rate of the Clean Energy Adjustment will depend in part on actual electricity usage and the amount of collections and write-offs for Specified Consumers.[56] If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. Neither the FHPA nor the Regulations require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information to the IESO regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in the FHPA and the Regulations. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment. For example, an Electricity Vendor's conditions of service may permit it to offer equal monthly billing plans to its

[56] **Note:** Please confirm.

consumers thereby delaying payments from one month to the next during the year or to enter into arrangements for the payment of arrears. In that event, collection of the Clean Energy Adjustment may be delayed or reduced until an adjustment is made.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment.[57] The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to indemnify holders of Senior Notes, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach and the fact that holders of Senior Notes will be unsecured creditors of OPG or the IESO, as applicable, with respect to any of these indemnification amounts. Neither OPG nor the IESO will indemnify any person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Senior Notes, or for any consequential damages, including any loss of market value of the Senior Notes resulting from a default or a downgrade of the ratings of the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-Up Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

[57] **Note:** Please confirm source/ conform to wording in FHPA.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°C. Winters include snow and icing conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or

reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the transfers between the IESO and the Issuer pursuant to the Master Transfer and Servicing Agreement may not be respected as true sales of the Investment Interest.

Ordinarily, the interests of the Issuer as transferee of the Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time an Investment Interest is transferred to the Issuer, which could reduce the amounts that may be available to the Issuer and, consequently, the holders of Senior Notes. Section 27(3) of the FHPA provides that at the time of the transfer to a Financing Entity under the FHPA, such transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the FHPA provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the transfer and the property rights and interests acquired by the transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the FHPA in such circumstances is untested. The IESO will treat the transactions described herein as a transfer of the Regulatory Asset to the Issuer. Such transfers will be made in accordance with Section 26 of the FHPA. Section 27(1) of the FHPA provides that a transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the transferee. As a transfer, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Investment Interest. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.

While the IESO is the servicer under the Master Transfer and Servicing Agreement, collections held by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the FHPA, provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the ~~FHPA,~~*Fair Hydro Act, 2017*,[58] in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws would generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or ~~guarantee~~guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

[58] The *Fair Hydro Act, 2017* (Ontario), which provided in Schedule 1 the *Ontario Fair Hydro Plan Act, 2017*, amends two other statutes: the *Electricity Act, 1998* (see section 43) and the *Ontario Energy Board Act, 1998* (see section 44).

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See "*Change of Law Protection Agreement*". Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the

heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to

verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Description of Senior Notes — Reporting Requirements of Senior Notes"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These

remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

  (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

  (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior

Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference therein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference therein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the Securities Act (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer. "Misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer will be liable if the person proves that

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

  (ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that;

(A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe

and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

[NTD: Glossary in progress. For ease of reference, Torys is considering adding an index or replacing glossary with an index for terms that are defined in the body.]

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" means the agents designated by the Issuer from time to time and identified in the Term Sheet applicable to such Offering to sell the Senior Notes as described under *"Plan of Distribution"*.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified

Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Government of Ontario ~~government~~ related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" has the meaning set out under *"The Issuer"*.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"~~**depository**~~**Depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" means The Depositary Trust Company.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible

Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.[59]

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.[60]

"**FHPA**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" means OPG, in its capacity as financial services manager appointed under the FHPA to perform the duties assigned to it thereunder.[61]

"**Financing Entity**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as

[59] **Note:** Please consider revising the definition of "Fair Adjustment" if this concept is to be used in the OM. The definition of the "Fair Adjustment" indicates that this term only refers to the rate reduction from July 1, 2017 until April 30, 2018. When the term is then later used in narrative [ex. "…the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment…"] it refers to the electricity rates that result from the entire fair hydro program.

[60] **Note:** Please consider a description of the Fair Allocation Amount that more closely aligns to Section 20(1) of the FHPA.

[61] **Note:** Please consider whether there should be disclosure indicating that the FSM is a statutory role from which OPG may be removed.

required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment ~~Interests, including~~Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligation**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), ~~any liquidity agreement,~~ any liquidity agreement, any credit enhancement agreement or any derivative agreement.

"**Funding Rebate**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding

Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer**" means Fair Hydro Trust, a special purpose trust ~~established under~~governed by the laws of the Province of Ontario.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" has the meaning set out under *"The Manager"*.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" means *The Securities Act* (Manitoba).

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**MW**" means megawatts.[62]

"**NI 31-103**" means National Instrument 31-103 — *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

"**NI 45-106**" means National Instrument 45-106 — *Prospectus Exemptions*.

"**NL Act**" means the *Securities Act* (Newfoundland and Labrador).

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental ~~Indentures~~Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

[62] **Note:** Definition not used.

"**OEB**" means the Ontario Energy Board.

"**Offering**" means an offering of senior secured notes pursuant to this confidential shelf offering memorandum and the related Term Sheet as described under *"Plan of Distribution"*.

"**Offering Jurisdiction**" means each of the provinces of Canada.

"**OPA**" means Ontario Power Authority.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date occurring on or after the Principal Accumulation Date for such Series, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates after the Principal Accumulation Date for such Series which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in

the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Readjustment amount**" has the meaning ascribed to the term "readjustment amount" in the FHPA and Regulations.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(i) every six-month period following the period mentioned in (a);

(ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under "*The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" means *The Securities Act, 1988* (Saskatchewan).

"**Section 130.1**" means section 130.1 of the *Securities Act* (Ontario).

"**Section 150**" means section 150 of the *Securities Act* (New Brunswick).

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and

Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Subrogation Amounts**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" means FHP2017 Inc., a wholly-owned subsidiary of OPG, and the Indenture Trustee.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

information: Superintendent of Securities

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

Document comparison by Workshare Compare on Tuesday, January 16, 2018 10:31:42 AM

Input:	
Document 1 ID	PowerDocs://TOR_2528/23287504/1
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Document 2 ID	PowerDocs://TOR_2528/23287504/7
Description	TOR_2528-#23287504-v7-Fair_Hydro_OM_-_Comments_of_the_Province
Rendering set	standard

Legend:	
Insertion	
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Style change	
Format change	
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Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	521
Deletions	269
Moved from	11
Moved to	11
Style change	0
Format changed	0
Total changes	812

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January ●, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Description of Notes" section of the confidential shelf offering memorandum which contains a more detailed description of certain terms of the Series 2018-1 Senior Notes and the master trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *January ●, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ●, Series 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust ~~established under~~governed by the laws of the Province of Ontario.
Issue:	●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Credit Ratings:	DBRS: ● (●) Moody's: ● (●)
Principal Amount:	$●
Term:	● years[1]
Launch Date:	●, 2018
Pricing Date:	●, 2018
Settlement Date:	●, 2018 (T+3)
Interest Rate:	●%
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● +● bps (including a ● bps curve adjustment) versus the CAN ●% due ● (priced at $● to yield ●%)

[1] Please confirm if a single principal payment date is contemplated. Does this need to be reconciled with the "legal final maturity date" concept?

Issue Yield: ●%

Issue Price: $● for each $1,000 principal amount of Series 2018-1 Senior Notes sold.

Agents Commission: **$●**

Net Proceeds: $●

Interest Payment Dates: Interest on the Series 2018-1 Senior Notes shall be payable in equal (except the initial interest payment) semi-annual instalments in arrears on April 15 and October 15 of each year, commencing April 15, 2018 (short first coupon). The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first interest payment date for the Series 2018-1 Senior Notes. The first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes.

If an interest payment date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis.

Principal Accumulation Date(s) and Principal Accumulation Amount(s):

Principal Accumulation Dates	**Principal Accumulation Amounts**
●, 20●	$●

Principal Payment Date(s) and Principal Payment Amount(s):

Principal Payment Date	**Principal Payment Amount**
●, 20●	$●

Principal Payment Default Date: ●, 20●

Optional Redemption: The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption.

"**Par Call Date**" means ●, 20●.

"**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the date of redemption, plus ●% per annum.

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable

	Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the Par Call Date (calculated from the date of redemption), such yield being expressed as a per annum rate equal to the average of the per annum yields provided by two major Canadian investment dealers specified by the Issuer.
Limited Recourse:	The Series 2018-1 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-1 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-1 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Series 2018-1 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under *"Change of Law Protection Agreement"*. The Series 2018-1 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse" and "Risk Factors"*.
Use of Proceeds:	The net proceeds from the Series 2018-1 Senior Notes Offering will be used as follows: **[(i) to refinance $● of indebtedness of the Issuer originally incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement and (ii) to pay the Series 2018-1 Senior Notes Offering and related costs of the Issuer in an approximate amount of $●. See *"Consolidated Capitalization"*.]**
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	**[CIBC World Markets Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc. (as co-leads and co-bookrunners)]**, ●, ●, and ●.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer", of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

[NTD: If there are subsequent draws on the warehouse before the launch of the Series 2018-1 Senior Notes Offering, this section to be updated.]

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for:

(i) $● of ●% subordinated notes due ●, Series 2018-1; and
(ii) $● of ●% subordinated junior notes due ●, Series 2018-1.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	Nil
Debt		
Long-term debt, including current portion…….	Nil	$●
Short-term debt……...	**$[1,179,000,000.00]**(1)	**$[1,179,000,000.00]**
Bank indebtedness……..	Nil	Nil
Total Debt……	**$[1,179,000,000.00]**(1)	$●
Equity		
Equity……	$10,000.01	$10,000.01

Total Capitalization……	**$[1,179,010,000.01]**[1]	$●

(1) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short-term debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes, Series 2017-1 held by OPG; and (iii) $117,900,000 of which, or 10% of all short term debt, represented by Junior Subordinated Notes held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On October 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on

their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the

date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer", of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, the Issuer had approximately $● billion outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' fee payable by the Issuer

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

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Document comparison by Workshare Compare on Tuesday, January 16, 2018 10:37:28 AM

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Document 2 ID	PowerDocs://TOR_2024/12928826/2
Description	TOR_2024-#12928826-v2-Form_of_Series_2018-1_Senior_Notes_Term_Sheet_(Fair_Hydro_Trust)
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Padding cell	

Statistics:	
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Insertions	12
Deletions	4
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	16

From:	Whitfield, Tobias P. (MOF)
To:	Mike Manning; Malle Hanslep (MOF); Thouin, Alena (ENERGY); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc:	Ken Kandeepan; Tim Christie (ENERGY); Anna Strathy; Ken Kandeepan; Daniel Cayley (ENERGY)
Subject:	Fair Hydro Trust - Disclosure Documents
Start:	Wednesday, January 17, 2018 3:30:00 PM
End:	Wednesday, January 17, 2018 4:30:00 PM
Location:	Teleconference
Attachments:	ATT12950 1.jpg ATT85694 2.jpg

Updating with teleconference number:

Number: 416-212-8010
Toll Free: 1-866-602-5423
Participant Passcode: 3860643#

Revising to 3:30.

Setting a time of 1:30, so that the OFA can make it. Let me know if that doesn't work for anyone.

Dial in number to follow.

Toby

_____
From: Mike Manning [mailto:Mike.Manning@ofina.on.ca]
Sent: January 17, 2018 11:20 AM
To: Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Christie, Tim (ENERGY); Strathy, Anna (OFA)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Unfortunately not around after 2:30.

Mike

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Wednesday, January 17, 2018 11:08 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com) <STEPHEN.ASHBOURNE@blakes.com>
Cc: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Fair Hydro Trust - Disclosure Documents

I am available at any time today.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Hanslep, Malle (MOF)
Sent: January 17, 2018 10:30 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY); Strathy, Anna (OFA)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Hi – Adding Anna Strathy to the email group.

From: Hanslep, Malle (MOF)
Sent: January-17-18 10:27 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Sure.

From: Thouin, Alena (ENERGY)
Sent: January-17-18 10:26 AM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Thanks Malle. Can we set up a call to discuss?

Thank you

Sent with BlackBerry Work
(www.blackberry.com[blackberry.com])
From: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>
Date: Wednesday, Jan 17, 2018, 10:21 AM
To: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>, Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>, ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com) <STEPHEN.ASHBOURNE@blakes.com>
Cc: Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>, Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>, Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>
Subject: FW: Fair Hydro Trust - Disclosure Documents

Should we discuss this approach? It may have implications for future documents and transactions. I have not had the opportunity to review the changes that were accepted but if we think they are important it would be best to be able to preserve those as the version of the "OM" as a reference document under the Process Agreement for future transactions rather than the initial version they sent us. I realize there is a problem with the 10 days but if we could figure out a way to make the final version (or close to final) become the reference document that would be best. So I'm not sure that we want to write back and just agree with Les that we don't take a contrary view without considering carefully. Technically if the 10 days expire without the Province objecting the document becomes a reference document. I know Toby has drafted a delegation of the powers under the process agreement for MOF/OFA. Not sure what the timing of the deal is right now.

Thanks,

Malle

From: WONG Leslie -LAWDIV [mailto:leslie.wong@opg.com]
Sent: January-17-18 9:45 AM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF)
Cc: LEE John -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Saulnier, Brett; Ramchandani, Rima; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro Trust - Disclosure Documents

Dear Alena and Malle,

You will have seen the revised draft of the OM and term sheet circulated by Torys (attached again for reference). A revised draft of the Investor Presentation is also in progress and will be circulated once available. We do not view the changes made to the OM, term sheet or the IP as material (in form or substance) and we would appreciate it if you could confirm that the Province does not take a contrary view. As you know, under the change of law process agreement, OPG is required to certify that these documents are substantially in the form as previously provided to the Province, which we believe is the case. Therefore, there is no reason for us to restart the 10 Business Day clock running following delivery of the revised documents. If you have any concerns with our interpretation or approach please let us know.

Regards,

Les

Leslie Wong
Senior Counsel
Ontario Power Generation Inc.
700 University Avenue, H18 G26.1, Toronto, ON M5G 1X6
T: (416) 592-3110 | E: leslie.wong@opg.com

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: Wednesday, January 17, 2018 1:31 AM
To: VINER, JON <JON.VINER@blakes.com>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>
Subject: EXTERNAL – RE: Fair Hydro Trust - Disclosure Documents

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All,

Please find attached revised versions of the Offering Memorandum and Term Sheet. We have accepted the majority of the Province's comments where appropriate and I have included blacklines of each document against the version circulated by Jon below. The attached also reflect comments received from the IESO and some additional clean-up changes made since the documents were provided to the Province on January 5.

In the interest of time, we are circulating these drafts to all parties concurrently. Accordingly, they remain subject to review and comment by OPG, IESO, the dealers and their respective counsel.

Thanks,
Brett

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[na01.safelinks.protection.outlook.com] [na01.safelinks.protection.outlook.com]
From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January-16-18 10:48 AM
To: LEE John -TREASURY <john.s.lee@opg.com>; 'ken.ryfa@opg.com' <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Ramchandani, Rima <rramchandani@torys.com>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>
Subject: Fair Hydro Trust - Disclosure Documents

All,

Please find attached the Province’s comments on the offering memorandum, investor presentation and term sheet. We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,
Jon

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499

_____

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
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Blake, Cassels & Graydon LLP | Barristers & Solicitors | Patent & Trade-mark Agents
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TORYS


Blakes

From:	Bryan, Richard
To:	"sheen.liu@opg.com"
Cc:	"LEE John -TREASURY"; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; "irma.mahmood@opg.com"; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Apr 16 2018
Date:	Tuesday, April 17, 2018 5:13:43 PM
Attachments:	FHP_NBC_20180416.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	4/16/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.40%	2.39%	2.35%	2.30%	2.14%	2.02%	0.08%	0.09%	0.11%	0.13%	0.13%	0.09%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	115	112	103	90	67	52	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.55%	3.51%	3.38%	3.20%	2.81%	2.54%	0.05%	0.06%	0.08%	0.10%	0.10%	0.06%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.58%**	**3.55%**	**3.42%**	**3.25%**	**2.89%**	**2.63%**	**0.05%**	**0.06%**	**0.08%**	**0.10%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	79	76	66.5	44	28	-5	-4	-5.5	-6	-5.5	-4

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	140	134	117	100	80	70	0	0	0	0	0	0
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	123	117	100	85	65	57	0	0	0	0	0	0
Schedule I Bank ABS (Aaa ; AAA ; AAA)	145	138	119	100	80	70	0	0	0	0	0	0
FHT Series 2018-1			100				0	0	-2	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.40%	2.39%	2.35%	2.30%	2.14%	2.02%	0.08%	0.09%	0.11%	0.13%	0.13%	0.09%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	140	137	126	112	88	73	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.80%	3.76%	3.61%	3.42%	3.02%	2.75%	0.05%	0.06%	0.08%	0.10%	0.10%	0.06%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.83%**	**3.80%**	**3.65%**	**3.47%**	**3.10%**	**2.84%**	**0.05%**	**0.06%**	**0.08%**	**0.10%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	79	76	67	44	28	-5	-4	-6	-6	-6	-4

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	130	123	104	85	65	55	-5	-5	-5	-5	0	0
NAV Canada (AA-, AA low)	100	97	89	80	55	45	-5	-5	-5	-5	-5	-5
GTAA (Aa3, A+)	100	97	89	80	55	45	-5	-5	-5	-5	-5	-5
Hydro One (A3/A/A high)	135	129	112	95	70	60	-5	-5	-5	-5	-5	0

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.40%	2.39%	2.35%	2.30%	2.14%	2.02%	0.08%	0.09%	0.11%	0.13%	0.13%	0.09%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	170	167	156	135	107	92	-3	-3	-3	-3	-3	-3
Re-Offered Yield	4.10%	4.06%	3.91%	3.65%	3.21%	2.94%	0.05%	0.06%	0.08%	0.10%	0.10%	0.06%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.13%**	**4.10%**	**3.95%**	**3.70%**	**3.29%**	**3.03%**	**0.05%**	**0.06%**	**0.08%**	**0.10%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	79	76	67	44	28	-5	-4	-6	-6	-6	-4

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	155	149	132	115	90	75	-10	-10	-10	-10	-5	-5
Highway 407 (A, A)	130	123	104	85	65	55	-5	-5	-5	-5	0	0
Enbridge Gas Distribution (A-, A)	130	125	110	95	75	60	-5	-5	-5	-5	-5	0
Hydro One (A3/A/A high)	135	129	112	95	70	60	-5	-5	-5	-5	-5	0
Schedule 1 Bank ABS (A)	200	193	174	155	135	120	0	0	0	0	0	0

From:	Bryan, Richard
To:	"sheen.liu@opg.com"
Cc:	"LEE John -TREASURY"; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; "irma.mahmood@opg.com"; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Apr 9 2018
Date:	Tuesday, April 10, 2018 3:56:02 PM
Attachments:	FHP_NBC_20180409.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	4/9/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.32%	2.30%	2.24%	2.17%	2.01%	1.93%	0.09%	0.09%	0.07%	0.11%	0.03%	0.03%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	118	115	106	93	70	55	3	3	3	3	3	3
Re-Offered Yield	3.50%	3.45%	3.30%	3.10%	2.71%	2.48%	0.12%	0.12%	0.10%	0.14%	0.06%	0.06%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.53%**	**3.48%**	**3.34%**	**3.15%**	**2.79%**	**2.57%**	**0.12%**	**0.12%**	**0.10%**	**0.14%**	**0.06%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81.5	72.5	49.5	32	3	3	3.5	4	4	2.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	140	134	117	100	80	70	0	0	0	0	0	0
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	123	117	100	85	65	57	0	0	0	0	0	0
Schedule I Bank ABS (Aaa ; AAA ; AAA)	145	138	119	100	80	70	0	0	0	0	0	0
FHT Series 2018-1			102				0	0	2	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.32%	2.30%	2.24%	2.17%	2.01%	1.93%	0.09%	0.09%	0.07%	0.11%	0.03%	0.03%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	143	140	129	115	91	76	3	3	3	3	3	3
Re-Offered Yield	3.75%	3.70%	3.53%	3.32%	2.92%	2.69%	0.12%	0.12%	0.10%	0.14%	0.06%	0.06%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.78%**	**3.73%**	**3.57%**	**3.37%**	**3.00%**	**2.78%**	**0.12%**	**0.12%**	**0.10%**	**0.14%**	**0.06%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82	82	73	50	32	3	3	4	4	4	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	135	128	109	90	65	55	5	4	2	0	0	0
NAV Canada (AA-, AA low)	105	102	94	85	60	50	5	4	2	0	0	0
GTAA (Aa3, A+)	105	102	94	85	60	50	5	4	2	0	0	0
Hydro One (A3/A/A high)	140	134	117	100	75	60	5	5	5	5	0	0

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.32%	2.30%	2.24%	2.17%	2.01%	1.93%	0.09%	0.09%	0.07%	0.11%	0.03%	0.03%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	173	170	159	138	110	95	3	3	3	3	3	3
Re-Offered Yield	4.05%	4.00%	3.83%	3.55%	3.11%	2.88%	0.12%	0.12%	0.10%	0.14%	0.06%	0.06%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.08%**	**4.03%**	**3.87%**	**3.60%**	**3.19%**	**2.97%**	**0.12%**	**0.12%**	**0.10%**	**0.14%**	**0.06%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82	82	73	50	32	3	3	4	4	4	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	165	159	142	125	95	80	5	4	2	0	0	0
Highway 407 (A, A)	135	128	109	90	65	55	5	4	2	0	0	0
Enbridge Gas Distribution (A-, A)	135	130	115	100	80	60	0	0	0	0	5	0
Hydro One (A3/A/A high)	140	134	117	100	75	60	5	5	5	5	0	0
Schedule 1 Bank ABS (A)	200	193	174	155	135	120	0	0	0	0	0	0

From:	Bryan, Richard
To:	"sheen.liu@opg.com"
Cc:	"LEE John -TREASURY"; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; "irma.mahmood@opg.com"; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Apr 2 2018
Date:	Tuesday, April 03, 2018 3:32:43 PM
Attachments:	FHP_NBC_20180402.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	4/2/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.23%	2.21%	2.17%	2.06%	1.98%	1.90%	-0.10%	-0.11%	-0.13%	-0.18%	-0.11%	-0.09%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	115	112	103	90	67	52	2	2	3	3	3	2
Re-Offered Yield	3.38%	3.33%	3.20%	2.96%	2.65%	2.42%	-0.08%	-0.09%	-0.10%	-0.15%	-0.08%	-0.07%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.41%**	**3.36%**	**3.24%**	**3.01%**	**2.73%**	**2.51%**	**-0.08%**	**-0.09%**	**-0.10%**	**-0.15%**	**-0.08%**	**-0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	79	78	68.5	45.5	29.5	4	4	5.5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	140	134	117	100	80	70	5	5	5	5	5	5
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	123	117	100	85	65	57	5	5	5	5	5	5
Schedule I Bank ABS (Aaa ; AAA ; AAA)	145	138	119	100	80	70	5	3	1	5	5	5
FHT Series 2018-1			100						3			

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.23%	2.21%	2.17%	2.06%	1.98%	1.90%	-0.10%	-0.11%	-0.13%	-0.18%	-0.11%	-0.09%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	140	137	126	112	88	73	2	2	2	2	1	1
Re-Offered Yield	3.63%	3.58%	3.43%	3.18%	2.86%	2.63%	-0.08%	-0.09%	-0.11%	-0.16%	-0.10%	-0.08%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.66%**	**3.61%**	**3.47%**	**3.23%**	**2.94%**	**2.72%**	**-0.08%**	**-0.09%**	**-0.11%**	**-0.16%**	**-0.10%**	**-0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	79	78	69	46	30	4	4	6	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	130	124	107	90	65	55	0	1	3	5	5	5
NAV Canada (AA-, AA low)	100	98	91	85	60	50	5	5	5	5	5	5
GTAA (Aa3, A+)	100	98	91	85	60	50	0	1	3	5	5	5
Hydro One (A3/A/A high)	135	129	112	95	75	60	5	5	5	5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.23%	2.21%	2.17%	2.06%	1.98%	1.90%	-0.10%	-0.11%	-0.13%	-0.18%	-0.11%	-0.09%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	170	167	156	135	107	92	2	2	4	3	3	2
Re-Offered Yield	3.93%	3.88%	3.73%	3.41%	3.05%	2.82%	-0.08%	-0.09%	-0.09%	-0.15%	-0.08%	-0.07%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.96%**	**3.91%**	**3.77%**	**3.46%**	**3.13%**	**2.91%**	**-0.08%**	**-0.09%**	**-0.09%**	**-0.15%**	**-0.08%**	**-0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	79	78	69	46	30	4	4	6	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	160	155	140	125	95	80	5	5	5	5	5	5
Highway 407 (A, A)	130	124	107	90	65	55	0	1	3	5	5	5
Enbridge Gas Distribution (A-, A)	135	130	115	100	75	60	5	5	5	5	5	5
Hydro One (A3/A/A high)	135	129	112	95	75	60	5	5	5	5	5	5
Schedule 1 Bank ABS (A)	200	193	174	155	135	120	5	3	1	5	5	5

From:	Bryan, Richard
To:	"sheen.liu@opg.com"
Cc:	"LEE John -TREASURY"; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; "irma.mahmood@opg.com"; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Apr 30 2018
Date:	Tuesday, May 01, 2018 10:41:14 AM
Attachments:	FHP_NBC_20180430.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	4/30/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.41%	2.41%	2.37%	2.32%	2.15%	2.02%	0.01%	0.02%	0.02%	0.02%	0.01%	0.00%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	113	105	99	88	65	52	-2	-2	-4	-2	-2	0
Re-Offered Yield	3.54%	3.46%	3.36%	3.20%	2.80%	2.54%	-0.01%	0.00%	-0.02%	0.00%	-0.01%	0.00%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.57%**	**3.49%**	**3.40%**	**3.25%**	**2.88%**	**2.63%**	**-0.01%**	**0.00%**	**-0.02%**	**0.00%**	**-0.01%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	78	75.5	68.5	44.5	28.5	1	-1	-0.5	2	0.5	0.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135	129	112	95	75	65	-5	-5	-5	-5	-5	-5
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118	112	95	80	60	52	-5	-5	-5	-5	-5	-5
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140	133	114	95	75	65	-5	-5	-5	-5	-5	-5
FHT Series 2018-1			97				0	0	-3	0	0	0
FHT Series 2018-2		104					0	-3	0	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.41%	2.41%	2.37%	2.32%	2.15%	2.02%	0.01%	0.02%	0.02%	0.02%	0.01%	0.00%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	140	132	124	111	86	73	0	0	-2	-1	-2	0
Re-Offered Yield	3.81%	3.73%	3.61%	3.43%	3.01%	2.75%	0.01%	0.02%	0.00%	0.01%	-0.01%	0.00%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.84%**	**3.76%**	**3.65%**	**3.48%**	**3.09%**	**2.84%**	**0.01%**	**0.02%**	**0.00%**	**0.01%**	**-0.01%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	69	45	29	1	-1	-1	2	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	130	123	104	85	65	55	0	0	0	0	0	0
NAV Canada (AA-, AA low)	100	97	89	80	55	45	0	0	0	0	0	0
GTAA (Aa3, A+)	105	101	91	80	60	50	5	4	2	0	5	5
Hydro One (A3/A/A high)	130	124	107	90	70	55	-5	-5	-5	-5	0	-5

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.41%	2.41%	2.37%	2.32%	2.15%	2.02%	0.01%	0.02%	0.02%	0.02%	0.01%	0.00%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	173	165	154	133	105	92	3	3	-2	-2	-2	0
Re-Offered Yield	4.14%	4.06%	3.91%	3.65%	3.20%	2.94%	0.04%	0.05%	0.00%	0.00%	-0.01%	0.00%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.17%**	**4.09%**	**3.95%**	**3.70%**	**3.28%**	**3.03%**	**0.04%**	**0.05%**	**0.00%**	**0.00%**	**-0.01%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	69	45	29	1	-1	-1	2	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	150	145	130	115	90	75	-5	-4	-2	0	0	0
Highway 407 (A, A)	130	123	104	85	65	55	0	0	0	0	0	0
Enbridge Gas Distribution (A-, A)	130	125	110	95	75	60	0	0	0	0	0	0
Hydro One (A3/A/A high)	130	124	107	90	70	55	-5	-5	-5	-5	0	-5
Schedule 1 Bank ABS (A)	195	188	169	150	130	115	-5	-5	-5	-5	-5	-5

From:	Bryan, Richard
To:	sheen.liu@opg.com
Cc:	LEE John -TREASURY; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; irma.mahmood@opg.com; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Feb 20 2018
Date:	Tuesday, February 20, 2018 6:30:00 PM
Attachments:	FHP_NBC_20180220.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

416-869-7470

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.48%	2.49%	2.44%	2.36%	2.13%	1.95%	0.00%	0.01%	0.01%	0.02%	0.04%	0.05%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	109	106	96	80	59	47	1	1	0	0	-1	0
Re-Offered Yield	3.57%	3.55%	3.40%	3.16%	2.72%	2.42%	0.01%	0.02%	0.01%	0.02%	0.03%	0.05%
Commission (bp)	2.7	3.5	3.9	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.60%**	**3.59%**	**3.44%**	**3.21%**	**2.80%**	**2.51%**	**0.01%**	**0.02%**	**0.01%**	**0.02%**	**0.03%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	72	70	61	40	25.5	1	-1	-1	1	0	-0.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	130	124	107	90	70	60	5	5	5	5	5	5
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	113	107	90	75	55	47	5	5	5	5	5	5
Schedule I Bank ABS (Aaa ; AAA ; AAA)	135	130	113	90	75	65	5	5	5	5	5	5

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.48%	2.49%	2.44%	2.36%	2.13%	1.95%	0.00%	0.01%	0.01%	0.02%	0.04%	0.05%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	134	131	120	103	82	69	1	1	0	0	-1	0
Re-Offered Yield	3.82%	3.80%	3.64%	3.39%	2.95%	2.64%	0.01%	0.02%	0.01%	0.02%	0.03%	0.05%
Commission (bp)	2.7	3.5	3.9	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.85%**	**3.84%**	**3.68%**	**3.44%**	**3.03%**	**2.73%**	**0.01%**	**0.02%**	**0.01%**	**0.02%**	**0.03%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	72	70	61	40	26	1	-1	-1	1	0	-1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	125	118	99	80	60	50	0	0	0	0	0	0
NAV Canada (AA-, AA low)	90	88	81	75	55	45	0	0	0	0	0	0
GTAA (Aa3, A+)	90	88	81	75	55	45	0	1	3	5	5	5
Hydro One (A3/A/A high)	130	123	104	85	60	50	0	0	0	0	0	0

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.48%	2.49%	2.44%	2.36%	2.13%	1.95%	0.00%	0.01%	0.01%	0.02%	0.04%	0.05%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	164	161	148	125	99	87	1	1	0	0	-1	0
Re-Offered Yield	4.12%	4.10%	3.92%	3.61%	3.12%	2.82%	0.01%	0.02%	0.01%	0.02%	0.03%	0.05%
Commission (bp)	2.7	3.5	3.9	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.15%**	**4.14%**	**3.96%**	**3.66%**	**3.20%**	**2.91%**	**0.01%**	**0.02%**	**0.01%**	**0.02%**	**0.03%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	72	70	61	40	26	1	-1	-1	1	0	-1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	155	149	132	115	85	70	5	5	5	5	0	0
Highway 407 (A, A)	125	118	99	80	60	50	0	0	0	0	0	0
Enbridge Gas Distribution (A-, A)	130	124	107	90	65	55	0	0	0	0	0	0
Hydro One (A3/A/A high)	130	123	104	85	60	50	0	0	0	0	0	0
Schedule 1 Bank ABS (A)	190	185	168	145	130	115	0	0	0	0	0	0

From:	Bryan, Richard
To:	LEE John -TREASURY; sheen.liu@opg.com
Cc:	"ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; irma.mahmood@opg.com; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Feb 12 2018
Date:	Tuesday, February 13, 2018 2:28:28 PM
Attachments:	FHP_NBC_20180212.xlsx

Hi Sheen, please find attached indicative spreads for captioned. As discussed, 15 year benchmark Canada bond has been changed to Jun 33's

Regards

Rick

416-869-7470

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	2/12/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.48%	2.48%	2.43%	2.34%	2.09%	1.90%	0.03%	0.03%	0.02%	-0.03%	-0.07%	-0.07%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	108	105	96	80	60	47	3	3	3	2	2	2
Re-Offered Yield	3.56%	3.53%	3.39%	3.14%	2.69%	2.37%	0.06%	0.06%	0.05%	-0.01%	-0.05%	-0.05%
Commission (bp)	2.7	3.5	3.9	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.59%**	**3.57%**	**3.43%**	**3.19%**	**2.77%**	**2.46%**	**0.06%**	**0.06%**	**0.05%**	**-0.01%**	**-0.05%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	73	71	60	40	26	3	3	3.5	1.5	1.5	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	130	124	107	90	70	60	5	5	5	5	5	5
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	113	107	90	75	55	47	5	5	5	5	5	5
Schedule I Bank ABS (Aaa ; AAA ; AAA)	135	130	113	90	75	65	5	5	5	5	5	5

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.48%	2.48%	2.43%	2.34%	2.09%	1.90%	0.03%	0.03%	0.02%	-0.03%	-0.07%	-0.07%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	133	130	120	103	83	69	3	3	3	2	2	2
Re-Offered Yield	3.81%	3.78%	3.63%	3.37%	2.92%	2.59%	0.06%	0.06%	0.05%	-0.01%	-0.05%	-0.05%
Commission (bp)	2.7	3.5	3.9	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.84%**	**3.82%**	**3.67%**	**3.42%**	**3.00%**	**2.68%**	**0.06%**	**0.06%**	**0.05%**	**-0.01%**	**-0.05%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	73	71	60	40	26	3	3	4	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	125	118	99	80	60	50	5	5	5	5	5	5
NAV Canada (AA-, AA low)	90	88	81	75	55	45	5	5	5	5	5	5
GTAA (Aa3, A+)	90	87	79	70	50	40	5	4	2	0	0	0
Hydro One (A3/A/A high)	130	123	104	85	60	50	5	5	5	5	0	0

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.48%	2.48%	2.43%	2.34%	2.09%	1.90%	0.03%	0.03%	0.02%	-0.03%	-0.07%	-0.07%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	163	160	148	125	100	87	3	3	3	2	2	2
Re-Offered Yield	4.11%	4.08%	3.91%	3.59%	3.09%	2.77%	0.06%	0.06%	0.05%	-0.01%	-0.05%	-0.05%
Commission (bp)	2.7	3.5	3.9	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.14%**	**4.12%**	**3.95%**	**3.64%**	**3.17%**	**2.86%**	**0.06%**	**0.06%**	**0.05%**	**-0.01%**	**-0.05%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	73	71	60	40	26	3	3	4	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	150	144	127	110	85	70	5	5	5	5	5	5
Highway 407 (A, A)	125	118	99	80	60	50	5	5	5	5	5	5
Enbridge Gas Distribution (A-, A)	130	124	107	90	65	55	10	10	10	10	5	5
Hydro One (A3/A/A high)	130	123	104	85	60	50	5	5	5	5	0	0
Schedule 1 Bank ABS (A)	190	185	168	145	130	115	5	5	5	5	5	5

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To:	LEE John -TREASURY; sheen.liu@opg.com
Cc:	"ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; irma.mahmood@opg.com; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Feb 5 2018 update
Date:	Thursday, February 08, 2018 10:49:33 AM
Attachments:	FHP_NBC_20180205.xlsx

John / Sheen, we have updated our indicative spreads to reflect market volatility and wider spread differential between rating tier.

Regards

Rick

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%	0.09%	0.10%	0.09%	0.06%	0.04%	0.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	105	102	93	78	58	45	5	5	5	5	5	5
Re-Offered Yield	3.50%	3.47%	3.34%	3.15%	2.74%	2.42%	0.14%	0.15%	0.14%	0.11%	0.09%	0.07%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.53%**	**3.50%**	**3.38%**	**3.20%**	**2.82%**	**2.51%**	**0.14%**	**0.15%**	**0.14%**	**0.11%**	**0.09%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70	67.5	58.5	38.5	26	0	-1	0	0.5	-1.5	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	125	119	102	85	65	55	0	1	3	5	5	5
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	108	102	85	70	50	42	0	1	3	5	5	5
Schedule I Bank ABS (Aaa ; AAA ; AAA)	130	125	108	85	70	60	5	5	5	0	5	5

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%	0.09%	0.10%	0.09%	0.06%	0.04%	0.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	130	127	117	101	81	67	15	15	15	15	15	15
Re-Offered Yield	3.75%	3.72%	3.58%	3.38%	2.97%	2.64%	0.24%	0.25%	0.24%	0.21%	0.19%	0.17%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.78%**	**3.75%**	**3.62%**	**3.43%**	**3.05%**	**2.73%**	**0.24%**	**0.25%**	**0.24%**	**0.21%**	**0.19%**	**0.17%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70	68	59	39	26	0	-1	0	1	-2	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	120	113	94	75	55	45	5	4	2	0	0	0
NAV Canada (AA-, AA low)	85	83	76	70	50	40	0	0	0	0	0	0
GTAA (Aa3, A+)	85	83	76	70	50	40	0	0	0	0	0	0
Hydro One (A3/A/A high)	125	118	99	80	60	50	5	5	5	5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%	0.09%	0.10%	0.09%	0.06%	0.04%	0.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	160	157	145	123	98	85	15	15	15	15	15	15
Re-Offered Yield	4.05%	4.02%	3.86%	3.60%	3.14%	2.82%	0.24%	0.25%	0.24%	0.21%	0.19%	0.17%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.08%**	**4.05%**	**3.90%**	**3.65%**	**3.22%**	**2.91%**	**0.24%**	**0.25%**	**0.24%**	**0.21%**	**0.19%**	**0.17%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70	68	59	39	26	0	-1	0	1	-2	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	145	139	122	105	80	65	5	5	5	5	5	5
Highway 407 (A, A)	120	113	94	75	55	45	5	4	2	0	0	0
Enbridge Gas Distribution (A-, A)	120	114	97	80	60	50	0	0	0	0	0	0
Hydro One (A3/A/A high)	125	118	99	80	60	50	5	5	5	5	5	5
Schedule 1 Bank ABS (A)	185	180	163	140	125	110	5	5	5	0	5	5

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Subject:	Fair Hydro Trust - Indicative Bond Spreads - Feb 5 2018
Date:	Monday, February 05, 2018 4:28:21 PM
Attachments:	FHT Indicative Spreads February 5th 2018.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

416-869-7470

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%	0.09%	0.10%	0.09%	0.06%	0.04%	0.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	105	102	93	78	58	45	5	5	5	5	5	5
Re-Offered Yield	3.50%	3.47%	3.34%	3.15%	2.74%	2.42%	0.14%	0.15%	0.14%	0.11%	0.09%	0.07%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.53%**	**3.50%**	**3.38%**	**3.20%**	**2.82%**	**2.51%**	**0.14%**	**0.15%**	**0.14%**	**0.11%**	**0.09%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70	67.5	58.5	38.5	26	0	-1	0	0.5	-1.5	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	125	119	102	85	65	55	0	1	3	5	5	5
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	108	102	85	70	50	42	0	1	3	5	5	5
Schedule I Bank ABS (Aaa ; AAA ; AAA)	130	125	108	85	70	60	5	5	5	0	5	5

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%	0.09%	0.10%	0.09%	0.06%	0.04%	0.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	120	117	107	91	71	57	5	5	5	5	5	5
Re-Offered Yield	3.65%	3.62%	3.48%	3.28%	2.87%	2.54%	0.14%	0.15%	0.14%	0.11%	0.09%	0.07%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.68%**	**3.65%**	**3.52%**	**3.33%**	**2.95%**	**2.63%**	**0.14%**	**0.15%**	**0.14%**	**0.11%**	**0.09%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70	68	59	39	26	0	-1	0	1	-2	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	120	113	94	75	55	45	5	4	2	0	0	0
NAV Canada (AA-, AA low)	85	83	76	70	50	40	0	0	0	0	0	0
GTAA (Aa3, A+)	85	83	76	70	50	40	0	0	0	0	0	0
Hydro One (A3/A/A high)	125	118	99	80	60	50	5	5	5	5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%	0.09%	0.10%	0.09%	0.06%	0.04%	0.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	150	147	135	113	88	75	5	5	5	5	5	5
Re-Offered Yield	3.95%	3.92%	3.76%	3.50%	3.04%	2.72%	0.14%	0.15%	0.14%	0.11%	0.09%	0.07%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.98%**	**3.95%**	**3.80%**	**3.55%**	**3.12%**	**2.81%**	**0.14%**	**0.15%**	**0.14%**	**0.11%**	**0.09%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70	68	59	39	26	0	-1	0	1	-2	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	145	139	122	105	80	65	5	5	5	5	5	5
Highway 407 (A, A)	120	113	94	75	55	45	5	4	2	0	0	0
Enbridge Gas Distribution (A-, A)	120	114	97	80	60	50	0	0	0	0	0	0
Hydro One (A3/A/A high)	125	118	99	80	60	50	5	5	5	5	5	5
Schedule 1 Bank ABS (A)	185	180	163	140	125	110	5	5	5	0	5	5

From:	Kalinauskas, Jonathan
To:	sheen.liu@opg.com; Locas, Yves
Cc:	LEE John -TREASURY; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; irma.mahmood@opg.com; Carrique, John; Locas, Yves; Roy, Linda; Catallozzi, Anthony; Bryan, Richard
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Feb 26 2018
Date:	Tuesday, February 27, 2018 9:02:23 AM
Attachments:	FHP_NBC_20180226.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Jonathan

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Bank Name	National Bank of Canada
Date	2/26/2018

Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.41%	2.41%	2.34%	2.27%	2.05%	1.90%	-0.07%	-0.08%	-0.10%	-0.09%	-0.08%	-0.05%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	108	105	95	79	58	46	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.49%	3.46%	3.29%	3.06%	2.63%	2.36%	-0.08%	-0.09%	-0.11%	-0.10%	-0.09%	-0.06%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.52%**	**3.49%**	**3.33%**	**3.11%**	**2.71%**	**2.45%**	**-0.08%**	**-0.09%**	**-0.11%**	**-0.10%**	**-0.09%**	**-0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	72	71	60.5	39.5	25.5	-1	0	1	-0.5	-0.5	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	130	124	107	90	70	60	5	5	5	5	0	0
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	113	107	90	75	55	47	5	5	5	5	0	0
Schedule I Bank ABS (Aaa ; AAA ; AAA)	135	130	113	90	75	65	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.41%	2.41%	2.34%	2.27%	2.05%	1.90%	-0.07%	-0.08%	-0.10%	-0.09%	-0.08%	-0.05%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	133	130	119	102	81	68	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.74%	3.71%	3.53%	3.29%	2.86%	2.58%	-0.08%	-0.09%	-0.11%	-0.10%	-0.09%	-0.06%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.77%**	**3.74%**	**3.57%**	**3.34%**	**2.94%**	**2.67%**	**-0.08%**	**-0.09%**	**-0.11%**	**-0.10%**	**-0.09%**	**-0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	72	71	61	40	26	-1	0	1	-1	-1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Highway 407 (A, A)	125	118	99	80	60	50	0	0	0	0	0	0
NAV Canada (AA-, AA low)	90	88	81	75	55	45	0	0	0	0	0	0
GTAA (Aa3, A+)	90	88	81	75	55	45	0	0	0	0	0	0
Hydro One (A3/A/A high)	130	123	104	85	60	45	0	0	0	0	0	-5

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.41%	2.41%	2.34%	2.27%	2.05%	1.90%	-0.07%	-0.08%	-0.10%	-0.09%	-0.08%	-0.05%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	163	160	147	124	98	86	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.04%	4.01%	3.81%	3.51%	3.03%	2.76%	-0.08%	-0.09%	-0.11%	-0.10%	-0.09%	-0.06%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.07%**	**4.04%**	**3.85%**	**3.56%**	**3.11%**	**2.85%**	**-0.08%**	**-0.09%**	**-0.11%**	**-0.10%**	**-0.09%**	**-0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	72	71	61	40	26	-1	0	1	-1	-1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	155	149	132	115	85	70	0	0	0	0	0	0
Highway 407 (A, A)	125	118	99	80	60	50	0	0	0	0	0	0
Enbridge Gas Distribution (A-, A)	130	124	107	90	65	55	0	0	0	0	0	0
Hydro One (A3/A/A high)	130	123	104	85	60	45	0	0	0	0	0	-5
Schedule 1 Bank ABS (A)	190	185	168	145	130	115	0	0	0	0	0	0

From:	Bryan, Richard
To:	sheen.liu@opg.com
Cc:	LEE John -TREASURY; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Jan 23 2018
Date:	Tuesday, January 23, 2018 3:28:43 PM
Attachments:	FHT Indicative Spreads January 23rd 2018.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

416-869-7470

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Bank Name	National Bank of Canada
Date	1/23/2018

Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.38%	2.36%	2.31%	2.26%	2.06%	1.90%	0.01%	0.02%	0.04%	0.07%	0.07%	0.06%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	100	95	83	70	50	40	0	0	0	0	0	5
Re-Offered Yield	3.38%	3.31%	3.14%	2.96%	2.56%	2.30%	0.01%	0.02%	0.04%	0.07%	0.07%	0.11%
Commission (bp)	2.7	3.4	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.41%**	**3.34%**	**3.18%**	**3.01%**	**2.64%**	**2.39%**	**0.01%**	**0.02%**	**0.04%**	**0.07%**	**0.07%**	**0.11%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	69	66.5	60	40	26	3	1	0.5	2.5	2	1.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	130	123	104	85	65	55	0	0	0	0	-5	0
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	113	106	87	70	50	42	0	0	0	0	-5	0
Schedule I Bank ABS (Aaa ; AAA ; AAA)	125	120	103	85	65	55	0	0	0	0	-5	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.38%	2.36%	2.31%	2.26%	2.06%	1.90%	0.01%	0.02%	0.04%	0.07%	0.07%	0.06%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	110	105	93	80	60	50	-5	-5	-5	-5	0	5
Re-Offered Yield	3.48%	3.41%	3.24%	3.06%	2.66%	2.40%	-0.04%	-0.03%	-0.01%	0.02%	0.07%	0.11%
Commission (bp)	2.7	3.4	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.51%**	**3.44%**	**3.28%**	**3.11%**	**2.74%**	**2.49%**	**-0.04%**	**-0.03%**	**-0.01%**	**0.02%**	**0.07%**	**0.11%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	69	67	60	40	26	3	1	1	3	2	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	120	113	94	75	55	45	0	0	0	0	0	0
NAV Canada (AA-, AA low)	85	83	76	70	50	40	0	0	0	0	0	0
GTAA (Aa3, A+)	85	83	76	70	50	40	0	0	0	0	0	0
Hydro One (A3/A/A high)	120	113	94	75	55	45	0	-1	-3	-5	-5	0

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.38%	2.36%	2.31%	2.26%	2.06%	1.90%	0.01%	0.02%	0.04%	0.07%	0.07%	0.06%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	140	135	120	100	75	65	0	0	0	0	-5	5
Re-Offered Yield	3.78%	3.71%	3.51%	3.26%	2.81%	2.55%	0.01%	0.02%	0.04%	0.07%	0.02%	0.11%
Commission (bp)	2.7	3.4	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.81%**	**3.74%**	**3.55%**	**3.31%**	**2.89%**	**2.64%**	**0.01%**	**0.02%**	**0.04%**	**0.07%**	**0.02%**	**0.11%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	69	67	60	40	26	3	1	1	3	2	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	145	139	122	105	75	60	5	4	2	0	0	0
Highway 407 (A, A)	120	113	94	75	55	45	0	0	0	0	0	0
Enbridge Gas Distribution (A-, A)	120	114	97	80	60	50	0	-1	-3	-5	-5	0
Hydro One (A3/A/A high)	120	113	94	75	55	45	0	-1	-3	-5	-5	0
Schedule 1 Bank ABS (A)	180	175	158	140	120	105	0	0	0	0	-5	0

From:	Bryan, Richard
To:	sheen.liu@opg.com
Cc:	"Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Jan 16 2018
Date:	Wednesday, January 17, 2018 11:28:23 AM
Attachments:	FHT Indicative Spreads January 16th 2018.xlsx

Hi Sheen, please find attached indicative spreads for captioned. Commission figures are restated. Several subordinated bond comps have been added/changed to reflect indicative Moodys/DBRS ratings

Please feel free to call if you have questions.

Regards

Rick

416-869-7470

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Bank Name	National Bank of Canada
Date	1/16/2018

Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.37%	2.34%	2.27%	2.19%	1.99%	1.84%	-0.02%	0.00%	-0.01%	-0.02%	-0.01%	-0.03%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	100	95	83	70	50	35	0	0	0	0	0	0
Re-Offered Yield	3.37%	3.29%	3.10%	2.89%	2.49%	2.19%	-0.02%	-0.01%	-0.01%	-0.02%	-0.01%	-0.03%
Commission (bp)	2.7	3.4	3.8	4.6	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.40%**	**3.32%**	**3.14%**	**2.94%**	**2.57%**	**2.28%**	**-0.02%**	**-0.01%**	**-0.01%**	**-0.02%**	**-0.01%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	67	68	66	57.5	38	24.5	3	2	1.5	2	2	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	130	123	104	85	70	55	0	0	0	0	0	0
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	113	106	87	70	55	42	0	0	0	0	0	0
Schedule I Bank ABS (Aaa ; AAA ; AAA)	125	120	103	85	70	55	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.37%	2.34%	2.27%	2.19%	1.99%	1.84%	-0.02%	0.00%	-0.01%	-0.02%	-0.01%	-0.03%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	115	110	98	85	60	45	0	0	0	0	0	0
Re-Offered Yield	3.52%	3.44%	3.25%	3.04%	2.59%	2.29%	-0.02%	0.00%	-0.01%	-0.02%	-0.01%	-0.03%
Commission (bp)	2.7	3.4	3.8	4.6	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.55%**	**3.47%**	**3.29%**	**3.09%**	**2.67%**	**2.38%**	**-0.02%**	**0.00%**	**-0.01%**	**-0.02%**	**-0.01%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	67	68	66	58	38	25	3	2	2	2	2	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	120	113	94	75	55	45	0	0	0	0	0	0
NAV Canada (AA-, AA low)	85	83	76	70	50	40	0	0	0	0	0	0
GTAA (Aa3, A+)	85	83	76	70	50	40	0	0	1	2	0	0
Hydro One (A3/A/A high)	120	114	97	80	60	45	-5	-4	-2	0	0	-5

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.37%	2.34%	2.27%	2.19%	1.99%	1.84%	-0.02%	0.00%	-0.01%	-0.02%	-0.01%	-0.03%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	140	135	120	100	80	60	0	0	0	0	0	0
Re-Offered Yield	3.77%	3.69%	3.47%	3.19%	2.79%	2.44%	-0.02%	0.00%	-0.01%	-0.02%	-0.01%	-0.03%
Commission (bp)	2.7	3.4	3.8	4.6	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.80%**	**3.72%**	**3.51%**	**3.24%**	**2.87%**	**2.53%**	**-0.02%**	**0.00%**	**-0.01%**	**-0.02%**	**-0.01%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	67	68	66	58	38	25	3	2	2	2	2	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	140	135	120	105	75	60	-5	-4	-2	0	0	-5
Highway 407 (A, A)	120	113	94	75	55	45	0	0	0	0	0	0
Enbridge Gas Distribution (A-, A)	120	115	100	85	65	50	-5	-4	-2	0	0	-5
Hydro One (A3/A/A high)	120	114	97	80	60	45	-5	-4	-2	0	0	-5
Schedule 1 Bank ABS (A)	180	175	158	140	125	105	0	0	0	0	0	0

From:	Bryan, Richard
To:	sheen.liu@opg.com
Cc:	LEE John -TREASURY; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Carrique, John; Locas, Yves; Scraire, Jean-François; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Jan 30 2018
Date:	Tuesday, January 30, 2018 6:30:38 PM
Attachments:	FHP_NBC_20180130.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

416-869-7470

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Bank Name	National Bank of Canada
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.36%	2.35%	2.32%	2.31%	2.12%	1.95%	-0.02%	-0.01%	0.01%	0.05%	0.06%	0.05%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	100	97	88	73	53	40	0	2	2	1	1	0
Re-Offered Yield	3.36%	3.32%	3.20%	3.04%	2.65%	2.35%	-0.02%	0.01%	0.03%	0.06%	0.07%	0.05%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.39%**	**3.35%**	**3.24%**	**3.09%**	**2.73%**	**2.44%**	**-0.02%**	**0.01%**	**0.03%**	**0.06%**	**0.07%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	71	67.5	58	40	25	0	2	1	-2	0	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	125	118	99	80	60	50	-5	-5	-5	-5	-5	-5
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	108	101	82	65	45	37	-5	-5	-5	-5	-5	-5
Schedule I Bank ABS (Aaa ; AAA ; AAA)	125	120	103	85	65	55	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.36%	2.35%	2.32%	2.31%	2.12%	1.95%	-0.02%	-0.01%	0.01%	0.05%	0.06%	0.05%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	115	112	102	86	66	52	0	2	2	1	1	0
Re-Offered Yield	3.51%	3.47%	3.34%	3.17%	2.78%	2.47%	-0.02%	0.01%	0.03%	0.06%	0.07%	0.05%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.54%**	**3.50%**	**3.38%**	**3.22%**	**2.86%**	**2.56%**	**-0.02%**	**0.01%**	**0.03%**	**0.06%**	**0.07%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	71	68	58	40	25	0	2	1	-2	0	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Highway 407 (A, A)	115	109	92	75	55	45	-5	-4	-2	0	0	0
NAV Canada (AA-, AA low)	85	83	76	70	50	40	0	0	0	0	0	0
GTAA (Aa3, A+)	85	83	76	70	50	40	0	0	0	0	0	0
Hydro One (A3/A/A high)	120	113	94	75	55	45	0	0	0	0	0	0

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.36%	2.35%	2.32%	2.31%	2.12%	1.95%	-0.02%	-0.01%	0.01%	0.05%	0.06%	0.05%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	145	142	130	108	83	70	-5	-3	0	-2	-2	0
Re-Offered Yield	3.81%	3.77%	3.62%	3.39%	2.95%	2.65%	-0.07%	-0.04%	0.01%	0.03%	0.04%	0.05%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.84%**	**3.80%**	**3.66%**	**3.44%**	**3.03%**	**2.74%**	**-0.07%**	**-0.04%**	**0.01%**	**0.03%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	71	68	58	40	25	0	2	1	-2	0	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	140	134	117	100	75	60	-5	-5	-5	-5	0	0
Highway 407 (A, A)	115	109	92	75	55	45	-5	-4	-2	0	0	0
Enbridge Gas Distribution (A-, A)	120	114	97	80	60	50	0	0	0	0	0	0
Hydro One (A3/A/A high)	120	113	94	75	55	45	0	0	0	0	0	0
Schedule 1 Bank ABS (A)	180	175	158	140	120	105	0	0	0	0	0	0

From:	Bryan, Richard
To:	"sheen.liu@opg.com"
Cc:	"LEE John -TREASURY"; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; "irma.mahmood@opg.com"; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan
Subject:	Fair Hydro Trust - Indicative Bond Spreads - June 4 2018
Date:	Tuesday, June 05, 2018 2:12:48 PM
Attachments:	FHP_NBC_20180604.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	6/4/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.27%	2.29%	2.27%	2.25%	2.13%	2.03%	-0.08%	-0.08%	-0.06%	-0.05%	-0.05%	-0.04%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	110	103	96	86	65	52	-1	-1	-1	-1	0	0
Re-Offered Yield	3.37%	3.32%	3.23%	3.11%	2.78%	2.55%	-0.09%	-0.09%	-0.07%	-0.06%	-0.05%	-0.04%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.40%**	**3.35%**	**3.27%**	**3.16%**	**2.86%**	**2.64%**	**-0.09%**	**-0.09%**	**-0.08%**	**-0.06%**	**-0.05%**	**-0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	78	74.5	66.5	43.5	28.5	-1	7	5.5	0.5	1.5	1.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	140	134	117	100	85	75	0	0	0	0	0	0
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	123	117	100	85	70	62	0	0	0	0	0	0
Schedule I Bank ABS (Aaa ; AAA ; AAA)	145	139	122	105	85	75	5	5	5	5	0	0
FHT Series 2018-1			91				0	0	-2	0	0	0
FHT Series 2018-2		97					0	-3	0	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.27%	2.29%	2.27%	2.25%	2.13%	2.03%	-0.08%	-0.08%	-0.06%	-0.05%	-0.05%	-0.04%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	136	129	120	108	85	72	-1	-1	-1	-1	0	0
Re-Offered Yield	3.63%	3.58%	3.47%	3.33%	2.98%	2.75%	-0.09%	-0.09%	-0.07%	-0.06%	-0.05%	-0.04%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.66%**	**3.61%**	**3.51%**	**3.38%**	**3.06%**	**2.84%**	**-0.09%**	**-0.09%**	**-0.08%**	**-0.06%**	**-0.05%**	**-0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	78	75	67	44	29	-1	7	6	1	2	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	130	124	107	90	65	55	0	0	0	0	0	0
NAV Canada (AA-, AA low)	105	101	91	80	55	45	0	0	0	0	0	0
GTAA (Aa3, A+)	115	111	98	85	60	50	5	4	2	0	0	0
Hydro One (A3/A/A high)	135	129	112	95	70	60	0	0	0	0	0	5

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.27%	2.29%	2.27%	2.25%	2.13%	2.03%	-0.08%	-0.08%	-0.06%	-0.05%	-0.05%	-0.04%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	169	162	150	130	104	91	-1	-1	-1	-1	0	0
Re-Offered Yield	3.96%	3.91%	3.77%	3.55%	3.17%	2.94%	-0.09%	-0.09%	-0.08%	-0.06%	-0.05%	-0.04%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.99%**	**3.94%**	**3.81%**	**3.60%**	**3.25%**	**3.03%**	**-0.09%**	**-0.09%**	**-0.08%**	**-0.06%**	**-0.05%**	**-0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	78	75	67	44	29	-1	7	6	1	2	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	160	154	137	120	90	75	0	0	0	0	0	0
Highway 407 (A, A)	130	124	107	90	65	55	0	0	0	0	0	0
Enbridge Gas Distribution (A-, A)	140	135	120	105	75	60	5	5	5	5	5	5
Hydro One (A3/A/A high)	135	129	112	95	70	60	0	0	0	0	0	5
Schedule 1 Bank ABS (A)	200	194	177	160	140	125	5	5	5	5	0	0

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To:	"sheen.liu@opg.com"
Cc:	"LEE John -TREASURY"; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; "irma.mahmood@opg.com"; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan
Subject:	Fair Hydro Trust - Indicative Bond Spreads - May 22 2018
Date:	Tuesday, May 22, 2018 2:42:44 PM
Attachments:	FHP_NBC_20180522.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	5/22/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.52%	2.53%	2.53%	2.50%	2.34%	2.18%	0.09%	0.09%	0.10%	0.10%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	112	105	98	88	66	53	0	1	1	1	1	1
Re-Offered Yield	3.64%	3.58%	3.51%	3.38%	3.00%	2.71%	0.09%	0.10%	0.11%	0.11%	0.11%	0.09%
Commission (bp)	2.8	3.5	3.9	4.8	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.67%**	**3.62%**	**3.55%**	**3.43%**	**3.08%**	**2.80%**	**0.09%**	**0.10%**	**0.11%**	**0.11%**	**0.11%**	**0.09%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	69.5	63.5	41	25	-1	-2	-2.5	-0.5	-1	-0.5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135	129	112	95	80	70	0	0	0	0	0	0
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118	112	95	80	65	57	0	0	0	0	0	0
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140	133	114	95	80	70	0	0	0	0	0	0
FHT Series 2018-1			94				0	0	1	0	0	0
FHT Series 2018-2		101					0	1	0	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.52%	2.53%	2.53%	2.50%	2.34%	2.18%	0.09%	0.09%	0.10%	0.10%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	139	132	123	111	87	74	0	1	1	1	1	1
Re-Offered Yield	3.91%	3.85%	3.76%	3.61%	3.21%	2.92%	0.09%	0.10%	0.11%	0.11%	0.11%	0.09%
Commission (bp)	2.8	3.5	3.9	4.8	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.94%**	**3.89%**	**3.80%**	**3.66%**	**3.29%**	**3.01%**	**0.09%**	**0.10%**	**0.11%**	**0.11%**	**0.11%**	**0.09%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	70	64	41	25	-1	-2	-3	-1	-1	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Highway 407 (A, A)	130	124	107	90	65	55	0	0	0	0	0	0
NAV Canada (AA-, AA low)	100	97	89	80	55	45	0	0	0	0	0	0
GTAA (Aa3, A+)	110	106	96	85	60	50	0	0	0	0	0	0
Hydro One (A3/A/A high)	135	129	112	95	70	55	0	0	0	0	0	-5

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.52%	2.53%	2.53%	2.50%	2.34%	2.18%	0.09%	0.09%	0.10%	0.10%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	172	165	153	133	106	93	0	1	1	1	1	1
Re-Offered Yield	4.24%	4.18%	4.06%	3.83%	3.40%	3.11%	0.09%	0.10%	0.11%	0.11%	0.11%	0.09%
Commission (bp)	2.8	3.5	3.9	4.8	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.27%**	**4.22%**	**4.10%**	**3.88%**	**3.48%**	**3.20%**	**0.09%**	**0.10%**	**0.11%**	**0.11%**	**0.11%**	**0.09%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	70	64	41	25	-1	-2	-3	-1	-1	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	155	149	132	115	90	75	0	0	0	0	0	0
Highway 407 (A, A)	130	124	107	90	65	55	0	0	0	0	0	0
Enbridge Gas Distribution (A-, A)	135	130	115	100	70	55	0	0	0	0	-5	-5
Hydro One (A3/A/A high)	135	129	112	95	70	55	0	0	0	0	0	-5
Schedule 1 Bank ABS (A)	195	188	169	150	135	120	0	0	0	0	0	0

From:	Bryan, Richard
To:	"sheen.liu@opg.com"
Cc:	"LEE John -TREASURY"; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; "irma.mahmood@opg.com"; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan
Subject:	Fair Hydro Trust - Indicative Bond Spreads - May 14 2018
Date:	Tuesday, May 15, 2018 4:55:55 PM
Attachments:	FHP_NBC_20180514.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	5/14/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.43%	2.44%	2.43%	2.40%	2.24%	2.10%	0.02%	0.03%	0.05%	0.07%	0.07%	0.06%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	112	104	97	87	65	52	-1	-1	-2	-1	0	0
Re-Offered Yield	3.55%	3.48%	3.40%	3.27%	2.89%	2.62%	0.01%	0.02%	0.03%	0.06%	0.07%	0.06%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.58%**	**3.52%**	**3.44%**	**3.32%**	**2.97%**	**2.71%**	**0.01%**	**0.02%**	**0.03%**	**0.06%**	**0.07%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	77	72	64	42	25.5	-4	-2	-4	-4	-1.5	-3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135	129	112	95	80	70	0	0	0	0	0	0
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118	112	95	80	65	57	0	0	0	0	0	0
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140	133	114	95	80	70	-5	-5	-5	-5	0	0
FHT Series 2018-1			93				0	0	-2	0	0	0
FHT Series 2018-2		100					0	-1	0	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.43%	2.44%	2.43%	2.40%	2.24%	2.10%	0.02%	0.03%	0.05%	0.07%	0.07%	0.06%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	139	131	122	110	86	73	-1	-1	-2	-1	0	0
Re-Offered Yield	3.82%	3.75%	3.65%	3.50%	3.10%	2.83%	0.01%	0.02%	0.03%	0.06%	0.07%	0.06%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.85%**	**3.79%**	**3.69%**	**3.55%**	**3.18%**	**2.92%**	**0.01%**	**0.02%**	**0.03%**	**0.06%**	**0.07%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	77	72	64	42	26	-4	-2	-4	-4	-2	-3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	130	124	107	90	65	55	0	0	0	0	0	0
NAV Canada (AA-, AA low)	100	97	89	80	55	45	0	0	0	0	0	0
GTAA (Aa3, A+)	110	106	96	85	60	50	0	0	0	0	0	0
Hydro One (A3/A/A high)	135	129	112	95	70	60	0	0	0	0	0	0

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.43%	2.44%	2.43%	2.40%	2.24%	2.10%	0.02%	0.03%	0.05%	0.07%	0.07%	0.06%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	172	164	152	132	105	92	-1	-1	-2	-1	0	0
Re-Offered Yield	4.15%	4.08%	3.95%	3.72%	3.29%	3.02%	0.01%	0.02%	0.03%	0.06%	0.07%	0.06%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.18%**	**4.12%**	**3.99%**	**3.77%**	**3.37%**	**3.11%**	**0.01%**	**0.02%**	**0.03%**	**0.06%**	**0.07%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	77	72	64	42	26	-4	-2	-4	-4	-2	-3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	155	149	132	115	90	75	0	0	0	0	0	0
Highway 407 (A, A)	130	124	107	90	65	55	0	0	0	0	0	0
Enbridge Gas Distribution (A-, A)	135	130	115	100	75	60	0	0	0	0	0	0
Hydro One (A3/A/A high)	135	129	112	95	70	60	0	0	0	0	0	0
Schedule 1 Bank ABS (A)	195	188	169	150	135	120	-5	-5	-5	-5	0	0

From:	Bryan, Richard
To:	"sheen.liu@opg.com"
Cc:	"LEE John -TREASURY"; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; "irma.mahmood@opg.com"; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - May 7 2018
Date:	Tuesday, May 08, 2018 1:44:36 PM
Attachments:	FHP_NBC_20180507.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	5/7/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.41%	2.41%	2.38%	2.33%	2.17%	2.04%	0.00%	0.00%	0.01%	0.01%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	113	105	99	88	65	52	0	0	0	0	0	0
Re-Offered Yield	3.54%	3.46%	3.37%	3.21%	2.82%	2.56%	0.00%	0.00%	0.01%	0.01%	0.02%	0.02%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.57%**	**3.49%**	**3.41%**	**3.26%**	**2.90%**	**2.65%**	**0.00%**	**0.00%**	**0.01%**	**0.01%**	**0.02%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79	76	68	43.5	28.5	1	1	0.5	-0.5	-1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135	129	112	95	80	70	0	0	0	0	5	5
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118	112	95	80	65	57	0	0	0	0	5	5
Schedule I Bank ABS (Aaa ; AAA ; AAA)	145	138	119	100	80	70	5	5	5	5	5	5
FHT Series 2018-1			95				0	0	-2	0	0	0
FHT Series 2018-2		101					0	-3	0	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.41%	2.41%	2.38%	2.33%	2.17%	2.04%	0.00%	0.00%	0.01%	0.01%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	140	132	124	111	86	73	0	0	0	0	0	0
Re-Offered Yield	3.81%	3.73%	3.62%	3.44%	3.03%	2.77%	0.00%	0.00%	0.01%	0.01%	0.02%	0.02%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.84%**	**3.76%**	**3.66%**	**3.49%**	**3.11%**	**2.86%**	**0.00%**	**0.00%**	**0.01%**	**0.01%**	**0.02%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79	76	68	44	29	1	1	1	-1	-1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	130	124	107	90	65	55	0	1	3	5	0	0
NAV Canada (AA-, AA low)	100	97	89	80	55	45	0	0	0	0	0	0
GTAA (Aa3, A+)	110	106	96	85	60	50	5	5	5	5	0	0
Hydro One (A3/A/A high)	135	129	112	95	70	60	5	5	5	5	0	5

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.41%	2.41%	2.38%	2.33%	2.17%	2.04%	0.00%	0.00%	0.01%	0.01%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	173	165	154	133	105	92	0	0	0	0	0	0
Re-Offered Yield	4.14%	4.06%	3.92%	3.66%	3.22%	2.96%	0.00%	0.00%	0.01%	0.01%	0.02%	0.02%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.17%**	**4.09%**	**3.96%**	**3.71%**	**3.30%**	**3.05%**	**0.00%**	**0.00%**	**0.01%**	**0.01%**	**0.02%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79	76	68	44	29	1	1	1	-1	-1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	155	149	132	115	90	75	5	4	2	0	0	0
Highway 407 (A, A)	130	124	107	90	65	55	0	1	3	5	0	0
Enbridge Gas Distribution (A-, A)	135	130	115	100	75	60	5	5	5	5	0	0
Hydro One (A3/A/A high)	135	129	112	95	70	60	5	5	5	5	0	5
Schedule 1 Bank ABS (A)	200	193	174	155	135	120	5	5	5	5	5	5

From:	Bryan, Richard
To:	"sheen.liu@opg.com"
Cc:	"LEE John -TREASURY"; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; "irma.mahmood@opg.com"; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Mar 26 2018
Date:	Tuesday, March 27, 2018 1:44:40 PM
Attachments:	FHP_NBC_20180326.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	3/26/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.33%	2.32%	2.30%	2.24%	2.09%	1.99%	0.01%	0.01%	0.02%	0.04%	0.08%	0.08%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	113	110	100	87	64	50	1	1	1	2	2	2
Re-Offered Yield	3.46%	3.42%	3.30%	3.11%	2.73%	2.49%	0.02%	0.02%	0.03%	0.06%	0.10%	0.10%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.49%**	**3.45%**	**3.34%**	**3.16%**	**2.81%**	**2.58%**	**0.02%**	**0.02%**	**0.03%**	**0.06%**	**0.10%**	**0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	72.5	63.5	42.5	26.5	4	4	4	3.5	3	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135	129	112	95	75	65	0	1	3	5	0	0
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118	112	95	80	60	52	0	1	3	5	0	0
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140	135	118	95	75	65	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.33%	2.32%	2.30%	2.24%	2.09%	1.99%	0.01%	0.01%	0.02%	0.04%	0.08%	0.08%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	138	135	124	110	87	72	1	1	1	2	2	2
Re-Offered Yield	3.71%	3.67%	3.54%	3.34%	2.96%	2.71%	0.02%	0.02%	0.03%	0.06%	0.10%	0.10%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.74%**	**3.70%**	**3.58%**	**3.39%**	**3.04%**	**2.80%**	**0.02%**	**0.02%**	**0.03%**	**0.06%**	**0.10%**	**0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	73	64	43	27	4	4	4	4	3	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	130	123	104	85	60	50	0	0	0	0	0	0
NAV Canada (AA-, AA low)	95	93	86	80	55	45	-5	-4	-2	0	0	0
GTAA (Aa3, A+)	100	97	89	80	55	45	0	0	0	0	0	0
Hydro One (A3/A/A high)	130	124	107	90	70	55	0	0	0	0	5	5

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.33%	2.32%	2.30%	2.24%	2.09%	1.99%	0.01%	0.01%	0.02%	0.04%	0.08%	0.08%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	168	165	152	132	104	90	1	1	1	2	2	2
Re-Offered Yield	4.01%	3.97%	3.82%	3.56%	3.13%	2.89%	0.02%	0.02%	0.03%	0.06%	0.10%	0.10%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.04%**	**4.00%**	**3.86%**	**3.61%**	**3.21%**	**2.98%**	**0.02%**	**0.02%**	**0.03%**	**0.06%**	**0.10%**	**0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	73	64	43	27	4	4	4	4	3	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	155	150	135	120	90	75	0	0	0	0	0	0
Highway 407 (A, A)	130	123	104	85	60	50	0	0	0	0	0	0
Enbridge Gas Distribution (A-, A)	130	125	110	95	70	55	0	0	0	0	0	0
Hydro One (A3/A/A high)	130	124	107	90	70	55	0	0	0	0	5	5
Schedule 1 Bank ABS (A)	195	190	173	150	130	115	0	0	0	0	0	0

From:	Bryan, Richard
To:	"sheen.liu@opg.com"
Cc:	"LEE John -TREASURY"; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; "irma.mahmood@opg.com"; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Mar 19 2018
Date:	Wednesday, March 21, 2018 10:50:41 AM
Attachments:	FHP_NBC_20180319.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

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Bank Name	National Bank of Canada
Date	3/19/2018

Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.32%	2.31%	2.28%	2.20%	2.01%	1.91%	-0.12%	-0.12%	-0.09%	-0.09%	-0.08%	-0.04%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	112	109	99	85	62	48	0	0	0	3	2	0
Re-Offered Yield	3.44%	3.40%	3.27%	3.05%	2.63%	2.39%	-0.12%	-0.12%	-0.09%	-0.06%	-0.06%	-0.04%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.47%**	**3.43%**	**3.31%**	**3.10%**	**2.71%**	**2.48%**	**-0.12%**	**-0.12%**	**-0.09%**	**-0.06%**	**-0.06%**	**-0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	68.5	60	39.5	24.5	-4	-4	-5.5	-3	-2.5	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135	128	109	90	75	65	0	0	0	0	0	0
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118	111	92	75	60	52	0	0	0	0	0	0
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140	135	118	95	75	65	0	0	0	0	-5	-5

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.32%	2.31%	2.28%	2.20%	2.01%	1.91%	-0.12%	-0.12%	-0.09%	-0.09%	-0.08%	-0.04%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	137	134	123	108	85	70	0	0	0	3	2	0
Re-Offered Yield	3.69%	3.65%	3.51%	3.28%	2.86%	2.61%	-0.12%	-0.12%	-0.09%	-0.06%	-0.06%	-0.04%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.72%**	**3.68%**	**3.55%**	**3.33%**	**2.94%**	**2.70%**	**-0.12%**	**-0.12%**	**-0.09%**	**-0.06%**	**-0.06%**	**-0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	60	40	25	-4	-4	-6	-3	-3	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	130	123	104	85	60	50	0	0	0	0	0	0
NAV Canada (AA-, AA low)	100	97	89	80	55	45	0	0	0	0	0	0
GTAA (Aa3, A+)	100	97	89	80	55	45	0	0	0	0	0	0
Hydro One (A3/A/A high)	130	124	107	90	65	50	0	0	0	0	0	0

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.32%	2.31%	2.28%	2.20%	2.01%	1.91%	-0.12%	-0.12%	-0.09%	-0.09%	-0.08%	-0.04%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	167	164	151	130	102	88	0	0	0	3	2	0
Re-Offered Yield	3.99%	3.95%	3.79%	3.50%	3.03%	2.79%	-0.12%	-0.12%	-0.09%	-0.06%	-0.06%	-0.04%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.02%**	**3.98%**	**3.83%**	**3.55%**	**3.11%**	**2.88%**	**-0.12%**	**-0.12%**	**-0.09%**	**-0.06%**	**-0.06%**	**-0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	60	40	25	-4	-4	-6	-3	-3	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	155	150	135	120	90	75	0	0	0	0	0	0
Highway 407 (A, A)	130	123	104	85	60	50	0	0	0	0	0	0
Enbridge Gas Distribution (A-, A)	130	125	110	95	70	55	0	0	0	0	0	0
Hydro One (A3/A/A high)	130	124	107	90	65	50	0	0	0	0	0	0
Schedule 1 Bank ABS (A)	195	190	173	150	130	115	0	0	0	0	-5	-5

From:	Bryan, Richard
To:	sheen.liu@opg.com
Cc:	LEE John -TREASURY; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; irma.mahmood@opg.com; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Mar 13 2018
Date:	Wednesday, March 14, 2018 9:48:52 AM
Attachments:	FHP_NBC_20180312.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

416-869-7470

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	3/12/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.44%	2.43%	2.37%	2.29%	2.09%	1.95%	0.10%	0.10%	0.10%	0.10%	0.11%	0.11%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	112	109	99	82	60	48	3	3	3	2	1	1
Re-Offered Yield	3.56%	3.52%	3.36%	3.11%	2.69%	2.43%	0.13%	0.13%	0.13%	0.12%	0.12%	0.12%
Commission (bp)	2.7	3.5	3.9	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.59%**	**3.56%**	**3.40%**	**3.16%**	**2.77%**	**2.52%**	**0.13%**	**0.13%**	**0.13%**	**0.12%**	**0.12%**	**0.12%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	63	42	26.5	0	0	0.5	0.5	-0.5	-0.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135	128	109	90	75	65	0	-1	-3	-5	0	0
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118	111	92	75	60	52	0	-1	-3	-5	0	0
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140	135	118	95	80	70	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.44%	2.43%	2.37%	2.29%	2.09%	1.95%	0.10%	0.10%	0.10%	0.10%	0.11%	0.11%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	137	134	123	105	83	70	3	3	3	2	1	1
Re-Offered Yield	3.81%	3.77%	3.60%	3.34%	2.92%	2.65%	0.13%	0.13%	0.13%	0.12%	0.12%	0.12%
Commission (bp)	2.7	3.5	3.9	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.84%**	**3.81%**	**3.64%**	**3.39%**	**3.00%**	**2.74%**	**0.13%**	**0.13%**	**0.13%**	**0.12%**	**0.12%**	**0.12%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	63	42	27	0	0	1	1	-1	-1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	130	123	104	85	60	50	0	1	3	5	0	0
NAV Canada (AA-, AA low)	100	97	89	80	55	45	5	5	5	5	0	0
GTAA (Aa3, A+)	100	97	89	80	55	45	5	5	5	5	0	0
Hydro One (A3/A/A high)	130	124	107	90	65	50	0	0	0	0	0	0

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.44%	2.43%	2.37%	2.29%	2.09%	1.95%	0.10%	0.10%	0.10%	0.10%	0.11%	0.11%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	167	164	151	127	100	88	3	3	3	2	1	1
Re-Offered Yield	4.11%	4.07%	3.88%	3.56%	3.09%	2.83%	0.13%	0.13%	0.13%	0.12%	0.12%	0.12%
Commission (bp)	2.7	3.5	3.9	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.14%**	**4.11%**	**3.92%**	**3.61%**	**3.17%**	**2.92%**	**0.13%**	**0.13%**	**0.13%**	**0.12%**	**0.12%**	**0.12%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	63	42	27	0	0	1	1	-1	-1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	155	150	135	120	90	75	0	0	0	0	0	0
Highway 407 (A, A)	130	123	104	85	60	50	0	1	3	5	0	0
Enbridge Gas Distribution (A-, A)	130	125	110	95	70	55	0	0	0	0	0	0
Hydro One (A3/A/A high)	130	124	107	90	65	50	0	0	0	0	0	0
Schedule 1 Bank ABS (A)	195	190	173	150	135	120	0	0	0	0	0	0

From:	Bryan, Richard
To:	sheen.liu@opg.com
Cc:	LEE John -TREASURY; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; irma.mahmood@opg.com; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	Fair Hydro Trust - Indicative Bond Spreads - Mar 6 2018
Date:	Tuesday, March 06, 2018 3:27:57 PM
Attachments:	FHP_NBC_20180305.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

416-869-7470

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	3/5/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.34%	2.33%	2.27%	2.19%	1.98%	1.84%	-0.07%	-0.08%	-0.07%	-0.08%	-0.07%	-0.06%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	109	106	96	80	59	47	1	1	1	1	1	1
Re-Offered Yield	3.43%	3.39%	3.23%	2.99%	2.57%	2.31%	-0.06%	-0.07%	-0.06%	-0.07%	-0.06%	-0.05%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.46%**	**3.42%**	**3.27%**	**3.04%**	**2.65%**	**2.40%**	**-0.06%**	**-0.07%**	**-0.06%**	**-0.07%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	73.5	62.5	42.5	27	4	3	2.5	2	3	1.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135	129	112	95	75	65	5	5	5	5	5	5
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118	112	95	80	60	52	5	5	5	5	5	5
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140	135	118	95	80	70	5	5	5	5	5	5

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.34%	2.33%	2.27%	2.19%	1.98%	1.84%	-0.07%	-0.08%	-0.07%	-0.08%	-0.07%	-0.06%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	134	131	120	103	82	69	1	1	1	1	1	1
Re-Offered Yield	3.68%	3.64%	3.47%	3.22%	2.80%	2.53%	-0.06%	-0.07%	-0.06%	-0.07%	-0.06%	-0.05%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.71%**	**3.67%**	**3.51%**	**3.27%**	**2.88%**	**2.62%**	**-0.06%**	**-0.07%**	**-0.06%**	**-0.07%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	63	43	27	4	3	3	2	3	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	130	123	101	80	60	50	5	4	2	0	0	0
NAV Canada (AA-, AA low)	95	92	84	75	55	45	5	4	2	0	0	0
GTAA (Aa3, A+)	95	92	84	75	55	45	5	4	2	0	0	0
Hydro One (A3/A/A high)	130	124	107	90	65	50	0	1	3	5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.34%	2.33%	2.27%	2.19%	1.98%	1.84%	-0.07%	-0.08%	-0.07%	-0.08%	-0.07%	-0.06%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	164	161	148	125	99	87	1	1	1	1	1	1
Re-Offered Yield	3.98%	3.94%	3.75%	3.44%	2.97%	2.71%	-0.06%	-0.07%	-0.06%	-0.07%	-0.06%	-0.05%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.01%**	**3.97%**	**3.79%**	**3.49%**	**3.05%**	**2.80%**	**-0.06%**	**-0.07%**	**-0.06%**	**-0.07%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	63	43	27	4	3	3	2	3	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	155	150	135	120	90	75	0	1	3	5	5	5
Highway 407 (A, A)	130	123	101	80	60	50	5	4	2	0	0	0
Enbridge Gas Distribution (A-, A)	130	125	110	95	70	55	0	1	3	5	5	0
Hydro One (A3/A/A high)	130	124	107	90	65	50	0	1	3	5	5	5
Schedule 1 Bank ABS (A)	195	190	173	150	135	120	5	5	5	5	5	5

From:	Bryan, Richard
To:	"sheen.liu@opg.com"
Cc:	"LEE John -TREASURY"; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; "irma.mahmood@opg.com"; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan
Subject:	Fair Hydro Trust - Indicative Bond Spreads - May 28 2018
Date:	Tuesday, May 29, 2018 3:19:23 PM
Attachments:	FHP_NBC_20180528.xlsx

Hi Sheen, please find attached indicative spreads for captioned.

Regards

Rick

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	5/28/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	0.00%	0.00%	0.00%	1.00%	-1.00%	0.00%
Benchmark Yield	2.35%	2.37%	2.34%	2.30%	2.18%	2.07%	-0.17%	-0.16%	-0.20%	-0.20%	-0.16%	-0.11%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	111	104	97	87	65	52	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.46%	3.41%	3.31%	3.17%	2.83%	2.59%	-0.18%	-0.17%	-0.21%	-0.21%	-0.17%	-0.12%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	-0.1	-0.1	-0.1	0.0	0.0	0.0
All-in Yield	**3.49%**	**3.44%**	**3.34%**	**3.22%**	**2.91%**	**2.68%**	**-0.18%**	**-0.17%**	**-0.21%**	**-0.21%**	**-0.17%**	**-0.12%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	72	69	66	42	27	3	-4	-0.5	2.5	1	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	140	134	117	100	85	75	5	5	5	5	5	5
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	123	117	100	85	70	62	5	5	5	5	5	5
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140	134	117	100	85	75	0	1	3	5	5	5
FHT Series 2018-1			93				0	0	-1	0	0	0
FHT Series 2018-2		100					0	-1	0	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	0.00%	0.00%	0.00%	1.00%	-1.00%	0.00%
Benchmark Yield	2.35%	2.37%	2.34%	2.30%	2.18%	2.07%	-0.17%	-0.16%	-0.20%	-0.20%	-0.16%	-0.11%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	137	130	121	109	85	72	-2	-2	-2	-2	-2	-2
Re-Offered Yield	3.72%	3.67%	3.55%	3.39%	3.03%	2.79%	-0.19%	-0.18%	-0.22%	-0.22%	-0.18%	-0.13%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	-0.1	-0.1	-0.1	0.0	0.0	0.0
All-in Yield	**3.75%**	**3.70%**	**3.58%**	**3.44%**	**3.11%**	**2.88%**	**-0.19%**	**-0.18%**	**-0.22%**	**-0.22%**	**-0.18%**	**-0.13%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	72	69	66	42	27	3	-4	-1	3	1	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	130	124	107	90	65	55	0	0	0	0	0	0
NAV Canada (AA-, AA low)	105	101	91	80	55	45	5	4	2	0	0	0
GTAA (Aa3, A+)	110	106	96	85	60	50	0	0	0	0	0	0
Hydro One (A3/A/A high)	135	129	112	95	70	55	0	0	0	0	0	0

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	0.00%	0.00%	0.00%	1.00%	-1.00%	0.00%
Benchmark Yield	2.35%	2.37%	2.34%	2.30%	2.18%	2.07%	-0.17%	-0.16%	-0.20%	-0.20%	-0.16%	-0.11%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	170	163	151	131	104	91	-2	-2	-2	-2	-2	-2
Re-Offered Yield	4.05%	4.00%	3.85%	3.61%	3.22%	2.98%	-0.19%	-0.18%	-0.22%	-0.22%	-0.18%	-0.13%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	-0.1	-0.1	-0.1	0.0	0.0	0.0
All-in Yield	**4.08%**	**4.03%**	**3.88%**	**3.66%**	**3.30%**	**3.07%**	**-0.19%**	**-0.18%**	**-0.22%**	**-0.22%**	**-0.18%**	**-0.13%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	72	69	66	42	27	3	-4	-1	3	1	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	160	154	137	120	90	75	5	5	5	5	0	0
Highway 407 (A, A)	130	124	107	90	65	55	0	0	0	0	0	0
Enbridge Gas Distribution (A-, A)	135	130	115	100	70	55	0	0	0	0	0	0
Hydro One (A3/A/A high)	135	129	112	95	70	55	0	0	0	0	0	0
Schedule 1 Bank ABS (A)	195	189	172	155	140	125	0	1	3	5	5	5

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Neill McDonald (Scotiabank GBM); Jenna Dicks; Blake Newell
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 05/29/2018
Date:	Tuesday, May 29, 2018 3:33:56 PM
Attachments:	20180529.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

_____-

Scotiabank | Global Banking and Markets

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+103**	**+100**	**+87**	**+85**	**+63**	**+45**	9	8	0	9	5	2
Re-Offered Yield	3.51%	3.48%	3.31%	3.24%	2.80%	2.42%	0.20%	0.19%	0.10%	0.17%	0.10%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.54%**	**3.51%**	**3.35%**	**3.29%**	**2.87%**	**2.51%**	**0.20%**	**0.19%**	**0.11%**	**0.17%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	67	67	43	28	9	8	0	9	5	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+128**	**+123**	**+107**	**+105**	**+83**	**+65**	9	8	0	9	5	2
Re-Offered Yield	3.76%	3.71%	3.51%	3.44%	3.00%	2.62%	0.20%	0.19%	0.10%	0.17%	0.10%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.79%**	**3.74%**	**3.55%**	**3.49%**	**3.07%**	**2.71%**	**0.20%**	**0.19%**	**0.11%**	**0.17%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	67	67	43	28	9	8	0	9	5	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				-	97	86				#VALUE!	33	35

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+153**	**+146**	**+127**	**+125**	**+103**	**+85**	9	8	0	9	5	2
Re-Offered Yield	4.01%	3.94%	3.71%	3.64%	3.20%	2.82%	0.20%	0.19%	0.11%	0.17%	0.10%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.04%**	**3.97%**	**3.75%**	**3.69%**	**3.27%**	**2.91%**	**0.20%**	**0.19%**	**0.11%**	**0.17%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	67	67	43	28	9	8	0	9	5	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				-	97	86				#VALUE!	33	35

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

Bank Name	BNS
Date	3/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	2	2	2	2	2	2
Re-Offered Yield	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	160			115	90	78	0			0	0	0
CPP	76			66	45	31	(1)			0	(1)	(1)
BNS - Denior Deposit Notes	124			94	78	65	(1)			(1)	(1)	(1)
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	2	2	2	2	2	2
Re-Offered Yield	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	2	2	2	2	2	2
Re-Offered Yield	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Bank Name	BNS
Date	3/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	0	0	0	0	0	0
Re-Offered Yield	3.39%	3.37%	3.27%	3.12%	2.75%	2.48%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.42%**	**3.40%**	**3.31%**	**3.17%**	**2.83%**	**2.57%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	77			67	46	30	1			1	1	(1)
BNS - Denior Deposit Notes	124			94	77	65	0			0	(1)	0
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	0	0	0	0	0	0
Re-Offered Yield	3.74%	3.70%	3.57%	3.42%	3.05%	2.78%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.76%**	**3.73%**	**3.60%**	**3.46%**	**3.12%**	**2.87%**	**-0.04%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.25%	2.26%	2.24%	2.19%	2.04%	1.95%	-0.13%	-0.10%	-0.06%	-0.01%	0.02%	0.05%
Curve Adjustment (bp)	0.0	0.3	(0.0)	(0.0)	1.7	2.1	0	0	0	-2	2	2
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	0	0	0	0	0	0
Re-Offered Yield	4.00%	3.96%	3.82%	3.68%	3.36%	3.11%	-0.13%	-0.10%	-0.06%	-0.03%	0.03%	0.07%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.02%**	**3.99%**	**3.85%**	**3.72%**	**3.43%**	**3.20%**	**-0.13%**	**-0.10%**	**-0.06%**	**-0.03%**	**0.03%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Bank Name	BNS
Date	3/27/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+104**	**+103**	**+97**	**+88**	**+69**	**+53**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.32%	3.30%	3.21%	3.06%	2.73%	2.49%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.35%**	**3.33%**	**3.24%**	**3.10%**	**2.81%**	**2.58%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	163			118	93	81	3			3	3	3
CPP	78			68	47	30	1			1	1	0
BNS - Denior Deposit Notes	129			99	82	70	5			5	5	5
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+139**	**+136**	**+127**	**+118**	**+99**	**+83**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.67%	3.63%	3.51%	3.36%	3.03%	2.79%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.70%**	**3.66%**	**3.54%**	**3.40%**	**3.11%**	**2.88%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+174**	**+169**	**+157**	**+148**	**+129**	**+113**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.02%	3.96%	3.81%	3.66%	3.33%	3.09%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.05%**	**3.99%**	**3.84%**	**3.70%**	**3.41%**	**3.18%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Bank Name	BNS
Date	4/3/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	2	2	2	2	2	2
Re-Offered Yield	3.40%	3.38%	3.28%	3.13%	2.76%	2.49%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.43%**	**3.41%**	**3.32%**	**3.18%**	**2.84%**	**2.58%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	167			122	97	85	4			4	4	4
CPP	79			69	49	31	1			1	2	1
BNS - Denior Deposit Notes	132			102	85	73	3			3	3	3
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+120**	**+101**	**+85**	2	2	2	2	2	2
Re-Offered Yield	3.75%	3.71%	3.58%	3.43%	3.06%	2.79%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.74%**	**3.62%**	**3.48%**	**3.14%**	**2.88%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+176**	**+171**	**+159**	**+150**	**+131**	**+115**	2	2	2	2	2	2
Re-Offered Yield	4.10%	4.04%	3.88%	3.73%	3.36%	3.09%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	0	0	0	0	0	0
All-in Yield	**4.13%**	**4.07%**	**3.92%**	**3.78%**	**3.44%**	**3.18%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Bank Name	BNS
Date	4/10/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	0	0	0	0	0	0
Re-Offered Yield	3.37%	3.34%	3.24%	3.10%	2.75%	2.51%	-0.03%	-0.04%	-0.03%	-0.02%	-0.01%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.40%**	**3.37%**	**3.28%**	**3.15%**	**2.83%**	**2.60%**	**-0.03%**	**-0.04%**	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	170			125	100	86	3			3	3	1
CPP	79			69	49	31	0			0	0	0
BNS - Denior Deposit Notes	132			102	86	75	0			0	1	2
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.71%	3.66%	3.53%	3.39%	3.04%	2.80%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.74%**	**3.69%**	**3.57%**	**3.44%**	**3.12%**	**2.89%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.19%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.06%	3.99%	3.83%	3.69%	3.34%	3.10%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**4.09%**	**4.02%**	**3.87%**	**3.74%**	**3.42%**	**3.19%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Bank Name	BNS
Date	4/17/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.35%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.08%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+103**	**+102**	**+96**	**+87**	**+68**	**+52**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.38%	3.35%	3.26%	3.13%	2.81%	2.54%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.40%**	**3.38%**	**3.29%**	**3.17%**	**2.88%**	**2.62%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	(5)			(5)	(5)	(5)
CPP	82			72	49	32	3			3	0	1
BNS - Senior Deposit Notes	132			102	86	76	0			0	0	1
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+137**	**+134**	**+125**	**+116**	**+97**	**+81**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.71%	3.67%	3.55%	3.42%	3.09%	2.83%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.74%**	**3.70%**	**3.58%**	**3.46%**	**3.17%**	**2.91%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+172**	**+167**	**+155**	**+146**	**+127**	**+111**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	4.06%	4.00%	3.85%	3.72%	3.39%	3.13%	0.00%	0.01%	0.01%	0.02%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.09%**	**4.03%**	**3.88%**	**3.76%**	**3.47%**	**3.21%**	**0.00%**	**0.01%**	**0.01%**	**0.02%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Bank Name	BNS
Date	4/24/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.0)	1.7	1.8	1.6	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+109**	**+107**	**+99**	**+92**	**+70**	**+55**	-8	0	0	0	0	0
Re-Offered Yield	3.53%	3.50%	3.39%	3.29%	2.89%	2.58%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**3.56%**	**3.53%**	**3.43%**	**3.33%**	**2.96%**	**2.67%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	163			118	93	79	(2)			(2)	(2)	(2)
CPP	82			72	49	32	0			0	0	0
BNS - Senior Deposit Notes	128			98	82	72	(4)			(4)	(4)	(4)
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+144**	**+142**	**+129**	**+122**	**+100**	**+85**	-8	0	0	0	0	0
Re-Offered Yield	3.88%	3.85%	3.69%	3.59%	3.19%	2.88%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**3.91%**	**3.88%**	**3.73%**	**3.63%**	**3.27%**	**2.97%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+182**	**+180**	**+159**	**+152**	**+130**	**+115**	-8	0	0	0	0	0
Re-Offered Yield	4.26%	4.23%	3.99%	3.89%	3.49%	3.18%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**4.29%**	**4.26%**	**4.03%**	**3.93%**	**3.57%**	**3.27%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+107**
Re-Offered Yield	3.49%
Commission (bp)	2.4
All-in Yield	**3.51%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	163
CPP	82
BNS - Senior Deposit Notes	128
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+142**
Re-Offered Yield	3.84%
Commission (bp)	2.4
All-in Yield	**3.86%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+180**
Re-Offered Yield	4.22%
Commission (bp)	2.4
All-in Yield	**4.24%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+105	**+99**	**+90**	**+68**
3.46%	3.36%	3.23%	2.85%
3.2	3.6	4.5	7.4
3.49%	**3.40%**	**3.27%**	**2.92%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		118	93
		70	46
		98	82
		95	79
		95	79

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+140	**+129**	**+120**	**+98**
3.81%	3.66%	3.53%	3.15%
3.2	3.6	4.5	7.4
3.84%	**3.70%**	**3.57%**	**3.22%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		95	79
		95	79

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+178	**+159**	**+150**	**+128**
4.19%	3.96%	3.83%	3.45%
3.2	3.6	4.5	7.4
4.22%	**4.00%**	**3.87%**	**3.52%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		95	79
		95	79

Bank Name
Date

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+53	-2	-2	0	-2	-2
2.57%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
2.65%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	3	2	2	4	2

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
79	0			0	0
31	0			(2)	(3)
72	0			0	0
69				0	0
69				0	0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+83	-2	-2	0	-2	-2
2.87%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
2.95%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	3	2	2	4	2

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
69				0	0
69				0	0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+113	-2	-2	0	-2	-2
3.17%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
3.25%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	3	2	2	4	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
69				0	0
69				0	0

BNS
5/1/2018

	3-year
	0.00%
	0
	-2
	-0.02%
	0
	-0.02%

	3-year
	2

	3-year
	0
	(1)
	0
	0
	0

	3-year
	0.00%
	0
	-2
	-0.02%
	0
	-0.02%

	3-year
	2

	3-year
	0
	0

3-year
0.00%
0
-2
-0.02%
0
-0.02%

3-year
2

3-year
0
0

Bank Name	BNS
Date	5/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.36%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+107**	**+104**	**+99**	**+90**	**+68**	**+52**	0	-1	0	0	0	-1
Re-Offered Yield	3.50%	3.47%	3.39%	3.26%	2.87%	2.58%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**3.52%**	**3.50%**	**3.43%**	**3.30%**	**2.95%**	**2.66%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	2			2	2	2
CPP	82			70	46	31	0			0	0	0
BNS - Senior Deposit Notes	129			99	84	74	1			1	2	2
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.36%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+142**	**+139**	**+129**	**+120**	**+98**	**+82**	0	-1	0	0	0	-1
Re-Offered Yield	3.85%	3.82%	3.69%	3.56%	3.17%	2.88%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**3.87%**	**3.85%**	**3.73%**	**3.60%**	**3.25%**	**2.96%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.35%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+180**	**+177**	**+159**	**+150**	**+128**	**+112**	0	-1	0	0	0	-1
Re-Offered Yield	4.23%	4.20%	3.99%	3.85%	3.47%	3.18%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**4.25%**	**4.23%**	**4.03%**	**3.90%**	**3.55%**	**3.26%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

Bank Name	BNS
Date	5/15/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.52%	2.52%	2.50%	2.49%	2.31%	2.04%	0.09%	0.10%	0.11%	0.13%	0.14%	0.00%
Curve Adjustment (bp)	0.0	0.3	0.0	(0.0)	2.2	2.4	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+106**	**+103**	**+99**	**+88**	**+66**	**+49**	-1	-1	0	-2	-2	-3
Re-Offered Yield	3.58%	3.56%	3.49%	3.37%	2.99%	2.55%	0.08%	0.09%	0.11%	0.11%	0.12%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	**3.60%**	**3.59%**	**3.53%**	**3.41%**	**3.07%**	**2.64%**	**0.08%**	**0.09%**	**0.10%**	**0.11%**	**0.12%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	72	65	44	27	-1	-1	-4	-3	0	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	165			120	95	81	0			0	0	0
CPP	82			66	45	32	0			(4)	(1)	1
BNS - Senior Deposit Notes	128			98	85	75	(1)			(1)	1	1
Golden Credit Card Trust				98	82	72				1	1	1
Master Credit Card Trust				98	82	72				1	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.52%	2.52%	2.50%	2.49%	2.31%	2.04%	0.09%	0.10%	0.11%	0.13%	0.14%	0.00%
Curve Adjustment (bp)	0.0	0.3	0.0	(0.0)	2.2	2.4	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+118**	**+96**	**+79**	-1	-1	0	-2	-2	-3
Re-Offered Yield	3.93%	3.91%	3.79%	3.67%	3.29%	2.85%	0.08%	0.09%	0.11%	0.11%	0.12%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	3.95%	3.94%	3.83%	3.71%	3.37%	2.94%	**0.08%**	**0.09%**	**0.10%**	**0.11%**	**0.12%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	72	65	44	27	-1	-1	-4	-3	0	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	82	72				1	1	1
Master Credit Card Trust				98	82	72				1	1	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.52%	2.52%	2.50%	2.49%	2.31%	2.04%	0.09%	0.10%	0.11%	0.13%	0.14%	0.00%
Curve Adjustment (bp)	0.0	0.3	0.0	(0.0)	2.2	2.4	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+179**	**+176**	**+159**	**+148**	**+126**	**+109**	-1	-1	0	-2	-2	-3
Re-Offered Yield	4.32%	4.31%	4.09%	3.99%	3.61%	3.30%	0.09%	0.11%	0.11%	0.13%	0.14%	0.13%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	**4.34%**	**4.34%**	**4.13%**	**4.03%**	**3.69%**	**3.39%**	**0.09%**	**0.11%**	**0.10%**	**0.13%**	**0.14%**	**0.13%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	72	65	44	27	-1	-1	-4	-3	0	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	82	72				1	1	1
Master Credit Card Trust				98	82	72				1	1	1

Bank Name	BNS
Date	5/22/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.51%	2.52%	2.51%	2.50%	2.31%	2.15%	-0.01%	0.00%	0.00%	0.01%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.1	0.0	(0.0)	2.3	2.4	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+102**	**+98**	**+88**	**+66**	**+49**	-1	-1	-1	0	0	0
Re-Offered Yield	3.56%	3.54%	3.49%	3.38%	2.99%	2.67%	-0.02%	-0.01%	-0.01%	0.01%	0.00%	0.01%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	0	0	0	0	0	0
All-in Yield	**3.58%**	**3.58%**	**3.52%**	**3.42%**	**3.07%**	**2.75%**	**-0.02%**	**-0.01%**	**-0.01%**	**0.01%**	**0.00%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	72	64	42	26	-3	-3	0	-1	-2	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	0			0	0	0
CPP	82			66	45	32	0			0	0	0
BNS - Senior Deposit Notes	129			99	85	74	1			1	0	(1)
Golden Credit Card Trust				95	81	71				(3)	(1)	(1)
Master Credit Card Trust				95	81	71				(3)	(1)	(1)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.51%	2.52%	2.51%	2.50%	2.31%	2.15%	-0.01%	0.00%	0.00%	0.01%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.1	0.0	(0.0)	2.3	2.4	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+118**	**+96**	**+79**	-1	-1	-1	0	0	0
Re-Offered Yield	3.91%	3.89%	3.79%	3.68%	3.29%	2.97%	-0.02%	-0.01%	-0.01%	0.01%	0.00%	0.01%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	0	0	0	0	0	0
All-in Yield	**3.93%**	**3.93%**	**3.82%**	**3.72%**	**3.37%**	**3.05%**	**-0.02%**	**-0.01%**	**-0.01%**	**0.01%**	**0.00%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	72	64	42	26	-3	-3	0	-1	-2	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	81	71				(3)	(1)	(1)
Master Credit Card Trust				95	81	71				(3)	(1)	(1)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.51%	2.52%	2.51%	2.50%	2.31%	2.15%	-0.01%	0.00%	0.00%	0.01%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.1	0.0	(0.0)	2.3	2.4	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+178**	**+175**	**+158**	**+148**	**+126**	**+109**	-1	-1	-1	0	0	0
Re-Offered Yield	4.29%	4.27%	4.09%	3.98%	3.59%	3.27%	-0.02%	-0.01%	-0.01%	0.01%	0.00%	0.01%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	0	0	0	0	0	0
All-in Yield	**4.31%**	**4.31%**	**4.12%**	**4.02%**	**3.67%**	**3.35%**	**-0.02%**	**-0.01%**	**-0.01%**	**0.01%**	**0.00%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	72	64	42	26	-3	-3	0	-1	-2	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	81	71				(3)	(1)	(1)
Master Credit Card Trust				95	81	71				(3)	(1)	(1)

Bank Name	BNS
Date	5/29/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.25%	2.26%	2.24%	2.19%	2.04%	1.95%	-0.25%	-0.26%	-0.27%	-0.30%	-0.27%	-0.20%
Curve Adjustment (bp)	0.0	0.3	(0.0)	(0.0)	1.7	2.1	0	0	0	0	-1	0
Spread to GoC Curve (bp)	**+105**	**+103**	**+100**	**+90**	**+67**	**+50**	0	1	2	2	1	1
Re-Offered Yield	3.30%	3.30%	3.24%	3.09%	2.73%	2.47%	-0.25%	-0.25%	-0.25%	-0.28%	-0.26%	-0.20%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.33%**	**3.33%**	**3.27%**	**3.14%**	**2.81%**	**2.56%**	**-0.25%**	**-0.25%**	**-0.25%**	**-0.28%**	**-0.26%**	**-0.20%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	77	76	67	43	28	3	3	4	4	2	2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	160			115	90	76	(5)			(5)	(5)	(5)
CPP	83			67	44	31	1			1	(1)	(1)
BNS - Senior Deposit Notes	132			102	88	76	3			3	3	2
Golden Credit Card Trust				98	84	73				3	3	2
Master Credit Card Trust				98	84	73				3	3	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.25%	2.26%	2.24%	2.19%	2.04%	1.95%	-0.25%	-0.26%	-0.27%	-0.30%	-0.27%	-0.20%
Curve Adjustment (bp)	0.0	0.3	(0.0)	(0.0)	1.7	2.1	0	0	0	0	-1	0
Spread to GoC Curve (bp)	**+140**	**+138**	**+130**	**+120**	**+97**	**+80**	0	1	2	2	1	1
Re-Offered Yield	3.65%	3.65%	3.54%	3.39%	3.03%	2.77%	-0.25%	-0.25%	-0.25%	-0.28%	-0.26%	-0.20%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.68%**	**3.68%**	**3.57%**	**3.44%**	**3.11%**	**2.86%**	**-0.25%**	**-0.25%**	**-0.25%**	**-0.28%**	**-0.26%**	**-0.20%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	77	76	67	43	28	3	3	4	4	2	2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				98	84	73				3	3	2
Master Credit Card Trust				98	84	73				3	3	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.25%	2.26%	2.24%	2.19%	2.04%	1.95%	-0.25%	-0.26%	-0.27%	-0.30%	-0.27%	-0.20%
Curve Adjustment (bp)	0.0	0.3	(0.0)	(0.0)	1.7	2.1	0	0	0	0	-1	0
Spread to GoC Curve (bp)	**+178**	**+176**	**+160**	**+150**	**+127**	**+110**	0	1	2	2	1	1
Re-Offered Yield	4.03%	4.03%	3.84%	3.69%	3.33%	3.07%	-0.25%	-0.25%	-0.25%	-0.28%	-0.26%	-0.20%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.06%**	**4.06%**	**3.87%**	**3.74%**	**3.41%**	**3.16%**	**-0.25%**	**-0.25%**	**-0.25%**	**-0.28%**	**-0.26%**	**-0.20%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	77	76	67	43	28	3	3	4	4	2	2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				98	84	73				3	3	2
Master Credit Card Trust				98	84	73				3	3	2

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Neill McDonald (Scotiabank GBM)
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 03/27/2018
Date:	Tuesday, March 27, 2018 1:33:08 PM
Attachments:	20180327.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+101**	**+98**	**+87**	**+82**	**+62**	**+44**	7	6	0	6	4	1
Re-Offered Yield	3.48%	3.45%	3.31%	3.21%	2.79%	2.41%	0.17%	0.17%	0.10%	0.14%	0.09%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.51%**	**3.49%**	**3.35%**	**3.26%**	**2.86%**	**2.50%**	**0.18%**	**0.17%**	**0.11%**	**0.14%**	**0.09%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	67	64	42	27	7	6	0	6	4	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+126**	**+121**	**+107**	**+102**	**+82**	**+64**	7	6	0	6	4	1
Re-Offered Yield	3.73%	3.68%	3.51%	3.41%	2.99%	2.61%	0.17%	0.17%	0.10%	0.14%	0.09%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.76%**	**3.72%**	**3.55%**	**3.46%**	**3.06%**	**2.70%**	**0.18%**	**0.17%**	**0.11%**	**0.14%**	**0.09%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	67	64	42	27	7	6	0	6	4	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				0	0	0				-81	-64	-51

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+151**	**+144**	**+127**	**+122**	**+102**	**+84**	7	6	0	6	4	1
Re-Offered Yield	3.98%	3.91%	3.71%	3.61%	3.19%	2.81%	0.17%	0.17%	0.11%	0.14%	0.09%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.01%**	**3.95%**	**3.75%**	**3.66%**	**3.26%**	**2.90%**	**0.18%**	**0.17%**	**0.11%**	**0.14%**	**0.09%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	67	64	42	27	7	6	0	6	4	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				0	0	0				-81	-64	-51

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

Bank Name	BNS
Date	3/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	2	2	2	2	2	2
Re-Offered Yield	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	76			66	45	31	(1)			0	(1)	(1)
BNS - Denior Deposit Notes	124			94	78	65	(1)			(1)	(1)	(1)
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	2	2	2	2	2	2
Re-Offered Yield	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	2	2	2	2	2	2
Re-Offered Yield	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Bank Name	BNS
Date	3/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	0	0	0	0	0	0
Re-Offered Yield	3.39%	3.37%	3.27%	3.12%	2.75%	2.48%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.42%**	**3.40%**	**3.31%**	**3.17%**	**2.83%**	**2.57%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	77			67	46	30	1			1	1	(1)
BNS - Denior Deposit Notes	124			94	77	65	0			0	(1)	0
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	0	0	0	0	0	0
Re-Offered Yield	3.74%	3.70%	3.57%	3.42%	3.05%	2.78%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.76%**	**3.73%**	**3.60%**	**3.46%**	**3.12%**	**2.87%**	**-0.04%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.09%	-0.09%	-0.06%	-0.04%	0.02%	0.06%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	0	0	0	0	0	0
Re-Offered Yield	4.03%	3.97%	3.82%	3.67%	3.34%	3.10%	-0.09%	-0.09%	-0.06%	-0.04%	0.02%	0.06%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.06%**	**4.00%**	**3.85%**	**3.71%**	**3.42%**	**3.19%**	**-0.09%**	**-0.09%**	**-0.06%**	**-0.04%**	**0.02%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Bank Name	BNS
Date	3/27/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+104**	**+103**	**+97**	**+88**	**+69**	**+53**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.32%	3.30%	3.21%	3.06%	2.73%	2.49%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.35%**	**3.33%**	**3.24%**	**3.10%**	**2.81%**	**2.58%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	163			118	93	81	3			3	3	3
CPP	78			68	47	30	1			1	1	0
BNS - Denior Deposit Notes	129			99	82	70	5			5	5	5
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+139**	**+136**	**+127**	**+118**	**+99**	**+83**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.67%	3.63%	3.51%	3.36%	3.03%	2.79%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.70%**	**3.66%**	**3.54%**	**3.40%**	**3.11%**	**2.88%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+174**	**+169**	**+157**	**+148**	**+129**	**+113**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.02%	3.96%	3.81%	3.66%	3.33%	3.09%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.05%**	**3.99%**	**3.84%**	**3.70%**	**3.41%**	**3.18%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Neill McDonald (Scotiabank GBM)
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 03/20/2018
Date:	Tuesday, March 20, 2018 5:39:12 PM
Attachments:	20180320.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+97**	**+87**	**+82**	**+61**	**+43**	6	5	0	5	3	1
Re-Offered Yield	3.48%	3.44%	3.31%	3.21%	2.78%	2.41%	0.17%	0.16%	0.10%	0.14%	0.08%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.51%**	**3.48%**	**3.35%**	**3.25%**	**2.85%**	**2.49%**	**0.17%**	**0.16%**	**0.11%**	**0.14%**	**0.08%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	67	64	41	26	6	5	0	5	3	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+125**	**+120**	**+107**	**+102**	**+81**	**+63**	6	5	0	5	3	1
Re-Offered Yield	3.73%	3.67%	3.51%	3.41%	2.98%	2.61%	0.17%	0.16%	0.10%	0.14%	0.08%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.76%**	**3.71%**	**3.55%**	**3.45%**	**3.05%**	**2.69%**	**0.17%**	**0.16%**	**0.11%**	**0.14%**	**0.08%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	67	64	41	26	6	5	0	5	3	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				0	0	0				-81	-64	-51

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+150**	**+143**	**+127**	**+122**	**+101**	**+83**	6	5	0	5	3	1
Re-Offered Yield	3.98%	3.90%	3.71%	3.61%	3.18%	2.81%	0.17%	0.16%	0.11%	0.14%	0.08%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.01%**	**3.94%**	**3.75%**	**3.65%**	**3.25%**	**2.89%**	**0.17%**	**0.16%**	**0.11%**	**0.14%**	**0.08%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	67	64	41	26	6	5	0	5	3	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				0	0	0				-81	-64	-51

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

Bank Name	BNS
Date	3/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	2	2	2	2	2	2
Re-Offered Yield	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	160			115	90	78	0			0	0	0
CPP	76			66	45	31	(1)			0	(1)	(1)
BNS - Denior Deposit Notes	124			94	78	65	(1)			(1)	(1)	(1)
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	2	2	2	2	2	2
Re-Offered Yield	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	2	2	2	2	2	2
Re-Offered Yield	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Bank Name	BNS
Date	3/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	0	0	0	0	0	0
Re-Offered Yield	3.39%	3.37%	3.27%	3.12%	2.75%	2.48%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.42%**	**3.40%**	**3.31%**	**3.17%**	**2.83%**	**2.57%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	160			115	90	78	0			0	0	0
CPP	77			67	46	30	1			1	1	(1)
BNS - Denior Deposit Notes	124			94	77	65	0			0	(1)	0
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	0	0	0	0	0	0
Re-Offered Yield	3.74%	3.70%	3.57%	3.42%	3.05%	2.78%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.77%**	**3.73%**	**3.61%**	**3.47%**	**3.13%**	**2.87%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	0	0	0	0	0	0
Re-Offered Yield	4.09%	4.03%	3.87%	3.72%	3.35%	3.08%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**4.12%**	**4.06%**	**3.91%**	**3.77%**	**3.43%**	**3.17%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Neill McDonald (Scotiabank GBM)
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 03/13/2018
Date:	Tuesday, March 13, 2018 5:03:39 PM
Attachments:	20180313.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+102**	**+100**	**+87**	**+83**	**+63**	**+45**	8	8	0	7	4	2
Re-Offered Yield	3.50%	3.47%	3.31%	3.22%	2.79%	2.42%	0.19%	0.19%	0.10%	0.15%	0.10%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.53%**	**3.51%**	**3.35%**	**3.27%**	**2.87%**	**2.51%**	**0.19%**	**0.19%**	**0.11%**	**0.15%**	**0.09%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	67	65	43	28	8	8	0	7	4	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+127**	**+123**	**+107**	**+103**	**+83**	**+65**	8	8	0	7	4	2
Re-Offered Yield	3.75%	3.70%	3.51%	3.42%	2.99%	2.62%	0.19%	0.19%	0.10%	0.15%	0.10%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.74%**	**3.55%**	**3.47%**	**3.07%**	**2.71%**	**0.19%**	**0.19%**	**0.11%**	**0.15%**	**0.09%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	67	65	43	28	8	8	0	7	4	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				130	105	88				49	41	37
Master Credit Card Trust				93	77	65				12	13	14

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+152**	**+146**	**+127**	**+123**	**+103**	**+85**	8	8	0	7	4	2
Re-Offered Yield	4.00%	3.93%	3.71%	3.62%	3.19%	2.82%	0.19%	0.19%	0.11%	0.15%	0.10%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.03%**	**3.97%**	**3.75%**	**3.67%**	**3.27%**	**2.91%**	**0.19%**	**0.19%**	**0.11%**	**0.15%**	**0.09%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	67	65	43	28	8	8	0	7	4	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				130	105	88				49	41	37
Master Credit Card Trust				93	77	65				12	13	14

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

Bank Name	BNS
Date	3/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	2	2	2	2	2	2
Re-Offered Yield	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	76			66	45	31	(1)			0	(1)	(1)
BNS - Denior Deposit Notes	124			94	78	65	(1)			(1)	(1)	(1)
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	2	2	2	2	2	2
Re-Offered Yield	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	2	2	2	2	2	2
Re-Offered Yield	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM)
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 03/06/2018
Date:	Tuesday, March 06, 2018 6:19:06 PM
Attachments:	20180306.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+101**	**+98**	**+87**	**+82**	**+62**	**+45**	7	6	0	6	3	2
Re-Offered Yield	3.49%	3.46%	3.31%	3.21%	2.78%	2.42%	0.18%	0.17%	0.10%	0.14%	0.09%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.52%**	**3.49%**	**3.35%**	**3.26%**	**2.86%**	**2.51%**	**0.18%**	**0.17%**	**0.11%**	**0.14%**	**0.08%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	67	64	42	28	7	6	0	6	3	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+126**	**+121**	**+107**	**+102**	**+82**	**+65**	7	6	0	6	3	2
Re-Offered Yield	3.74%	3.69%	3.51%	3.41%	2.98%	2.62%	0.18%	0.17%	0.10%	0.14%	0.09%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.77%**	**3.72%**	**3.55%**	**3.46%**	**3.06%**	**2.71%**	**0.18%**	**0.17%**	**0.11%**	**0.14%**	**0.08%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	67	64	42	28	7	6	0	6	3	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				127	102	86				46	38	35
Master Credit Card Trust				92	77	65				11	13	14

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+151**	**+144**	**+127**	**+122**	**+102**	**+85**	7	6	0	6	3	2
Re-Offered Yield	3.99%	3.92%	3.71%	3.61%	3.18%	2.82%	0.18%	0.17%	0.11%	0.14%	0.09%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.02%**	**3.95%**	**3.75%**	**3.66%**	**3.26%**	**2.91%**	**0.18%**	**0.17%**	**0.11%**	**0.14%**	**0.08%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	67	64	42	28	7	6	0	6	3	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				127	102	86				46	38	35
Master Credit Card Trust				92	77	65				11	13	14

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust **Master Credit Card Trust**	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name	
Date	

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM)
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 02/27/2018
Date:	Tuesday, February 27, 2018 9:32:51 PM
Attachments:	20180227.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+96**	**+87**	**+81**	**+60**	**+44**	6	4	0	4	2	2
Re-Offered Yield	3.48%	3.43%	3.31%	3.20%	2.77%	2.42%	0.17%	0.15%	0.10%	0.13%	0.07%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.51%**	**3.47%**	**3.35%**	**3.24%**	**2.84%**	**2.50%**	**0.17%**	**0.15%**	**0.11%**	**0.13%**	**0.07%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	73	67	63	40	27	6	4	0	4	2	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+125**	**+119**	**+107**	**+101**	**+80**	**+64**	6	4	0	4	2	2
Re-Offered Yield	3.73%	3.66%	3.51%	3.40%	2.97%	2.62%	0.17%	0.15%	0.10%	0.13%	0.07%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.76%**	**3.70%**	**3.55%**	**3.44%**	**3.04%**	**2.70%**	**0.17%**	**0.15%**	**0.11%**	**0.13%**	**0.07%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	73	67	63	40	27	6	4	0	4	2	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	123	103				-81	59	52
Master Credit Card Trust				88	73	61				7	9	10

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+150**	**+142**	**+127**	**+121**	**+100**	**+84**	6	4	0	4	2	2
Re-Offered Yield	3.98%	3.89%	3.71%	3.60%	3.17%	2.82%	0.17%	0.15%	0.11%	0.13%	0.07%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.01%**	**3.93%**	**3.75%**	**3.64%**	**3.24%**	**2.90%**	**0.17%**	**0.15%**	**0.11%**	**0.13%**	**0.07%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	73	67	63	40	27	6	4	0	4	2	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	123	103				-81	59	52
Master Credit Card Trust				88	73	61				7	9	10

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust **Master Credit Card Trust**	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM)
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 02/20/2018
Date:	Tuesday, February 20, 2018 3:15:04 PM
Attachments:	20180220.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+95**	**+95**	**+87**	**+79**	**+59**	**+43**	1	3	0	3	1	1
Re-Offered Yield	3.43%	3.43%	3.31%	3.18%	2.76%	2.41%	0.12%	0.14%	0.10%	0.11%	0.06%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.46%**	**3.46%**	**3.35%**	**3.23%**	**2.83%**	**2.49%**	**0.12%**	**0.14%**	**0.11%**	**0.11%**	**0.06%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	67	61	39	26	1	3	0	3	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+120**	**+118**	**+107**	**+99**	**+79**	**+63**	1	3	0	3	1	1
Re-Offered Yield	3.68%	3.66%	3.51%	3.38%	2.96%	2.61%	0.12%	0.14%	0.10%	0.11%	0.06%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.71%**	**3.69%**	**3.55%**	**3.43%**	**3.03%**	**2.69%**	**0.12%**	**0.14%**	**0.11%**	**0.11%**	**0.06%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	67	61	39	26	1	3	0	3	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				88	71	58				7	7	7

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+145**	**+141**	**+127**	**+119**	**+99**	**+83**	1	3	0	3	1	1
Re-Offered Yield	3.93%	3.89%	3.71%	3.58%	3.16%	2.81%	0.12%	0.14%	0.11%	0.11%	0.06%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.96%**	**3.92%**	**3.75%**	**3.63%**	**3.23%**	**2.89%**	**0.12%**	**0.14%**	**0.11%**	**0.11%**	**0.06%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	67	61	39	26	1	3	0	3	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				88	71	58				7	7	7

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0	0	0	0	0	0
CPP	74			63	45	29	0	0	0	0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0	0	0	0	1	1
Golden Credit Card Trust				88	71	58	0	0	0	-1	-2	-2
Master Credit Card Trust				88	71	58	0	0	0	-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58	0	0	0	-1	-2	-2
Master Credit Card Trust				88	71	58	0	0	0	-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58	0	0	0	-1	-2	-2
Master Credit Card Trust				88	71	58	0	0	0	-1	-2	-2

From:	Scotiabank - Global Banking and Markets (Scotiabank)
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Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM)
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 02/13/2018
Date:	Tuesday, February 13, 2018 3:12:09 PM
Attachments:	20180213.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+97**	**+94**	**+87**	**+79**	**+61**	**+43**	3	2	0	3	2	1
Re-Offered Yield	3.45%	3.42%	3.31%	3.18%	2.77%	2.41%	0.14%	0.13%	0.10%	0.11%	0.08%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.48%**	**3.45%**	**3.35%**	**3.23%**	**2.85%**	**2.49%**	**0.14%**	**0.13%**	**0.11%**	**0.11%**	**0.07%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	67	61	41	26	3	2	0	3	2	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+122**	**+117**	**+107**	**+99**	**+81**	**+63**	3	2	0	3	2	1
Re-Offered Yield	3.70%	3.65%	3.51%	3.38%	2.97%	2.61%	0.14%	0.13%	0.10%	0.11%	0.08%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.73%**	**3.68%**	**3.55%**	**3.43%**	**3.05%**	**2.69%**	**0.14%**	**0.13%**	**0.11%**	**0.11%**	**0.07%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	67	61	41	26	3	2	0	3	2	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				89	73	60				8	9	9

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+147**	**+140**	**+127**	**+119**	**+101**	**+83**	3	2	0	3	2	1
Re-Offered Yield	3.95%	3.88%	3.71%	3.58%	3.17%	2.81%	0.14%	0.13%	0.11%	0.11%	0.08%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.98%**	**3.91%**	**3.75%**	**3.63%**	**3.25%**	**2.89%**	**0.14%**	**0.13%**	**0.11%**	**0.11%**	**0.07%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	67	61	41	26	3	2	0	3	2	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				89	73	60				8	9	9

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	2	4	5	4	3	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.01%	0.03%	0.05%	0.04%	0.03%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.01%**	**0.03%**	**0.05%**	**0.04%**	**0.03%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(4)	(2)	0	(2)	(2)	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	12	14	15	14	13	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.12%	0.14%	0.15%	0.14%	0.13%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.12%**	**0.13%**	**0.15%**	**0.14%**	**0.13%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(4)	(2)	0	(2)	(2)	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(8)	(8)	(8)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	22	24	25	24	23	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.22%	0.24%	0.25%	0.24%	0.23%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.22%**	**0.24%**	**0.25%**	**0.23%**	**0.23%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(4)	(2)	0	(2)	(2)	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(8)	(8)	(8)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; ken.mason@rbc.com; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM)
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 02/08/2018
Date:	Thursday, February 08, 2018 11:09:29 AM
Attachments:	20180208.xlsx

Sheen,
In light of current market conditions we would like to take this opportunity to provide the attached updated spread guidance for the Fair Hydro Trust notes.
Let us know if you have any questions.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+94**	**+93**	**+87**	**+78**	**+59**	**+43**	-1	1	0	1	0	1
Re-Offered Yield	3.41%	3.40%	3.31%	3.17%	2.75%	2.41%	0.10%	0.12%	0.10%	0.10%	0.06%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.44%**	**3.44%**	**3.35%**	**3.21%**	**2.83%**	**2.49%**	**0.11%**	**0.12%**	**0.11%**	**0.10%**	**0.05%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	-1	1	0	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+119**	**+116**	**+107**	**+98**	**+79**	**+63**	-1	1	0	1	0	1
Re-Offered Yield	3.66%	3.63%	3.51%	3.37%	2.95%	2.61%	0.10%	0.12%	0.10%	0.10%	0.06%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.69%**	**3.67%**	**3.55%**	**3.41%**	**3.03%**	**2.69%**	**0.11%**	**0.12%**	**0.11%**	**0.10%**	**0.05%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	-1	1	0	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+144**	**+139**	**+127**	**+118**	**+99**	**+83**	-1	1	0	1	0	1
Re-Offered Yield	3.91%	3.86%	3.71%	3.57%	3.15%	2.81%	0.10%	0.12%	0.11%	0.10%	0.06%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.94%**	**3.90%**	**3.75%**	**3.61%**	**3.23%**	**2.89%**	**0.11%**	**0.12%**	**0.11%**	**0.10%**	**0.05%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	-1	1	0	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	5	5	5	5	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.05%**	**0.05%**	**0.05%**	**0.05%**	**0.05%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	15	15	15	15	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.15%**	**0.15%**	**0.15%**	**0.15%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	25	25	25	25	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.25%**	**0.25%**	**0.25%**	**0.25%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Neill McDonald (Scotiabank GBM); Jenna Dicks; Blake Newell
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 05/22/2018
Date:	Tuesday, May 22, 2018 2:15:44 PM
Attachments:	20180522.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

_____-

Scotiabank | Global Banking and Markets

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+97**	**+87**	**+82**	**+62**	**+43**	6	5	0	5	3	1
Re-Offered Yield	3.48%	3.45%	3.31%	3.21%	2.78%	2.41%	0.17%	0.16%	0.10%	0.14%	0.09%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.51%**	**3.48%**	**3.35%**	**3.25%**	**2.86%**	**2.49%**	**0.17%**	**0.16%**	**0.11%**	**0.14%**	**0.08%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	67	64	42	26	6	5	0	5	3	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+125**	**+120**	**+107**	**+102**	**+82**	**+63**	6	5	0	5	3	1
Re-Offered Yield	3.73%	3.68%	3.51%	3.41%	2.98%	2.61%	0.17%	0.16%	0.10%	0.14%	0.09%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.76%**	**3.71%**	**3.55%**	**3.45%**	**3.06%**	**2.69%**	**0.17%**	**0.16%**	**0.11%**	**0.14%**	**0.08%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	67	64	42	26	6	5	0	5	3	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				-	94	84				#VALUE!	30	33

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+150**	**+143**	**+127**	**+122**	**+102**	**+83**	6	5	0	5	3	1
Re-Offered Yield	3.98%	3.91%	3.71%	3.61%	3.18%	2.81%	0.17%	0.16%	0.11%	0.14%	0.09%	0.04%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.01%**	**3.94%**	**3.75%**	**3.65%**	**3.26%**	**2.89%**	**0.17%**	**0.16%**	**0.11%**	**0.14%**	**0.08%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	67	64	42	26	6	5	0	5	3	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				-	94	84				#VALUE!	30	33

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

Bank Name	BNS
Date	3/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	2	2	2	2	2	2
Re-Offered Yield	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	76			66	45	31	(1)			0	(1)	(1)
BNS - Denior Deposit Notes	124			94	78	65	(1)			(1)	(1)	(1)
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	2	2	2	2	2	2
Re-Offered Yield	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	2	2	2	2	2	2
Re-Offered Yield	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Bank Name	BNS
Date	3/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	0	0	0	0	0	0
Re-Offered Yield	3.39%	3.37%	3.27%	3.12%	2.75%	2.48%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.42%**	**3.40%**	**3.31%**	**3.17%**	**2.83%**	**2.57%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	160			115	90	78	0			0	0	0
CPP	77			67	46	30	1			1	1	(1)
BNS - Denior Deposit Notes	124			94	77	65	0			0	(1)	0
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	0	0	0	0	0	0
Re-Offered Yield	3.74%	3.70%	3.57%	3.42%	3.05%	2.78%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	0	0	0	0	0	0
All-in Yield	**3.76%**	**3.73%**	**3.61%**	**3.46%**	**3.13%**	**2.87%**	**-0.04%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.50%	2.52%	2.50%	2.49%	2.30%	2.15%	0.12%	0.16%	0.21%	0.29%	0.28%	0.25%
Curve Adjustment (bp)	0.0	0.1	(0.0)	(0.0)	2.2	2.4	0	0	0	-2	2	2
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	0	0	0	0	0	0
Re-Offered Yield	4.24%	4.21%	4.08%	3.97%	3.62%	3.31%	0.12%	0.15%	0.21%	0.27%	0.30%	0.27%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	0	0	0	0	0	0
All-in Yield	**4.27%**	**4.25%**	**4.12%**	**4.02%**	**3.70%**	**3.40%**	**0.12%**	**0.15%**	**0.21%**	**0.27%**	**0.30%**	**0.27%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Bank Name	BNS
Date	3/27/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+104**	**+103**	**+97**	**+88**	**+69**	**+53**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.32%	3.30%	3.21%	3.06%	2.73%	2.49%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.35%**	**3.33%**	**3.24%**	**3.10%**	**2.81%**	**2.58%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	163			118	93	81	3			3	3	3
CPP	78			68	47	30	1			1	1	0
BNS - Denior Deposit Notes	129			99	82	70	5			5	5	5
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+139**	**+136**	**+127**	**+118**	**+99**	**+83**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.67%	3.63%	3.51%	3.36%	3.03%	2.79%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.70%**	**3.66%**	**3.54%**	**3.40%**	**3.11%**	**2.88%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+174**	**+169**	**+157**	**+148**	**+129**	**+113**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.02%	3.96%	3.81%	3.66%	3.33%	3.09%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	0	0	0	0	0	0
All-in Yield	**4.05%**	**3.99%**	**3.85%**	**3.70%**	**3.41%**	**3.18%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Bank Name	BNS
Date	4/3/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	2	2	2	2	2	2
Re-Offered Yield	3.40%	3.38%	3.28%	3.13%	2.76%	2.49%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.43%**	**3.41%**	**3.32%**	**3.18%**	**2.84%**	**2.58%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	167			122	97	85	4			4	4	4
CPP	79			69	49	31	1			1	2	1
BNS - Denior Deposit Notes	132			102	85	73	3			3	3	3
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+120**	**+101**	**+85**	2	2	2	2	2	2
Re-Offered Yield	3.75%	3.71%	3.58%	3.43%	3.06%	2.79%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.74%**	**3.62%**	**3.48%**	**3.14%**	**2.88%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+176**	**+171**	**+159**	**+150**	**+131**	**+115**	2	2	2	2	2	2
Re-Offered Yield	4.10%	4.04%	3.88%	3.73%	3.36%	3.09%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	0	0	0	0	0	0
All-in Yield	**4.13%**	**4.07%**	**3.92%**	**3.78%**	**3.44%**	**3.18%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Bank Name	BNS
Date	4/10/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	0	0	0	0	0	0
Re-Offered Yield	3.37%	3.34%	3.24%	3.10%	2.75%	2.51%	-0.03%	-0.04%	-0.03%	-0.02%	-0.01%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.40%**	**3.37%**	**3.28%**	**3.15%**	**2.83%**	**2.60%**	**-0.03%**	**-0.04%**	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	170			125	100	86	3			3	3	1
CPP	79			69	49	31	0			0	0	0
BNS - Denior Deposit Notes	132			102	86	75	0			0	1	2
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.71%	3.66%	3.53%	3.39%	3.04%	2.80%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.74%**	**3.69%**	**3.57%**	**3.44%**	**3.12%**	**2.89%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.19%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.06%	3.99%	3.83%	3.69%	3.34%	3.10%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**4.09%**	**4.02%**	**3.87%**	**3.74%**	**3.42%**	**3.19%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Bank Name	BNS
Date	4/17/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.35%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.08%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+103**	**+102**	**+96**	**+87**	**+68**	**+52**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.38%	3.35%	3.26%	3.13%	2.81%	2.54%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.40%**	**3.38%**	**3.29%**	**3.17%**	**2.88%**	**2.62%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	(5)			(5)	(5)	(5)
CPP	82			72	49	32	3			3	0	1
BNS - Senior Deposit Notes	132			102	86	76	0			0	0	1
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+137**	**+134**	**+125**	**+116**	**+97**	**+81**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.71%	3.67%	3.55%	3.42%	3.09%	2.83%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.74%**	**3.70%**	**3.58%**	**3.46%**	**3.17%**	**2.91%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+172**	**+167**	**+155**	**+146**	**+127**	**+111**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	4.06%	4.00%	3.85%	3.72%	3.39%	3.13%	0.00%	0.01%	0.01%	0.02%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.09%**	**4.03%**	**3.88%**	**3.76%**	**3.47%**	**3.21%**	**0.00%**	**0.01%**	**0.01%**	**0.02%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Bank Name	BNS
Date	4/24/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.0)	1.7	1.8	1.6	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+109**	**+107**	**+99**	**+92**	**+70**	**+55**	-8	0	0	0	0	0
Re-Offered Yield	3.53%	3.50%	3.39%	3.29%	2.89%	2.58%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**3.56%**	**3.53%**	**3.43%**	**3.33%**	**2.96%**	**2.67%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	163			118	93	79	(2)			(2)	(2)	(2)
CPP	82			72	49	32	0			0	0	0
BNS - Senior Deposit Notes	128			98	82	72	(4)			(4)	(4)	(4)
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+144**	**+142**	**+129**	**+122**	**+100**	**+85**	-8	0	0	0	0	0
Re-Offered Yield	3.88%	3.85%	3.69%	3.59%	3.19%	2.88%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**3.91%**	**3.88%**	**3.73%**	**3.63%**	**3.27%**	**2.97%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+182**	**+180**	**+159**	**+152**	**+130**	**+115**	-8	0	0	0	0	0
Re-Offered Yield	4.26%	4.23%	3.99%	3.89%	3.49%	3.18%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**4.29%**	**4.26%**	**4.03%**	**3.93%**	**3.57%**	**3.27%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+107**
Re-Offered Yield	3.49%
Commission (bp)	2.4
All-in Yield	**3.51%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	163
CPP	82
BNS - Senior Deposit Notes	128
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+142**
Re-Offered Yield	3.84%
Commission (bp)	2.4
All-in Yield	**3.86%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+180**
Re-Offered Yield	4.22%
Commission (bp)	2.4
All-in Yield	**4.24%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+105	**+99**	**+90**	**+68**
3.46%	3.36%	3.23%	2.85%
3.2	3.6	4.5	7.4
3.49%	**3.40%**	**3.27%**	**2.92%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		118	93
		70	46
		98	82
		95	79
		95	79

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+140	**+129**	**+120**	**+98**
3.81%	3.66%	3.53%	3.15%
3.2	3.6	4.5	7.4
3.84%	**3.70%**	**3.57%**	**3.22%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		95	79
		95	79

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+178	**+159**	**+150**	**+128**
4.19%	3.96%	3.83%	3.45%
3.2	3.6	4.5	7.4
4.22%	**4.00%**	**3.87%**	**3.52%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		95	79
		95	79

Bank Name
Date

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+53	-2	-2	0	-2	-2
2.57%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
2.65%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	3	2	2	4	2

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
79	0			0	0
31	0			(2)	(3)
72	0			0	0
69				0	0
69				0	0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+83	-2	-2	0	-2	-2
2.87%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
2.95%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	3	2	2	4	2

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
69				0	0
69				0	0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+113	-2	-2	0	-2	-2
3.17%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
3.25%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	3	2	2	4	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
69				0	0
69				0	0

BNS
5/1/2018

	3-year
	0.00%
	0
	-2
	-0.02%
	0
	-0.02%

	3-year
	2

	3-year
	0
	(1)
	0
	0
	0

	3-year
	0.00%
	0
	-2
	-0.02%
	0
	-0.02%

	3-year
	2

	3-year
	0
	0

3-year
0.00%
0
-2
-0.02%
0
-0.02%

3-year
2

3-year
0
0

Bank Name	BNS
Date	5/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.36%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+107**	**+104**	**+99**	**+90**	**+68**	**+52**	0	-1	0	0	0	-1
Re-Offered Yield	3.50%	3.47%	3.39%	3.26%	2.87%	2.58%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**3.52%**	**3.50%**	**3.43%**	**3.30%**	**2.95%**	**2.66%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	2			2	2	2
CPP	82			70	46	31	0			0	0	0
BNS - Senior Deposit Notes	129			99	84	74	1			1	2	2
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.36%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+142**	**+139**	**+129**	**+120**	**+98**	**+82**	0	-1	0	0	0	-1
Re-Offered Yield	3.85%	3.82%	3.69%	3.56%	3.17%	2.88%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**3.87%**	**3.85%**	**3.73%**	**3.60%**	**3.25%**	**2.96%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.35%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+180**	**+177**	**+159**	**+150**	**+128**	**+112**	0	-1	0	0	0	-1
Re-Offered Yield	4.23%	4.20%	3.99%	3.85%	3.47%	3.18%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**4.25%**	**4.23%**	**4.03%**	**3.90%**	**3.55%**	**3.26%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

Bank Name	BNS
Date	5/15/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.52%	2.52%	2.50%	2.49%	2.31%	2.15%	0.09%	0.10%	0.11%	0.13%	0.14%	0.11%
Curve Adjustment (bp)	0.0	0.3	0.0	(0.0)	2.2	2.4	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+106**	**+103**	**+99**	**+88**	**+66**	**+49**	-1	-1	0	-2	-2	-3
Re-Offered Yield	3.58%	3.56%	3.49%	3.37%	2.99%	2.66%	0.08%	0.09%	0.11%	0.11%	0.12%	0.08%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	**3.60%**	**3.59%**	**3.53%**	**3.41%**	**3.07%**	**2.75%**	**0.08%**	**0.09%**	**0.10%**	**0.11%**	**0.12%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	72	65	44	27	-1	-1	-4	-3	0	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	165			120	95	81	0			0	0	0
CPP	82			66	45	32	0			(4)	(1)	1
BNS - Senior Deposit Notes	128			98	85	75	(1)			(1)	1	1
Golden Credit Card Trust				98	82	72				1	1	1
Master Credit Card Trust				98	82	72				1	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.52%	2.52%	2.50%	2.49%	2.31%	2.15%	0.09%	0.10%	0.11%	0.13%	0.14%	0.11%
Curve Adjustment (bp)	0.0	0.3	0.0	(0.0)	2.2	2.4	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+118**	**+96**	**+79**	-1	-1	0	-2	-2	-3
Re-Offered Yield	3.93%	3.91%	3.79%	3.67%	3.29%	2.96%	0.08%	0.09%	0.11%	0.11%	0.12%	0.08%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	3.95%	3.94%	3.83%	3.71%	3.37%	3.05%	**0.08%**	**0.09%**	**0.10%**	**0.11%**	**0.12%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	72	65	44	27	-1	-1	-4	-3	0	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	82	72				1	1	1
Master Credit Card Trust				98	82	72				1	1	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.52%	2.52%	2.50%	2.49%	2.31%	2.15%	0.09%	0.10%	0.11%	0.13%	0.14%	0.11%
Curve Adjustment (bp)	0.0	0.3	0.0	(0.0)	2.2	2.4	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+179**	**+176**	**+159**	**+148**	**+126**	**+109**	-1	-1	0	-2	-2	-3
Re-Offered Yield	4.31%	4.29%	4.09%	3.97%	3.59%	3.26%	0.08%	0.09%	0.11%	0.11%	0.12%	0.08%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	**4.33%**	**4.32%**	**4.13%**	**4.01%**	**3.67%**	**3.35%**	**0.08%**	**0.09%**	**0.10%**	**0.11%**	**0.12%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	72	65	44	27	-1	-1	-4	-3	0	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	82	72				1	1	1
Master Credit Card Trust				98	82	72				1	1	1

Bank Name	BNS
Date	5/22/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.51%	2.52%	2.51%	2.50%	2.31%	2.15%	-0.01%	0.00%	0.00%	0.01%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.1	0.0	(0.0)	2.3	2.4	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+102**	**+98**	**+88**	**+66**	**+49**	-1	-1	-1	0	0	0
Re-Offered Yield	3.56%	3.54%	3.49%	3.38%	2.99%	2.67%	-0.02%	-0.01%	-0.01%	0.01%	0.00%	0.01%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	0	0	0	0	0	0
All-in Yield	**3.58%**	**3.58%**	**3.52%**	**3.42%**	**3.07%**	**2.75%**	**-0.02%**	**-0.01%**	**-0.01%**	**0.01%**	**0.00%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	72	64	42	26	-3	-3	0	-1	-2	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	160			115	90	76	(5)			(5)	(5)	(5)
CPP	82			66	43	31	0			0	(2)	(1)
BNS - Senior Deposit Notes	129			99	85	74	1			1	0	(1)
Golden Credit Card Trust				95	81	71				(3)	(1)	(1)
Master Credit Card Trust				95	81	71				(3)	(1)	(1)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.51%	2.52%	2.51%	2.50%	2.31%	2.15%	-0.01%	0.00%	0.00%	0.01%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.1	0.0	(0.0)	2.3	2.4	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+118**	**+96**	**+79**	-1	-1	-1	0	0	0
Re-Offered Yield	3.91%	3.89%	3.79%	3.68%	3.29%	2.97%	-0.02%	-0.01%	-0.01%	0.01%	0.00%	0.01%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	0	0	0	0	0	0
All-in Yield	**3.93%**	**3.93%**	**3.82%**	**3.72%**	**3.37%**	**3.05%**	**-0.02%**	**-0.01%**	**-0.01%**	**0.01%**	**0.00%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	72	64	42	26	-3	-3	0	-1	-2	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	81	71				(3)	(1)	(1)
Master Credit Card Trust				95	81	71				(3)	(1)	(1)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.51%	2.52%	2.51%	2.50%	2.31%	2.15%	-0.01%	0.00%	0.00%	0.01%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.1	0.0	(0.0)	2.3	2.4	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+178**	**+175**	**+158**	**+148**	**+126**	**+109**	-1	-1	-1	0	0	0
Re-Offered Yield	4.29%	4.27%	4.09%	3.98%	3.59%	3.27%	-0.02%	-0.01%	-0.01%	0.01%	0.00%	0.01%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	0	0	0	0	0	0
All-in Yield	**4.31%**	**4.31%**	**4.12%**	**4.02%**	**3.67%**	**3.35%**	**-0.02%**	**-0.01%**	**-0.01%**	**0.01%**	**0.00%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	72	64	42	26	-3	-3	0	-1	-2	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	81	71				(3)	(1)	(1)
Master Credit Card Trust				95	81	71				(3)	(1)	(1)

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Neill McDonald (Scotiabank GBM); Jenna Dicks
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 05/15/2018
Date:	Tuesday, May 15, 2018 5:30:35 PM
Attachments:	20180515.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

_____-

Scotiabank | Global Banking and Markets

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+103**	**+100**	**+87**	**+83**	**+64**	**+44**	9	8	0	6	5	1
Re-Offered Yield	3.51%	3.48%	3.31%	3.22%	2.80%	2.41%	0.20%	0.19%	0.10%	0.15%	0.11%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.54%**	**3.51%**	**3.35%**	**3.26%**	**2.88%**	**2.50%**	**0.20%**	**0.19%**	**0.11%**	**0.15%**	**0.10%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	67	65	44	27	9	8	0	6	5	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+128**	**+123**	**+107**	**+103**	**+84**	**+64**	9	8	0	6	5	1
Re-Offered Yield	3.76%	3.71%	3.51%	3.42%	3.00%	2.61%	0.20%	0.19%	0.10%	0.15%	0.11%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.79%**	**3.74%**	**3.55%**	**3.46%**	**3.08%**	**2.70%**	**0.20%**	**0.19%**	**0.11%**	**0.15%**	**0.10%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	67	65	44	27	9	8	0	6	5	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				-	95	85				#VALUE!	31	34

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+153**	**+146**	**+127**	**+123**	**+104**	**+84**	9	8	0	6	5	1
Re-Offered Yield	4.01%	3.94%	3.71%	3.62%	3.20%	2.81%	0.20%	0.19%	0.11%	0.15%	0.11%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.04%**	**3.97%**	**3.75%**	**3.66%**	**3.28%**	**2.90%**	**0.20%**	**0.19%**	**0.11%**	**0.15%**	**0.10%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	67	65	44	27	9	8	0	6	5	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				-	95	85				#VALUE!	31	34

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

Bank Name	BNS
Date	3/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	2	2	2	2	2	2
Re-Offered Yield	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	76			66	45	31	(1)			0	(1)	(1)
BNS - Denior Deposit Notes	124			94	78	65	(1)			(1)	(1)	(1)
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	2	2	2	2	2	2
Re-Offered Yield	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	2	2	2	2	2	2
Re-Offered Yield	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Bank Name	BNS
Date	3/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	0	0	0	0	0	0
Re-Offered Yield	3.39%	3.37%	3.27%	3.12%	2.75%	2.48%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.42%**	**3.40%**	**3.31%**	**3.17%**	**2.83%**	**2.57%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	160			115	90	78	0			0	0	0
CPP	77			67	46	30	1			1	1	(1)
BNS - Denior Deposit Notes	124			94	77	65	0			0	(1)	0
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	0	0	0	0	0	0
Re-Offered Yield	3.74%	3.70%	3.57%	3.42%	3.05%	2.78%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	**3.76%**	**3.73%**	**3.61%**	**3.46%**	**3.13%**	**2.87%**	**-0.04%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.52%	2.52%	2.50%	2.49%	2.31%	2.15%	0.14%	0.16%	0.21%	0.29%	0.28%	0.25%
Curve Adjustment (bp)	0.0	0.3	0.0	(0.0)	2.2	2.4	0	0	0	-2	2	2
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	0	0	0	0	0	0
Re-Offered Yield	4.26%	4.22%	4.08%	3.97%	3.63%	3.31%	0.14%	0.16%	0.21%	0.27%	0.30%	0.27%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	**4.29%**	**4.25%**	**4.12%**	**4.02%**	**3.70%**	**3.40%**	**0.14%**	**0.16%**	**0.21%**	**0.27%**	**0.31%**	**0.27%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Bank Name	BNS
Date	3/27/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+104**	**+103**	**+97**	**+88**	**+69**	**+53**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.32%	3.30%	3.21%	3.06%	2.73%	2.49%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.35%**	**3.33%**	**3.24%**	**3.10%**	**2.81%**	**2.58%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	163			118	93	81	3			3	3	3
CPP	78			68	47	30	1			1	1	0
BNS - Denior Deposit Notes	129			99	82	70	5			5	5	5
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+139**	**+136**	**+127**	**+118**	**+99**	**+83**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.67%	3.63%	3.51%	3.36%	3.03%	2.79%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.70%**	**3.66%**	**3.54%**	**3.40%**	**3.11%**	**2.88%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+174**	**+169**	**+157**	**+148**	**+129**	**+113**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.02%	3.96%	3.81%	3.66%	3.33%	3.09%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	**4.05%**	**3.99%**	**3.85%**	**3.70%**	**3.41%**	**3.18%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Bank Name	BNS
Date	4/3/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	2	2	2	2	2	2
Re-Offered Yield	3.40%	3.38%	3.28%	3.13%	2.76%	2.49%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.43%**	**3.41%**	**3.32%**	**3.18%**	**2.84%**	**2.58%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	167			122	97	85	4			4	4	4
CPP	79			69	49	31	1			1	2	1
BNS - Denior Deposit Notes	132			102	85	73	3			3	3	3
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+120**	**+101**	**+85**	2	2	2	2	2	2
Re-Offered Yield	3.75%	3.71%	3.58%	3.43%	3.06%	2.79%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.74%**	**3.62%**	**3.48%**	**3.14%**	**2.88%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+176**	**+171**	**+159**	**+150**	**+131**	**+115**	2	2	2	2	2	2
Re-Offered Yield	4.10%	4.04%	3.88%	3.73%	3.36%	3.09%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	0	0	0	0	0	0
All-in Yield	**4.13%**	**4.07%**	**3.92%**	**3.78%**	**3.44%**	**3.18%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

30 Years 20 Years 10 Years 5 Years 3 Years

Bank Name	BNS
Date	4/10/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	0	0	0	0	0	0
Re-Offered Yield	3.37%	3.34%	3.24%	3.10%	2.75%	2.51%	-0.03%	-0.04%	-0.03%	-0.02%	-0.01%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.40%**	**3.37%**	**3.28%**	**3.15%**	**2.83%**	**2.60%**	**-0.03%**	**-0.04%**	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontarios — Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation — **OPG**	170			125	100	86	3			3	3	1
CPP — **CPP**	79			69	49	31	0			0	0	0
BNS-Senior — **BNS - Denior Deposit Notes**	132			102	86	75	0			0	1	2
Golden - RBC — **Golden Credit Card Trust**				100	83	71				2	2	2
MCCT - BMO — **Master Credit Card Trust**				100	83	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.71%	3.66%	3.53%	3.39%	3.04%	2.80%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.74%**	**3.69%**	**3.57%**	**3.44%**	**3.12%**	**2.89%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontarios — Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden - RBC — **Golden Credit Card Trust**				100	83	71				2	2	2
MCCT - BMO — **Master Credit Card Trust**				100	83	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.19%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.06%	3.99%	3.83%	3.69%	3.34%	3.10%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**4.09%**	**4.02%**	**3.87%**	**3.74%**	**3.42%**	**3.19%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontarios — Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden - RBC — **Golden Credit Card Trust**				100	83	71				2	2	2
MCCT - BMO — **Master Credit Card Trust**				100	83	71				2	2	2

Bank Name	BNS
Date	4/17/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.35%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.08%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+103**	**+102**	**+96**	**+87**	**+68**	**+52**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.38%	3.35%	3.26%	3.13%	2.81%	2.54%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.40%**	**3.38%**	**3.29%**	**3.17%**	**2.88%**	**2.62%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	(5)			(5)	(5)	(5)
CPP	82			72	49	32	3			3	0	1
BNS - Senior Deposit Notes	132			102	86	76	0			0	0	1
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+137**	**+134**	**+125**	**+116**	**+97**	**+81**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.71%	3.67%	3.55%	3.42%	3.09%	2.83%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.74%**	**3.70%**	**3.58%**	**3.46%**	**3.17%**	**2.91%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+172**	**+167**	**+155**	**+146**	**+127**	**+111**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	4.06%	4.00%	3.85%	3.72%	3.39%	3.13%	0.00%	0.01%	0.01%	0.02%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.09%**	**4.03%**	**3.88%**	**3.76%**	**3.47%**	**3.21%**	**0.00%**	**0.01%**	**0.01%**	**0.02%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Bank Name	BNS
Date	4/24/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.0)	1.7	1.8	1.6	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+109**	**+107**	**+99**	**+92**	**+70**	**+55**	-8	0	0	0	0	0
Re-Offered Yield	3.53%	3.50%	3.39%	3.29%	2.89%	2.58%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**3.56%**	**3.53%**	**3.43%**	**3.33%**	**2.96%**	**2.67%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	163			118	93	79	(2)			(2)	(2)	(2)
CPP	82			72	49	32	0			0	0	0
BNS - Senior Deposit Notes	128			98	82	72	(4)			(4)	(4)	(4)
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+144**	**+142**	**+129**	**+122**	**+100**	**+85**	-8	0	0	0	0	0
Re-Offered Yield	3.88%	3.85%	3.69%	3.59%	3.19%	2.88%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**3.91%**	**3.88%**	**3.73%**	**3.63%**	**3.27%**	**2.97%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+182**	**+180**	**+159**	**+152**	**+130**	**+115**	-8	0	0	0	0	0
Re-Offered Yield	4.26%	4.23%	3.99%	3.89%	3.49%	3.18%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**4.29%**	**4.26%**	**4.03%**	**3.93%**	**3.57%**	**3.27%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+107**
Re-Offered Yield	3.49%
Commission (bp)	2.4
All-in Yield	**3.51%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	163
CPP	82
BNS - Senior Deposit Notes	128
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+142**
Re-Offered Yield	3.84%
Commission (bp)	2.4
All-in Yield	**3.86%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+180**
Re-Offered Yield	4.22%
Commission (bp)	2.4
All-in Yield	**4.24%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+105	**+99**	**+90**	**+68**
3.46%	3.36%	3.23%	2.85%
3.2	3.6	4.5	7.4
3.49%	**3.40%**	**3.27%**	**2.92%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		118	93
		70	46
		98	82
		95	79
		95	79

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+140	**+129**	**+120**	**+98**
3.81%	3.66%	3.53%	3.15%
3.2	3.6	4.5	7.4
3.84%	**3.70%**	**3.57%**	**3.22%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		95	79
		95	79

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+178	**+159**	**+150**	**+128**
4.19%	3.96%	3.83%	3.45%
3.2	3.6	4.5	7.4
4.22%	**4.00%**	**3.87%**	**3.52%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		95	79
		95	79

Bank Name
Date

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+53	-2	-2	0	-2	-2
2.57%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
2.65%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	3	2	2	4	2

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
79	0			0	0
31	0			(2)	(3)
72	0			0	0
69				0	0
69				0	0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+83	-2	-2	0	-2	-2
2.87%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
2.95%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	3	2	2	4	2

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
69				0	0
69				0	0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+113	-2	-2	0	-2	-2
3.17%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
3.25%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	3	2	2	4	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
69				0	0
69				0	0

BNS
5/1/2018

	3-year
	0.00%
	0
	-2
	-0.02%
	0
	-0.02%

	3-year
	2

	3-year
	0
	(1)
	0
	0
	0

	3-year
	0.00%
	0
	-2
	-0.02%
	0
	-0.02%

	3-year
	2

	3-year
	0
	0

3-year
0.00%
0
-2
-0.02%
0
-0.02%

3-year
2

3-year
0
0

Bank Name	BNS
Date	5/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.36%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+107**	**+104**	**+99**	**+90**	**+68**	**+52**	0	-1	0	0	0	-1
Re-Offered Yield	3.50%	3.47%	3.39%	3.26%	2.87%	2.58%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**3.52%**	**3.50%**	**3.43%**	**3.30%**	**2.95%**	**2.66%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	2			2	2	2
CPP	82			70	46	31	0			0	0	0
BNS - Senior Deposit Notes	129			99	84	74	1			1	2	2
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.36%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+142**	**+139**	**+129**	**+120**	**+98**	**+82**	0	-1	0	0	0	-1
Re-Offered Yield	3.85%	3.82%	3.69%	3.56%	3.17%	2.88%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**3.87%**	**3.85%**	**3.73%**	**3.60%**	**3.25%**	**2.96%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.35%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+180**	**+177**	**+159**	**+150**	**+128**	**+112**	0	-1	0	0	0	-1
Re-Offered Yield	4.23%	4.20%	3.99%	3.85%	3.47%	3.18%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**4.25%**	**4.23%**	**4.03%**	**3.90%**	**3.55%**	**3.26%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

Bank Name	BNS
Date	5/15/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.52%	2.52%	2.50%	2.49%	2.31%	2.04%	0.09%	0.10%	0.11%	0.13%	0.14%	0.00%
Curve Adjustment (bp)	0.0	0.3	0.0	(0.0)	2.2	2.4	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+106**	**+103**	**+99**	**+88**	**+66**	**+49**	-1	-1	0	-2	-2	-3
Re-Offered Yield	3.58%	3.56%	3.49%	3.37%	2.99%	2.55%	0.08%	0.09%	0.11%	0.11%	0.12%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	**3.60%**	**3.59%**	**3.53%**	**3.41%**	**3.07%**	**2.64%**	**0.08%**	**0.09%**	**0.10%**	**0.11%**	**0.12%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	72	65	44	27	-1	-1	-4	-3	0	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	165			120	95	81	0			0	0	0
CPP	82			66	45	32	0			(4)	(1)	1
BNS - Senior Deposit Notes	128			98	85	75	(1)			(1)	1	1
Golden Credit Card Trust				98	82	72				1	1	1
Master Credit Card Trust				98	82	72				1	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.52%	2.52%	2.50%	2.49%	2.31%	2.04%	0.09%	0.10%	0.11%	0.13%	0.14%	0.00%
Curve Adjustment (bp)	0.0	0.3	0.0	(0.0)	2.2	2.4	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+118**	**+96**	**+79**	-1	-1	0	-2	-2	-3
Re-Offered Yield	3.93%	3.91%	3.79%	3.67%	3.29%	2.85%	0.08%	0.09%	0.11%	0.11%	0.12%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	3.95%	3.94%	3.83%	3.71%	3.37%	2.94%	**0.08%**	**0.09%**	**0.10%**	**0.11%**	**0.12%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	72	65	44	27	-1	-1	-4	-3	0	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	82	72				1	1	1
Master Credit Card Trust				98	82	72				1	1	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.52%	2.52%	2.50%	2.49%	2.31%	2.04%	0.09%	0.10%	0.11%	0.13%	0.14%	0.00%
Curve Adjustment (bp)	0.0	0.3	0.0	(0.0)	2.2	2.4	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+179**	**+176**	**+159**	**+148**	**+126**	**+109**	-1	-1	0	-2	-2	-3
Re-Offered Yield	4.32%	4.31%	4.09%	3.99%	3.61%	3.30%	0.09%	0.11%	0.11%	0.13%	0.14%	0.13%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	**4.34%**	**4.34%**	**4.13%**	**4.03%**	**3.69%**	**3.39%**	**0.09%**	**0.11%**	**0.10%**	**0.13%**	**0.14%**	**0.13%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	72	65	44	27	-1	-1	-4	-3	0	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	82	72				1	1	1
Master Credit Card Trust				98	82	72				1	1	1

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Neill McDonald (Scotiabank GBM)
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 05/08/2018
Date:	Tuesday, May 08, 2018 3:44:06 PM
Attachments:	20180508.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+104**	**+101**	**+87**	**+86**	**+64**	**+46**	10	9	0	9	5	3
Re-Offered Yield	3.52%	3.49%	3.31%	3.25%	2.80%	2.43%	0.21%	0.20%	0.10%	0.18%	0.11%	0.07%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.55%**	**3.52%**	**3.35%**	**3.29%**	**2.88%**	**2.52%**	**0.21%**	**0.20%**	**0.11%**	**0.18%**	**0.10%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	78	67	68	44	29	10	9	0	9	5	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+129**	**+124**	**+107**	**+106**	**+84**	**+66**	10	9	0	9	5	3
Re-Offered Yield	3.77%	3.72%	3.51%	3.45%	3.00%	2.63%	0.21%	0.20%	0.10%	0.18%	0.11%	0.07%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.80%**	**3.75%**	**3.55%**	**3.49%**	**3.08%**	**2.72%**	**0.21%**	**0.20%**	**0.11%**	**0.18%**	**0.10%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	78	67	68	44	29	10	9	0	9	5	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				0	0	0				-81	-64	-51

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+154**	**+147**	**+127**	**+126**	**+104**	**+86**	10	9	0	9	5	3
Re-Offered Yield	4.02%	3.95%	3.71%	3.65%	3.20%	2.83%	0.21%	0.20%	0.11%	0.18%	0.11%	0.07%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.05%**	**3.98%**	**3.75%**	**3.69%**	**3.28%**	**2.92%**	**0.21%**	**0.20%**	**0.11%**	**0.18%**	**0.10%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	78	67	68	44	29	10	9	0	9	5	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				0	0	0				-81	-64	-51

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

Bank Name	BNS
Date	3/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	2	2	2	2	2	2
Re-Offered Yield	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	76			66	45	31	(1)			0	(1)	(1)
BNS - Denior Deposit Notes	124			94	78	65	(1)			(1)	(1)	(1)
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	2	2	2	2	2	2
Re-Offered Yield	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	2	2	2	2	2	2
Re-Offered Yield	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Bank Name	BNS
Date	3/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	0	0	0	0	0	0
Re-Offered Yield	3.39%	3.37%	3.27%	3.12%	2.75%	2.48%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.42%**	**3.40%**	**3.31%**	**3.17%**	**2.83%**	**2.57%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	77			67	46	30	1			1	1	(1)
BNS - Denior Deposit Notes	124			94	77	65	0			0	(1)	0
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	0	0	0	0	0	0
Re-Offered Yield	3.74%	3.70%	3.57%	3.42%	3.05%	2.78%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**3.77%**	**3.73%**	**3.61%**	**3.46%**	**3.13%**	**2.87%**	**-0.03%**	**-0.04%**	**0.00%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.35%	2.17%	2.04%	0.05%	0.06%	0.10%	0.15%	0.14%	0.14%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	-2	2	2
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	0	0	0	0	0	0
Re-Offered Yield	4.17%	4.12%	3.98%	3.84%	3.49%	3.20%	0.05%	0.06%	0.10%	0.13%	0.16%	0.15%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**4.20%**	**4.15%**	**4.02%**	**3.89%**	**3.56%**	**3.28%**	**0.05%**	**0.06%**	**0.10%**	**0.13%**	**0.16%**	**0.16%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Bank Name	BNS
Date	3/27/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+104**	**+103**	**+97**	**+88**	**+69**	**+53**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.32%	3.30%	3.21%	3.06%	2.73%	2.49%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.35%**	**3.33%**	**3.24%**	**3.10%**	**2.81%**	**2.58%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	163			118	93	81	3			3	3	3
CPP	78			68	47	30	1			1	1	0
BNS - Denior Deposit Notes	129			99	82	70	5			5	5	5
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+139**	**+136**	**+127**	**+118**	**+99**	**+83**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.67%	3.63%	3.51%	3.36%	3.03%	2.79%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.70%**	**3.66%**	**3.54%**	**3.40%**	**3.11%**	**2.88%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+174**	**+169**	**+157**	**+148**	**+129**	**+113**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.02%	3.96%	3.81%	3.66%	3.33%	3.09%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**4.05%**	**3.99%**	**3.85%**	**3.71%**	**3.41%**	**3.18%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Bank Name	BNS
Date	4/3/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	2	2	2	2	2	2
Re-Offered Yield	3.40%	3.38%	3.28%	3.13%	2.76%	2.49%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.43%**	**3.41%**	**3.32%**	**3.18%**	**2.84%**	**2.58%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	167			122	97	85	4			4	4	4
CPP	79			69	49	31	1			1	2	1
BNS - Denior Deposit Notes	132			102	85	73	3			3	3	3
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+120**	**+101**	**+85**	2	2	2	2	2	2
Re-Offered Yield	3.75%	3.71%	3.58%	3.43%	3.06%	2.79%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.74%**	**3.62%**	**3.48%**	**3.14%**	**2.88%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+176**	**+171**	**+159**	**+150**	**+131**	**+115**	2	2	2	2	2	2
Re-Offered Yield	4.10%	4.04%	3.88%	3.73%	3.36%	3.09%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	0	0	0	0	0	0
All-in Yield	**4.13%**	**4.07%**	**3.92%**	**3.78%**	**3.44%**	**3.18%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

30 Years 20 Years 10 Years 5 Years 3 Years

Bank Name	BNS
Date	4/10/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	0	0	0	0	0	0
Re-Offered Yield	3.37%	3.34%	3.24%	3.10%	2.75%	2.51%	-0.03%	-0.04%	-0.03%	-0.02%	-0.01%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.40%**	**3.37%**	**3.28%**	**3.15%**	**2.83%**	**2.60%**	**-0.03%**	**-0.04%**	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontarios — Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation — **OPG**	170			125	100	86	3			3	3	1
CPP — **CPP**	79			69	49	31	0			0	0	0
BNS-Senior — **BNS - Denior Deposit Notes**	132			102	86	75	0			0	1	2
Golden - RBC — **Golden Credit Card Trust**				100	83	71				2	2	2
MCCT - BMO — **Master Credit Card Trust**				100	83	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.71%	3.66%	3.53%	3.39%	3.04%	2.80%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.74%**	**3.69%**	**3.57%**	**3.44%**	**3.12%**	**2.89%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontarios — Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden - RBC — **Golden Credit Card Trust**				100	83	71				2	2	2
MCCT - BMO — **Master Credit Card Trust**				100	83	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.19%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.06%	3.99%	3.83%	3.69%	3.34%	3.10%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**4.09%**	**4.02%**	**3.87%**	**3.74%**	**3.42%**	**3.19%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontarios — Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden - RBC — **Golden Credit Card Trust**				100	83	71				2	2	2
MCCT - BMO — **Master Credit Card Trust**				100	83	71				2	2	2

Bank Name	BNS
Date	4/17/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.35%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.08%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+103**	**+102**	**+96**	**+87**	**+68**	**+52**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.38%	3.35%	3.26%	3.13%	2.81%	2.54%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.40%**	**3.38%**	**3.29%**	**3.17%**	**2.88%**	**2.62%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	(5)			(5)	(5)	(5)
CPP	82			72	49	32	3			3	0	1
BNS - Senior Deposit Notes	132			102	86	76	0			0	0	1
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+137**	**+134**	**+125**	**+116**	**+97**	**+81**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.71%	3.67%	3.55%	3.42%	3.09%	2.83%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.74%**	**3.70%**	**3.58%**	**3.46%**	**3.17%**	**2.91%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+172**	**+167**	**+155**	**+146**	**+127**	**+111**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	4.06%	4.00%	3.85%	3.72%	3.39%	3.13%	0.00%	0.01%	0.01%	0.02%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.09%**	**4.03%**	**3.88%**	**3.76%**	**3.47%**	**3.21%**	**0.00%**	**0.01%**	**0.01%**	**0.02%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Bank Name	BNS
Date	4/24/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.0)	1.7	1.8	1.6	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+109**	**+107**	**+99**	**+92**	**+70**	**+55**	-8	0	0	0	0	0
Re-Offered Yield	3.53%	3.50%	3.39%	3.29%	2.89%	2.58%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**3.56%**	**3.53%**	**3.43%**	**3.33%**	**2.96%**	**2.67%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	163			118	93	79	(2)			(2)	(2)	(2)
CPP	82			72	49	32	0			0	0	0
BNS - Senior Deposit Notes	128			98	82	72	(4)			(4)	(4)	(4)
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+144**	**+142**	**+129**	**+122**	**+100**	**+85**	-8	0	0	0	0	0
Re-Offered Yield	3.88%	3.85%	3.69%	3.59%	3.19%	2.88%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**3.91%**	**3.88%**	**3.73%**	**3.63%**	**3.27%**	**2.97%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+182**	**+180**	**+159**	**+152**	**+130**	**+115**	-8	0	0	0	0	0
Re-Offered Yield	4.26%	4.23%	3.99%	3.89%	3.49%	3.18%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**4.29%**	**4.26%**	**4.03%**	**3.93%**	**3.57%**	**3.27%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+107**
Re-Offered Yield	3.49%
Commission (bp)	2.4
All-in Yield	**3.51%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	163
CPP	82
BNS - Senior Deposit Notes	128
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+142**
Re-Offered Yield	3.84%
Commission (bp)	2.4
All-in Yield	**3.86%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+180**
Re-Offered Yield	4.22%
Commission (bp)	2.4
All-in Yield	**4.24%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+105	**+99**	**+90**	**+68**
3.46%	3.36%	3.23%	2.85%
3.2	3.6	4.5	7.4
3.49%	**3.40%**	**3.27%**	**2.92%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		118	93
		70	46
		98	82
		95	79
		95	79

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+140	**+129**	**+120**	**+98**
3.81%	3.66%	3.53%	3.15%
3.2	3.6	4.5	7.4
3.84%	**3.70%**	**3.57%**	**3.22%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		95	79
		95	79

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+178	**+159**	**+150**	**+128**
4.19%	3.96%	3.83%	3.45%
3.2	3.6	4.5	7.4
4.22%	**4.00%**	**3.87%**	**3.52%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		95	79
		95	79

Bank Name
Date

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+53	-2	-2	0	-2	-2
2.57%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
2.65%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	3	2	2	4	2

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
79	0			0	0
31	0			(2)	(3)
72	0			0	0
69				0	0
69				0	0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+83	-2	-2	0	-2	-2
2.87%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
2.95%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	3	2	2	4	2

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
69				0	0
69				0	0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+113	-2	-2	0	-2	-2
3.17%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
3.25%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	3	2	2	4	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
69				0	0
69				0	0

BNS
5/1/2018

	3-year
	0.00%
	0
	-2
	-0.02%
	0
	-0.02%

	3-year
	2

	3-year
	0
	(1)
	0
	0
	0

	3-year
	0.00%
	0
	-2
	-0.02%
	0
	-0.02%

	3-year
	2

	3-year
	0
	0

3-year
0.00%
0
-2
-0.02%
0
-0.02%

3-year
2

3-year
0
0

Bank Name	BNS
Date	5/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.36%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+107**	**+104**	**+99**	**+90**	**+68**	**+52**	0	-1	0	0	0	-1
Re-Offered Yield	3.50%	3.47%	3.39%	3.26%	2.87%	2.58%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**3.52%**	**3.50%**	**3.43%**	**3.30%**	**2.95%**	**2.66%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	2			2	2	2
CPP	82			70	46	31	0			0	0	0
BNS - Senior Deposit Notes	129			99	84	74	1			1	2	2
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.36%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+142**	**+139**	**+129**	**+120**	**+98**	**+82**	0	-1	0	0	0	-1
Re-Offered Yield	3.85%	3.82%	3.69%	3.56%	3.17%	2.88%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**3.87%**	**3.85%**	**3.73%**	**3.60%**	**3.25%**	**2.96%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.35%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+180**	**+177**	**+159**	**+150**	**+128**	**+112**	0	-1	0	0	0	-1
Re-Offered Yield	4.23%	4.20%	3.99%	3.85%	3.47%	3.18%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**4.25%**	**4.23%**	**4.03%**	**3.90%**	**3.55%**	**3.26%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Neill McDonald (Scotiabank GBM)
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 05/01/2018
Date:	Tuesday, May 01, 2018 3:11:39 PM
Attachments:	20180501.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+103**	**+100**	**+87**	**+85**	**+64**	**+45**	9	8	0	9	5	3
Re-Offered Yield	3.50%	3.48%	3.31%	3.24%	2.80%	2.43%	0.19%	0.19%	0.10%	0.17%	0.11%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.53%**	**3.51%**	**3.35%**	**3.29%**	**2.88%**	**2.51%**	**0.20%**	**0.19%**	**0.11%**	**0.17%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	67	67	44	28	9	8	0	9	5	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+128**	**+123**	**+107**	**+105**	**+84**	**+65**	9	8	0	9	5	3
Re-Offered Yield	3.75%	3.71%	3.51%	3.44%	3.00%	2.63%	0.19%	0.19%	0.10%	0.17%	0.11%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.74%**	**3.55%**	**3.49%**	**3.08%**	**2.71%**	**0.20%**	**0.19%**	**0.11%**	**0.17%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	67	67	44	28	9	8	0	9	5	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				0	0	0				-81	-64	-51

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+153**	**+146**	**+127**	**+125**	**+104**	**+85**	9	8	0	9	5	3
Re-Offered Yield	4.00%	3.94%	3.71%	3.64%	3.20%	2.83%	0.19%	0.19%	0.11%	0.17%	0.11%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.03%**	**3.97%**	**3.75%**	**3.69%**	**3.28%**	**2.91%**	**0.20%**	**0.19%**	**0.11%**	**0.17%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	67	67	44	28	9	8	0	9	5	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				0	0	0				-81	-64	-51

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

Bank Name	BNS
Date	3/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	2	2	2	2	2	2
Re-Offered Yield	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	76			66	45	31	(1)			0	(1)	(1)
BNS - Denior Deposit Notes	124			94	78	65	(1)			(1)	(1)	(1)
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	2	2	2	2	2	2
Re-Offered Yield	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	2	2	2	2	2	2
Re-Offered Yield	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Bank Name	BNS
Date	3/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	0	0	0	0	0	0
Re-Offered Yield	3.39%	3.37%	3.27%	3.12%	2.75%	2.48%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.42%**	**3.40%**	**3.31%**	**3.17%**	**2.83%**	**2.57%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	77			67	46	30	1			1	1	(1)
BNS - Denior Deposit Notes	124			94	77	65	0			0	(1)	0
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	0	0	0	0	0	0
Re-Offered Yield	3.74%	3.70%	3.57%	3.42%	3.05%	2.78%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.76%**	**3.73%**	**3.61%**	**3.46%**	**3.12%**	**2.87%**	**-0.04%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.42%	2.40%	2.38%	2.35%	2.16%	2.03%	0.03%	0.04%	0.08%	0.15%	0.14%	0.13%
Curve Adjustment (bp)	0.0	0.5	(0.0)	(0.1)	1.9	1.6	0	0	0	-2	2	1
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	0	0	0	0	0	0
Re-Offered Yield	4.16%	4.10%	3.96%	3.83%	3.48%	3.18%	0.03%	0.04%	0.08%	0.12%	0.15%	0.14%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.18%**	**4.13%**	**4.00%**	**3.88%**	**3.55%**	**3.27%**	**0.03%**	**0.04%**	**0.08%**	**0.12%**	**0.15%**	**0.14%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Bank Name	BNS
Date	3/27/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+104**	**+103**	**+97**	**+88**	**+69**	**+53**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.32%	3.30%	3.21%	3.06%	2.73%	2.49%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.35%**	**3.33%**	**3.24%**	**3.10%**	**2.81%**	**2.58%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	163			118	93	81	3			3	3	3
CPP	78			68	47	30	1			1	1	0
BNS - Denior Deposit Notes	129			99	82	70	5			5	5	5
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+139**	**+136**	**+127**	**+118**	**+99**	**+83**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.67%	3.63%	3.51%	3.36%	3.03%	2.79%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.70%**	**3.66%**	**3.54%**	**3.40%**	**3.11%**	**2.88%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+174**	**+169**	**+157**	**+148**	**+129**	**+113**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.02%	3.96%	3.81%	3.66%	3.33%	3.09%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.05%**	**3.99%**	**3.85%**	**3.70%**	**3.41%**	**3.18%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Bank Name	BNS
Date	4/3/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	2	2	2	2	2	2
Re-Offered Yield	3.40%	3.38%	3.28%	3.13%	2.76%	2.49%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.43%**	**3.41%**	**3.32%**	**3.18%**	**2.84%**	**2.58%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	167			122	97	85	4			4	4	4
CPP	79			69	49	31	1			1	2	1
BNS - Denior Deposit Notes	132			102	85	73	3			3	3	3
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+120**	**+101**	**+85**	2	2	2	2	2	2
Re-Offered Yield	3.75%	3.71%	3.58%	3.43%	3.06%	2.79%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.74%**	**3.62%**	**3.48%**	**3.14%**	**2.88%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+176**	**+171**	**+159**	**+150**	**+131**	**+115**	2	2	2	2	2	2
Re-Offered Yield	4.10%	4.04%	3.88%	3.73%	3.36%	3.09%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	0	0	0	0	0	0
All-in Yield	**4.13%**	**4.07%**	**3.92%**	**3.78%**	**3.44%**	**3.18%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Bank Name	BNS
Date	4/10/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	0	0	0	0	1	0
Re-Offered Yield	3.37%	3.34%	3.24%	3.10%	2.75%	2.51%	-0.03%	-0.04%	-0.03%	-0.02%	-0.01%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.40%**	**3.37%**	**3.28%**	**3.15%**	**2.83%**	**2.60%**	**-0.03%**	**-0.04%**	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	170			125	100	86	3			3	3	1
CPP	79			69	49	31	0			0	0	0
BNS - Denior Deposit Notes	132			102	86	75	0			0	1	2
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.71%	3.66%	3.53%	3.39%	3.04%	2.80%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.74%**	**3.69%**	**3.57%**	**3.44%**	**3.12%**	**2.89%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.19%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.06%	3.99%	3.83%	3.69%	3.34%	3.10%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**4.09%**	**4.02%**	**3.87%**	**3.74%**	**3.42%**	**3.19%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Bank Name	BNS
Date	4/17/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.35%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.08%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+103**	**+102**	**+96**	**+87**	**+68**	**+52**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.38%	3.35%	3.26%	3.13%	2.81%	2.54%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.40%**	**3.38%**	**3.29%**	**3.17%**	**2.88%**	**2.62%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	165			120	95	81	(5)			(5)	(5)	(5)
CPP	82			72	49	32	3			3	0	1
BNS - Senior Deposit Notes	132			102	86	76	0			0	0	1
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+137**	**+134**	**+125**	**+116**	**+97**	**+81**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.71%	3.67%	3.55%	3.42%	3.09%	2.83%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.74%**	**3.70%**	**3.58%**	**3.46%**	**3.17%**	**2.91%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+172**	**+167**	**+155**	**+146**	**+127**	**+111**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	4.06%	4.00%	3.85%	3.72%	3.39%	3.13%	0.00%	0.01%	0.01%	0.02%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.09%**	**4.03%**	**3.88%**	**3.76%**	**3.47%**	**3.21%**	**0.00%**	**0.01%**	**0.01%**	**0.02%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Bank Name	BNS
Date	4/19/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.41%	2.39%	2.33%	2.17%	2.04%	0.09%	0.09%	0.09%	0.08%	0.06%	0.03%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.4	1.4	1.3	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+117**	**+107**	**+99**	**+92**	**+70**	**+55**	14	5	3	5	2	3
Re-Offered Yield	3.60%	3.49%	3.38%	3.26%	2.89%	2.61%	0.23%	0.14%	0.12%	0.13%	0.08%	0.07%
Commission (bp)	2.4	3.7	3.6	4.5	7.7	8.6	0	1	0	0	0	0
All-in Yield	**3.62%**	**3.53%**	**3.41%**	**3.31%**	**2.96%**	**2.69%**	**0.23%**	**0.14%**	**0.12%**	**0.13%**	**0.08%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	76.5	67	45	28	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	165			120	95	81	0			0	0	0
CPP	82			72	49	32	0			0	0	0
BNS - Senior Deposit Notes	132			102	86	76	0			0	0	0
Golden Credit Card Trust				99	83	72				0	0	0
Master Credit Card Trust				99	83	72				0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.41%	2.39%	2.33%	2.17%	2.04%	0.09%	0.09%	0.09%	0.08%	0.06%	0.03%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.4	1.4	1.3	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+152**	**+142**	**+129**	**+122**	**+100**	**+85**	15	8	4	6	3	4
Re-Offered Yield	3.95%	3.84%	3.68%	3.56%	3.19%	2.91%	0.24%	0.17%	0.13%	0.14%	0.09%	0.08%
Commission (bp)	2.4	3.7	3.6	4.5	7.7	8.6	0	1	0	0	0	0
All-in Yield	**3.97%**	**3.88%**	**3.71%**	**3.61%**	**3.26%**	**2.99%**	**0.24%**	**0.17%**	**0.13%**	**0.14%**	**0.10%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	76.5	67	45	28	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				99	83	72				0	0	0
Master Credit Card Trust				99	83	72				0	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.41%	2.39%	2.33%	2.18%	2.04%	0.09%	0.09%	0.09%	0.08%	0.06%	0.03%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.4	1.4	1.3	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+190**	**+180**	**+159**	**+152**	**+130**	**+115**	18	13	4	6	3	4
Re-Offered Yield	4.33%	4.22%	3.98%	3.86%	3.49%	3.21%	0.27%	0.22%	0.13%	0.14%	0.10%	0.08%
Commission (bp)	2.4	3.7	3.6	4.5	7.7	8.6	0	1	0	0	0	0
All-in Yield	**4.35%**	**4.26%**	**4.01%**	**3.91%**	**3.57%**	**3.29%**	**0.27%**	**0.22%**	**0.13%**	**0.14%**	**0.10%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	76.5	67	45	28	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				99	83	72				0	0	0
Master Credit Card Trust				99	83	72				0	0	0

Bank Name	BNS
Date	4/24/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.0)	1.7	1.8	1.6	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+109**	**+107**	**+99**	**+92**	**+70**	**+55**	-8	0	0	0	0	0
Re-Offered Yield	3.53%	3.50%	3.39%	3.29%	2.89%	2.58%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**3.56%**	**3.53%**	**3.43%**	**3.33%**	**2.96%**	**2.67%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	163			118	93	79	(2)			(2)	(2)	(2)
CPP	82			72	49	32	0			0	0	0
BNS - Senior Deposit Notes	128			98	82	72	(4)			(4)	(4)	(4)
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+144**	**+142**	**+129**	**+122**	**+100**	**+85**	-8	0	0	0	0	0
Re-Offered Yield	3.88%	3.85%	3.69%	3.59%	3.19%	2.88%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**3.91%**	**3.88%**	**3.73%**	**3.63%**	**3.27%**	**2.97%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+182**	**+180**	**+159**	**+152**	**+130**	**+115**	-8	0	0	0	0	0
Re-Offered Yield	4.26%	4.23%	3.99%	3.89%	3.49%	3.18%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**4.29%**	**4.26%**	**4.03%**	**3.93%**	**3.57%**	**3.27%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+107**
Re-Offered Yield	3.49%
Commission (bp)	2.4
All-in Yield	**3.51%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	163
CPP	82
BNS - Senior Deposit Notes	128
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+142**
Re-Offered Yield	3.84%
Commission (bp)	2.4
All-in Yield	**3.86%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+180**
Re-Offered Yield	4.22%
Commission (bp)	2.4
All-in Yield	**4.24%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust **Master Credit Card Trust**	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+105	**+99**	**+90**	**+68**
3.46%	3.36%	3.23%	2.85%
3.2	3.6	4.5	7.4
3.49%	**3.40%**	**3.27%**	**2.92%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		118	93
		70	46
		98	82
		95	79
		95	79

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+140	**+129**	**+120**	**+98**
3.81%	3.66%	3.53%	3.15%
3.2	3.6	4.5	7.4
3.84%	**3.70%**	**3.57%**	**3.22%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		95	79
		95	79

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+178	**+159**	**+150**	**+128**
4.19%	3.96%	3.83%	3.45%
3.2	3.6	4.5	7.4
4.22%	**4.00%**	**3.87%**	**3.52%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		95	79
		95	79

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+53	-2	-2	0	-2	-2
2.57%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
2.65%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	3	2	2	4	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
79	0			0	0
31	0			(2)	(3)
72	0			0	0
69				0	0
69				0	0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+83	-2	-2	0	-2	-2
2.87%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
2.95%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	3	2	2	4	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
69				0	0
69				0	0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+113	-2	-2	0	-2	-2
3.17%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
3.25%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	3	2	2	4	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
69				0	0
69				0	0

BNS
5/1/2018

	3-year
	0.00%
	0
	-2
	-0.02%
	0
	-0.02%

	3-year
	2

	3-year
	0
	(1)
	0
	0
	0

	3-year
	0.00%
	0
	-2
	-0.02%
	0
	-0.02%

	3-year
	2

	3-year
	0
	0

3-year
0.00%
0
-2
-0.02%
0
-0.02%

3-year
2

3-year
0
0

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Neill McDonald (Scotiabank GBM); Jenna Dicks
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 04/24/2018
Date:	Tuesday, April 24, 2018 3:54:27 PM
Attachments:	20180424.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+98**	**+87**	**+82**	**+62**	**+44**	6	6	0	5	3	1
Re-Offered Yield	3.48%	3.46%	3.31%	3.21%	2.78%	2.41%	0.17%	0.17%	0.10%	0.14%	0.09%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.51%**	**3.49%**	**3.35%**	**3.25%**	**2.86%**	**2.50%**	**0.17%**	**0.17%**	**0.11%**	**0.14%**	**0.08%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	75	67	64	42	27	6	6	0	5	3	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+125**	**+121**	**+107**	**+102**	**+82**	**+64**	6	6	0	5	3	1
Re-Offered Yield	3.73%	3.69%	3.51%	3.41%	2.98%	2.61%	0.17%	0.17%	0.10%	0.14%	0.09%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.76%**	**3.72%**	**3.55%**	**3.45%**	**3.06%**	**2.70%**	**0.17%**	**0.17%**	**0.11%**	**0.14%**	**0.08%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	75	67	64	42	27	6	6	0	5	3	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				0	0	0				-81	-64	-51

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+150**	**+144**	**+127**	**+122**	**+102**	**+84**	6	6	0	5	3	1
Re-Offered Yield	3.98%	3.92%	3.71%	3.61%	3.18%	2.81%	0.17%	0.17%	0.11%	0.14%	0.09%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.01%**	**3.95%**	**3.75%**	**3.65%**	**3.26%**	**2.90%**	**0.17%**	**0.17%**	**0.11%**	**0.14%**	**0.08%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	75	67	64	42	27	6	6	0	5	3	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				0	0	0				-81	-64	-51

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

Bank Name	BNS
Date	3/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	2	2	2	2	2	2
Re-Offered Yield	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	160			115	90	78	0			0	0	0
CPP	76			66	45	31	(1)			0	(1)	(1)
BNS - Denior Deposit Notes	124			94	78	65	(1)			(1)	(1)	(1)
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	2	2	2	2	2	2
Re-Offered Yield	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	2	2	2	2	2	2
Re-Offered Yield	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Bank Name	BNS
Date	3/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	0	0	0	0	0	0
Re-Offered Yield	3.39%	3.37%	3.27%	3.12%	2.75%	2.48%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.42%**	**3.40%**	**3.31%**	**3.17%**	**2.83%**	**2.57%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	77			67	46	30	1			1	1	(1)
BNS - Denior Deposit Notes	124			94	77	65	0			0	(1)	0
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	0	0	0	0	0	0
Re-Offered Yield	3.74%	3.70%	3.57%	3.42%	3.05%	2.78%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	0	0	0	0	0
All-in Yield	**3.76%**	**3.73%**	**3.61%**	**3.46%**	**3.12%**	**2.87%**	**-0.04%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.39%	2.33%	2.16%	2.02%	0.05%	0.05%	0.09%	0.13%	0.13%	0.12%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	2	1
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	0	0	0	0	0	0
Re-Offered Yield	4.18%	4.12%	3.97%	3.84%	3.47%	3.17%	0.05%	0.05%	0.10%	0.13%	0.15%	0.13%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	0	0	0	0	0
All-in Yield	**4.20%**	**4.15%**	**4.01%**	**3.88%**	**3.55%**	**3.26%**	**0.05%**	**0.05%**	**0.10%**	**0.13%**	**0.15%**	**0.13%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Bank Name	BNS
Date	3/27/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+104**	**+103**	**+97**	**+88**	**+69**	**+53**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.32%	3.30%	3.21%	3.06%	2.73%	2.49%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.35%**	**3.33%**	**3.24%**	**3.10%**	**2.81%**	**2.58%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	163			118	93	81	3			3	3	3
CPP	78			68	47	30	1			1	1	0
BNS - Denior Deposit Notes	129			99	82	70	5			5	5	5
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+139**	**+136**	**+127**	**+118**	**+99**	**+83**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.67%	3.63%	3.51%	3.36%	3.03%	2.79%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.70%**	**3.66%**	**3.54%**	**3.40%**	**3.11%**	**2.88%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+174**	**+169**	**+157**	**+148**	**+129**	**+113**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.02%	3.96%	3.81%	3.66%	3.33%	3.09%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	0	0	0	0	0
All-in Yield	**4.05%**	**3.99%**	**3.85%**	**3.70%**	**3.41%**	**3.18%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Bank Name	BNS
Date	4/3/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	2	2	2	2	2	2
Re-Offered Yield	3.40%	3.38%	3.28%	3.13%	2.76%	2.49%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.43%**	**3.41%**	**3.32%**	**3.18%**	**2.84%**	**2.58%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	167			122	97	85	4			4	4	4
CPP	79			69	49	31	1			1	2	1
BNS - Denior Deposit Notes	132			102	85	73	3			3	3	3
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+120**	**+101**	**+85**	2	2	2	2	2	2
Re-Offered Yield	3.75%	3.71%	3.58%	3.43%	3.06%	2.79%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.74%**	**3.62%**	**3.48%**	**3.14%**	**2.88%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+176**	**+171**	**+159**	**+150**	**+131**	**+115**	2	2	2	2	2	2
Re-Offered Yield	4.10%	4.04%	3.88%	3.73%	3.36%	3.09%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	0	0	0	0	0	0
All-in Yield	**4.13%**	**4.07%**	**3.92%**	**3.78%**	**3.44%**	**3.18%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Bank Name	BNS
Date	4/10/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	0	0	0	0	0	0
Re-Offered Yield	3.37%	3.34%	3.24%	3.10%	2.75%	2.51%	-0.03%	-0.04%	-0.03%	-0.02%	-0.01%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.40%**	**3.37%**	**3.28%**	**3.15%**	**2.83%**	**2.60%**	**-0.03%**	**-0.04%**	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	170			125	100	86	3			3	3	1
CPP	79			69	49	31	0			0	0	0
BNS - Denior Deposit Notes	132			102	86	75	0			0	1	2
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.71%	3.66%	3.53%	3.39%	3.04%	2.80%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.74%**	**3.69%**	**3.57%**	**3.44%**	**3.12%**	**2.89%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.19%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.06%	3.99%	3.83%	3.69%	3.34%	3.10%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**4.09%**	**4.02%**	**3.87%**	**3.74%**	**3.42%**	**3.19%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Bank Name	BNS
Date	4/17/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.35%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.08%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+103**	**+102**	**+96**	**+87**	**+68**	**+52**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.38%	3.35%	3.26%	3.13%	2.81%	2.54%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.40%**	**3.38%**	**3.29%**	**3.17%**	**2.88%**	**2.62%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	(5)			(5)	(5)	(5)
CPP	82			72	49	32	3			3	0	1
BNS - Senior Deposit Notes	132			102	86	76	0			0	0	1
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+137**	**+134**	**+125**	**+116**	**+97**	**+81**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.71%	3.67%	3.55%	3.42%	3.09%	2.83%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.74%**	**3.70%**	**3.58%**	**3.46%**	**3.17%**	**2.91%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+172**	**+167**	**+155**	**+146**	**+127**	**+111**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	4.06%	4.00%	3.85%	3.72%	3.39%	3.13%	0.00%	0.01%	0.01%	0.02%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.09%**	**4.03%**	**3.88%**	**3.76%**	**3.47%**	**3.21%**	**0.00%**	**0.01%**	**0.01%**	**0.02%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Bank Name	BNS
Date	4/19/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.41%	2.39%	2.33%	2.17%	2.04%	0.09%	0.09%	0.09%	0.08%	0.06%	0.03%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.4	1.4	1.3	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+117**	**+107**	**+99**	**+92**	**+70**	**+55**	14	5	3	5	2	3
Re-Offered Yield	3.60%	3.49%	3.38%	3.26%	2.89%	2.61%	0.23%	0.14%	0.12%	0.13%	0.08%	0.07%
Commission (bp)	2.4	3.7	3.6	4.5	7.7	8.6	0	1	0	0	0	0
All-in Yield	**3.62%**	**3.53%**	**3.41%**	**3.31%**	**2.96%**	**2.69%**	**0.23%**	**0.14%**	**0.12%**	**0.13%**	**0.08%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	76.5	67	45	28	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	0			0	0	0
CPP	82			72	49	32	0			0	0	0
BNS - Senior Deposit Notes	132			102	86	76	0			0	0	0
Golden Credit Card Trust				99	83	72				0	0	0
Master Credit Card Trust				99	83	72				0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.41%	2.39%	2.33%	2.17%	2.04%	0.09%	0.09%	0.09%	0.08%	0.06%	0.03%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.4	1.4	1.3	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+152**	**+142**	**+129**	**+122**	**+100**	**+85**	15	8	4	6	3	4
Re-Offered Yield	3.95%	3.84%	3.68%	3.56%	3.19%	2.91%	0.24%	0.17%	0.13%	0.14%	0.09%	0.08%
Commission (bp)	2.4	3.7	3.6	4.5	7.7	8.6	0	1	0	0	0	0
All-in Yield	**3.97%**	**3.88%**	**3.71%**	**3.61%**	**3.26%**	**2.99%**	**0.24%**	**0.17%**	**0.13%**	**0.14%**	**0.10%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	76.5	67	45	28	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				0	0	0
Master Credit Card Trust				99	83	72				0	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.41%	2.39%	2.33%	2.18%	2.04%	0.09%	0.09%	0.09%	0.08%	0.06%	0.03%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.4	1.4	1.3	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+190**	**+180**	**+159**	**+152**	**+130**	**+115**	18	13	4	6	3	4
Re-Offered Yield	4.33%	4.22%	3.98%	3.86%	3.49%	3.21%	0.27%	0.22%	0.13%	0.14%	0.10%	0.08%
Commission (bp)	2.4	3.7	3.6	4.5	7.7	8.6	0	1	0	0	0	0
All-in Yield	**4.35%**	**4.26%**	**4.01%**	**3.91%**	**3.57%**	**3.29%**	**0.27%**	**0.22%**	**0.13%**	**0.14%**	**0.10%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	76.5	67	45	28	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				0	0	0
Master Credit Card Trust				99	83	72				0	0	0

Bank Name	BNS
Date	4/24/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.0)	1.7	1.8	1.6	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+109**	**+107**	**+99**	**+92**	**+70**	**+55**	-8	0	0	0	0	0
Re-Offered Yield	3.53%	3.50%	3.39%	3.29%	2.89%	2.58%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**3.56%**	**3.53%**	**3.43%**	**3.33%**	**2.96%**	**2.67%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	163			118	93	79	(2)			(2)	(2)	(2)
CPP	82			72	49	32	0			0	0	0
BNS - Senior Deposit Notes	128			98	82	72	(4)			(4)	(4)	(4)
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+144**	**+142**	**+129**	**+122**	**+100**	**+85**	-8	0	0	0	0	0
Re-Offered Yield	3.88%	3.85%	3.69%	3.59%	3.19%	2.88%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**3.91%**	**3.88%**	**3.73%**	**3.63%**	**3.27%**	**2.97%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+182**	**+180**	**+159**	**+152**	**+130**	**+115**	-8	0	0	0	0	0
Re-Offered Yield	4.26%	4.23%	3.99%	3.89%	3.49%	3.18%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**4.29%**	**4.26%**	**4.03%**	**3.93%**	**3.57%**	**3.27%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Neill McDonald (Scotiabank GBM)
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 04/17/2018
Date:	Tuesday, April 17, 2018 5:00:18 PM
Attachments:	20180417.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+108**	**+105**	**+87**	**+90**	**+70**	**+49**	14	13	0	13	12	7
Re-Offered Yield	3.55%	3.52%	3.31%	3.29%	2.87%	2.47%	0.24%	0.24%	0.10%	0.22%	0.17%	0.10%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.58%**	**3.56%**	**3.35%**	**3.33%**	**2.94%**	**2.55%**	**0.25%**	**0.24%**	**0.11%**	**0.22%**	**0.17%**	**0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82	67	72	50	32	14	13	0	13	12	7

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+133**	**+128**	**+107**	**+110**	**+90**	**+69**	14	13	0	13	12	7
Re-Offered Yield	3.80%	3.75%	3.51%	3.49%	3.07%	2.67%	0.24%	0.24%	0.10%	0.22%	0.17%	0.10%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.83%**	**3.79%**	**3.55%**	**3.53%**	**3.14%**	**2.75%**	**0.25%**	**0.24%**	**0.11%**	**0.22%**	**0.17%**	**0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82	67	72	50	32	14	13	0	13	12	7

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				111	94	82				30	30	31
Master Credit Card Trust				0	0	0				-81	-64	-51

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+158**	**+151**	**+127**	**+130**	**+110**	**+89**	14	13	0	13	12	7
Re-Offered Yield	4.05%	3.98%	3.71%	3.69%	3.27%	2.87%	0.24%	0.24%	0.11%	0.22%	0.17%	0.10%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.08%**	**4.02%**	**3.75%**	**3.73%**	**3.34%**	**2.95%**	**0.25%**	**0.24%**	**0.11%**	**0.22%**	**0.17%**	**0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82	67	72	50	32	14	13	0	13	12	7

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				111	94	82				30	30	31
Master Credit Card Trust				0	0	0				-81	-64	-51

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

Bank Name	BNS
Date	3/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	2	2	2	2	2	2
Re-Offered Yield	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	160			115	90	78	0			0	0	0
CPP	76			66	45	31	(1)			0	(1)	(1)
BNS - Denior Deposit Notes	124			94	78	65	(1)			(1)	(1)	(1)
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	2	2	2	2	2	2
Re-Offered Yield	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	2	2	2	2	2	2
Re-Offered Yield	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Bank Name	BNS
Date	3/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	0	0	0	0	0	0
Re-Offered Yield	3.39%	3.37%	3.27%	3.12%	2.75%	2.48%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.42%**	**3.40%**	**3.31%**	**3.17%**	**2.83%**	**2.57%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	77			67	46	30	1			1	1	(1)
BNS - Denior Deposit Notes	124			94	77	65	0			0	(1)	0
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	0	0	0	0	0	0
Re-Offered Yield	3.74%	3.70%	3.57%	3.42%	3.05%	2.78%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.76%**	**3.73%**	**3.61%**	**3.46%**	**3.12%**	**2.87%**	**-0.04%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.25%	2.11%	2.01%	-0.04%	-0.04%	0.00%	0.04%	0.08%	0.11%
Curve Adjustment (bp)	0.0	0.6	(0.0)	1.7	1.2	0.7	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	0	0	0	0	0	0
Re-Offered Yield	4.09%	4.03%	3.88%	3.75%	3.42%	3.16%	-0.04%	-0.04%	0.00%	0.04%	0.09%	0.12%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.11%**	**4.06%**	**3.92%**	**3.79%**	**3.49%**	**3.25%**	**-0.04%**	**-0.04%**	**0.00%**	**0.04%**	**0.09%**	**0.12%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Bank Name	BNS
Date	3/27/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+104**	**+103**	**+97**	**+88**	**+69**	**+53**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.32%	3.30%	3.21%	3.06%	2.73%	2.49%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.35%**	**3.33%**	**3.24%**	**3.10%**	**2.81%**	**2.58%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	163			118	93	81	3			3	3	3
CPP	78			68	47	30	1			1	1	0
BNS - Denior Deposit Notes	129			99	82	70	5			5	5	5
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+139**	**+136**	**+127**	**+118**	**+99**	**+83**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.67%	3.63%	3.51%	3.36%	3.03%	2.79%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.70%**	**3.66%**	**3.54%**	**3.40%**	**3.11%**	**2.88%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+174**	**+169**	**+157**	**+148**	**+129**	**+113**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.02%	3.96%	3.81%	3.66%	3.33%	3.09%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.05%**	**3.99%**	**3.85%**	**3.70%**	**3.41%**	**3.18%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Bank Name	BNS
Date	4/3/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	2	2	2	2	2	2
Re-Offered Yield	3.40%	3.38%	3.28%	3.13%	2.76%	2.49%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.43%**	**3.41%**	**3.32%**	**3.18%**	**2.84%**	**2.58%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	167			122	97	85	4			4	4	4
CPP	79			69	49	31	1			1	2	1
BNS - Denior Deposit Notes	132			102	85	73	3			3	3	3
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+120**	**+101**	**+85**	2	2	2	2	2	2
Re-Offered Yield	3.75%	3.71%	3.58%	3.43%	3.06%	2.79%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.74%**	**3.62%**	**3.48%**	**3.14%**	**2.88%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+176**	**+171**	**+159**	**+150**	**+131**	**+115**	2	2	2	2	2	2
Re-Offered Yield	4.10%	4.04%	3.88%	3.73%	3.36%	3.09%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	0	0	0	0	0	0
All-in Yield	**4.13%**	**4.07%**	**3.92%**	**3.78%**	**3.44%**	**3.18%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Bank Name	BNS
Date	4/10/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	0	0	0	0	0	0
Re-Offered Yield	3.37%	3.34%	3.24%	3.10%	2.75%	2.51%	-0.03%	-0.04%	-0.03%	-0.02%	-0.01%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.40%**	**3.37%**	**3.28%**	**3.15%**	**2.83%**	**2.60%**	**-0.03%**	**-0.04%**	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	170			125	100	86	3			3	3	1
CPP	79			69	49	31	0			0	0	0
BNS - Denior Deposit Notes	132			102	86	75	0			0	1	2
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+120**	**+101**	**+85**	0	0	0	0	0	0
Re-Offered Yield	3.72%	3.67%	3.54%	3.40%	3.05%	2.81%	-0.03%	-0.04%	-0.03%	-0.02%	-0.01%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.75%**	**3.70%**	**3.58%**	**3.45%**	**3.13%**	**2.90%**	**-0.03%**	**-0.04%**	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.19%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+176**	**+171**	**+159**	**+150**	**+131**	**+115**	0	0	0	0	0	0
Re-Offered Yield	4.07%	4.00%	3.84%	3.70%	3.35%	3.11%	-0.03%	-0.04%	-0.03%	-0.02%	-0.01%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**4.10%**	**4.03%**	**3.88%**	**3.75%**	**3.43%**	**3.20%**	**-0.03%**	**-0.04%**	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Bank Name	BNS
Date	4/17/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.35%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.08%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+103**	**+102**	**+96**	**+87**	**+68**	**+52**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.38%	3.35%	3.26%	3.13%	2.81%	2.54%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.40%**	**3.38%**	**3.29%**	**3.17%**	**2.88%**	**2.62%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	165			120	95	81	(5)			(5)	(5)	(5)
CPP	82			72	49	32	3			3	0	1
BNS - Senior Deposit Notes	132			102	86	76	0			0	0	1
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+138**	**+135**	**+126**	**+117**	**+98**	**+82**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.72%	3.68%	3.56%	3.42%	3.10%	2.84%	0.00%	0.00%	0.01%	0.02%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.74%**	**3.71%**	**3.59%**	**3.47%**	**3.17%**	**2.92%**	**0.00%**	**0.00%**	**0.01%**	**0.02%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+173**	**+168**	**+156**	**+147**	**+128**	**+112**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	4.07%	4.01%	3.86%	3.72%	3.40%	3.14%	0.00%	0.00%	0.01%	0.02%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.09%**	**4.04%**	**3.89%**	**3.77%**	**3.47%**	**3.22%**	**0.00%**	**0.00%**	**0.01%**	**0.02%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Neill McDonald (Scotiabank GBM)
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 04/10/2018
Date:	Tuesday, April 10, 2018 4:29:53 PM
Attachments:	20180410.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+108**	**+105**	**+87**	**+90**	**+70**	**+49**	14	13	0	13	12	7
Re-Offered Yield	3.55%	3.52%	3.31%	3.29%	2.87%	2.47%	0.24%	0.24%	0.10%	0.22%	0.17%	0.10%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.58%**	**3.56%**	**3.35%**	**3.33%**	**2.94%**	**2.55%**	**0.25%**	**0.24%**	**0.11%**	**0.22%**	**0.17%**	**0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82	67	72	50	32	14	13	0	13	12	7

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+133**	**+128**	**+107**	**+110**	**+90**	**+69**	14	13	0	13	12	7
Re-Offered Yield	3.80%	3.75%	3.51%	3.49%	3.07%	2.67%	0.24%	0.24%	0.10%	0.22%	0.17%	0.10%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.83%**	**3.79%**	**3.55%**	**3.53%**	**3.14%**	**2.75%**	**0.25%**	**0.24%**	**0.11%**	**0.22%**	**0.17%**	**0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82	67	72	50	32	14	13	0	13	12	7

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				111	94	82				30	30	31
Master Credit Card Trust				0	0	0				-81	-64	-51

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+158**	**+151**	**+127**	**+130**	**+110**	**+89**	14	13	0	13	12	7
Re-Offered Yield	4.05%	3.98%	3.71%	3.69%	3.27%	2.87%	0.24%	0.24%	0.11%	0.22%	0.17%	0.10%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.08%**	**4.02%**	**3.75%**	**3.73%**	**3.34%**	**2.95%**	**0.25%**	**0.24%**	**0.11%**	**0.22%**	**0.17%**	**0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	82	67	72	50	32	14	13	0	13	12	7

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				111	94	82				30	30	31
Master Credit Card Trust				0	0	0				-81	-64	-51

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

Bank Name	BNS
Date	3/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	2	2	2	2	2	2
Re-Offered Yield	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	160			115	90	78	0			0	0	0
CPP	76			66	45	31	(1)			0	(1)	(1)
BNS - Denior Deposit Notes	124			94	78	65	(1)			(1)	(1)	(1)
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	2	2	2	2	2	2
Re-Offered Yield	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	2	2	2	2	2	2
Re-Offered Yield	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Bank Name	BNS
Date	3/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	0	0	0	0	0	0
Re-Offered Yield	3.39%	3.37%	3.27%	3.12%	2.75%	2.48%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.42%**	**3.40%**	**3.31%**	**3.17%**	**2.83%**	**2.57%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	160			115	90	78	0			0	0	0
CPP	77			67	46	30	1			1	1	(1)
BNS - Denior Deposit Notes	124			94	77	65	0			0	(1)	0
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	0	0	0	0	0	0
Re-Offered Yield	3.74%	3.70%	3.57%	3.42%	3.05%	2.78%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	0	0	0	0	0	0
All-in Yield	**3.76%**	**3.73%**	**3.60%**	**3.46%**	**3.12%**	**2.87%**	**-0.04%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.31%	2.28%	2.24%	2.17%	2.03%	1.94%	-0.07%	-0.08%	-0.05%	-0.04%	0.00%	0.04%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.7	0.9	0	0	0	0	1	1
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	0	0	0	0	0	0
Re-Offered Yield	4.05%	3.98%	3.82%	3.68%	3.33%	3.09%	-0.07%	-0.08%	-0.05%	-0.03%	0.01%	0.05%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	0	0	0	0	0	0
All-in Yield	**4.08%**	**4.02%**	**3.86%**	**3.72%**	**3.40%**	**3.18%**	**-0.07%**	**-0.08%**	**-0.05%**	**-0.03%**	**0.01%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Bank Name	BNS
Date	3/27/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+104**	**+103**	**+97**	**+88**	**+69**	**+53**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.32%	3.30%	3.21%	3.06%	2.73%	2.49%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.35%**	**3.33%**	**3.24%**	**3.10%**	**2.81%**	**2.58%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	163			118	93	81	3			3	3	3
CPP	78			68	47	30	1			1	1	0
BNS - Denior Deposit Notes	129			99	82	70	5			5	5	5
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+139**	**+136**	**+127**	**+118**	**+99**	**+83**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.67%	3.63%	3.51%	3.36%	3.03%	2.79%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.70%**	**3.66%**	**3.54%**	**3.40%**	**3.11%**	**2.88%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+174**	**+169**	**+157**	**+148**	**+129**	**+113**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.02%	3.96%	3.81%	3.66%	3.33%	3.09%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	0	0	0	0	0	0
All-in Yield	**4.05%**	**3.99%**	**3.84%**	**3.70%**	**3.41%**	**3.18%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Bank Name	BNS
Date	4/3/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	2	2	2	2	2	2
Re-Offered Yield	3.40%	3.38%	3.28%	3.13%	2.76%	2.49%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.43%**	**3.41%**	**3.32%**	**3.18%**	**2.84%**	**2.58%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	167			122	97	85	4			4	4	4
CPP	79			69	49	31	1			1	2	1
BNS - Denior Deposit Notes	132			102	85	73	3			3	3	3
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+120**	**+101**	**+85**	2	2	2	2	2	2
Re-Offered Yield	3.75%	3.71%	3.58%	3.43%	3.06%	2.79%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.74%**	**3.62%**	**3.48%**	**3.14%**	**2.88%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+176**	**+171**	**+159**	**+150**	**+131**	**+115**	2	2	2	2	2	2
Re-Offered Yield	4.10%	4.04%	3.88%	3.73%	3.36%	3.09%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	0	0	0	0	0	0
All-in Yield	**4.13%**	**4.07%**	**3.92%**	**3.78%**	**3.44%**	**3.18%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Bank Name	BNS
Date	4/10/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	0	0	0	0	0	0
Re-Offered Yield	3.37%	3.34%	3.24%	3.10%	2.75%	2.51%	-0.03%	-0.04%	-0.03%	-0.02%	-0.01%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.40%**	**3.37%**	**3.28%**	**3.15%**	**2.83%**	**2.60%**	**-0.03%**	**-0.04%**	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	170			125	100	86	3			3	3	1
CPP	79			69	49	31	0			0	0	0
BNS - Denior Deposit Notes	132			102	86	75	0			0	1	2
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+120**	**+101**	**+85**	0	0	0	0	0	0
Re-Offered Yield	3.72%	3.67%	3.54%	3.40%	3.05%	2.81%	-0.03%	-0.04%	-0.03%	-0.02%	-0.01%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.75%**	**3.70%**	**3.58%**	**3.45%**	**3.13%**	**2.90%**	**-0.03%**	**-0.04%**	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.19%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+176**	**+171**	**+159**	**+150**	**+131**	**+115**	0	0	0	0	0	0
Re-Offered Yield	4.07%	4.00%	3.84%	3.70%	3.35%	3.11%	-0.03%	-0.04%	-0.03%	-0.02%	-0.01%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**4.10%**	**4.03%**	**3.88%**	**3.75%**	**3.43%**	**3.20%**	**-0.03%**	**-0.04%**	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Neill McDonald (Scotiabank GBM)
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 04/03/2018
Date:	Tuesday, April 03, 2018 2:42:14 PM
Attachments:	20180403.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+105**	**+103**	**+87**	**+87**	**+65**	**+47**	11	11	0	11	7	4
Re-Offered Yield	3.52%	3.50%	3.31%	3.26%	2.82%	2.44%	0.21%	0.22%	0.10%	0.19%	0.12%	0.08%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.55%**	**3.54%**	**3.35%**	**3.31%**	**2.89%**	**2.53%**	**0.22%**	**0.22%**	**0.11%**	**0.19%**	**0.12%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	67	69	45	30	11	11	0	11	7	4

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+130**	**+126**	**+107**	**+107**	**+85**	**+67**	11	11	0	11	7	4
Re-Offered Yield	3.77%	3.73%	3.51%	3.46%	3.02%	2.64%	0.21%	0.22%	0.10%	0.19%	0.12%	0.08%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.55%**	**3.51%**	**3.09%**	**2.73%**	**0.22%**	**0.22%**	**0.11%**	**0.19%**	**0.12%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	67	69	45	30	11	11	0	11	7	4

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				109	92	80				28	28	29
Master Credit Card Trust				0	0	0				-81	-64	-51

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+155**	**+149**	**+127**	**+127**	**+105**	**+87**	11	11	0	11	7	4
Re-Offered Yield	4.02%	3.96%	3.71%	3.66%	3.22%	2.84%	0.21%	0.22%	0.11%	0.19%	0.12%	0.08%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.05%**	**4.00%**	**3.75%**	**3.71%**	**3.29%**	**2.93%**	**0.22%**	**0.22%**	**0.11%**	**0.19%**	**0.12%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	67	69	45	30	11	11	0	11	7	4

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				109	92	80				28	28	29
Master Credit Card Trust				0	0	0				-81	-64	-51

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

Bank Name	BNS
Date	3/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	2	2	2	2	2	2
Re-Offered Yield	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	76			66	45	31	(1)			0	(1)	(1)
BNS - Denior Deposit Notes	124			94	78	65	(1)			(1)	(1)	(1)
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	2	2	2	2	2	2
Re-Offered Yield	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	2	2	2	2	2	2
Re-Offered Yield	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Bank Name	BNS
Date	3/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	0	0	0	0	0	0
Re-Offered Yield	3.39%	3.37%	3.27%	3.12%	2.75%	2.48%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.42%**	**3.40%**	**3.31%**	**3.17%**	**2.83%**	**2.57%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	160			115	90	78	0			0	0	0
CPP	77			67	46	30	1			1	1	(1)
BNS - Denior Deposit Notes	124			94	77	65	0			0	(1)	0
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	0	0	0	0	0	0
Re-Offered Yield	3.74%	3.70%	3.57%	3.42%	3.05%	2.78%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.77%**	**3.73%**	**3.61%**	**3.47%**	**3.13%**	**2.87%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	0	0	0	0	0	0
Re-Offered Yield	4.09%	4.03%	3.87%	3.72%	3.35%	3.08%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**4.12%**	**4.06%**	**3.91%**	**3.77%**	**3.43%**	**3.17%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Bank Name	BNS
Date	3/27/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+104**	**+103**	**+97**	**+88**	**+69**	**+53**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.32%	3.30%	3.21%	3.06%	2.73%	2.49%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.35%**	**3.33%**	**3.24%**	**3.10%**	**2.81%**	**2.58%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	163			118	93	81	3			3	3	3
CPP	78			68	47	30	1			1	1	0
BNS - Denior Deposit Notes	129			99	82	70	5			5	5	5
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+139**	**+136**	**+127**	**+118**	**+99**	**+83**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.67%	3.63%	3.51%	3.36%	3.03%	2.79%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.70%**	**3.66%**	**3.54%**	**3.40%**	**3.11%**	**2.88%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+174**	**+169**	**+157**	**+148**	**+129**	**+113**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.02%	3.96%	3.81%	3.66%	3.33%	3.09%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	0	0	0	0	0	0
All-in Yield	**4.05%**	**3.99%**	**3.84%**	**3.71%**	**3.41%**	**3.18%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Bank Name	BNS
Date	4/3/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	2	2	2	2	2	2
Re-Offered Yield	3.40%	3.38%	3.28%	3.13%	2.76%	2.49%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.43%**	**3.41%**	**3.32%**	**3.18%**	**2.84%**	**2.58%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	167			122	97	85	4			4	4	4
CPP	79			69	49	31	1			1	2	1
BNS - Denior Deposit Notes	132			102	85	73	3			3	3	3
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+120**	**+101**	**+85**	2	2	2	2	2	2
Re-Offered Yield	3.75%	3.71%	3.58%	3.43%	3.06%	2.79%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.74%**	**3.62%**	**3.48%**	**3.14%**	**2.88%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+176**	**+171**	**+159**	**+150**	**+131**	**+115**	2	2	2	2	2	2
Re-Offered Yield	4.10%	4.04%	3.88%	3.73%	3.36%	3.09%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	0	0	0	0	0	0
All-in Yield	**4.13%**	**4.07%**	**3.92%**	**3.78%**	**3.44%**	**3.18%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	0	0	73	0	0	0	-76	-75	-1	-64	-42	-27

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Neill McDonald (Scotiabank GBM); Jenna Dicks; Blake Newell
Subject:	Fair Hydro Trust - Indicative New Issue Spreads 06/05/2018
Date:	Tuesday, June 05, 2018 12:53:32 PM
Attachments:	20180605.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

_____-

Scotiabank | Global Banking and Markets

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+102**	**+100**	**+87**	**+86**	**+65**	**+45**	8	8	0	9	6	3
Re-Offered Yield	3.50%	3.48%	3.31%	3.25%	2.81%	2.43%	0.19%	0.19%	0.10%	0.18%	0.12%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.53%**	**3.51%**	**3.35%**	**3.29%**	**2.89%**	**2.51%**	**0.20%**	**0.19%**	**0.11%**	**0.18%**	**0.11%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	67	68	45	28	8	8	0	9	6	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+127**	**+123**	**+107**	**+106**	**+85**	**+65**	8	8	0	9	6	3
Re-Offered Yield	3.75%	3.71%	3.51%	3.45%	3.01%	2.63%	0.19%	0.19%	0.10%	0.18%	0.12%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.74%**	**3.55%**	**3.49%**	**3.09%**	**2.71%**	**0.20%**	**0.19%**	**0.11%**	**0.18%**	**0.11%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	67	68	45	28	8	8	0	9	6	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				-	104	93				#VALUE!	40	42

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+152**	**+146**	**+127**	**+126**	**+105**	**+85**	8	8	0	9	6	3
Re-Offered Yield	4.00%	3.94%	3.71%	3.65%	3.21%	2.83%	0.19%	0.19%	0.11%	0.18%	0.12%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.03%**	**3.97%**	**3.75%**	**3.69%**	**3.29%**	**2.91%**	**0.20%**	**0.19%**	**0.11%**	**0.18%**	**0.11%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	67	68	45	28	8	8	0	9	6	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				0	0	0				-81	-64	-51
Master Credit Card Trust				-	104	93				#VALUE!	40	42

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

Bank Name	BNS
Date	3/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	2	2	2	2	2	2
Re-Offered Yield	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	76			66	45	31	(1)			0	(1)	(1)
BNS - Denior Deposit Notes	124			94	78	65	(1)			(1)	(1)	(1)
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	2	2	2	2	2	2
Re-Offered Yield	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	2	2	2	2	2	2
Re-Offered Yield	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Bank Name	BNS
Date	3/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	0	0	0	0	0	0
Re-Offered Yield	3.39%	3.37%	3.27%	3.12%	2.75%	2.48%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.42%**	**3.40%**	**3.31%**	**3.17%**	**2.83%**	**2.57%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	77			67	46	30	1			1	1	(1)
BNS - Denior Deposit Notes	124			94	77	65	0			0	(1)	0
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	0	0	0	0	0	0
Re-Offered Yield	3.74%	3.70%	3.57%	3.42%	3.05%	2.78%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	0	0	0	0	0	0
All-in Yield	**3.76%**	**3.73%**	**3.61%**	**3.46%**	**3.12%**	**2.87%**	**-0.04%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.50%	0.75%						
Benchmark Yield	2.30%	2.30%	2.28%	2.25%	2.12%	1.99%	-0.08%	-0.06%	-0.02%	0.05%	0.10%	0.09%
Curve Adjustment (bp)	0.0	0.3	0.0	0.0	0.1	1.8	0	0	0	-2	0	1
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	0	0	0	0	0	0
Re-Offered Yield	4.04%	4.00%	3.86%	3.73%	3.42%	3.15%	-0.08%	-0.06%	-0.02%	0.03%	0.10%	0.11%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	0	0	0	0	0	0
All-in Yield	**4.06%**	**4.03%**	**3.89%**	**3.78%**	**3.49%**	**3.24%**	**-0.08%**	**-0.07%**	**-0.02%**	**0.03%**	**0.10%**	**0.11%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Bank Name	BNS
Date	3/27/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+104**	**+103**	**+97**	**+88**	**+69**	**+53**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.32%	3.30%	3.21%	3.06%	2.73%	2.49%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.35%**	**3.33%**	**3.24%**	**3.10%**	**2.81%**	**2.58%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	163			118	93	81	3			3	3	3
CPP	78			68	47	30	1			1	1	0
BNS - Denior Deposit Notes	129			99	82	70	5			5	5	5
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+139**	**+136**	**+127**	**+118**	**+99**	**+83**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.67%	3.63%	3.51%	3.36%	3.03%	2.79%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.70%**	**3.66%**	**3.54%**	**3.40%**	**3.11%**	**2.88%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+174**	**+169**	**+157**	**+148**	**+129**	**+113**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.02%	3.96%	3.81%	3.66%	3.33%	3.09%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	0	0	0	0	0	0
All-in Yield	**4.05%**	**3.99%**	**3.84%**	**3.70%**	**3.41%**	**3.18%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Bank Name	BNS
Date	4/3/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	2	2	2	2	2	2
Re-Offered Yield	3.40%	3.38%	3.28%	3.13%	2.76%	2.49%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.43%**	**3.41%**	**3.32%**	**3.18%**	**2.84%**	**2.58%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	167			122	97	85	4			4	4	4
CPP	79			69	49	31	1			1	2	1
BNS - Denior Deposit Notes	132			102	85	73	3			3	3	3
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+120**	**+101**	**+85**	2	2	2	2	2	2
Re-Offered Yield	3.75%	3.71%	3.58%	3.43%	3.06%	2.79%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.74%**	**3.62%**	**3.48%**	**3.14%**	**2.88%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+176**	**+171**	**+159**	**+150**	**+131**	**+115**	2	2	2	2	2	2
Re-Offered Yield	4.10%	4.04%	3.88%	3.73%	3.36%	3.09%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	0	0	0	0	0	0
All-in Yield	**4.13%**	**4.07%**	**3.92%**	**3.78%**	**3.44%**	**3.18%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Bank Name	BNS
Date	4/10/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	0	0	0	0	0	0
Re-Offered Yield	3.37%	3.34%	3.24%	3.10%	2.75%	2.51%	-0.03%	-0.04%	-0.03%	-0.02%	-0.01%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.40%**	**3.37%**	**3.28%**	**3.15%**	**2.83%**	**2.60%**	**-0.03%**	**-0.04%**	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	170			125	100	86	3			3	3	1
CPP	79			69	49	31	0			0	0	0
BNS - Denior Deposit Notes	132			102	86	75	0			0	1	2
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.71%	3.66%	3.53%	3.39%	3.04%	2.80%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.74%**	**3.69%**	**3.57%**	**3.44%**	**3.12%**	**2.89%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.19%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.06%	3.99%	3.83%	3.69%	3.34%	3.10%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**4.09%**	**4.02%**	**3.87%**	**3.74%**	**3.42%**	**3.19%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Bank Name	BNS
Date	4/17/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.35%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.08%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+103**	**+102**	**+96**	**+87**	**+68**	**+52**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.38%	3.35%	3.26%	3.13%	2.81%	2.54%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.40%**	**3.38%**	**3.29%**	**3.17%**	**2.88%**	**2.62%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	(5)			(5)	(5)	(5)
CPP	82			72	49	32	3			3	0	1
BNS - Senior Deposit Notes	132			102	86	76	0			0	0	1
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+137**	**+134**	**+125**	**+116**	**+97**	**+81**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.71%	3.67%	3.55%	3.42%	3.09%	2.83%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.74%**	**3.70%**	**3.58%**	**3.46%**	**3.17%**	**2.91%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+172**	**+167**	**+155**	**+146**	**+127**	**+111**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	4.06%	4.00%	3.85%	3.72%	3.39%	3.13%	0.00%	0.01%	0.01%	0.02%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.09%**	**4.03%**	**3.88%**	**3.76%**	**3.47%**	**3.21%**	**0.00%**	**0.01%**	**0.01%**	**0.02%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Bank Name	BNS
Date	4/24/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.0)	1.7	1.8	1.6	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+109**	**+107**	**+99**	**+92**	**+70**	**+55**	-8	0	0	0	0	0
Re-Offered Yield	3.53%	3.50%	3.39%	3.29%	2.89%	2.58%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**3.56%**	**3.53%**	**3.43%**	**3.33%**	**2.96%**	**2.67%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	163			118	93	79	(2)			(2)	(2)	(2)
CPP	82			72	49	32	0			0	0	0
BNS - Senior Deposit Notes	128			98	82	72	(4)			(4)	(4)	(4)
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+144**	**+142**	**+129**	**+122**	**+100**	**+85**	-8	0	0	0	0	0
Re-Offered Yield	3.88%	3.85%	3.69%	3.59%	3.19%	2.88%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**3.91%**	**3.88%**	**3.73%**	**3.63%**	**3.27%**	**2.97%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.44%	2.43%	2.40%	2.35%	2.17%	2.02%	0.01%	0.01%	0.01%	0.02%	0.00%	-0.03%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.7	2.0	1.5	0	0	0	0	1	0
Spread to GoC Curve (bp)	**+182**	**+180**	**+159**	**+152**	**+130**	**+115**	-8	0	0	0	0	0
Re-Offered Yield	4.26%	4.23%	3.99%	3.89%	3.49%	3.18%	-0.07%	0.01%	0.01%	0.03%	0.00%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7	0	-1	0	0	0	0
All-in Yield	**4.29%**	**4.26%**	**4.03%**	**3.93%**	**3.57%**	**3.27%**	**-0.07%**	**0.01%**	**0.01%**	**0.03%**	**0.00%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	75	73	64	42	27	-3	-3	-4	-4	-3	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	79	69				(4)	(4)	(3)
Master Credit Card Trust				95	79	69				(4)	(4)	(3)

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+107**
Re-Offered Yield	3.49%
Commission (bp)	2.4
All-in Yield	**3.51%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	163
CPP	82
BNS - Senior Deposit Notes	128
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+142**
Re-Offered Yield	3.84%
Commission (bp)	2.4
All-in Yield	**3.86%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.42%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+180**
Re-Offered Yield	4.22%
Commission (bp)	2.4
All-in Yield	**4.24%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+105	**+99**	**+90**	**+68**
3.46%	3.36%	3.23%	2.85%
3.2	3.6	4.5	7.4
3.49%	**3.40%**	**3.27%**	**2.92%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		118	93
		70	46
		98	82
		95	79
		95	79

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+140	**+129**	**+120**	**+98**
3.81%	3.66%	3.53%	3.15%
3.2	3.6	4.5	7.4
3.84%	**3.70%**	**3.57%**	**3.22%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		95	79
		95	79

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.40%	2.37%	2.33%	2.15%
0.5	(0.0)	(0.1)	1.8
+178	**+159**	**+150**	**+128**
4.19%	3.96%	3.83%	3.45%
3.2	3.6	4.5	7.4
4.22%	**4.00%**	**3.87%**	**3.52%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	74	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
		95	79
		95	79

Bank Name
Date

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+53	-2	-2	0	-2	-2
2.57%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
2.65%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	3	2	2	4	2

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
79	0			0	0
31	0			(2)	(3)
72	0			0	0
69				0	0
69				0	0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+83	-2	-2	0	-2	-2
2.87%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
2.95%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
28	3	2	2	4	2

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
69				0	0
69				0	0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
2.02%	-0.03%	-0.02%	-0.03%	-0.02%	-0.02%
1.6	0	0	0	-2	0
+113	-2	-2	0	-2	-2
3.17%	-0.05%	-0.05%	-0.03%	-0.06%	-0.04%
8.6	0	0	0	0	0
3.25%	**-0.05%**	**-0.05%**	**-0.03%**	**-0.06%**	**-0.04%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	3	2	2	4	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
69				0	0
69				0	0

BNS
5/1/2018

	3-year
	0.00%
	0
	-2
	-0.02%
	0
	-0.02%

	3-year
	2

	3-year
	0
	(1)
	0
	0
	0

	3-year
	0.00%
	0
	-2
	-0.02%
	0
	-0.02%

	3-year
	2

	3-year
	0
	0

3-year
0.00%
0
-2
-0.02%
0
-0.02%

3-year
2

3-year
0
0

Bank Name	BNS
Date	5/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.36%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+107**	**+104**	**+99**	**+90**	**+68**	**+52**	0	-1	0	0	0	-1
Re-Offered Yield	3.50%	3.47%	3.39%	3.26%	2.87%	2.58%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**3.52%**	**3.50%**	**3.43%**	**3.30%**	**2.95%**	**2.66%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	2			2	2	2
CPP	82			70	46	31	0			0	0	0
BNS - Senior Deposit Notes	129			99	84	74	1			1	2	2
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.36%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+142**	**+139**	**+129**	**+120**	**+98**	**+82**	0	-1	0	0	0	-1
Re-Offered Yield	3.85%	3.82%	3.69%	3.56%	3.17%	2.88%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**3.87%**	**3.85%**	**3.73%**	**3.60%**	**3.25%**	**2.96%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.42%	2.40%	2.35%	2.17%	2.04%	0.01%	0.02%	0.03%	0.03%	0.02%	0.02%
Curve Adjustment (bp)	0.0	0.4	(0.0)	(0.1)	2.1	1.8	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+180**	**+177**	**+159**	**+150**	**+128**	**+112**	0	-1	0	0	0	-1
Re-Offered Yield	4.23%	4.20%	3.99%	3.85%	3.47%	3.18%	0.01%	0.01%	0.03%	0.03%	0.03%	0.01%
Commission (bp)	2.8	3.2	3.9	4.8	7.6	8.8	0	0	0	0	0	0
All-in Yield	**4.25%**	**4.23%**	**4.03%**	**3.90%**	**3.55%**	**3.26%**	**0.02%**	**0.01%**	**0.03%**	**0.03%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79	78	76	68	44	29	2	1	2	1	0	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				97	81	71				2	2	2
Master Credit Card Trust				97	81	71				2	2	2

Bank Name	BNS
Date	5/15/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.52%	2.52%	2.50%	2.49%	2.31%	2.04%	0.09%	0.10%	0.11%	0.13%	0.14%	0.00%
Curve Adjustment (bp)	0.0	0.3	0.0	(0.0)	2.2	2.4	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+106**	**+103**	**+99**	**+88**	**+66**	**+49**	-1	-1	0	-2	-2	-3
Re-Offered Yield	3.58%	3.56%	3.49%	3.37%	2.99%	2.55%	0.08%	0.09%	0.11%	0.11%	0.12%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	**3.60%**	**3.59%**	**3.53%**	**3.41%**	**3.07%**	**2.64%**	**0.08%**	**0.09%**	**0.10%**	**0.11%**	**0.12%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	72	65	44	27	-1	-1	-4	-3	0	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	165			120	95	81	0			0	0	0
CPP	82			66	45	32	0			(4)	(1)	1
BNS - Senior Deposit Notes	128			98	85	75	(1)			(1)	1	1
Golden Credit Card Trust				98	82	72				1	1	1
Master Credit Card Trust				98	82	72				1	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.52%	2.52%	2.50%	2.49%	2.31%	2.04%	0.09%	0.10%	0.11%	0.13%	0.14%	0.00%
Curve Adjustment (bp)	0.0	0.3	0.0	(0.0)	2.2	2.4	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+118**	**+96**	**+79**	-1	-1	0	-2	-2	-3
Re-Offered Yield	3.93%	3.91%	3.79%	3.67%	3.29%	2.85%	0.08%	0.09%	0.11%	0.11%	0.12%	-0.02%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	3.95%	3.94%	3.83%	3.71%	3.37%	2.94%	**0.08%**	**0.09%**	**0.10%**	**0.11%**	**0.12%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	72	65	44	27	-1	-1	-4	-3	0	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	82	72				1	1	1
Master Credit Card Trust				98	82	72				1	1	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.52%	2.52%	2.50%	2.49%	2.31%	2.04%	0.09%	0.10%	0.11%	0.13%	0.14%	0.00%
Curve Adjustment (bp)	0.0	0.3	0.0	(0.0)	2.2	2.4	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+179**	**+176**	**+159**	**+148**	**+126**	**+109**	-1	-1	0	-2	-2	-3
Re-Offered Yield	4.32%	4.31%	4.09%	3.99%	3.61%	3.30%	0.09%	0.11%	0.11%	0.13%	0.14%	0.13%
Commission (bp)	2.4	3.2	3.6	4.6	7.7	8.7	0	0	0	0	0	0
All-in Yield	**4.34%**	**4.34%**	**4.13%**	**4.03%**	**3.69%**	**3.39%**	**0.09%**	**0.11%**	**0.10%**	**0.13%**	**0.14%**	**0.13%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	72	65	44	27	-1	-1	-4	-3	0	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	82	72				1	1	1
Master Credit Card Trust				98	82	72				1	1	1

Bank Name	BNS
Date	5/22/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.51%	2.52%	2.51%	2.50%	2.31%	2.15%	-0.01%	0.00%	0.00%	0.01%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.1	0.0	(0.0)	2.3	2.4	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+102**	**+98**	**+88**	**+66**	**+49**	-1	-1	-1	0	0	0
Re-Offered Yield	3.56%	3.54%	3.49%	3.38%	2.99%	2.67%	-0.02%	-0.01%	-0.01%	0.01%	0.00%	0.01%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	0	0	0	0	0	0
All-in Yield	**3.58%**	**3.58%**	**3.52%**	**3.42%**	**3.07%**	**2.75%**	**-0.02%**	**-0.01%**	**-0.01%**	**0.01%**	**0.00%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	72	64	42	26	-3	-3	0	-1	-2	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	0			0	0	0
CPP	82			66	45	32	0			0	0	0
BNS - Senior Deposit Notes	129			99	85	74	1			1	0	(1)
Golden Credit Card Trust				95	81	71				(3)	(1)	(1)
Master Credit Card Trust				95	81	71				(3)	(1)	(1)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.51%	2.52%	2.51%	2.50%	2.31%	2.15%	-0.01%	0.00%	0.00%	0.01%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.1	0.0	(0.0)	2.3	2.4	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+118**	**+96**	**+79**	-1	-1	-1	0	0	0
Re-Offered Yield	3.91%	3.89%	3.79%	3.68%	3.29%	2.97%	-0.02%	-0.01%	-0.01%	0.01%	0.00%	0.01%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	0	0	0	0	0	0
All-in Yield	**3.93%**	**3.93%**	**3.82%**	**3.72%**	**3.37%**	**3.05%**	**-0.02%**	**-0.01%**	**-0.01%**	**0.01%**	**0.00%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	72	64	42	26	-3	-3	0	-1	-2	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	81	71				(3)	(1)	(1)
Master Credit Card Trust				95	81	71				(3)	(1)	(1)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.51%	2.52%	2.51%	2.50%	2.31%	2.15%	-0.01%	0.00%	0.00%	0.01%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.1	0.0	(0.0)	2.3	2.4	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+178**	**+175**	**+158**	**+148**	**+126**	**+109**	-1	-1	-1	0	0	0
Re-Offered Yield	4.29%	4.27%	4.09%	3.98%	3.59%	3.27%	-0.02%	-0.01%	-0.01%	0.01%	0.00%	0.01%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	0	0	0	0	0	0
All-in Yield	**4.31%**	**4.31%**	**4.12%**	**4.02%**	**3.67%**	**3.35%**	**-0.02%**	**-0.01%**	**-0.01%**	**0.01%**	**0.00%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	74	72	64	42	26	-3	-3	0	-1	-2	-1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				95	81	71				(3)	(1)	(1)
Master Credit Card Trust				95	81	71				(3)	(1)	(1)

Bank Name	BNS
Date	5/29/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.25%	2.26%	2.24%	2.19%	2.04%	1.95%	-0.25%	-0.26%	-0.27%	-0.30%	-0.27%	-0.20%
Curve Adjustment (bp)	0.0	0.3	(0.0)	(0.0)	1.7	2.1	0	0	0	0	-1	0
Spread to GoC Curve (bp)	**+105**	**+103**	**+100**	**+90**	**+67**	**+50**	0	1	2	2	1	1
Re-Offered Yield	3.30%	3.30%	3.24%	3.09%	2.73%	2.47%	-0.25%	-0.25%	-0.25%	-0.28%	-0.26%	-0.20%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.33%**	**3.33%**	**3.27%**	**3.14%**	**2.81%**	**2.56%**	**-0.25%**	**-0.25%**	**-0.25%**	**-0.28%**	**-0.26%**	**-0.20%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	77	76	67	43	28	3	3	4	4	2	2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	160			115	90	76	(5)			(5)	(5)	(5)
CPP	83			67	44	31	1			1	(1)	(1)
BNS - Senior Deposit Notes	132			102	88	76	3			3	3	2
Golden Credit Card Trust				98	84	73				3	3	2
Master Credit Card Trust				98	84	73				3	3	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.25%	2.26%	2.24%	2.19%	2.04%	1.95%	-0.25%	-0.26%	-0.27%	-0.30%	-0.27%	-0.20%
Curve Adjustment (bp)	0.0	0.3	(0.0)	(0.0)	1.7	2.1	0	0	0	0	-1	0
Spread to GoC Curve (bp)	**+140**	**+138**	**+130**	**+120**	**+97**	**+80**	0	1	2	2	1	1
Re-Offered Yield	3.65%	3.65%	3.54%	3.39%	3.03%	2.77%	-0.25%	-0.25%	-0.25%	-0.28%	-0.26%	-0.20%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.68%**	**3.68%**	**3.57%**	**3.44%**	**3.11%**	**2.86%**	**-0.25%**	**-0.25%**	**-0.25%**	**-0.28%**	**-0.26%**	**-0.20%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	77	76	67	43	28	3	3	4	4	2	2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				98	84	73				3	3	2
Master Credit Card Trust				98	84	73				3	3	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%						
Benchmark Yield	2.25%	2.26%	2.24%	2.19%	2.04%	1.95%	-0.25%	-0.26%	-0.27%	-0.30%	-0.27%	-0.20%
Curve Adjustment (bp)	0.0	0.3	(0.0)	(0.0)	1.7	2.1	0	0	0	0	-1	0
Spread to GoC Curve (bp)	**+178**	**+176**	**+160**	**+150**	**+127**	**+110**	0	1	2	2	1	1
Re-Offered Yield	4.03%	4.03%	3.84%	3.69%	3.33%	3.07%	-0.25%	-0.25%	-0.25%	-0.28%	-0.26%	-0.20%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.06%**	**4.06%**	**3.87%**	**3.74%**	**3.41%**	**3.16%**	**-0.25%**	**-0.25%**	**-0.25%**	**-0.28%**	**-0.26%**	**-0.20%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	77	76	67	43	28	3	3	4	4	2	2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				98	84	73				3	3	2
Master Credit Card Trust				98	84	73				3	3	2

Bank Name	BNS
Date	6/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.50%	0.75%						
Benchmark Yield	2.30%	2.30%	2.28%	2.25%	2.12%	1.99%	0.04%	0.04%	0.04%	0.06%	0.08%	0.04%
Curve Adjustment (bp)	0.0	0.3	0.0	0.0	0.1	1.8	0	0	0	0	-2	0
Spread to GoC Curve (bp)	**+102**	**+100**	**+97**	**+87**	**+65**	**+48**	-3	-3	-3	-3	-2	-2
Re-Offered Yield	3.32%	3.30%	3.25%	3.12%	2.77%	2.49%	0.01%	0.01%	0.01%	0.03%	0.04%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	0	0	0	0	0	0
All-in Yield	**3.34%**	**3.34%**	**3.28%**	**3.16%**	**2.85%**	**2.58%**	**0.01%**	**0.01%**	**0.01%**	**0.03%**	**0.04%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	74	68	45	28	-1	0	-2	1	2	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	5			5	5	5
CPP	83			67	47	31	0			0	3	0
BNS - Senior Deposit Notes	139			109	96	83	7			7	8	7
Golden Credit Card Trust				105	91	80				7	7	7
Master Credit Card Trust				105	91	80				7	7	7

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.50%	0.75%						
Benchmark Yield	2.30%	2.30%	2.28%	2.25%	2.12%	1.99%	0.04%	0.04%	0.04%	0.06%	0.08%	0.04%
Curve Adjustment (bp)	0.0	0.3	0.0	0.0	0.1	1.8	0	0	0	0	-2	0
Spread to GoC Curve (bp)	**+137**	**+135**	**+127**	**+117**	**+95**	**+78**	-3	-3	-3	-3	-2	-2
Re-Offered Yield	3.67%	3.65%	3.55%	3.42%	3.07%	2.79%	0.01%	0.01%	0.01%	0.03%	0.04%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	0	0	0	0	0	0
All-in Yield	**3.69%**	**3.69%**	**3.58%**	**3.46%**	**3.15%**	**2.88%**	**0.01%**	**0.01%**	**0.01%**	**0.03%**	**0.04%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	74	68	45	28	-1	0	-2	1	2	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				105	91	80				7	7	7
Master Credit Card Trust				105	91	80				7	7	7

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	1.50%	0.75%						
Benchmark Yield	2.30%	2.30%	2.28%	2.25%	2.12%	1.99%	0.04%	0.04%	0.04%	0.06%	0.08%	0.04%
Curve Adjustment (bp)	0.0	0.3	0.0	0.0	0.1	1.8	0	0	0	0	-2	0
Spread to GoC Curve (bp)	**+175**	**+173**	**+157**	**+147**	**+125**	**+108**	-3	-3	-3	-3	-2	-2
Re-Offered Yield	4.05%	4.03%	3.85%	3.72%	3.37%	3.09%	0.01%	0.01%	0.01%	0.03%	0.04%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	0	0	0	0	0	0
All-in Yield	**4.07%**	**4.07%**	**3.88%**	**3.76%**	**3.45%**	**3.18%**	**0.01%**	**0.01%**	**0.01%**	**0.03%**	**0.04%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77	77	74	68	45	28	-1	0	-2	1	2	1

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				105	91	80				7	7	7
Master Credit Card Trust				105	91	80				7	7	7

From: Stephen McHarg CASGRAIN
To: Mike Manning
Cc: Roger Casgrain; David Derlachter
Subject: Fair Hydro Trust - New Issue
Date: Thursday, April 19, 2018 3:32:09 PM
Attachments: image002.png
image004.png

Good afternoon,

This morning, Fair Hydro Trust (FHT) priced its second offering of the year. Below, we provide some color on today's deal.

April 19, 2018

Issuer	S&P/DBRS/Moody's	Amount	Coupon (%)	Yield (%)	Maturity	Spread over Benchmark	Spread over Curve
Fair Hydro Trust	-/AAA/Aa2	CAD 400M	3.520	3.520	05/15/2038	+107.6bps over GOC 5.00% 2037	+107bps

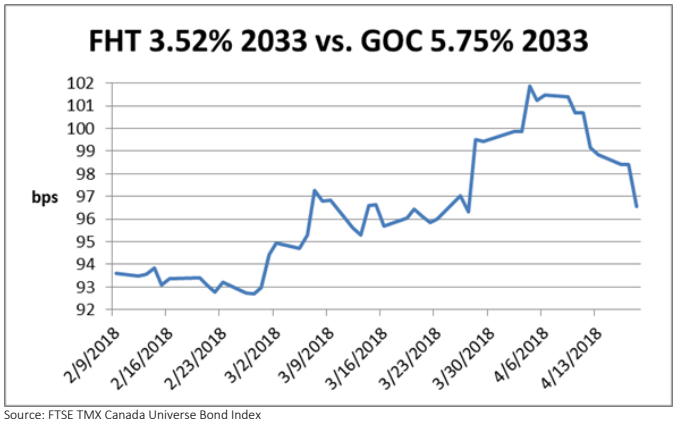
- Original guidance was in the area of +110bps +/-3bps.
- The deal was upsized from an original CAD 300M, with an order book growing to CAD 1.2B and 36 buyers receiving late fills of 5-10%.
- Post-issue, the bonds traded ~4-5bps tighter.
- Prior to the deal pricing, FHT's inaugural bonds were quoted at +95.0bps/+94.0bps (bid/offer) in the secondary market.

In addition, please find below details regarding the inaugural FHT transaction as well as recent spreads for the issuer's bonds.

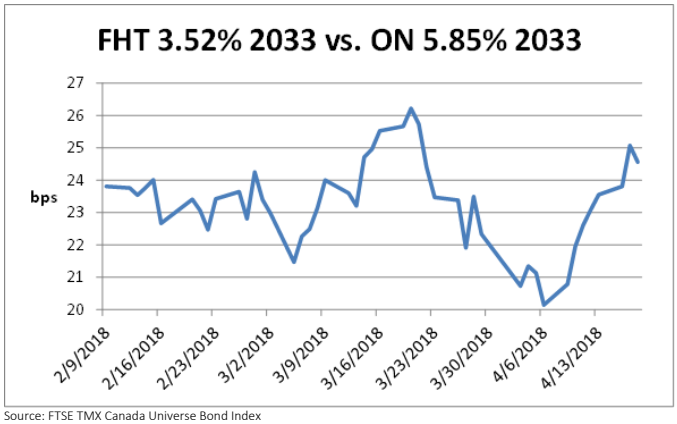
February 6, 2018

Issuer	S&P/DBRS/Moody's	Amount	Coupon (%)	Yield (%)	Maturity	Spread over Benchmark	Spread over Curve
Fair Hydro Trust	-/AAA/Aa2	CAD 500M	3.357%	3.357%	05/15/2033	+91.9bps over GOC 5.75% 2033	92.0bps

- This was the program's inaugural issue, and the issuer is expected to tap the market 2-3 times per year, with maturities no shorter than 15 years.
- The deal was upsized from CAD 300M, and priced at the tight end of the guided range (95+/-3bps OTC).
- The bonds were quoted issue-bid on the break, and attracted 36 buyers, receiving fills as low as 10%.
- Orders were said to have topped CAD 1.8B for Canada's first utility cost-recovery bond transaction.
- The offering accounted for 51% of the total amount issued. The remaining subordinated and junior subordinated notes were placed with Ontario Power Generation.



Source: FTSE TMX Canada Universe Bond Index



Source: FTSE TMX Canada Universe Bond Index

As usual, please feel free to reach out with any questions or comments.

Best,

Stephen, on behalf of the team

1-800-361-8738

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Stephen McHarg, M.Sc. Vice-President & Director • Capital Markets | Vice-président & Directeur • Marchés des capitaux

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FHT 3.52% 2033 vs. GOC 5.75% 2033



FHT 3.52% 2033 vs. ON 5.85% 2033



From:	VINER, JON
To:	Ken Kandeepan; "Thouin, Alena (ENERGY)"; Tobias P. Whitfield (MOF); Mike Manning; Malle Hanslep (MOF); Anna Strathy; Ronald Kwan; Tim Christie (ENERGY); Veinot, Cindy (TBS); Mark Donaldson (MOF); Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY)
Cc:	ASHBOURNE, STEPHEN
Subject:	Fair Hydro Trust OM - Comments
Date:	Friday, January 12, 2018 10:52:33 AM
Attachments:	FHT OM Comments - Cumulative Blackline against Torys draft.pdf FHT OM Comments - Incremental Blackline.pdf 23291241-v1-Fair Hydro Trust Investor Presentation - Comments.DOCX 23287504-v6-Fair Hydro OM - Comments of the Province.DOCX

All,

Please for your reference please find attached copies of the following documents:

- Clean copy of comments on the FHT OM
- Blacklined copy of comments on the FHT OM showing changes against Torys' draft
- Blacklined copy of comments on the FHT OM showing changes against the previously circulated draft
- Comments on the Investor Presentation (with revisions indicated in red, blue or highlighted text).

Once you have had a chance to review, please let us know if you would like to discuss.

Kind regards,

Jon

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499

Blakes

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This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "****U.S. Securities Act****") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement January ■, 2018

FAIR HYDRO TRUST
Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust ~~established under~~governed by the laws of the Province of Ontario, established by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (the "**FHPA**"), legislation [that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms).][1] Under the FHPA, ~~Ontario Power Generation Inc. ("**OPG**")~~OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA.[2] The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or ~~general~~ obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be ~~nonrecourse~~limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

[1] **Note:** This narrative should be removed or, if necessary, it should track the purposes of the FHPA set out in Section 3 of the Act.
[2] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended or supplemented by supplemental indentures thereto.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with

liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount & Financing Plan"*, *"Subordinated Debt"*, *"■"*[3] and *"Risk Factors"* of this confidential shelf offering memorandum and *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"*, *"■"*[4] and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be ~~significantly~~ impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval by resolution of the holders of all Series of Senior Notes.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

[3] **Note:** Please complete.
[4] **Note:** Please complete.

- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Power outages could impair payment of the Senior Notes.[5]
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

[5] Is this relevant? Is the concern that the CEA would be spread across a relatively smaller base due to lower usage in a period?

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

PRIOR TO RECEIVING THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER MUST HAVE ENTERED INTO A CONFIDENTIALITY UNDERTAKING WITH THE ISSUER (IN A FORM ACCEPTABLE TO THE ISSUER) WHICH PROVIDES THAT BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER. ***[NTD: Logistics to be discussed between Dealers and OPG.]***

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete

certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at https://www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust ~~established under~~governed by the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"— Change of Law Protection Agreement".*
Ontario~~'s~~ Fair Hydro Plan Act:	~~On March 2, 2017, the Province of Ontario announced its Fair Hydro Plan, proposing to lower the average electricity bill for certain eligible customers.~~ On June 1, 2017, the Ontario ~~government~~Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "**FHPA**"), ~~legislation that reallocates certain electricity costs over time and provides immediate rate relief to~~. The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms). ~~From~~; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[~~1~~6] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[7] for that period. Under the FHPA, OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding**

[~~1~~6] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[7] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

	Obligations") for the purposes of the FHPA and the Regulations.[8] The Issuer is a Financing Entity[9] under the FHPA and the Regulations and the Notes are Funding Obligations being offered for the purposes of the FHPA and the Regulations. See *"Ontario's Fair Hydro Plan — Background"*.
Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of series (each a "**Series**"), in one or several offerings (each, an "**Offering**"). A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the master trust indenture dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Trust Indenture**") between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**"), as supplemented by a supplemental indenture dated the date of the issuance of such Series between the Issuer and the Indenture Trustee (a "**Supplemental Indenture**" and collectively with the Master Trust Indenture, the "**Indenture**") authorizing that Series.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a not-for-profit corporation established under the *Electricity Act, 1998* (Ontario). The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market.[10] Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). However, the FHPA provides that the IESO is not permitted to exercise such right before May 1, 2021 is limited under the FHPA. The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may, on a monthly basis, offer to transfer a specified portion of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"Transferor and Servicer"*.
Investment Interest:	Upon acceptance of the transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the ~~right~~rights specified in the FHPA, including the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the

[8] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

[9] **Note**: Elsewhere, the disclosure refers only to the Issuer without adverting to the possibility of other future Financing Entities. To the extent that this simplification suggests in a particular context that other future Financing Entities would not be permitted or similarly treated, references to the Trust should be broadened to encompass the possibility of future Financing Entities.

[10] **Note:** Consider also referring to IESO's planning and procurement functions. They may be meaningful here to the extent they impact IESO objectives and governance generally.

FHPA and the Regulations. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.

Clean Energy Adjustment:

The FHPA and the Regulations impose an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager ~~and will be converted by the OEB into a $/kWh rate and added to the electricity invoices sent to~~based on the calculations and parameters set out in the FHPA. The OEB is required to determine the rates at which Specified Consumers are to be invoiced in order to recover the Clean Energy Adjustment in respected of a specified Reference Period (which is generally a six month period, or a shorter period in certain circumstances). The rates are to be determined by reference to forecasted electricity consumption of Specified Consumers for a period and are expressed as a cent per KWh rate. See *"— Statutory Duties of the OEB"* below.

The required Clean Energy Adjustment ~~is an amount~~will be determined by the Financial Services Manager for each month in a Reference Period ~~(which is generally a six month period, subject to more frequent determinations in certain circumstances)~~ and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which ~~includes all financing and other expenses of the Issuer for~~will include an estimate of all repayments, redemptions, funding costs, derivative payments, required deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is ~~comprised of~~required to be calculated by the Financial Services manager in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustment is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment during preceding Reference Periods ~~plus other anticipated shortfalls.~~ .

The True-up Amount ~~accounts for~~may also reflect historical and reasonably foreseeable differences between the ~~required Clean Energy Adjustment~~estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs~~,~~; and variations in billings due to variations in electricity consumption ~~and~~. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not ~~be~~been paid in full. The

Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for ~~such~~a Reference Period.

[Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other ~~carrying costs~~Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.][11]

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs during the Moratorium Period:

During the Moratorium Period and extending to July 31, ~~2021,~~2021,[12] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of its ~~carrying costs~~Carrying Costs. Under the Regulations, ~~"carrying costs"~~Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).[13]

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of ~~carrying costs~~Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement,[14] the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■,

[11] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) *[limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*]. In particular, the suggestion that CEAs cannot be collected in any circumstance during the Moratorium Period goes beyond 21(4) and presumes that there will be no Readjustment.

[12] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending on July 31, 2021.

[13] **Note:** Consider revising to conform with Section 9.3(3) of the General Regulation. This Section provides that "carrying costs" also include derivative payments, etc.

[14] **Note:** Not sure how this lines up with fee recovery.

which ~~can~~is permitted to be used to pay the Issuer's ~~carrying costs~~Carrying Costs. The amounts paid by the IESO to fund these ~~carrying costs~~Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for the performance of its obligation under the Regulations to pay the Issuer's ~~carrying costs~~Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment ~~after such time shall~~for a period will be determined without regard to the fact that such amount has become ~~immediately~~ due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount and Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.[15]

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g. OEB licensees) in Ontario's [electricity market][16], including the activities of transmitters and distributors as well as the IESO (all Electricity Vendors for the purposes of the FHPA).

[15] **Note:** Add detailed descriptions to correspond to the limitation on cashflows during acceleration in the applicable detailed portions of the OM and specifically address in Risk Factors.

[16] **Note:** Technically, the IESO administers (supervises) the IESO-administered markets. There is no definition for "electricity market".

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed ~~in $/~~as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment ~~in respect of the relevant period of time~~ as determined by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast ~~provided by the IESO~~ of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided to the OEB by the IESO. See *"— Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA and the Regulations require Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment ~~commencing May 1, 2021,~~ as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of [the Issuer][17], amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of [the Issuer][18] until ~~deposited with the IESO and remit such amounts~~remitted to the IESO for the benefit of [the owners of Investment Interests (initially, only the Issuer)].[19] If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate ~~the~~any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[20] It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.[21]

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required from the IESO is based on a formula as set out in the Master Transfer and Servicing Agreement and will equal: (i) 50% of forecasted Clean Energy Adjustment amounts that are to be collected by such non-investment grade rated Electricity Vendors and held for 45 days

[17] **Note:** This and similar references to the Issuer should instead refer to Financing Entities (Investment Interest owners), of which the Trust is the first, and then cross-refer to the concept of co-ownership in order to facilitate additional financings in the future.
[18] **Note:** Please see note 16.
[19] **Note:** Please see note 16.
[20] **Note:** Please consider revising this to conform more closely to Section 17(4) of the FHPA.
[21] **Note:** Please confirm.

prior to the funds being remitted to the Issuer; or (ii) such other amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

OPG has entered into a management agreement (the "**Management Agreement**") with the Issuer pursuant to which the Issuer has delegated to OPG, as manager (the "**Manager**"), all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer. See *"The Manager"*.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA and the Regulations, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. See *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of [the Issuer][22], to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of [the Issuer] and remit such amounts to [the Issuer] [on a monthly basis, subject to daily remittance being required in certain limited circumstances.][23] In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including ~~forecasting~~providing forecast information regarding electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts to [the Issuer] and fulfilling certain additional

[22] **Note:** Please see note 16 regarding bracketed references to the "Issuer" in this paragraph..

[23] **Note:** Please consider disclosing which IESO duties are statutory and which arise under the MTSA. For instance, in this sentence, these time requirements arise from the MTSA. Section 9(2) of the General Regulation requires that the IESO remit within a reasonable period of time.

reporting requirements. [Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.][24] However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement in favour of the ~~Issuer and the~~ Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" ~~under~~when due and payable into the ~~Change of Law~~ Protection ~~Agreement and which~~Account (which, provided that the Notes are Approved Obligations, includes payments of amounts that are due and payable in respect of ~~the~~ Notes), although the amount of Province of Ontario's payment obligations in a particular period will differ depending on whether an Acceleration has occurred. See "*Change of Law Protection Agreement*". The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation.

Generally, an "Approved Obligation" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years ~~and which~~that are not terminable by the Issuer on less than three years' notice ~~and on payment~~under which the Manager, acting reasonably, expects aggregate payments by the Issuer ~~of~~during the term of the contract in an amount ~~equal to or less than~~in excess of $5,000,000.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA~~, in whole~~ or ~~in part~~any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not

[24] **Note:** Please confirm.

replace on an equivalent basis, the regulations made under ~~or in connection with,~~ the FHPA~~, in whole~~ or ~~in part~~any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the ~~Province of Ontario~~Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) ~~there is~~the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or ~~any~~an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and subsequent delivery of a written payment demand by the Indenture

Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts ~~in respect of Approved Obligations, including the Senior Notes, the~~when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. The Province of Ontario will have ~~a right of subrogation that includes the entitlement to all rights and interests under and in respect of such Approved Obligations, including the security interest in each related Investment Interest and any related property of the Issuer.~~the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations, such amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee ~~prior to~~on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master

Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect ~~for as long as any Senior Notes remain outstanding~~until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant ~~or representation of OPG~~, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions ~~having~~have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall ~~cease to~~not apply ~~only~~ in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer~~, in each case following delivery of a Suspension Notice~~.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension ~~if~~that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA and the Regulations by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of certain costs allocated to Specified Consumers in respect of the Ontario government's clean energy initiatives ("**Clean Energy Costs**")[25] in proportion to the relative attribution of the value of benefits determined to be derived by or accruing to Specified Consumers as a result of such clean energy initiatives ("**Clean Energy Benefits**") among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.[26]

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations should be incurred by the Issuer or other Financing Entities ~~and having~~for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred ~~so that~~such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA [, namely, to ensure that present and future Specified Consumers are bearing their share of the costs of providing Clean Energy Benefits].[27] Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This [means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024.][28] Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal

[25] **Note:** Consider that "Clean Energy Costs" is more thoroughly defined in the Glossary. Through the OM, reconsider instances where there are two different definitions.
[26] **Note:** The description of the fair allocation amount should more closely align to Section 20(1) of the FHPA.
[27] **Note:** The description should more closely align with the stated purposes of the FHPA in Section 3 of the Act.
[28] **Note:** MOE to confirm whether including this sort of prediction is appropriate.

	Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount on subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes. The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.
Subordinated Debt:	Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes. Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.
Use of Proceeds:	The proceeds from each Offering may be used to (i) acquire an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement, (ii) refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) pay Offering and related costs of the Issuer and (iv) fund specific reserve accounts as required. The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.

Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of ~~carrying costs~~Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay ~~carrying costs~~Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount. In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering. See "*Capital Markets Platform — Security*".
Priority of Payments:	Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following

order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for senior obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for subordinated obligations;
- payments of or accumulations in respect of interest for junior subordinated obligations;
- payment of or accumulations in respect of principal for warehouse obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for senior obligations (other than warehouse obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on senior obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for subordinated obligations;
- fees and other amounts (other than principal and interest) on subordinated obligations;
- payment of or accumulations in respect of principal for junior subordinated obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for subordinated obligations or junior subordinated obligations);
- replenishment of Series Accounts established for subordinated obligations;
- fees and other amounts (other than principal and interest) on junior subordinated obligations;
- replenishment of Series Accounts established for junior subordinated obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on senior obligations and payments under derivative agreements (other than termination payments), *pari passu*, then subordinated obligations (other than principal) and then junior subordinated obligations (other than principal);
- principal for warehouse obligations;

- *pari passu*, principal on senior obligations (other than warehouse obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for subordinated obligations and then junior subordinated obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103).

By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.

Book-Entry Form: The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository,

	registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydropower, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from generating facilities to local areas; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses using lower voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of small scale solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy from a few flexible loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Virtually all generators in Ontario also have bilateral contracts with the IESO or receive regulated prices, or payment amounts, that provide for payments in addition to the market price of electricity that is paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario), whose sole shareholder is the Province of Ontario. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold all of the generation assets. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power turbine. OPG's mission is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit

of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for almost half of the total energy generated and injected into Ontario's electricity transmission system, as reported by the IESO. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for operating the real-time electricity markets in Ontario, as well as administering the market rules. The OPA was the counterparty that entered into bilateral power or capacity purchase contracts with generators. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners, but it is governed by an independent Board of Directors whose chair and directors are appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors which are also Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

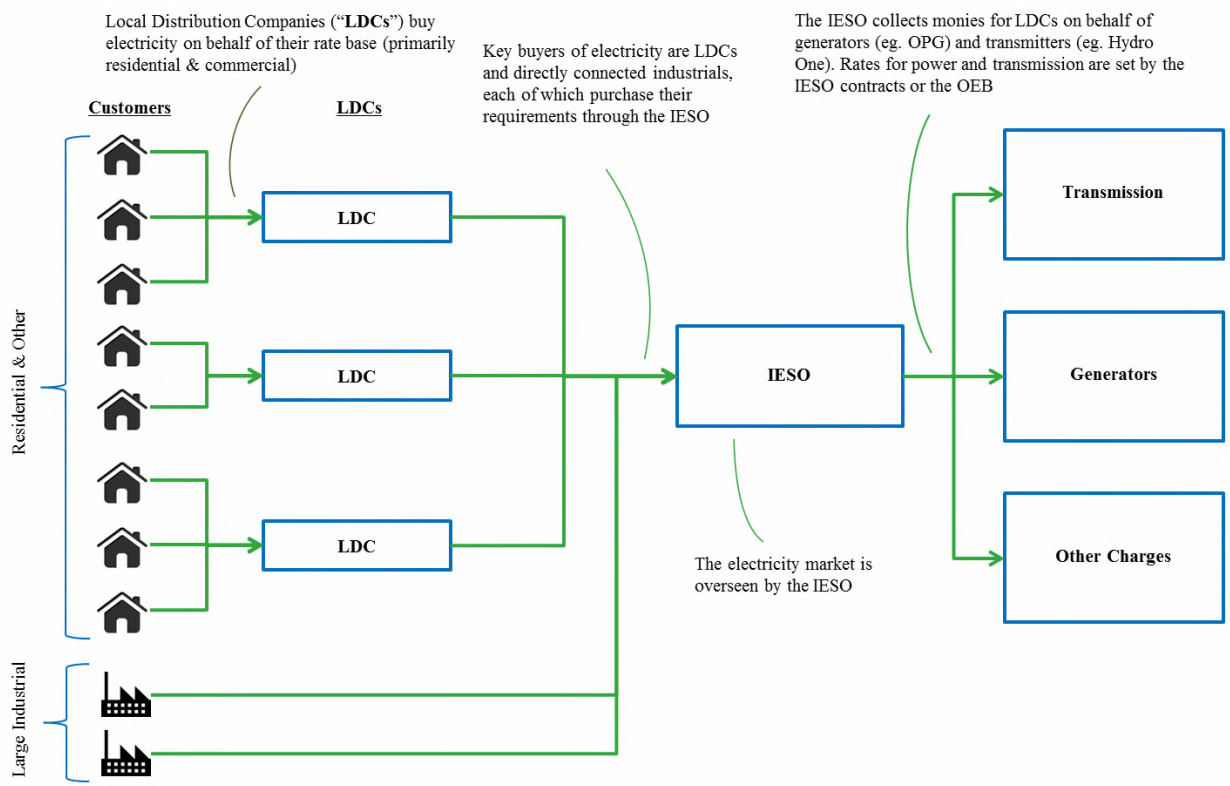
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers,

acquisitions, amalgamations and divestitures involving distributors, transmitters and other entities which it licenses. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB. The following diagram depicts a simplified flow of funds between the key industry participants:[29]



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two ~~main~~ components that make up the commodity cost of electricity in Ontario, the ~~hourly~~Hourly Ontario ~~energy price~~Energy Price ("**HOEP**") and the ~~global adjustment~~Global Adjustment charge.

[29] **Note:** Proposed revisions to the text in the chart: (i) "The electricity market is ~~overseen~~ administered by the IESO"; (ii) "~~Rates for power and transmission are set by the IESO contracts or the OEB~~ Prices paid to generators are determined by IESO contracts or approved by the OEB. Transmission rates are approved by the OEB."

- The HOEP is set by the IESO ~~on an hourly basis~~ based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is ~~also~~ paid by ~~loads~~all consumers. It is established monthly by the IESO in accordance with regulations and is used to collect funds used by the IESO to pay certain "out of market" costs that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to certain generators, including OPG, that are entitled to a regulated rate of return based on OEB-established payment amounts. For ~~all loads with a peak demand under 500 kW (in other words,~~ all Specified Consumers~~),~~[30] the global adjustment charge is based on electricity usage on a per unit basis.

Prior to the FHPA being passed, the amount collected by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's liabilities in this regard, subject to certain periodic true-ups and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, and in accordance with amendments to legislation, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered commodity prices for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in ~~the~~ previous ~~period~~periods. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from a licensed retailer pursuant to a retail contract that provides a fixed rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario ~~government~~Legislature passed the *Ontario Fair Hydro Plan Act, 2017*[31] (the "**FHPA**")[, legislation that reallocates certain electricity costs over time and provides immediate rate relief to consumers][32]. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will ~~in effect~~ be the ~~rate~~rates that ~~would~~ result in a representative consumer being charged an invoice amount that is 25%~~2~~[33] less than the rate that would otherwise have been determined by the OEB for that period (the "**Fair Adjustment**") absent Ontario's Fair Hydro Plan.

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

[30] **Note:** Some consumers below 500 kw are not Specified Consumers.
[31] **Note:** The FHPA was Schedule 1 to omnibus legislation entitled the *Fair Hydro Act, 2017*. Further, already defined as the FHPA above.
[32] **Note:** This narrative should be removed, or if necessary, the description of the FHPA should track the purposes of the Act as set out in Section 3 to the Act.
~~2~~[33] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government and the shifting of certain support program costs from the rate base to the tax base.

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one ~~of~~or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated its intention that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as the initial Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (such obligations, "**Funding Obligations**") to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, in a variance account.[34] The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). However, in accordance with the FHPA, the IESO is not entitled to collect all or part of the balance recorded in the variance account (which is the basis of the Regulatory Asset) from specified consumers before May 1, 2021. The IESO may, in accordance with the FHPA, transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

[34] **Note:** Please consider disclosure of further details as to what is recorded in the variance account. For instance, paragraph 3 of Section 15 in the General Regulation states that amounts incurred by the IESO on or after May 1, 2017 but before the FHPA came into force may be recorded in the IESO deferral.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment and, as an owner of the Investment Interest, will be entitled to recover ~~all~~ its "Finance Amount" (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest from the IESO, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the transfer of a specified portion of the Regulatory Asset from the IESO, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and ~~the Issuer's~~an ownership interest therein, an "**Investment Interest**"). The Investment ~~Interest consists of,~~ Asset consists, collectively, of the following rights and interests of Investment Interest owners (among other things):[35]

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest, including any rights to receive a payment obligation incurred by the IESO as part of the transfer of the Regulatory Asset (such payment obligations incurred by the IESO being "**Funding Rebates**"); and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers [to cover the cost of financing the shortfall that results from the Fair Adjustment].[36] The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a ~~Reference Period~~period of time is an amount determined by the Financial Services Manager as follows:

[35] **Note:** Please consider disclosing in this section that the Investment Asset is a collective right of the Investment Interest owners. While this is explained in a risk factor ("The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities), additional explanation/ disclosure may be warranted here.

[36] **Note:** Consider that the statutory definition of "Clean Energy Adjustment" states that it is "the amount determined under section 15 [of the FHPA] and payable by specified consumers". The FHPA does not expressly state the purpose of the Clean Energy Adjustment.

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the ~~Reference Period~~period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the ~~Reference Period~~period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment, redemption or repurchase, that are paid or payable during the ~~Reference Period~~period;

(iv) payments required to be made in respect of any derivative agreements during the ~~Reference Period~~period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) ~~fees~~Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the ~~Reference Period; and~~period;

(vii) taxes paid or payable by ~~the Issuer~~or on behalf of the Issuer, incurred directly or indirectly by the Issuer, or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that ~~are paid or~~ payable during the ~~Reference Period;~~period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a funding obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the ~~Reference Period~~period;

(ii) for any period before May 1, 2021, amounts received during the ~~Reference Period in respect of funding rebates~~period in respect of Carrying Costs and Funding Rebates and for any period on and after May 1, 2021, amounts received during the period in respect of Funding Rebates;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the ~~Reference Period~~period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the ~~Reference Period~~period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the ~~Reference Period~~period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax ~~during the Reference Period~~and to which the Issuer is entitled as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA during the period; and

(c) subtracting the sum calculated under (~~a~~b) from the sum calculated under (~~b~~a).

~~The Clean Energy Adjustment will also take into account a true up comprised of~~In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustments is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment ~~plus other anticipated shortfalls (the "**True-up Amount**")~~during the preceding Reference Periods. The True-up Amount ~~accounts for~~may also reflect historical and reasonably foreseeable differences between the ~~required Clean Energy Adjustment~~estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs~~,~~; and variations in billings due to variations in electricity consumption ~~and~~. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. ~~After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly.~~ The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

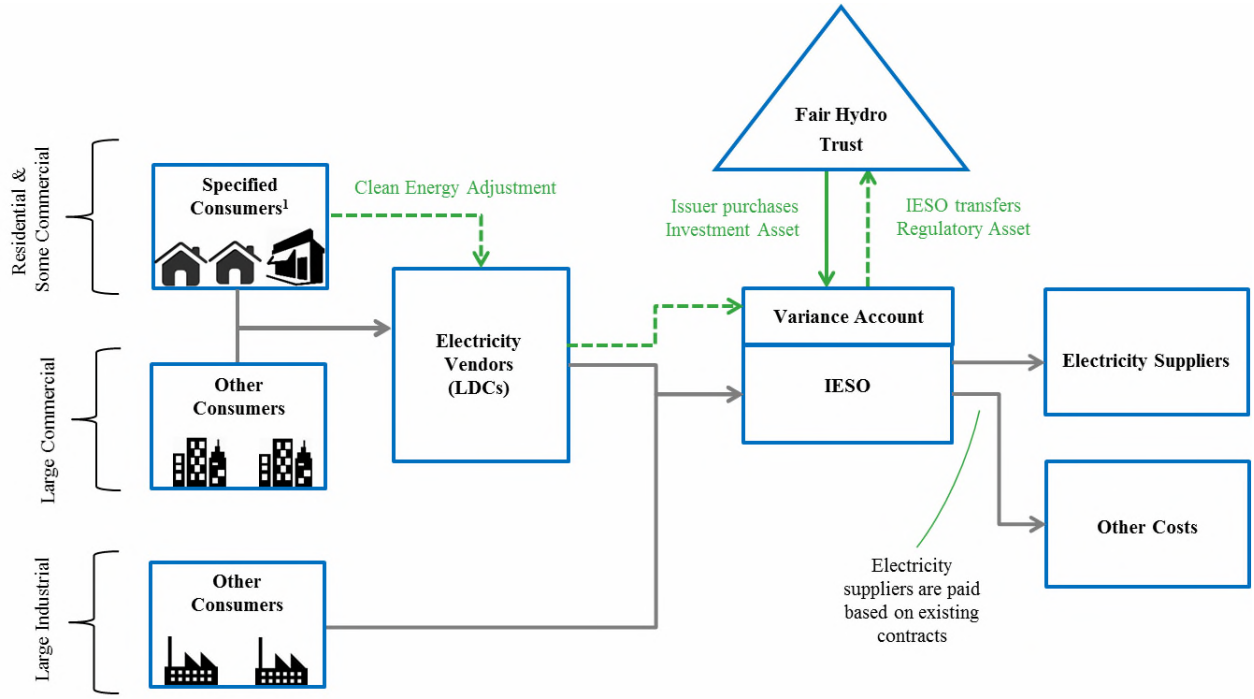
The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a ~~$/~~cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment ~~in respect of the relevant period of time~~ provided by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast of electricity consumption ~~provided by the IESO~~ of Specified ~~Consumers~~Creditors in respect of ~~the period~~such period, based on forecast information provided to the OEB by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the [Issuer],[37] amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the [Issuer] until ~~deposited with the IESO and remit such amounts~~remitted to the IESO for the benefit of the [the owners of Investment Interests (initially, only the Issuer)]. If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate ~~the~~any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[38] It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.[39] If there are any

[37] **Note:** Please see note 16 regarding the placement of square brackets around "the Issuer" in this paragraph. The disclosure should indicate that amounts are collected for the Investment Interests owners (and that, as at the date of the OM, the Issuer is the only Investment Interest owner).
[38] **Note:** Please consider revising to conform more closely to Section 17(4) of the FHPA.
[39] **Note:** Please confirm.

amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to [the Issuer] during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. [Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other ~~carrying costs~~Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period.][40] See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, directly to the IESO.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and

[40] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) [*limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*].

will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers.[41] Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of ~~any~~the first Funding ~~Obligations and the~~Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA, provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred ~~so that~~such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA[, namely, to ensure that present and future Specified Consumers are bearing their fair share of the costs of providing Clean Energy Benefits][42]. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This [means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024.][43] Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount of subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

IESO Payment of Carrying Costs During the Moratorium Period

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. During the Moratorium Period and extending to July 31, 2021,[44] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its ~~"carrying costs". "~~Carrying Costs. Carrying ~~costs"~~Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt

[41] **Note:** Please consider a description of the fair allocation amount that more closely aligns to Section 20(1) of the FHPA.
[42] **Note:** Any description of the purpose of the FHPA should conform with the stated purposes of the Act set out in Section 3.
[43] **Note:** MOE to confirm.
[44] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending July 31, 2021.

obligations of the Issuer (including repayment of principal on the Senior Notes).[45] The amounts paid by the IESO to fund these ~~carrying costs~~Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of ~~carrying costs~~Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See "*The Transferor and Servicer*". The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which ~~can~~is permitted to be used to pay the Issuer's ~~carrying costs~~Carrying Costs. Furthermore, as security for the performance of its obligations under the Regulations to pay the Issuer's ~~carrying costs~~Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See "*The Transferor and Servicer*".

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the ~~Ontario government~~Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA or the Regulations, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement in favour of the ~~Issuer and~~Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee~~, upon a Protection Event~~ of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account (as hereinafter defined). The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Obligation Secured on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Obligation Secured on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture,

[45] **Note:** Consider revising to conform with the definition of "carrying costs" in Section 9.1(3) of the General Regulation.

determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period for purposes of [section 15(1) of the FHPA (in effect as at December 21, 2017), including section 6.1 of the General Regulation under the FHPA (in effect as at December 21, 2017)][46], divided by the number of months in such Reference Period.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA, in whole or in part, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under ~~or in connection with,~~ the FHPA, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the ~~Province of Ontario~~Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) ~~there is~~the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or ~~any~~an entity controlled by the Province of Ontario,

in each case, that (X) adversely affects the ability of the Issuer to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable, in each case determined after taking into account and having regard to (i) any funds available at such time to apply to such Approved Obligations, including in any finance reserve account, capital account or collateral posting account applicable under a derivative agreement, (ii) the availability of any credit enhancement agreement

[46] Perhaps this should instead cross-reference a more detailed description and explanation of the "Acceleration" mechanics under 6.1 of the Regulation.

to which the Issuer is a party and (iii) any reasonably expected potential effect of a True-up Amount in the Reference Period immediately following the occurrence of an event described in any of clauses (~~a~~i) to (~~e~~v) above, or (Y) adversely affects the enforceability of, or adversely changes, the terms and conditions of the Change of Law Protection Agreement or of any of the agreements under which Approved Obligations arise; or

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

~~The priority of payments made~~

On a Protection Event and payment by the Province of Ontario ~~under the Change of Law Protection Agreement is governed by the Master Trust Indenture. Upon paying amounts in respect of the Approved Obligations, the Province of Ontario will have a right of subrogation that includes the entitlement to all rights and interests under and in respect of such Approved Obligations, including the security interest in each related Investment Interest and any related property of the Issuer.~~of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral (as hereinafter defined) and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture and no person entitled under any Obligation Secured (including a Specified Creditor) that ranks equal with or subordinate to the Approved Obligation in respect of which the Province of Ontario is owed a Subrogation Amount will be entitled to make any claim or assert any right in or to the amounts paid or payable to the Province of Ontario, and no such person will have any right to the Collateral or any proceeds therefrom in respect of any Subrogation Amount. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

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

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee ~~prior to~~on or before the incurrence of such obligation certifying ~~that it~~, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition,

notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect ~~for as long as any Senior Notes remain outstanding~~until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

A "**Post-Suspension Refinancing**" means a Funding Obligation that is an Obligation Secured and that is incurred on or after the occurrence of a Suspension Event in compliance with the requirements of the Change of Law Protection Agreement, as a ~~refinancing~~Refinancing of one or more Series of Approved Obligations (including any Pre-Approved Refinancing incurred on or after the occurrence of a Suspension Event), in each case the proceeds of which, together with any other funds that may be available, are used solely for the purpose of paying in full such Series of Approved Obligations and any costs and expenses associated with such ~~refinancing~~Refinancing.

A "**Pre-Approved Refinancing**" means a ~~refinancing~~Refinancing of a Certified Primary Obligation in respect of which the Province of Ontario has, prior to the incurrence of such Certified Primary Obligation, agreed shall be an Approved Obligation, subject to compliance with such conditions and requirements as may be specified in such agreement.

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document ~~to which the Limited Guarantee applies and~~ which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA or the Regulations; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were Approved Obligations issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust ~~established under~~governed by the laws of the Province of Ontario pursuant to a declaration of trust made December 20, 2017 (the "**Declaration of Trust**"). Computershare Trust Company of Canada (the "**Issuer Trustee**") is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

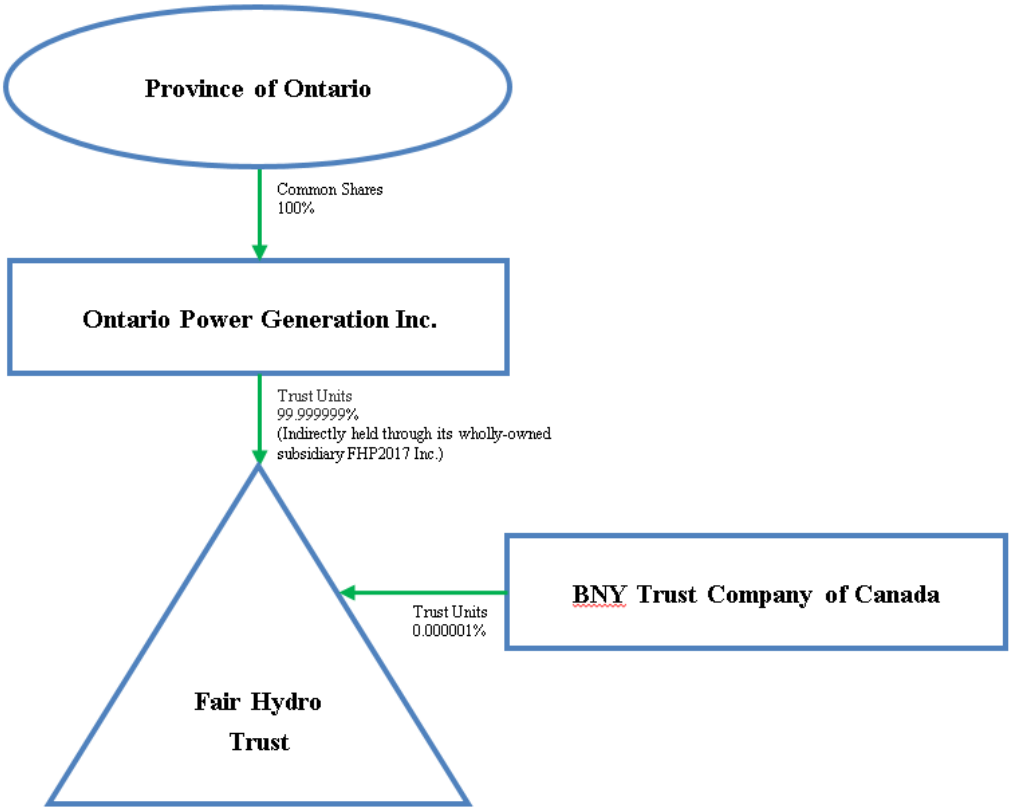
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

OPG has entered into a management agreement with the Issuer dated as of December 20, 2017 (the "**Management Agreement**") pursuant to which the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA and the Regulations, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations,[47] the Manager shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA and the Regulations, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests in accordance with the FHPA or for the purposes of a Refinancing;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

[47] Please confirm the source of the right to review electricity vendor records under the Regulations. If this refers to Section 10(4) of the General Regulation, the right is that of the Issuer or the FSM.

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors – Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and Manager of the Issuer.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or ~~carrying costs~~Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

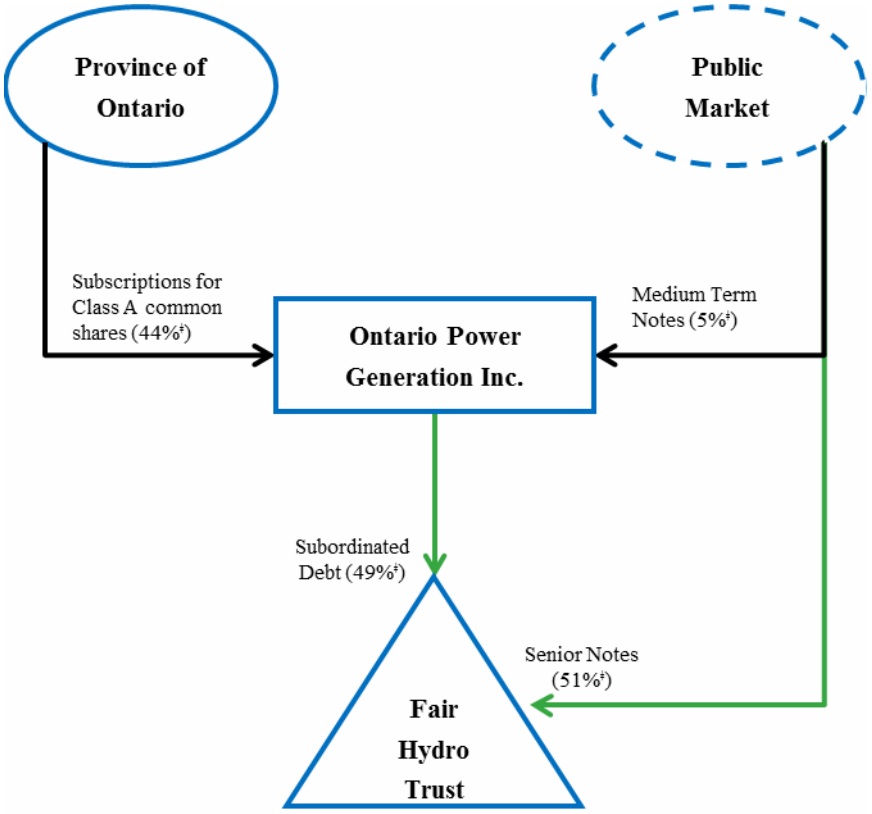
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximate 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes).

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



‡ OPG will acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

THE TRANSFEROR AND SERVICER

The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may periodically transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to transfer to the Issuer its right, title and interest in, to and under a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of collecting the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts collected in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on a monthly basis, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) forecasting the electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer.

While the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that the Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, the IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.[48] However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA or the Regulations, including its obligation to pay the Issuer's ~~carrying costs~~Carrying Costs.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its ~~carrying costs~~Carrying Costs. Under the Regulations ~~"carrying costs"~~, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes.[49] Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of ~~carrying costs~~Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which ~~can~~is permitted to be used to pay the Issuer's ~~carrying costs~~Carrying Costs.

As security for the performance of its obligation to pay the Issuer's ~~carrying costs~~Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO with respect to the global adjustment charge. The amounts paid by the IESO to fund these ~~carrying costs~~Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for transfer to the Issuer in a subsequent period and, upon completion of such transfer, shall become part of the Issuer's Investment Interest pursuant to the Regulations.

[48] **Note:** Please confirm.

[49] **Note:** Consider a description of "carrying costs" that conforms to the definition set out in Section 9.1(3) of the General Regulation. Also note that the Glossary defines "Carrying Costs" as having the meaning ascribed to the term in the Regulations.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee

has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);
- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and
- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor

Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the United States Internal Revenue Code~~,~~ of 1986, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the

Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or

by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").[50]

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has ~~an~~ been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the

[50] **Note:** Consider also including the floating charge in all of the property, assets and undertaking now owned or hereafter acquired by the Issuer in the definition of Collateral. (s. 2.01(b) of the Master Trust Indenture).

IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the ~~Collection~~Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. ~~All~~On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario ~~pursuant to~~under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities**

Account"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will ~~not~~ be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments

owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations

have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "—*Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "*— Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral, and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in ~~the~~ any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "*— Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then

outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel ~~of external counsel~~,[51] each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less

[51] **Note:** Please confirm deletion of "external counsel". Please see definition of "Opinion of Counsel" and s. 13.19(c) in Master Trust Indenture.

than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;
- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;
- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;
- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;
- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;
- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;
- facilitate the issuance of foreign currency Issuer Funding Obligations;
- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;
- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or
- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or
- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;
- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or
- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;
- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;
- a reduction in the amount of a discount note payable upon its acceleration;
- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;
- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;
- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or
- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;
- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;
- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;
- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;
- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;
- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;
- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the

Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"Capital Markets Platform"*.[52]

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

[52] **Note:** Please consider tracking the specific terms of section 6.1 of the General Regulation, and add detailed descriptions to correspond to the limitation on cashflows during acceleration in the applicable detailed portions of the OM and Risk Factors.

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "— *Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this "Description of the Senior Notes" section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such

Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;
- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s) and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;
- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;
- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;

- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;

- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and

- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement".*

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Principal Accumulation Date(s) for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than a Principal Payment Date if an optional redemption occurs and may receive principal payments later than a Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on a Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its

depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their

own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA, the Regulations or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA or the Regulations.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA or the Regulations will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit ~~were successful, it would likely be a Protection Event and the provisions of the Change of Law Protection Agreement would apply. See "Change of Law Protection Agreement". If such successful lawsuit was not, however, a Protection Event~~was successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the ~~Province of Ontario~~Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or ~~revoked~~repealed. Therefore, the only way for such provisions of the FHPA to be amended or ~~revoked~~repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA or the Regulations should no longer be law in Ontario or that the FHPA or Regulations should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that ~~materially and~~ adversely ~~effects~~affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay ~~its obligations under the Senior Notes~~Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See "*Change of Law Protection Agreement*". However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA or the Regulations referenced in the previous paragraph were amended or revoked through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose

some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Province of Ontario, although the remedy of damages is available.[53] Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.[54]

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other ~~carrying costs~~Carrying Costs, solely upon the IESO who is obligated under the Regulations to pay these ~~carrying costs~~Carrying Costs. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Issuer's ~~carrying costs~~Carrying Costs. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring ■, 20■, which ~~can~~is permitted to be used to pay the Issuer's ~~carrying costs~~Carrying Costs. ***[NTD: IESO credit facility description to be confirmed.]***[55] There can be no assurance that the IESO will continue to have sufficient funds available to pay interest on the Senior Notes or to pay the Issuer's other ~~carrying costs~~Carrying Costs during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay interest on the Senior Notes or the Issuer's other ~~carrying costs~~Carrying Costs and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of

[53] **Note:** Consider mentioning that section 21 of the *Proceedings Against the Crown Act* (Ontario) prohibits execution, attachment and process against the Province.

[54] **Note:** Consider mentioning, as a mitigant, that section 22 of the *Proceedings Against the Crown Act* (Ontario), which states that "the Minister of Finance shall pay out of the Consolidated Revenue Fund the amount payable by the Crown, (a) under an order of a court that is final and not subject to appeal; (b) under a settlement of a proceeding in a court…".

[55] **Note:** Is there any other information to be added apart from the expiry date?

~~carrying costs~~Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of ~~carrying costs~~Carrying Costs or enforcement of any security provided by the IESO under the Master Transfer and Servicing Agreement.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other ~~carrying costs~~Carrying Costs, solely upon the IESO who is obligated under the Regulations to pay these ~~carrying costs~~Carrying Costs. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA and the Regulations.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event and delivery by the Indenture Trustee to the Province of Ontario of a written payment demand. See *"Change of Law Protection Agreement"*. The Senior Notes will be ~~nonrecourse~~limited recourse obligations, secured only by the collateral. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"*. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or ~~general~~other obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. ~~However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.~~

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA and the Regulations, rights to enforcement of the FHPA, the Regulations and of various agreements described

in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the

repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform ~~—~~ Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Funding Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring an Investment Interest. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the transfer by the IESO of a specified portion of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy

Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.[56]

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA, the Regulations and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA, the Regulations and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or forecasting consumption, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of OPG, as Financial Services Manager and as Manager of the Issuer. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA and the Regulations, including determining the Clean

[56] **Note:** Consider explaining under this risk factor that the Investment Asset is a bundle of rights and interests held collectively by all investment interest owners.

Energy Adjustment (inclusive of the True-Up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated in part based upon a forecast of Specified Consumer usage to be newly developed by the IESO[, adjusted for expected billing lags and charge-offs] [including the effect of delinquencies and write-offs] ***[Confirm whether the IESO forecast takes into account items noted in square brackets.]***. Under the ~~FHPA~~Regulations, the IESO is required to provide to the OEB forecast information regarding electricity consumption of Specified Consumers. The amount and the rate of the Clean Energy Adjustment will depend in part on actual electricity usage and the amount of collections and write-offs for Specified Consumers.[57] If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. Neither the FHPA nor the Regulations require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information to the IESO regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in the FHPA and the Regulations. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment. For example, an Electricity Vendor's conditions of service may permit it to offer equal monthly billing plans to its

[57] **Note:** Please confirm.

consumers thereby delaying payments from one month to the next during the year or to enter into arrangements for the payment of arrears. In that event, collection of the Clean Energy Adjustment may be delayed or reduced until an adjustment is made.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment.[58] The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to indemnify holders of Senior Notes, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach and the fact that holders of Senior Notes will be unsecured creditors of OPG or the IESO, as applicable, with respect to any of these indemnification amounts. Neither OPG nor the IESO will indemnify any person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Senior Notes, or for any consequential damages, including any loss of market value of the Senior Notes resulting from a default or a downgrade of the ratings of the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-Up Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

[58] **Note:** Please confirm source/ conform to wording in FHPA.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°C. Winters include snow and icing conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or

reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the transfers between the IESO and the Issuer pursuant to the Master Transfer and Servicing Agreement may not be respected as true sales of the Investment Interest.

Ordinarily, the interests of the Issuer as transferee of the Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time an Investment Interest is transferred to the Issuer, which could reduce the amounts that may be available to the Issuer and, consequently, the holders of Senior Notes. Section 27(3) of the FHPA provides that at the time of the transfer to a Financing Entity under the FHPA, such transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the FHPA provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the transfer and the property rights and interests acquired by the transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the FHPA in such circumstances is untested. The IESO will treat the transactions described herein as a transfer of the Regulatory Asset to the Issuer. Such transfers will be made in accordance with Section 26 of the FHPA. Section 27(1) of the FHPA provides that a transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the transferee. As a transfer, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Investment Interest. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.

While the IESO is the servicer under the Master Transfer and Servicing Agreement, collections held by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the FHPA, provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the ~~FHPA,~~*Fair Hydro Act, 2017*,[59] in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws would generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or ~~guarantee~~guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

[59] The *Fair Hydro Act, 2017* (Ontario), which provided in Schedule 1 the *Ontario Fair Hydro Plan Act, 2017*, amends two other statutes: the *Electricity Act, 1998* (see section 43) and the *Ontario Energy Board Act, 1998* (see section 44).

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the

heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to

verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Description of Senior Notes — Reporting Requirements of Senior Notes"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These

remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

  (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

  (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior

Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference therein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference therein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the Securities Act (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer. "Misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer will be liable if the person proves that

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

  (ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that;

(A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe

and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

[NTD: Glossary in progress. For ease of reference, Torys is considering adding an index or replacing glossary with an index for terms that are defined in the body.]

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" means the agents designated by the Issuer from time to time and identified in the Term Sheet applicable to such Offering to sell the Senior Notes as described under *"Plan of Distribution"*.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified

Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Government of Ontario ~~government~~ related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" has the meaning set out under *"The Issuer"*.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" means The Depositary Trust Company.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible

Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.[60]

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.[61]

"**FHPA**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" means OPG, in its capacity as financial services manager appointed under the FHPA to perform the duties assigned to it thereunder.[62]

"**Financing Entity**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as

[60] **Note:** Please consider revising the definition of "Fair Adjustment" if this concept is to be used in the OM. The definition of the "Fair Adjustment" indicates that this term only refers to the rate reduction from July 1, 2017 until April 30, 2018. When the term is then later used in narrative [ex. "…the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment…"] it refers to the electricity rates that result from the entire fair hydro program.

[61] **Note:** Please consider a description of the Fair Allocation Amount that more closely aligns to Section 20(1) of the FHPA.

[62] **Note:** Please consider whether there should be disclosure indicating that the FSM is a statutory role from which OPG may be removed.

required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment ~~Interests, including~~Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligation**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

"**Funding Rebate**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding

Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer**" means Fair Hydro Trust, a special purpose trust ~~established under~~governed by the laws of the Province of Ontario.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" has the meaning set out under *"The Manager"*.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" means *The Securities Act* (Manitoba).

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**MW**" means megawatts.[63]

"**NI 31-103**" means National Instrument 31-103 — *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

"**NI 45-106**" means National Instrument 45-106 — *Prospectus Exemptions*.

"**NL Act**" means the *Securities Act* (Newfoundland and Labrador).

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental ~~Indentures~~Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

[63] **Note:** Definition not used.

"**OEB**" means the Ontario Energy Board.

"**Offering**" means an offering of senior secured notes pursuant to this confidential shelf offering memorandum and the related Term Sheet as described under *"Plan of Distribution"*.

"**Offering Jurisdiction**" means each of the provinces of Canada.

"**OPA**" means Ontario Power Authority.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date occurring on or after the Principal Accumulation Date for such Series, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates after the Principal Accumulation Date for such Series which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in

the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Readjustment amount**" has the meaning ascribed to the term "readjustment amount" in the FHPA and Regulations.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(i) every six-month period following the period mentioned in (a);

(ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under "*The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" means *The Securities Act, 1988* (Saskatchewan).

"**Section 130.1**" means section 130.1 of the *Securities Act* (Ontario).

"**Section 150**" means section 150 of the *Securities Act* (New Brunswick).

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and

Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Subrogation Amounts**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event".*

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" means FHP2017 Inc., a wholly-owned subsidiary of OPG, and the Indenture Trustee.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

information: Superintendent of Securities

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

Document comparison by Workshare Compare on Friday, January 12, 2018 10:45:15 AM

Input:	
Document 1 ID	PowerDocs://TOR_2528/23287504/1
Description	TOR_2528-#23287504-v1-Fair_Hydro_OM_-_Comments_of_the_Province
Document 2 ID	PowerDocs://TOR_2528/23287504/6
Description	TOR_2528-#23287504-v6-Fair_Hydro_OM_-_Comments_of_the_Province
Rendering set	standard

Legend:	
Insertion	
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~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	510
Deletions	246
Moved from	11
Moved to	11
Style change	0
Format changed	0
Total changes	778

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "****U.S. Securities Act****") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement January ■, 2018

FAIR HYDRO TRUST
Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust ~~established under~~governed by the laws of the Province of Ontario, established by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (the "**FHPA**"), legislation [that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms).][1] Under the FHPA, OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA.[2] The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be ~~nonrecourse~~limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

[1] **Note:** This narrative should be removed or, if necessary, it should track the purposes of the FHPA set out in Section 3 of the Act.
[2] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended or supplemented by supplemental indentures thereto.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with

liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount & Financing Plan"*, *"Subordinated Debt"*, *"■"*[3] and *"Risk Factors"* of this confidential shelf offering memorandum and *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"*, *"■"*[4] and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval by resolution of the holders of all Series of Senior Notes.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.
- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

[3] **Note:** Please complete.
[4] **Note:** Please complete.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Power outages could impair payment of the Senior Notes.[5]
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

[5] Is this relevant? Is the concern that the CEA would be spread across a relatively smaller base due to lower usage in a period?

CONFIDENTIALITY

PRIOR TO RECEIVING THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER MUST HAVE ENTERED INTO A CONFIDENTIALITY UNDERTAKING WITH THE ISSUER (IN A FORM ACCEPTABLE TO THE ISSUER) WHICH PROVIDES THAT BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER. ***[NTD: Logistics to be discussed between Dealers and OPG.]***

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at https://www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust governed by the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"— Change of Law Protection Agreement".*
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "**FHPA**"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[6] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[7] for that period. Under the FHPA, OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA and the Regulations.[8] The

[6] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[7] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

[8] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

	Issuer is a Financing Entity[9] under the FHPA and the Regulations and the Notes are Funding Obligations being offered for the purposes of the FHPA and the Regulations. See *"Ontario's Fair Hydro Plan — Background"*.
Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of series (each a "**Series**"), in one or several offerings (each, an "**Offering**"). A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the master trust indenture dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Trust Indenture**") between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**"), as supplemented by a supplemental indenture dated the date of the issuance of such Series between the Issuer and the Indenture Trustee (a "**Supplemental Indenture**" and collectively with the Master Trust Indenture, the "**Indenture**") authorizing that Series.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a not-for-profit corporation established under the *Electricity Act, 1998* (Ontario). The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market.[10] Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). However, the FHPA provides that the IESO is not permitted to exercise such right before May 1, 2021 is limited under the FHPA. The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may, on a monthly basis, offer to transfer a specified portion of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"Transferor and Servicer"*.
Investment Interest:	Upon acceptance of the transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA and the Regulations. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and*

[9] **Note**: Elsewhere, the disclosure refers only to the Issuer without adverting to the possibility of other future Financing Entities. To the extent that this simplification suggests in a particular context that other future Financing Entities would not be permitted or similarly treated, references to the Trust should be broadened to encompass the possibility of future Financing Entities.

[10] **Note:** Consider also referring to IESO's planning and procurement functions. They may be meaningful here to the extent they impact IESO objectives and governance generally.

Servicer".

Clean Energy Adjustment:

The FHPA and the Regulations impose an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager based on the calculations and parameters set out in the FHPA. The OEB is required to determine the rates at which Specified Consumers are to be invoiced in order to recover the Clean Energy Adjustment in respected of a specified Reference Period (which is generally a six month period, or a shorter period in certain circumstances). The rates are to be determined by reference to forecasted electricity consumption of Specified Consumers for a period and are expressed as a cent per KWh rate. See *"— Statutory Duties of the OEB"* below.

The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs, derivative payments, required deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is required to be calculated by the Financial Services manager in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustment is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment during preceding Reference Periods.

The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

[Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the

Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.][11]

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs during the Moratorium Period:

During the Moratorium Period and extending to July 31, 2021,[12] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).[13]

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement,[14] the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for the performance of its obligation under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors

[11] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) *[limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*]. In particular, the suggestion that CEAs cannot be collected in any circumstance during the Moratorium Period goes beyond 21(4) and presumes that there will be no Readjustment.

[12] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending on July 31, 2021.

[13] **Note:** Consider revising to conform with Section 9.3(3) of the General Regulation. This Section provides that "carrying costs" also include derivative payments, etc.

[14] **Note:** Not sure how this lines up with fee recovery.

with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount and Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.[15]

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g. OEB licensees) in Ontario's [electricity market][16], including the activities of transmitters and distributors as well as the IESO (all Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided to the OEB by the IESO. See *"— Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See *"Electricity Industry in Ontario"* and the Investor Presentation attached as Exhibit 1 to this

[15] **Note:** Add detailed ~~description~~descriptions to correspond to ~~this summary~~the limitation on cashflows during acceleration in the applicable detailed ~~portion~~portions of the OM and specifically address in Risk Factors.

[16] **Note:** Technically, the IESO administers (supervises) the IESO-administered markets. There is no definition for "electricity market".

confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA and the Regulations require Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of [the Issuer][17], amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of [the Issuer][18] until remitted to the IESO for the benefit of [the owners of Investment Interests (initially, only the Issuer)].[19] If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[20] It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.[21]

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required from the IESO is based on a formula as set out in the Master Transfer and Servicing Agreement and will equal: (i) 50% of forecasted Clean Energy Adjustment amounts that are to be collected by such non-investment grade rated Electricity Vendors and held for 45 days prior to the funds being remitted to the Issuer; or (ii) such other amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

OPG has entered into a management agreement (the "**Management Agreement**") with the Issuer pursuant to which the Issuer has delegated to OPG, as manager (the "**Manager**"), all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer. See *"The*

[17] **Note:** This and similar references to the Issuer should instead refer to Financing Entities (Investment Interest owners), of which the Trust is the first, and then cross-refer to the concept of co-ownership in order to facilitate additional financings in the future.
[18] **Note:** Please see note 16.
[19] **Note:** Please see note 16.
[20] **Note:** Please consider revising this to conform more closely to Section 17(4) of the FHPA.
[21] **Note:** Please confirm.

Manager".

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA and the Regulations, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. See *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of [the Issuer][22], to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of [the Issuer] and remit such amounts to [the Issuer] [on a monthly basis, subject to daily remittance being required in certain limited circumstances.][23] In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing forecast information regarding electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts to [the Issuer] and fulfilling certain additional reporting requirements. [Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.][24] However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement in favour of the Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which, provided that the Notes are Approved Obligations, includes

[22] **Note:** Please see note 16 regarding bracketed references to the "Issuer" in this paragraph..

[23] **Note:** Please consider disclosing which IESO duties are statutory and which arise under the MTSA. For instance, in this sentence, these time requirements arise from the MTSA. Section 9(2) of the General Regulation requires that the IESO remit within a reasonable period of time.

[24] **Note:** Please confirm.

payments of amounts that are due and payable in respect of Notes), although the amount of Province of Ontario's payment obligations in a particular period will differ depending on whether an Acceleration has occurred. See "*Change of Law Protection Agreement*". The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation.

Generally, an "Approved Obligation" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

in each case, that (X) adversely affects the ability of the Issuer to

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations, such amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection

Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any

Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA and the Regulations by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of certain costs allocated to Specified Consumers in respect of the Ontario government's clean energy initiatives ("**Clean Energy Costs**")[25] in proportion to the relative attribution of the value of benefits determined to be derived by or accruing to Specified Consumers as a result of such clean energy initiatives ("**Clean Energy Benefits**") among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.[26]

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and

[25] **Note:** Consider that "Clean Energy Costs" is more thoroughly defined in the Glossary. Through the OM, reconsider instances where there are two different definitions.

[26] **Note:** The description of the fair allocation amount should more closely align to Section 20(1) of the FHPA.

payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA [, namely, to ensure that present and future Specified Consumers are bearing their share of the costs of providing Clean Energy Benefits].[27] Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This [means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024.][28] Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount on subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than

[27] **Note:** The description should more closely align with the stated purposes of the FHPA in Section 3 of the Act.
[28] **Note:** MOE to confirm whether including this sort of prediction is appropriate.

	35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.
Use of Proceeds:	The proceeds from each Offering may be used to (i) acquire an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement, (ii) refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) pay Offering and related costs of the Issuer and (iv) fund specific reserve accounts as required. The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating

Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount.

In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for senior obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for subordinated obligations;
- payments of or accumulations in respect of interest for junior subordinated obligations;
- payment of or accumulations in respect of principal for warehouse obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for senior obligations (other than warehouse obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on senior obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for subordinated obligations;
- fees and other amounts (other than principal and interest) on subordinated obligations;
- payment of or accumulations in respect of principal for junior subordinated obligations;

- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for subordinated obligations or junior subordinated obligations);
- replenishment of Series Accounts established for subordinated obligations;
- fees and other amounts (other than principal and interest) on junior subordinated obligations;
- replenishment of Series Accounts established for junior subordinated obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on senior obligations and payments under derivative agreements (other than termination payments), *pari passu*, then subordinated obligations (other than principal) and then junior subordinated obligations (other than principal);
- principal for warehouse obligations;
- *pari passu*, principal on senior obligations (other than warehouse obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for subordinated obligations and then junior subordinated obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 of the applicable currency. The

	minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.
Optional Redemption:	Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.
Purchase for Cancellation:	The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.
Distribution Method:	The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103). By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.
Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.

Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydropower, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from generating facilities to local areas; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses using lower voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of small scale solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy from a few flexible loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Virtually all generators in Ontario also have bilateral contracts with the IESO or receive regulated prices, or payment amounts, that provide for payments in addition to the market price of electricity that is paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario), whose sole shareholder is the Province of Ontario. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold all of the generation assets. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power turbine. OPG's mission is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit

of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for almost half of the total energy generated and injected into Ontario's electricity transmission system, as reported by the IESO. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for operating the real-time electricity markets in Ontario, as well as administering the market rules. The OPA was the counterparty that entered into bilateral power or capacity purchase contracts with generators. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners, but it is governed by an independent Board of Directors whose chair and directors are appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors which are also Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

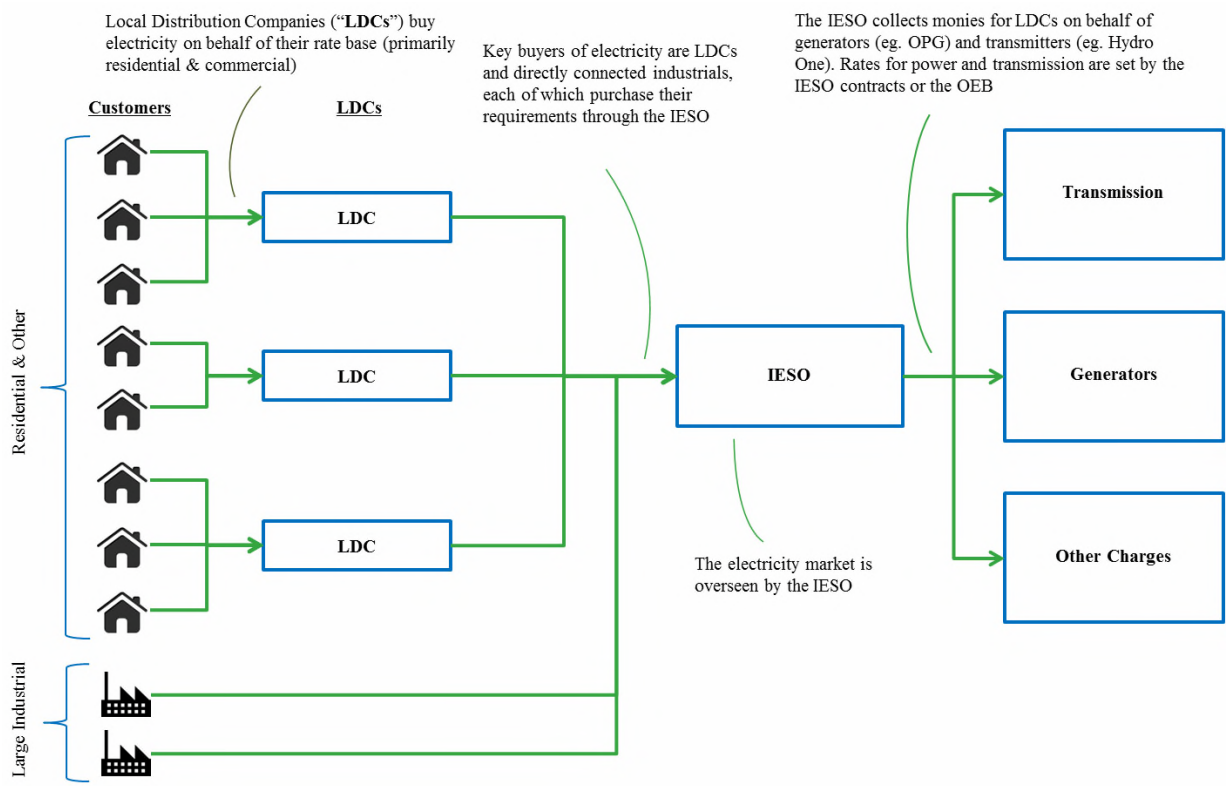
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers,

acquisitions, amalgamations and divestitures involving distributors, transmitters and other entities which it licenses. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB. The following diagram depicts a simplified flow of funds between the key industry participants:[29]



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two components that make up the commodity cost of electricity in Ontario, the Hourly Ontario Energy Price ("**HOEP**") and the Global Adjustment charge.

[29] **Note:** Proposed revisions to the text in the chart: (i) "The electricity market is ~~overseen~~ administered by the IESO"; (ii) "~~Rates for power and transmission are set by the IESO contracts or the OEB~~ Prices paid to generators are determined by IESO contracts or approved by the OEB. Transmission rates are approved by the OEB."

- The HOEP is set by the IESO based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is paid by all consumers. It is established monthly by the IESO in accordance with regulations and is used to collect funds used by the IESO to pay certain "out of market" costs that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to certain generators, including OPG, that are entitled to a regulated rate of return based on OEB-established payment amounts. For all Specified Consumers[30] the global adjustment charge is based on electricity usage on a per unit basis.

Prior to the FHPA being passed, the amount collected by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's liabilities in this regard, subject to certain periodic true-ups and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, and in accordance with amendments to legislation, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered commodity prices for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in previous periods. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from a licensed retailer pursuant to a retail contract that provides a fixed rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the *Ontario Fair Hydro Plan Act, 2017*[31] (the "**FHPA**")[, legislation that reallocates certain electricity costs over time and provides immediate rate relief to consumers][32]. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will be the rates that result in a representative consumer being charged an invoice amount that is 25%[33] less than the rate that would otherwise have been determined by the OEB for that period (the "**Fair Adjustment**") absent Ontario's Fair Hydro Plan.

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

[30] **Note:** Some consumers below 500 kw are not Specified Consumers.
[31] **Note:** The FHPA was Schedule 1 to omnibus legislation entitled the *Fair Hydro Act, 2017*. Further, already defined as the FHPA above.
[32] **Note:** This narrative should be removed, or if necessary, the description of the FHPA should track the purposes of the Act as set out in Section 3 to the Act.
[33] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government and the shifting of certain support program costs from the rate base to the tax base.

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated its intention that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as the initial Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (such obligations, "**Funding Obligations**") to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, in a variance account.[34] The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). However, in accordance with the FHPA, the IESO is not entitled to collect all or part of the balance recorded in the variance account (which is the basis of the Regulatory Asset) from specified consumers before May 1, 2021. The IESO may, in accordance with the FHPA, transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

[34] **Note:** Please consider disclosure of further details as to what is recorded in the variance account. For instance, paragraph 3 of Section 15 in the General Regulation states that amounts incurred by the IESO on or after May 1, 2017 but before the FHPA came into force may be recorded in the IESO deferral.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment and, as an owner of the Investment Interest, will be entitled to recover its "Finance Amount" (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest from the IESO, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the transfer of a specified portion of the Regulatory Asset from the IESO, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of Investment Interest owners (among other things):[35]

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest, including any rights to receive a payment obligation incurred by the IESO as part of the transfer of the Regulatory Asset (such payment obligations incurred by the IESO being "**Funding Rebates**"); and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers [to cover the cost of financing the shortfall that results from the Fair Adjustment].[36] The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

[35] **Note:** Please consider disclosing in this section that the Investment Asset is a collective right of the Investment Interest owners. While this is explained in a risk factor ("The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities), additional expl anation/ disclosure may be warranted here.

[36] **Note:** Consider that the statutory definition of "Clean Energy Adjustment" states that it is "the amount determined under section 15 [of the FH PA] and payable by specified consumers". The FHPA does not expressly state the purpose of the Clean Energy Adjustment.

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment, redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer, or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a funding obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) for any period before May 1, 2021, amounts received during the period in respect of Carrying Costs and Funding Rebates and for any period on and after May 1, 2021, amounts received during the period in respect of Funding Rebates;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax and to which the Issuer is entitled as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustments is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment during the preceding Reference Periods. The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

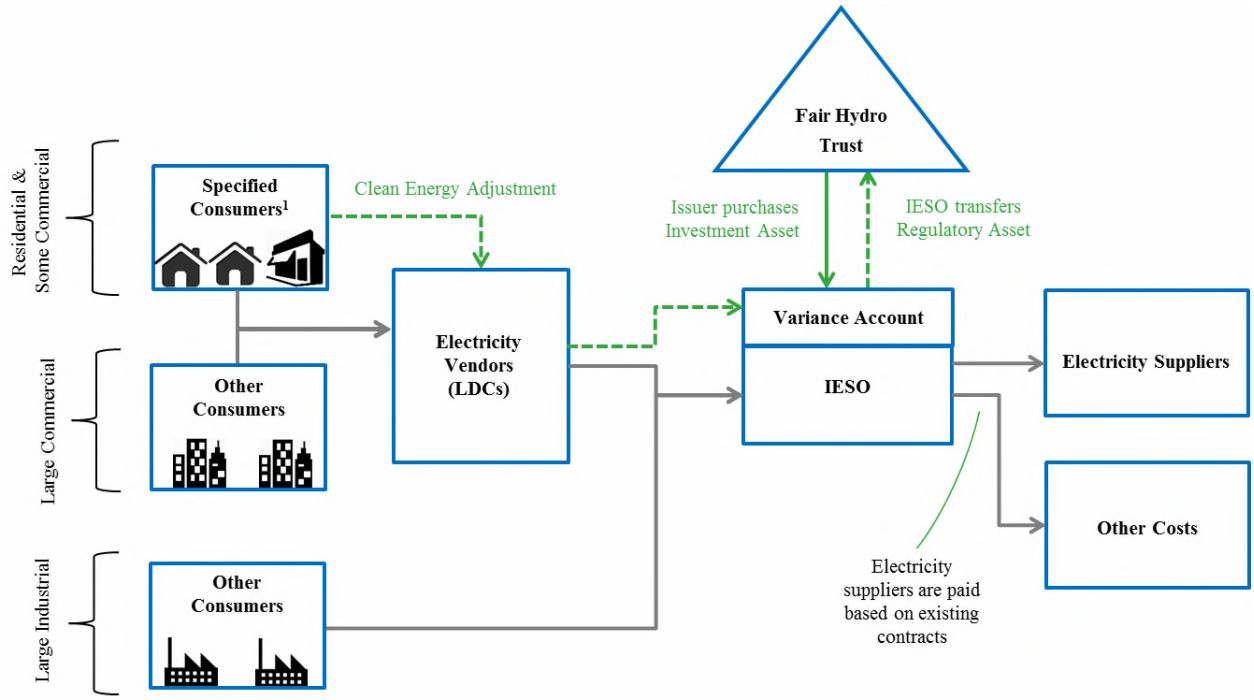
The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast of electricity consumption of Specified Creditors in respect of such period, based on forecast information provided to the OEB by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the [Issuer],[37] amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the [Issuer] until remitted to the IESO for the benefit of the [the owners of Investment Interests (initially, only the Issuer)]. If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[38] It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.[39] If there are any amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to [the Issuer] during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. [Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy

[37] **Note:** Please see note 16 regarding the placement of square brackets around "the Issuer" in this paragraph. The disclosure should indicate that amounts are collected for the Investment Interests owners (and that, as at the date of the OM, the Issuer is the only Investment Interest owner).
[38] **Note:** Please consider revising to conform more closely to Section 17(4) of the FHPA.
[39] **Note:** Please confirm.

Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period.][40] See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, directly to the IESO.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers.[41] Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA , provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

[40] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) [*limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*].

[41] **Note:** Please consider a description of the fair allocation amount that more closely aligns to Section 20(1) of the FHPA.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA[, namely, to ensure that present and future Specified Consumers are bearing their fair share of the costs of providing Clean Energy Benefits][42]. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This [means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024.][43] Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount of subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

IESO Payment of Carrying Costs During the Moratorium Period

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. During the Moratorium Period and extending to July 31, 2021,[44] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes).[45] The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs.

[42] **Note:** Any description of the purpose of the FHPA should conform with the stated purposes of the Act set out in Section 3.
[43] **Note:** MOE to confirm.
[44] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending July 31, 2021.
[45] **Note:** Consider revising to conform with the definition of "carrying costs" in Section 9.1(3) of the General Regulation.

Furthermore, as security for the performance of its obligations under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA or the Regulations, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement in favour of the Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account (as hereinafter defined). The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Obligation Secured on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Obligation Secured on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period for purposes of [section 15(1) of the FHPA (in effect as at December 21, 2017), including section 6.1 of the General Regulation under the FHPA (in effect as at December 21, 2017)][46], divided by the number of months in such Reference Period.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Notes).

[46] Perhaps this should instead cross-reference a more detailed description and explanation of the "Acceleration" mechanics under 6.1 of the Regulation.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA, in whole or in part, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

(b) a court of competent jurisdiction determines that all or a portion of the FHPA or the Regulations, as in effect on the date hereof, is *ultra vires* or invalid in a way that adversely affects the ability of the Issuer to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable and that has the effect of the Issuer not in fact having sufficient funds to pay such Approved Obligations that have become due and payable, in each case determined after taking into account and having regard to (i) any funds available at such time to apply to such Approved Obligations, including in any finance reserve account, capital account or collateral posting account applicable under a derivative agreement, (ii) the availability of any credit enhancement agreement to

which the Issuer is a party and (iii) any reasonably expected potential effect of a True-up Amount in the Reference Period immediately following the occurrence of an event described in this paragraph (b).

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral (as hereinafter defined) and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture and no person entitled under any Obligation Secured (including a Specified Creditor) that ranks equal with or subordinate to the Approved Obligation in respect of which the Province of Ontario is owed a Subrogation Amount will be entitled to make any claim or assert any right in or to the amounts paid or payable to the Province of Ontario, and no such person will have any right to the Collateral or any proceeds therefrom in respect of any Subrogation Amount. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

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

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of

the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA or the Regulations; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding

Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were Approved Obligations issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust ~~established under~~governed by the laws of the Province of Ontario pursuant to a declaration of trust made December 20, 2017 (the "**Declaration of Trust**"). Computershare Trust Company of Canada (the "**Issuer Trustee**") is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

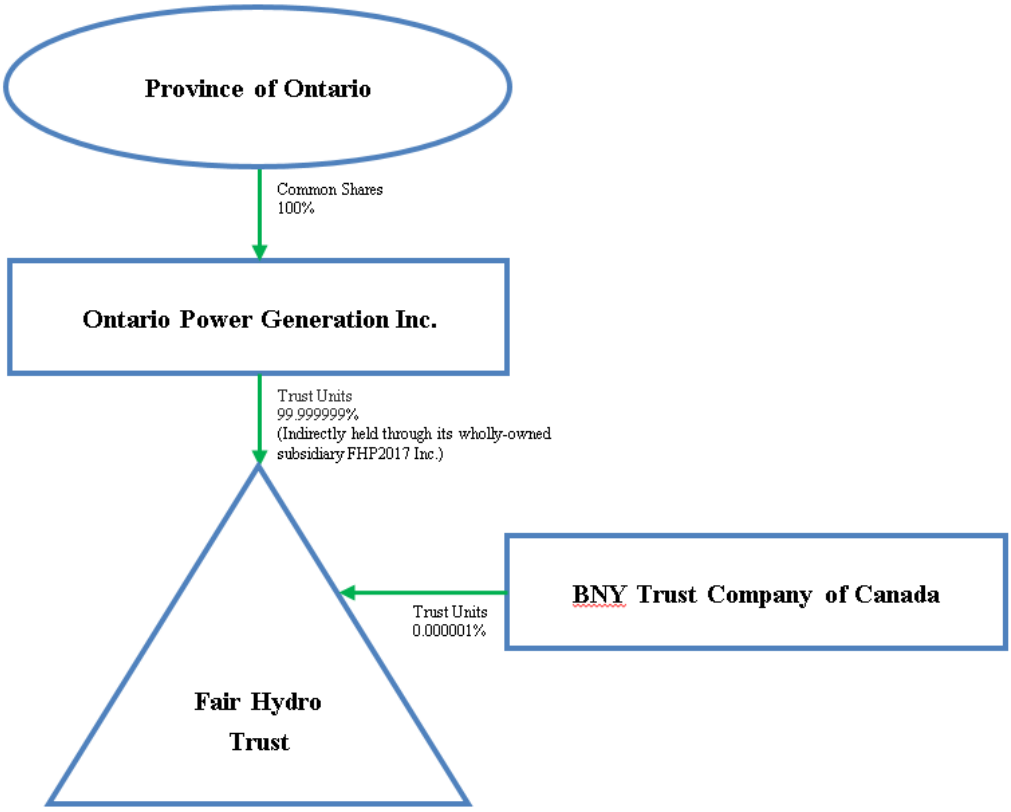
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

OPG has entered into a management agreement with the Issuer dated as of December 20, 2017 (the "**Management Agreement**") pursuant to which the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA and the Regulations, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations,[47] the Manager shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA and the Regulations, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests in accordance with the FHPA or for the purposes of a Refinancing;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

[47] Please confirm the source of the right to review electricity vendor records under the Regulations. If this refers to Section 10(4) of the General Regulation, the right is that of the Issuer or the FSM.

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors – Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and Manager of the Issuer.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

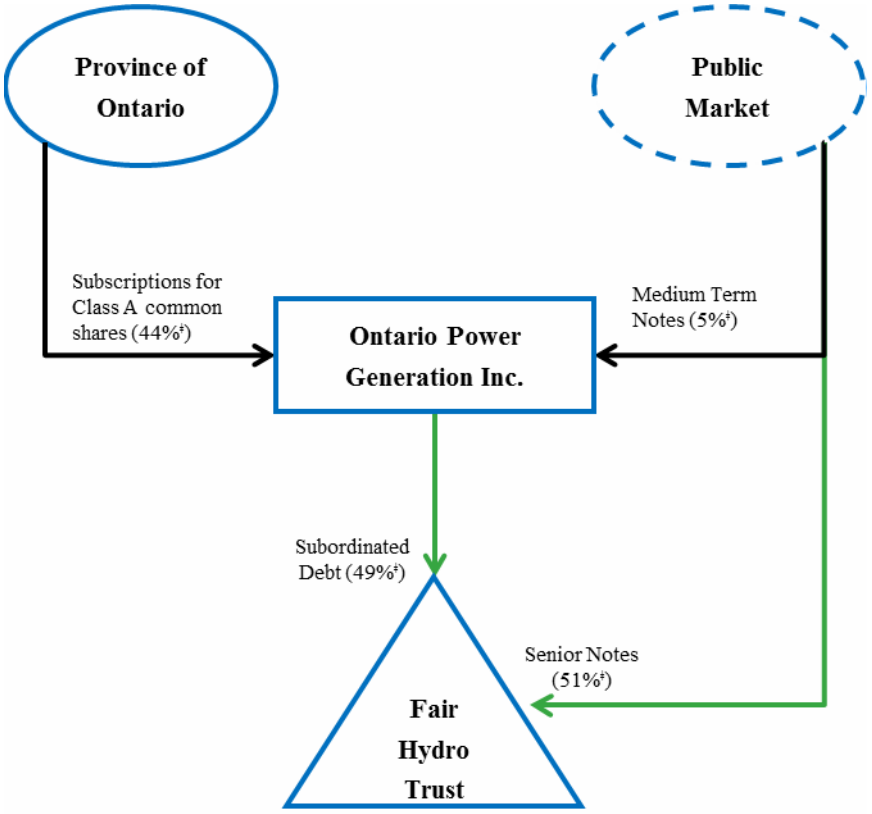
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximate 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes).

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



‡ OPG will acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

THE TRANSFEROR AND SERVICER

The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may periodically transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to transfer to the Issuer its right, title and interest in, to and under a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of collecting the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts collected in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on a monthly basis, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) forecasting the electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer.

While the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that the Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, the IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.[48] However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA or the Regulations, including its obligation to pay the Issuer's Carrying Costs.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes.[49] Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs.

As security for the performance of its obligation to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for transfer to the Issuer in a subsequent period and, upon completion of such transfer, shall become part of the Issuer's Investment Interest pursuant to the Regulations.

[48] **Note:** Please confirm.

[49] **Note:** Consider a description of "carrying costs" that conforms to the definition set out in Section 9.1(3) of the General Regulation. Also note that the Glossary defines "Carrying Costs" as having the meaning ascribed to the term in the Regulations.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee

has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);
- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and
- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor

Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the United States Internal Revenue Code of 1986, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the

Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or

by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").[50]

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the

[50] **Note:** Consider also including the floating charge in all of the property, assets and undertaking now owned or hereafter acquired by the Issuer in the definition of Collateral. (s. 2.01(b) of the Master Trust Indenture).

IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified

Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments

owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations

have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "—*Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "*— Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral, and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "*— Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then

outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel,[51] each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less

[51] **Note:** Please confirm deletion of "external counsel". Please see definition of "Opinion of Counsel" and s. 13.19(c) in Master Trust Indenture.

than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;
- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;
- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;
- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;
- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;
- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;
- facilitate the issuance of foreign currency Issuer Funding Obligations;
- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;
- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or
- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or
- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;
- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or
- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;
- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;
- a reduction in the amount of a discount note payable upon its acceleration;
- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;
- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;
- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or
- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;
- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;
- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;
- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;
- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;
- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;
- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the

Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"Capital Markets Platform"*.[52]

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

[52] **Note:** Please consider tracking the specific terms of section 6.1 of the General Regulation, and add detailed descriptions to correspond to the limitation on cashflows during acceleration in the applicable detailed portions of the OM and Risk Factors.

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "— *Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this "Description of the Senior Notes" section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such

Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;
- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s) and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;
- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;
- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;

- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;

- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and

- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Principal Accumulation Date(s) for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than a Principal Payment Date if an optional redemption occurs and may receive principal payments later than a Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on a Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its

depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their

own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA, the Regulations or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA or the Regulations.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA or the Regulations will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit was successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA or the Regulations should no longer be law in Ontario or that the FHPA or Regulations should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See "*Change of Law Protection Agreement*". However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA or the Regulations referenced in the previous paragraph were amended or revoked through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Province of Ontario, although the remedy of damages is available.[~~52~~53] Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.[~~53~~54]

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other Carrying Costs, solely upon the IESO who is obligated under the Regulations to pay these Carrying Costs. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Issuer's Carrying Costs. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs. ***[NTD: IESO credit facility description to be confirmed.]***[~~54~~55] There can be no assurance that the IESO will continue to have sufficient funds available to pay interest on the Senior Notes or to pay the Issuer's other Carrying Costs during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay interest on the Senior Notes or the Issuer's other Carrying Costs and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority

[~~52~~53] **Note:** Consider mentioning that section 21 of the *Proceedings Against the Crown Act* (Ontario) prohibits execution, attachment and process against the Province.

[~~53~~54] **Note:** Consider mentioning, as a mitigant, that section 22 of the *Proceedings Against the Crown Act* (Ontario), which states that "the Minister of Finance shall pay out of the Consolidated Revenue Fund the amount payable by the Crown, (a) under an order of a court that is final and not subject to appeal; (b) under a settlement of a proceeding in a court…".

[~~54~~55] **Note:** Is there any other information to be added apart from the expiry date?

security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO under the Master Transfer and Servicing Agreement.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other Carrying Costs, solely upon the IESO who is obligated under the Regulations to pay these Carrying Costs. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA and the Regulations.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event and delivery by the Indenture Trustee to the Province of Ontario of a written payment demand. See *"Change of Law Protection Agreement"*. The Senior Notes will be ~~nonrecourse~~limited recourse obligations, secured only by the collateral. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"*. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or other obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA and the Regulations, rights to enforcement of the FHPA, the Regulations and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not

sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform ~~—~~ Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Funding Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring an Investment Interest. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the transfer by the IESO of a specified portion of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.[~~55~~56]

[~~55~~56] **Note:** Consider explaining under this risk factor that the Investment Asset is a bundle of rights and interests held collectively by all investment interest owners.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA, the Regulations and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA, the Regulations and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or forecasting consumption, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of OPG, as Financial Services Manager and as Manager of the Issuer. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA and the Regulations, including determining the Clean Energy Adjustment (inclusive of the True-Up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to

the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated in part based upon a forecast of Specified Consumer usage to be newly developed by the IESO[, adjusted for expected billing lags and charge-offs] [including the effect of delinquencies and write-offs] ***[Confirm whether the IESO forecast takes into account items noted in square brackets.]***. Under the Regulations, the IESO is required to provide to the OEB forecast information regarding electricity consumption of Specified Consumers. The amount and the rate of the Clean Energy Adjustment will depend in part on actual electricity usage and the amount of collections and write-offs for Specified Consumers.[~~56~~57] If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. Neither the FHPA nor the Regulations require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information to the IESO regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in the FHPA and the Regulations. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment. For example, an Electricity Vendor's conditions of service may permit it to offer equal monthly billing plans to its consumers thereby delaying payments from one month to the next during the year or to enter into arrangements for the payment of arrears. In that event, collection of the Clean Energy Adjustment may be delayed or reduced until an adjustment is made.

[~~56~~57] **Note:** Please confirm.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment.[~~57~~58] The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to indemnify holders of Senior Notes, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach and the fact that holders of Senior Notes will be unsecured creditors of OPG or the IESO, as applicable, with respect to any of these indemnification amounts. Neither OPG nor the IESO will indemnify any person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Senior Notes, or for any consequential damages, including any loss of market value of the Senior Notes resulting from a default or a downgrade of the ratings of the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-Up Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°C. Winters include snow and icing conditions that can be damaging to overhead power

[~~57~~58] **Note:** Please confirm source/ conform to wording in FHPA.

lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan

of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the transfers between the IESO and the Issuer pursuant to the Master Transfer and Servicing Agreement may not be respected as true sales of the Investment Interest.

Ordinarily, the interests of the Issuer as transferee of the Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time an Investment Interest is transferred to the Issuer, which could reduce the amounts that may be available to the Issuer and, consequently, the holders of Senior Notes. Section 27(3) of the FHPA provides that at the time of the transfer to a Financing Entity under the FHPA, such transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the FHPA provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the transfer and the property rights and interests acquired by the transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the FHPA in such circumstances is untested. The IESO will treat the transactions described herein as a transfer of the Regulatory Asset to the Issuer. Such transfers will be made in accordance with Section 26 of the FHPA. Section 27(1) of the FHPA provides that a transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the transferee. As a transfer, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Investment Interest. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.

While the IESO is the servicer under the Master Transfer and Servicing Agreement, collections held by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the FHPA, provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary);

and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017*,[~~58~~59] in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws would generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

[~~58~~59] The *Fair Hydro Act, 2017* (Ontario), which provided in Schedule 1 the *Ontario Fair Hydro Plan Act, 2017*, amends two other statutes: the *Electricity Act, 1998* (see section 43) and the *Ontario Energy Board Act, 1998* (see section 44).

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the

heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to

verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Description of Senior Notes — Reporting Requirements of Senior Notes"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These

remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

(i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior

Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference therein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference therein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the Securities Act (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer. "Misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer will be liable if the person proves that

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

  (ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that;

(A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe

and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

[NTD: Glossary in progress. For ease of reference, Torys is considering adding an index or replacing glossary with an index for terms that are defined in the body.]

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" means the agents designated by the Issuer from time to time and identified in the Term Sheet applicable to such Offering to sell the Senior Notes as described under *"Plan of Distribution"*.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified

Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Government of Ontario related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" has the meaning set out under *"The Issuer"*.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" means The Depositary Trust Company.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible

Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.[~~59~~60]

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.[~~60~~61]

"**FHPA**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" means OPG, in its capacity as financial services manager appointed under the

[59] ~~**Note:** Please consider revising the definition of "Fair Adjustment" if this concept is to be used in the OM. The definition of the "Fair Adjustment" indicates that this term only refers to the rate reduction from July 1, 2017 until April 30, 2018. When the term is then later used in narrative [ex. "…the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment…"] it refers to the electricity rates that result from the entire fair hydro program.~~

[60] **Note:** Please consider revising the definition of "Fair Adjustment" if this concept is to be used in the OM. The definition of the "Fair Adjustment" indicates that this term only refers to the rate reduction from July 1, 2017 until April 30, 2018. When the term is then later used in narrative [ex. "…the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment…"] it refers to the electricity rates that result from the entire fair hydro program.

[60] ~~**Note:** Please consider a description of the Fair Allocation Amount that more closely aligns to Section 20(1) of the FHPA.~~

[61] **Note:** Please consider a description of the Fair Allocation Amount that more closely aligns to Section 20(1) of the FHPA.

FHPA to perform the duties assigned to it thereunder.[~~61~~62]

"**Financing Entity**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligation**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

"**Funding Rebate**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

[~~61~~] ~~**Note:** Please consider whether there should be disclosure indicating that the FSM is a statutory role from which OPG may be removed.~~
[62] **Note:** Please consider whether there should be disclosure indicating that the FSM is a statutory role from which OPG may be removed.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer**" means Fair Hydro Trust, a special purpose trust governed ~~under~~by the laws of the Province of Ontario.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity

agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" has the meaning set out under *"The Manager"*.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" means *The Securities Act* (Manitoba).

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**MW**" means megawatts.[~~62~~63]

"**NI 31-103**" means National Instrument 31-103 — *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

"**NI 45-106**" means National Instrument 45-106 — *Prospectus Exemptions*.

"**NL Act**" means the *Securities Act* (Newfoundland and Labrador).

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees,

[~~62~~] ~~**Note:** Definition not used.~~
[63] **Note:** Definition not used.

whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" means an offering of senior secured notes pursuant to this confidential shelf offering memorandum and the related Term Sheet as described under *"Plan of Distribution"*.

"**Offering Jurisdiction**" means each of the provinces of Canada.

"**OPA**" means Ontario Power Authority.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date occurring on or after the Principal Accumulation Date for such Series, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates after the Principal Accumulation Date for such Series which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Readjustment amount**" has the meaning ascribed to the term "readjustment amount" in the FHPA and Regulations.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(i) every six-month period following the period mentioned in (a);

(ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under "*The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" means *The Securities Act, 1988* (Saskatchewan).

"**Section 130.1**" means section 130.1 of the *Securities Act* (Ontario).

"**Section 150**" means section 150 of the *Securities Act* (New Brunswick).

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and

Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Subrogation Amounts**" has the meaning set out under "*Change of Law Protection Agreement — Protection Event*".

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" means FHP2017 Inc., a wholly-owned subsidiary of OPG, and the Indenture Trustee.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

information: Superintendent of Securities

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

Document comparison by Workshare Compare on Friday, January 12, 2018 10:44:19 AM

Input:	
Document 1 ID	PowerDocs://TOR_2528/23287504/5
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Rendering set	standard

Legend:	
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Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	57
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Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	103

Fair Hydro Trust
Investor Presentation

January [xx], 2018

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This presentation does not, and does not purport to, contain all information that may be material to an investment decision in respect of the Issuer's Notes. It is only a summary of certain information in respect of the Issuer. Prior to making an investment decision with respect to the Issuer's Notes, prospective investors should carefully review the Confidential Shelf Offering Memorandum, including the related Term Sheet, pursuant to which such Notes are offered (the Offering Memorandum). The information and opinions contained in this presentation are qualified in their entirety by reference to the Offering Memorandum. **[Consider indicating that the presentation is incorporated by reference into and forms part of the OM]** In particular, reference should be made to the risks of any investment in the Issuer's Notes offered and the statutory rights of rescission or rights to damages available to purchasers of such Notes described in the Offering Memorandum. No representation or warranty, express or implied, is given by or on behalf of the Issuer, the Agents or any other person as to the accuracy or completeness of the information or opinions contained in this presentation.

Some of the statements contained in this presentation, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. The forward-looking information contained in this presentation is presented for the purposes of assisting prospective purchasers in making an investment decision regarding the Notes and may not be appropriate for other circumstances. Reference should be made to the information under the headings "Caution Regarding Forward-Looking Information" and "Risk Factors" in the Offering Memorandum.

The information presented herein is only current as of the date on the cover of this presentation. Except as required by law, neither the Issuer nor Ontario Power Generation (OPG) intends, or assumes any obligation, to revise or update any information in this presentation.

By attending this presentation, or accepting a copy of this presentation, each prospective purchaser agrees that all information contained herein, all documents delivered in connection herewith and all other information obtained by such prospective purchaser in relation to the Issuer or OPG (collectively, the Confidential Information) is confidential, that none of the Confidential Information will be copied, transcribed, recorded or transmitted by the recipient for any reason or used for any purpose other than evaluating an investment in the Issuer's Notes, and that the recipient will hold all of the Confidential Information in confidence and will not provide any of it to third parties other than persons retained to advise the recipient with respect to the purchase of the Issuer's Notes (so long as they advise such persons of the confidential nature of such Confidential Information), without the prior written consent of the Issuer and OPG.

Presenters

ONTARIO POWER GENERATION

Ken Hartwick
Chief Financial Officer & Senior Vice President – Finance

John Lee
Vice President, Treasurer

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I. Introduction and Transaction Overview

Introduction

Ontario's Fair Hydro Plan

- ~~The Province of Ontario announced its Fair Hydro Plan (FHP) on March 2, 2017, which proposed to lower the average electricity bill for eligible customers1 (referred to as Specified Consumers) by 25% (the Fair Adjustment)~~
- ~~The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax granted by the Ontario government in January 2017~~
- ~~It is expected that the rate reduction will be in effect until April 30, 2021, with any rate increases until that date limited to the rate of inflation in Ontario~~
- **[Rather introduce by focusing on the enacted legislation. Earlier plan and announcement were superceded by the more detailed context of the legislation.]**

Legislation

- On June 1, 2017, the Ontario government passed the *Ontario Fair Hydro Plan Act, 2017* (~~together, with the regulations promulgated thereunder,~~ the "FHPA" or "Act"). **[Track the purpose language in s. 3 OFHPA. Rate reduction is incidental and need not be emphasized.]**
- The FHPA is supplemented by regulations related to the implementation of the FHPA (the "Regulations" and (together, with the Regulations, the "[Legislation]").
- The FHPA imposes an irrevocable and non-bypassable charge recoverable from Specified Consumers and referred to as the Clean Energy Adjustment (CEA). The CEA for a period ~~that~~ will be determined in accordance with the Legislation by Ontario Power Generation (OPG) in its role as Financial Services Manager under the Act.
- The CEA will be determined for each month during successive six month reference periods and will be ~~period and~~ converted by the Ontario Energy Board (OEB) into a cent per ~~$/~~kWh rate and added to electricity invoices sent to Specified Consumers ~~commencing on May 1, 2021~~.
- From [July 1, 2017] to April 30, 2021 (the "Moratorium Period"), no payments in respect of the CEA are expected to be collected. During the Moratorium Period and until July 31, 2021, ~~CEA will be collected; during this period~~ the Independent Electricity System Operator (IESO) is obligated to pay all funding and [other expenses] of the [Trust][Financing Entities] (excluding principal) (referred to as "Carrying Costs")

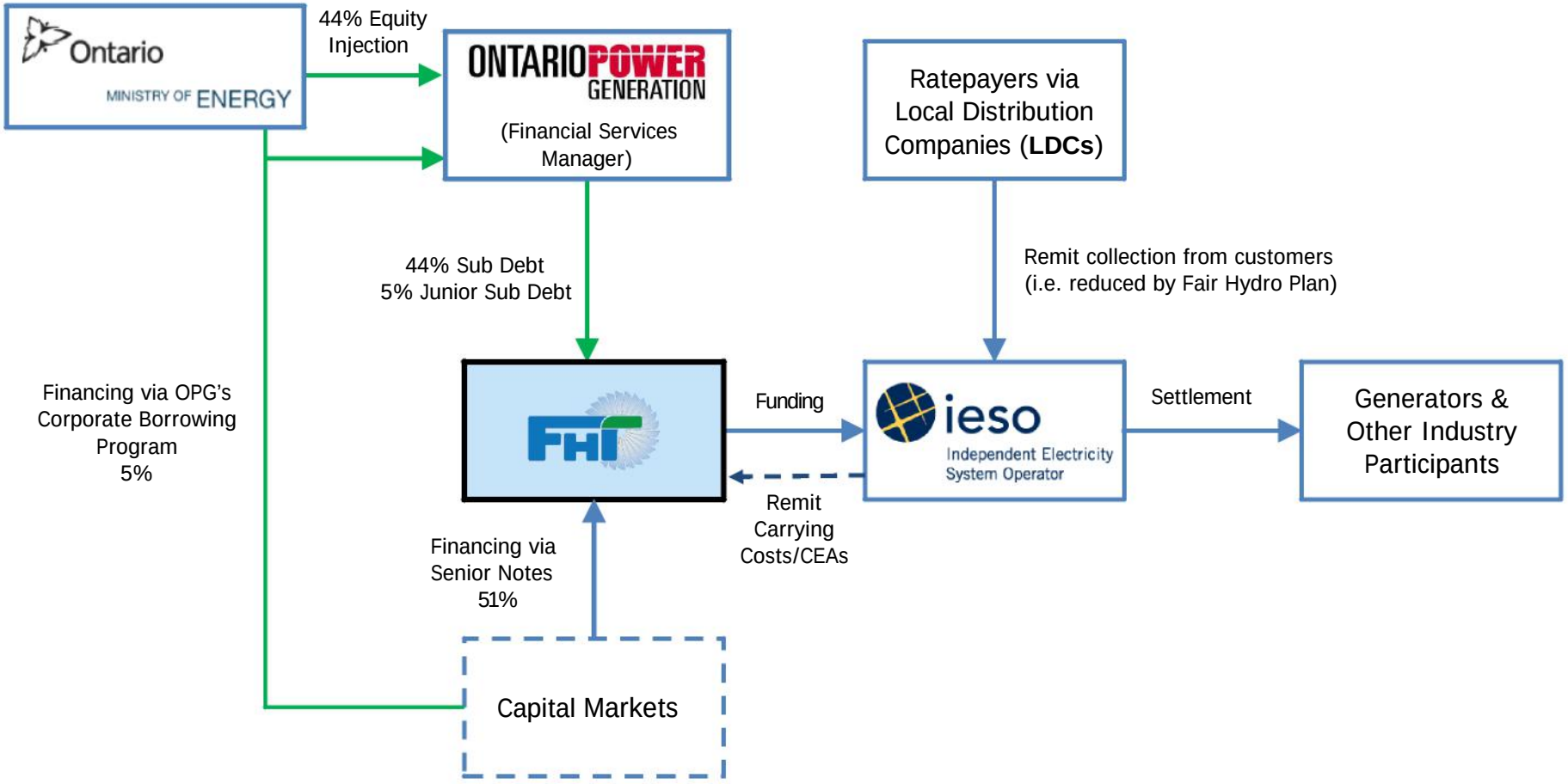
Fair Hydro Trust

- The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") **[Consider other financing entities?]**through the issuance of senior, subordinated and junior subordinated notes.
- Structured to be bankruptcy remote and even though consolidated by OPG on an accounting basis is ring fenced from OPG's other creditors
- The FHT term notes will be repaid through the CEA payments received from Specified Consumers or from the proceeds of one or more refinancings.

1 Primarily Regulated Price Plan-eligible customers.

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt and junior subordinated debt of the Trust in an aggregate amount not to exceed 49% of all outstanding debt



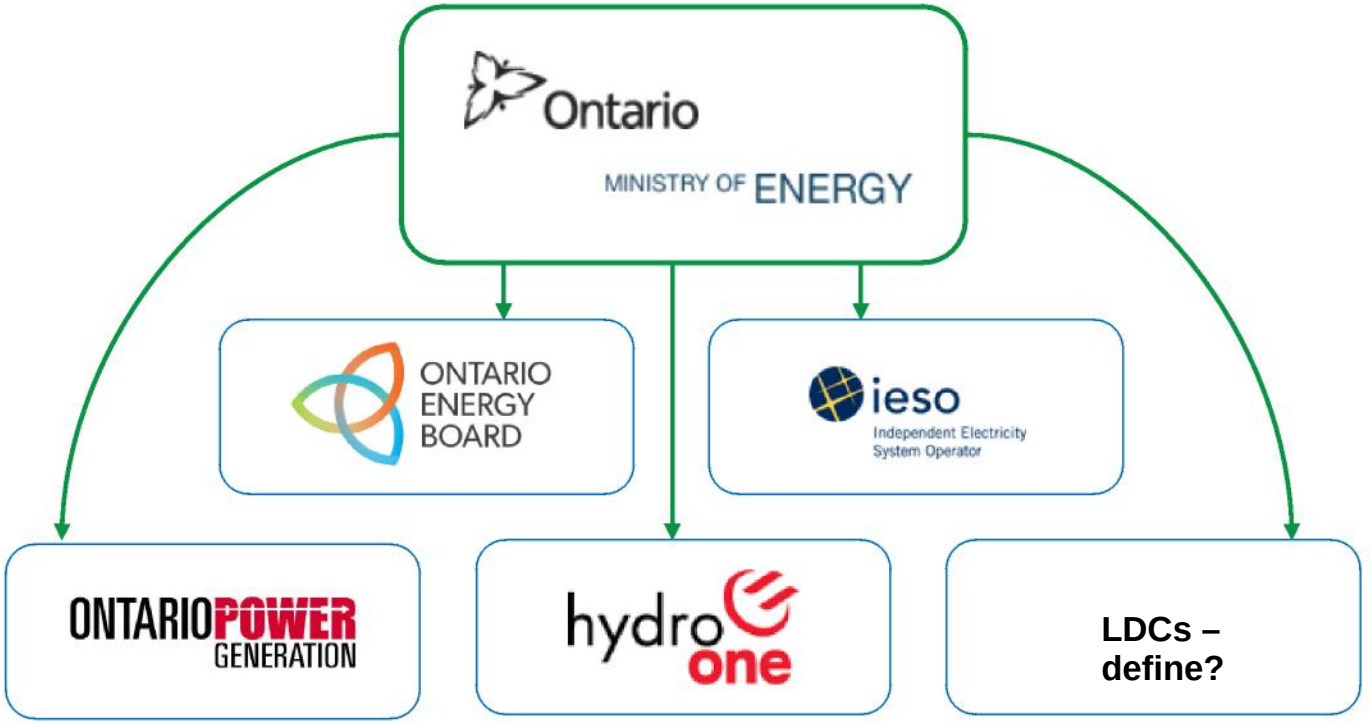
Note: The diagram above is based on subordinated debt of 49% of all outstanding debt; under the Master Trust Indenture, the Trust covenants to maintain the level of subordinated debt plus junior subordinated debt at not less than [35% of all outstanding debt] **[Elaborate]**

Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to exclude the assets and liabilities of OPG, and vice versa. **[Needed?]**

II. Ontario Electricity Market

Overview of Ontario's Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in average annual cash flows[1]
- Transmission rates, distribution rates, and OPG's regulated rates are set by the OEB
- Rates for the majority of the remaining generation supply are set by direct contracts with the IESO (e.g. wind, solar, hydroelectric)



[1] Source: "Ontario Planning Outlook – A technical report on the electricity system prepared by the IESO" dated September 1, 2016. The amount represents the mathematical average of the system costs on page 44 in the appendix to the technical report, entitled "Data Tables for the OPO Technical Report".

Key Industry Participants

Participants	Credit Ratings *(DBRS / S&P / Moody's)*	Description
Ontario Ministry of Energy	**AA (l) / A+ / Aa2** [1]	• The Province of Ontario through the Ministry of Energy sets the policy for the electricity system
Ontario Energy Board	**--**	• Independent public regulatory agency established under the *Ontario Energy Board Act, 1998* and has the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • Sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan (RPP); RPP rates are set twice a year (May and November)
IESO Independent Electricity System Operator	**A(h) / -- / Aa2**	• Not-for-profit corporation established under the *Electricity Act, 1998 (Ontario)* • Manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
Ontario Power Generation	**A(l) / BBB+ / --**	• Corporation formed under the *Business Corporation Act (Ontario)*, whose sole shareholder is the Province of Ontario • Principal business is the generation and sale of electricity in Ontario and is Ontario's largest clean energy electricity generator, providing approximately half of the province's electricity
hydro one	**A(h) / A / A3**	• Ontario's largest electricity transmission and distribution company, delivering electricity to over 1.3 million customers across the province, and to large industrial customers and municipal utilities **[Relevance? Not named in OM.]**

[1] The credit ratings noted are for the Province of Ontario.

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry under the *Energy Competition Act, 1998*, the municipal electricity utilities became municipally-owned business corporations, including LDCs. The majority of LDCs continue to be municipally-owned, while others have been sold to or acquired by Hydro One or private-sector owners
- An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors

Select Aggregate Market Stats[1]

Number of LDCs in Ontario	65
Residential & Small Commercial[2] Revenue	$18.89 billion
Residential & Small Commercial[2] Metered Usage (kWh)	52.39 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

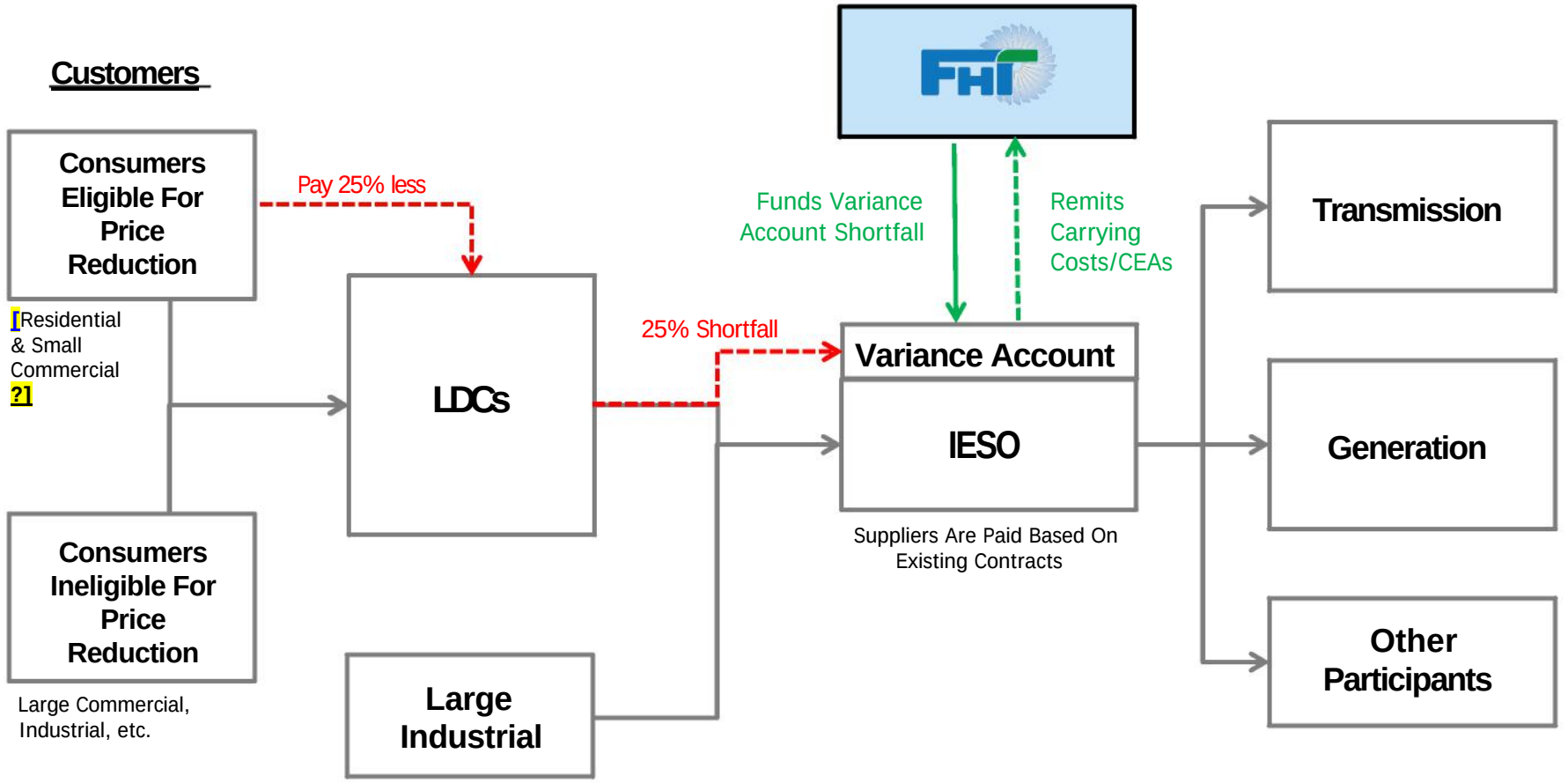
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	Customers[4] *(MM)*	Revenue[4] *(C$MM)*
hydro one	A / A(h) / A3	1.30	$4,533
alectra utilities	A / A / --	0.96	$3,642
TORONTO HYDRO	A / A / --	0.75	$3,886
HydroOttawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	$13,680

1 Source: OEB 2016 Yearbook of Electricity Distributors **[UPDATE?]**
2 Small Commercial includes General Service <50kW Customers
3 Most recent rating reports from S&P, DBRS and Moody's
4 Residential and Small Commercial customers **[COMPARE TO SPECIFIED CONSUMERS?]**

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the shortfall that [results from the Fair Adjustment] **[Please consider more precisions. See the statutory definition of "IESO deferral".]** and records this amount, together with financing costs, in a variance account
- FHT will [acquire the Investment Interest to be financed by…] ~~finance the~~ ~~shortfall and is entitled to recover~~ The acquired Investment Interest entitles FHT to be paid an amount determined by reference to its costs and the principal and interest on its debt, through CEAs from Specified Consumers



III. Legislative and Regulatory Framework

Legislation Overview

Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to consumers as a result of Ontario's clean energy initiatives; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• **July 1, 2017** – **April 30, 2018** – Specified Consumers charged an invoice amount that is 25%[1] less than the regulated rate that would otherwise have been determined by the OEB; the 25% reduction includes an 8% rebate equivalent to the provincial portion of the HST previously granted by the Ontario government • **May 1, 2018** – **April 30, 2019** - regulated rate established in the first year of the Rate Reduction Period anticipated to increase by the rate of inflation in Ontario • **May 1, 2019** – **April 30, 2021** - rate reductions **[**will be established by future regulation**]** **[Not determined]** but anticipated to increase by the rate of inflation in Ontario **[Not confirmed]**

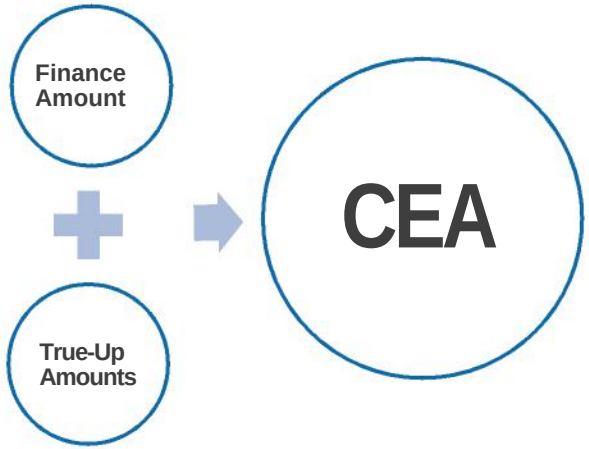
[1] Based on a typical Toronto Hydro customer; the amount of the reduction for any given Specified Consumer may vary from this account.

Legislation Overview, cont'd

Regulatory Asset	• Each month the IESO determines [the shortfall that results from the Fair Adjustment] **[Replace with concept of IESO deferral]** and records this amount, together with the costs of financing the shortfall, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right is the "Regulatory Asset") • The IESO may transfer a specified portion of the Regulatory Asset to **[**the Trust**]** for a cash purchase price equal to the corresponding amount recorded in the variance account
Investment Asset and Investment Interests	• The Trust is not obligated to purchase Regulatory Assets from the IESO • If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right is an "Investment Interest") • By acquiring an Investment Interest, **[**the Trust**]** will be entitled to recover all of its associated financing costs and acquires the right to impose, invoice, collect, receive and recover CEAs from Specified Consumers in accordance with the Legislation
Moratorium Period *(July 1, 2017 to April 30, 2021)*	• CEAs are **[**not permitted to be collected from Specified Consumers during this period**]** **[Conform to Legislation]** • The IESO is obligated to pay [the Trust all Carrying Costs**]**, excluding repayment of principal on any debt obligations, during the Moratorium Period and extending to July 31, 2021. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to Regulations • As security for the performance of its obligations, the IESO has granted the Trust a first-priority security interest in all of its accounts receivable owing by Electricity Vendors to the IESO • The IESO has a $2 billion general credit facility from the Ontario Financing Authority (OFA) which can be used to pay the Carrying Costs **[Suggestive that OFA line will necessarily be available to cover varying costs?]**

Clean Energy Adjustments

- Under the FHPA, the CEA is the amount payable by Specified Consumers to cover the [cost of financing the shortfall from the Fair Adjustment] **[consider precision/alignment with Legislation]** and the associated costs of the financing, including payment of principal, operating costs of the Trust and funding of
- CEAs shown on an invoice issued to Specified Consumers represents the amount of the consumers' indebtedness and may not be set off or bypassed

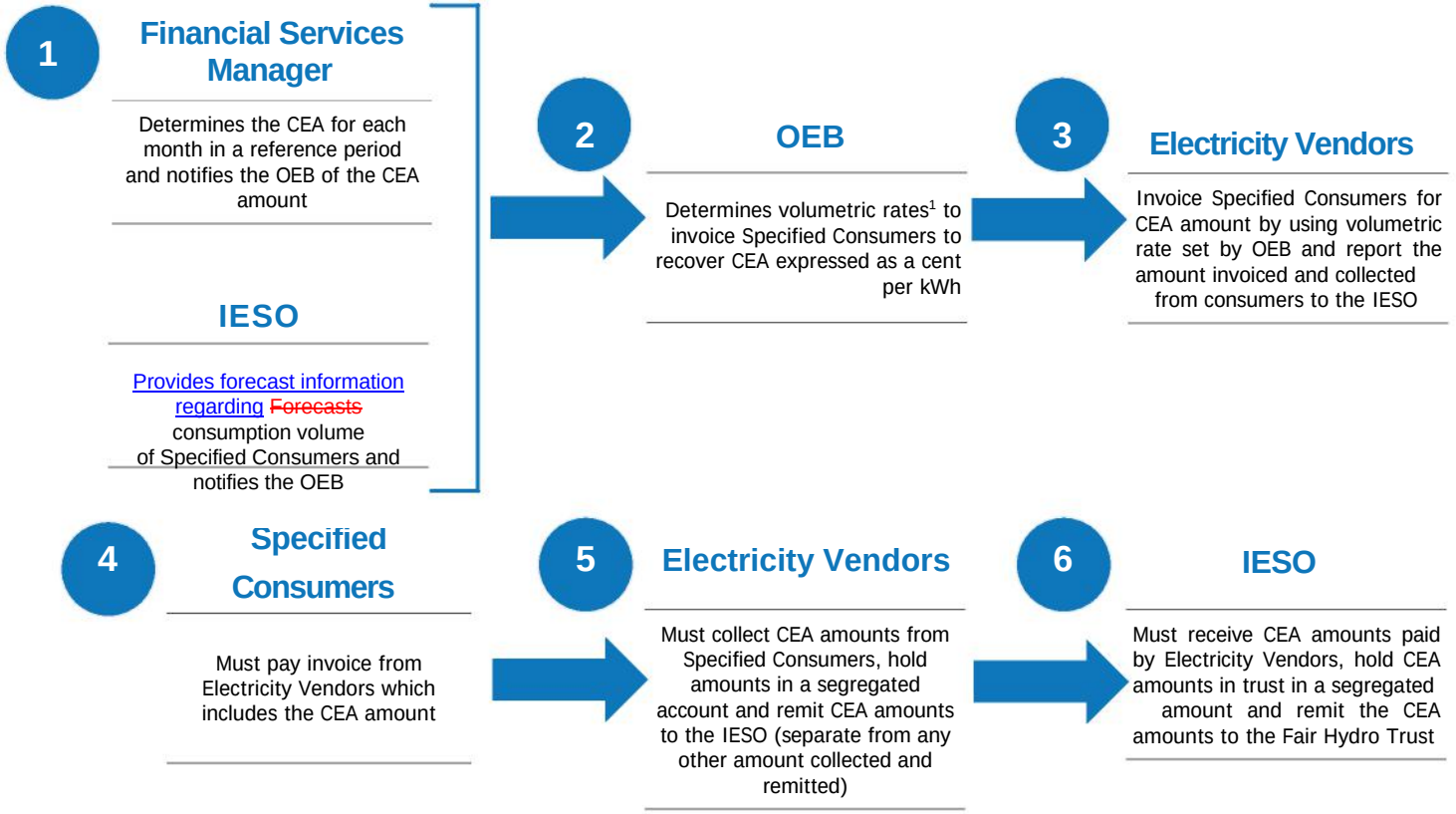


Finance amount = estimate of the amount payable by the Trust mainly in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments

True-up amounts capture the difference between the finance amounts incurred by the Trust and the CEAs collected from Specified Consumers and also include other anticipated shortfalls and differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)

Billing and Collection of CEAs

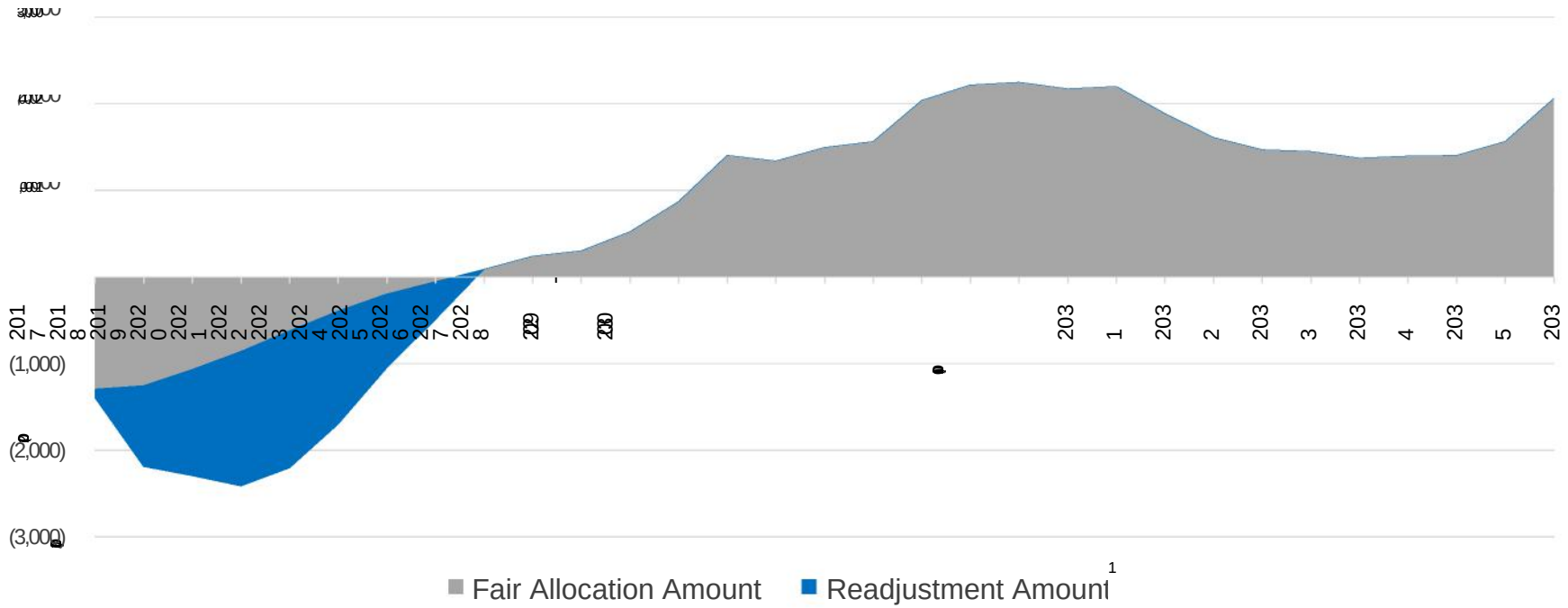
- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are mitigated through statutory rights in the FHPA, the collection obligations of the IESO under the Master Transfer & Servicing Agreement (MTSA), and the ability to include amounts into the true up mechanism
- IESO is allowed to commingle the CEAs during a monthly period before remitting to FHT. If the IESO's rating is downgraded below investment grade, it will not be allowed to commingle CEAs and will remit within two business days of receipt



[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers.

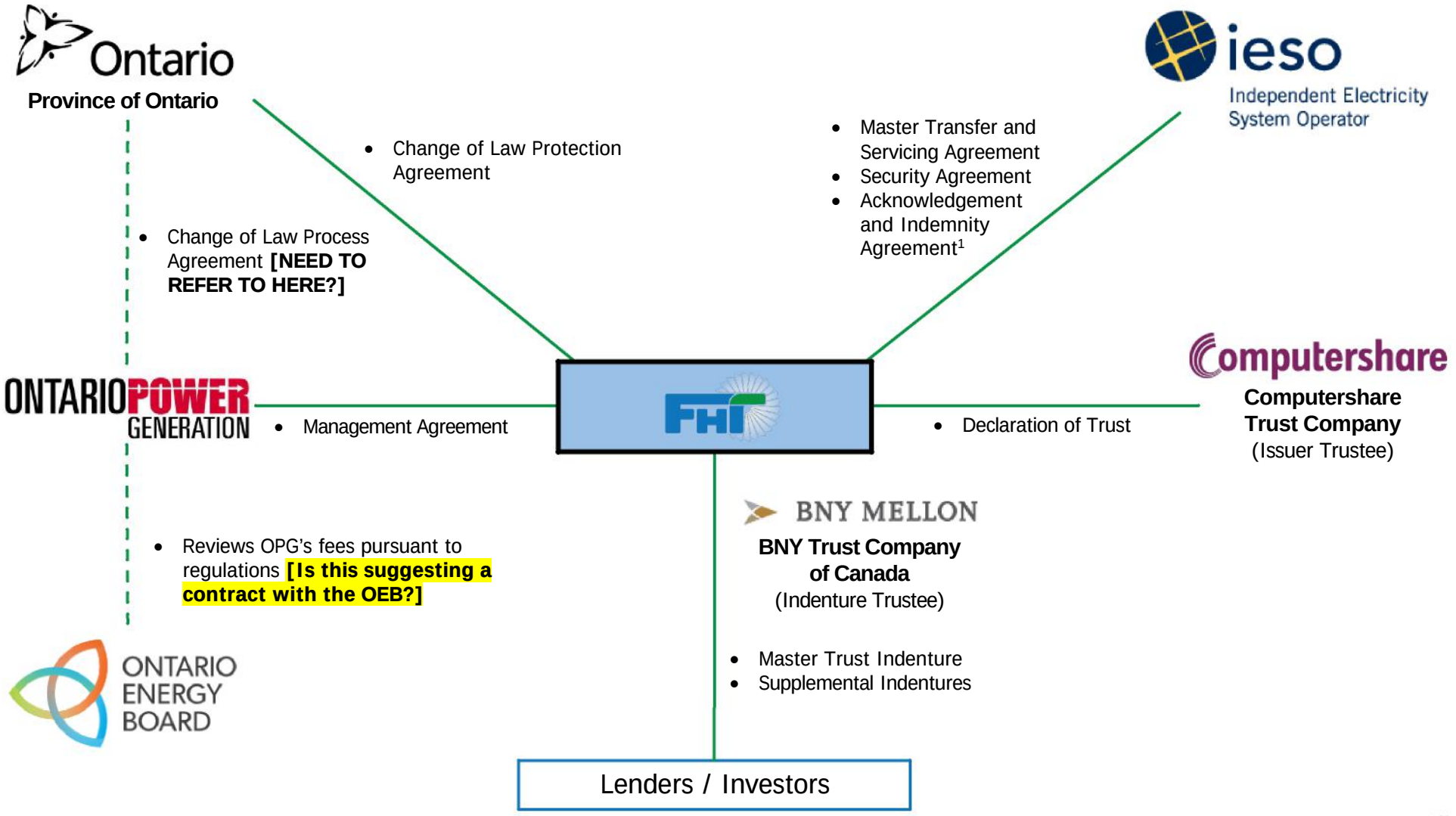
[CONFIRM IF FAIR ALLOCATION SHOULD BE INCLUDED. NOT IN OM. CONSIDER ANY CONFIDENTIALITY CONCERNS.]

[Please note that this graph was distorted in converting the pdf to Word.]



IV. Contractual Framework

Simplified Contractual Structure



[1] Agreement between IESO and Indenture Trustee.

Key Agreements

Change of Law Protection Agreement

Parties	• (1) Province of Ontario and (2) Indenture Trustee, ~~as Trustee of the Issuer, on behalf of Specified Creditors~~[1] as trustee for Specified Creditors[1], and (3) OPG as Financial Services Manager (FSM) and as Manager
Purpose	• Provides assurance to Specified Creditors that upon the occurrence of a Protection Event referred to below, the Province of Ontario will pay all Approved Obligations on behalf of the Trust, with limited rights of acceleration
Key Terms	• **Term**: Continues for as long as any protected obligations of the Trust that are secured under the Master Trust Indenture (MTI) remain outstanding **[Conform to agreement]** • **Limited Guarantee** ~~**Mandatory Payment**~~: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all Approved Obligations when due and payable (subject to limits on payment obligations following an acceleration) • **Priority of Payments**: The priority application of guarantee payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: For the Limited Guarantee to apply to an obligation of the Trust, OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the incurrence of such obligation (such obligation called ~~issuance of debt which is to benefit from the Change of Law Protection Agreement from the Province (such debt~~ "Approved Obligations") • **Suspension Notice**: The Province may deliver a suspension notice upon the occurrence of the acceleration of any indebtedness of the Trust or other [Program Breach] or a default in performance or misrepresentation by OPG as FSM pursuant to certain internal reporting and other requirements contained in a change of law process agreement between OPG and the Province. Any ~~, and any~~ new funding obligations that are incurred during a suspension period will not have the benefit of the Limited Guarantee ~~Change of Law Protection Agreement,~~ except that the Change of Law Protection Agreement applies to Post-Suspension Refinancing of previously issued Pre-Approved Refinancing

[1] **Specified Creditors** are any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Key Agreements

Change of Law Protection Agreement (cont'd)

Protection Events

10

(1)

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

in each case that adversely affects the ability of the Trust to pay its obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount

(2)

- A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is *ultra vires* or invalid in a way that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved

Key Agreements (cont'd)

Master Transfer and Servicing Agreement

Parties	• (1) IESO, as transferor and servicer; (2) Trust
Purpose	• Provides for the transfer, by the IESO to [the Trust] of the Regulatory Asset, and upon such transfer the Trust acquires an Investment Interest and describes the servicing obligations of IESO
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer the specified portions of the Regulatory Asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer. • **Servicing Duties:** The IESO will be responsible for servicing the Investment Interest under the regulations **[Consider distinguishing MTSA and regulations]**, including collecting CEA amounts from Electricity Vendors and remitting the same to the [Trust], including: – Establishing a segregated account for collecting CEAs and use reasonable efforts to cause Electricity Vendors to do the same; – Collect CEAs from Electricity Vendors; – Remit CEAs monthly to [the Trust] (unless downgraded below investment grade in which case it will remit daily); – Prepare monthly servicer reports; and – Forecast electricity consumption of Specified Consumers • **Moratorium Period:** During the Moratorium Period (until April 30, 2021) and extending to July 31, 2021, the IESO is required by regulation to fund all Carrying Costs of the Trust. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to regulation. • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, as security for the commingling risk of CEAs collected by non-rated or non-investment grade rated Electricity Vendors and not yet remitted to the IESO

Key Agreements (cont'd)

Management Agreement

Parties	• (1) Issuer Trustee, on behalf of the Trust, and (2) OPG, as Manager and acknowledged and accepted by the Indenture Trustee, as trustee for ~~on behalf of~~ Specified Creditors
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust
Key Terms	• **Duties Include**: – Negotiating and executing program agreements; – Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations; – Review or cause to be reviewed, records of electricity vendors on an annual basis with respect to CEAs (or less frequently in certain circumstances); – Preparing monthly portfolio reports; – Preparing financial statements; and – [Paying taxes on behalf of the Trust]**[Confirm OPG's obligation re tax]** • **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire Investment Interests **[Or is this the FSM?]** • **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements • **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding • **Management Fees:** OPG is entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer

Key Agreements (cont'd)

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulations to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in all of its accounts receivable owing by Electricity Vendors
Acknowledgement and Indemnity Agreement (IESO)	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee, including the right to enforce the indemnities provided to the issuer with respect to IESO's duties and obligations under the MTSA
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Limited Guarantee under the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as updated from time to time in the Financing Plan) to be exceeded
Declaration of Trust	• Establishes FHT to carry out activities for the exclusive benefit of its unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare) • The Issuer Trustee has delegated substantially all of [the powers and] **[Confirm]** duties of managing the Trust to OPG under the Management Agreement

Allocation of Servicing Role and Responsibilities

- The shared responsibilities of servicing and management roles are summarized below

	OPG	IESO	LDC
Review Records of LDCs with Respect to CEAs (annually or less frequently in certain circumstances)	☐		
Determination of CEA for a Reference Period, including the True-Up Amount	☐		
Ongoing Reporting for Trust and Reporting to the Rating Agencies	☐		
Management of Ongoing Debt Issuances	☐		
Cash Management	☐	☐	
Preparation of Monthly Servicer Reports		☐	
Remittance of CEA to IESO and to the Trust		☐	☐
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		☐	☐
Customer Billing			☐
Customer Collections			☐
Customer Meter Reading			☐

V. Financing Program

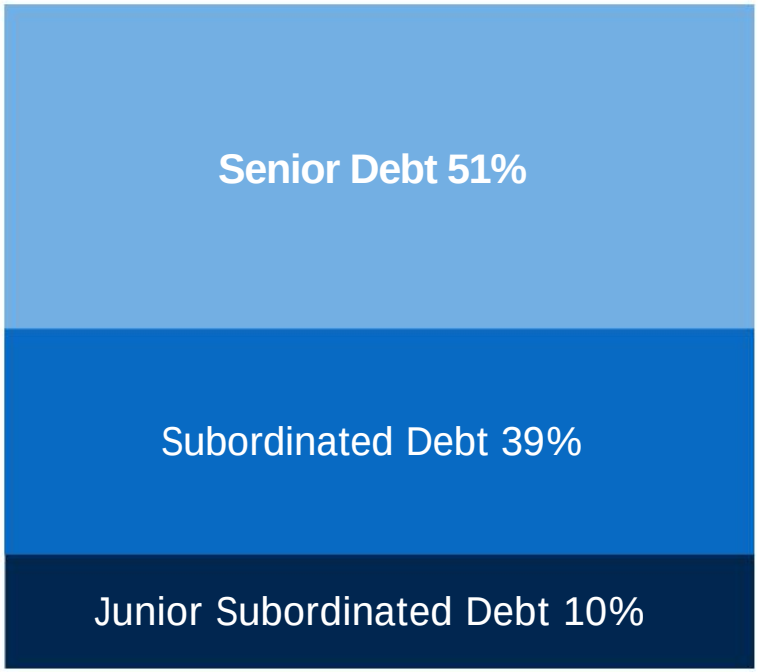
Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program, as the initial FSM appointed under the Act
- Given the size (~[$20][Confirm] billion) and longevity (~[10][Confirm] years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Initial Warehouse financing (ABCP conduit and bank funded senior debt) and subordinated warehouse debt and junior subordinated warehouse debt funded by OPG will be used to fund monthly [Regulatory Asset purchases] from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- For example, Term debt can take the form of bullet bonds or could be issued as amortizing bonds

Initial Warehouse	• ABCP conduit and bank funded senior debt and subordinated debt funded by OPG will be used by the Trust to fund monthly Regulatory Asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance warehouse financing and the subordinated debt and junior subordinated debt funded by OPG • Both Canadian term debt [and U.S. term debt market will be considered] **[Confirm]** • Maturity profiles will be structured to ensure reasonable alignment with the FAA (bullet bonds with sinking funds or amortizing bonds) **[Describe possible refinancings of shorter maturing debt?]**
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall **[Principal only?]**)

Financing Structure

- The Trust will fund Regulatory Asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51%) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required) will be **[Incurrence or maintenance requirement?]** purchased by OPG, primarily funded by equity injections from the Province (44% of the 49%) and the remaining portion from OPG (5% of 49%)



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

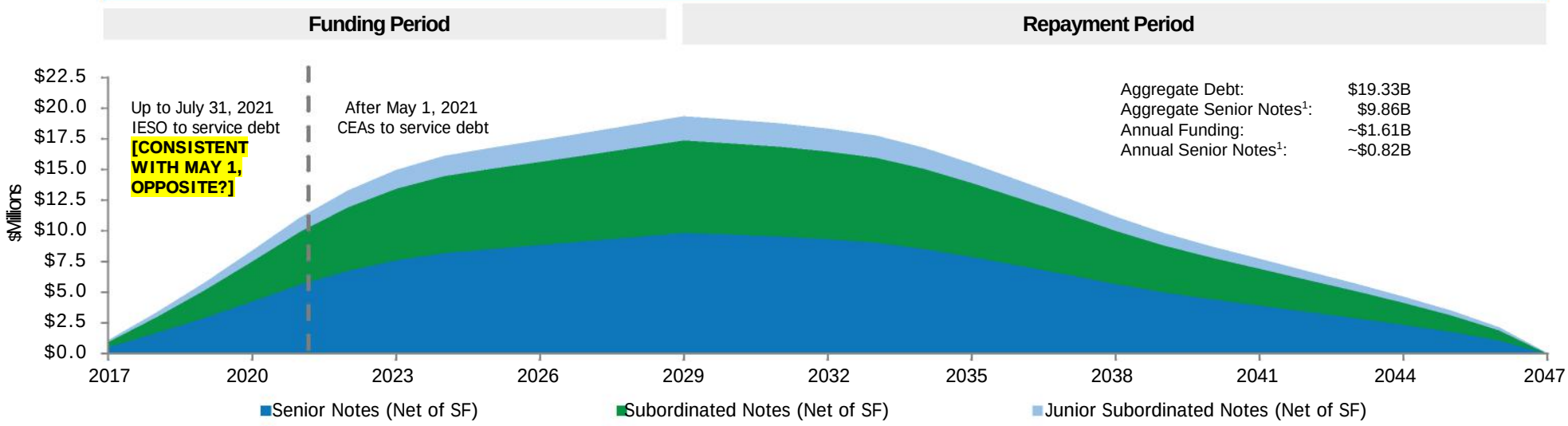
Note: Assumes 49% Subordinated Debt.

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount **[repayments, but not incurrences]** and the [Province's electricity bill reduction targets **[Can this be suggested? Known?]** the following debt profile for the program is expected, peaking at just under $20 billion by 2029 **[Confirm]**
- Various tranches of debts will be issued periodically during the period of 2017 - 2028, which are expected to mature over a period after 2029 **[Confirm. Consider refinancings or shorter maturities?]**

Illustrative Aggregate Funding and Repayment Profile (Annual; Net of Sinking Fund ("SF") Payments)

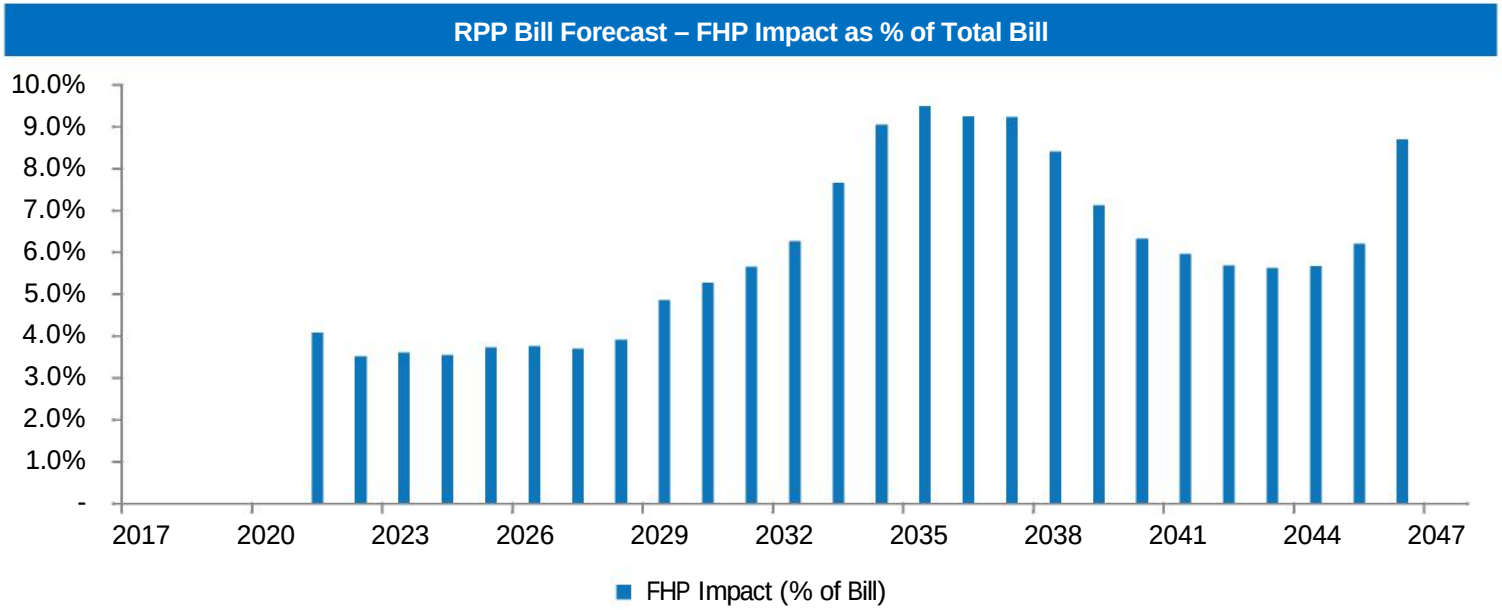


[1] Assumes 51% Senior Notes

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro Program, the CEA for the average residential customer is anticipated to remain below 10% of the total electricity bill **[Can this be suggested? Known?]**
- Max CEA as a percent of the total bill is forecast to be 10.1% **[Known? Assumptions?]**
- Average CEA as a percent of the total bill is forecast to be 6.9% **[Same?]**



Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• Governs the terms of the debt issued by FHT and cash flow waterfall and collateral structure for all Trust obligations to all Specified Creditors

Key Terms

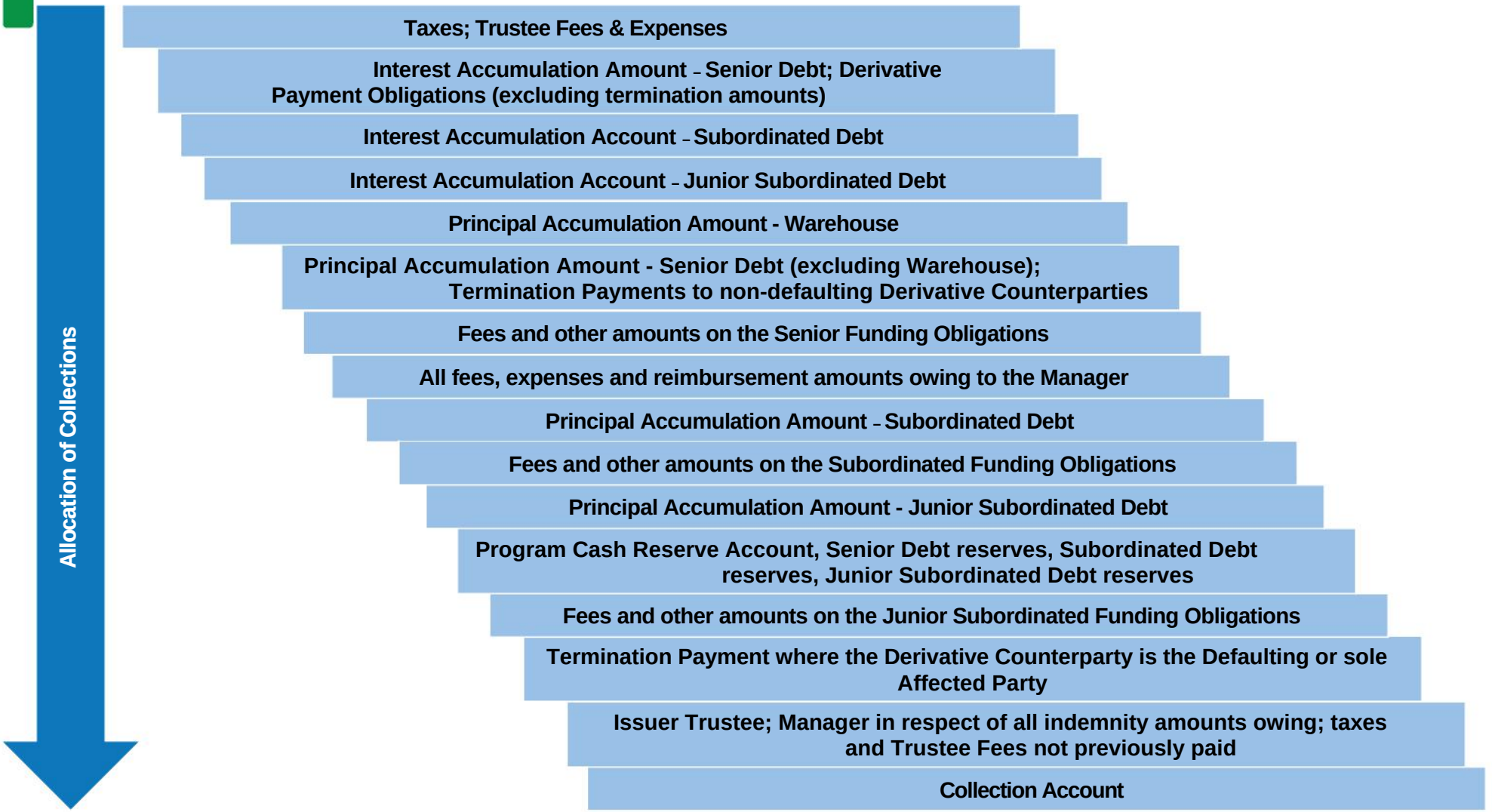
Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments, including: – Note issuances under supplemental indentures – Borrowings under future credit agreements – Sales of notes under note purchase agreements – Letters of Credit/Guarantees under credit enhancement agreements – Liquidity loans under liquidity agreements backing short term notes
Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that: – the incurrence of such additional obligations will not cause an adverse effect – the incurrence of such additional obligations is materially consistent with the Financing Plan • It will also be a condition precedent that (i) each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations and (ii) the Indenture Trustee has received certain assurances as to the applicability of the Change of Law Protection Agreement to such funding obligations

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts
Subordination	• Provides for three different classes of funding obligations – (i) senior – (ii) subordinated – (iii) junior subordinated
Events of Default	• Include payment defaults, representation and covenant breaches, insolvency and Change of Law Protection Agreement ceasing to be in full force and effect against the Province
Acceleration	• Upon an acceleration, CEAs may be insufficient to repay all amounts becoming due in a period. CEAs for a period will be capped ~~CEAs cannot be increased to the level required to immediately repay all outstanding principal following acceleration. The increase in CEAs is limited~~ under the Regulation at the otherwise scheduled amounts, plus an additional amount if the aggregate of those otherwise scheduled amounts would be less than ~~to the amount available per~~ the FAA for the period • However, the amounts received from CEAs after an acceleration will be allocated to pay senior indebtedness before principal amounts owing on subordinated and junior subordinated indebtedness ~~CEAs are allocated to paying the senior indebtedness first~~. Accordingly, the subordination of debt across all series of debt should ~~would~~ advance the repayment of the principal amount for senior funding obligations • After an acceleration, all **[Confirm. Can a series elect to defer payment on acceleration?]** Senior Term Notes will be paid pa~~r~~ri passu

Waterfall



Note: This waterfall indicates the priority of payment prior to an Event of Default and acceleration; additional information on the priority of payments after an Event of Default and acceleration can be found in the Offering Memorandum.

Note: After paying interest on the senior debt, no interest payments will be made on the subordinated debt unless there will be sufficient amounts remaining in the Interest Accumulation Account for what should be accumulated for the Senior Notes after making such payments.

VI. Summary of Offering

Summary of Indicative Terms

Initial Fair Hydro Term Issuance	~~Class~~	~~Size~~	~~% of Trust~~	Expected Maturity	Principal Payment Default Date	Rating (DBRS / Moody's)
	Senior Term Notes	$[ ] mm	[ ]%	[ ]	[ ]	AAA (sf) / Aa2 (sf)
	Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
	Jr. Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
ssuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager					
Financial Services Manager	Ontario Power Generation, Inc.					
Servicer	Independent Electricity System Operator					
Source of Repayment	• Moratorium Period: Statutorily mandated remittances (not including principal) from IESO (Up to July 31, 2021) • Post Moratorium Period: Non-bypassable charge from certain residential and commercial customers in Ontario, related collections and reserve accounts (After May 1, 2021)					
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	Principal Accumulation Date ●, 20●			Principal Accumulation Amount $●		
Payment Frequency	Semi-annual					
Interest	Fixed rate					
Senior Note Credit Enhancements	• Semi-annual (or more frequent) True-up • Reserve Account • Subordination					
Program Cash Reserve Account	After Moratorium period, an amount equal to 0.50% of the aggregate amount of all outstanding Senior, Subordinated and Junior Subordinated funding obligations					
True-up	Calculated on at least a semi-annual basis post-moratorium period					
Subordination	Subordinated and Junior Subordinated Notes will be retained by OPG					
Additional Issuance	Master Trust Indenture allows for the issuance of additional notes subject to satisfaction of Rating Agency Condition					

VII. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• Future legislative action to change or challenge/invalidate the Act or the Change of Law Protection Agreement might materially adversely affect a holder's investment in the Notes	• Limited Guarantee provided by the Province of Ontario via the Change of Law Protection Agreement in the Indenture Trustee for ~~favour of~~ lenders/investors in these
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• True up mechanism may result in a delay, but will be corrected in next True up **[Frequency?]** • Cash reserve and 35%-49% subordination which would first absorb any shortfalls **[Maintenance vs Incurrence?]** • 6-month reference period • Any shortfall in collections are recoverable from all Specified Consumers
Reliance on IESO and LDCs	• During the Moratorium Period, the Trust is dependent on the IESO to pay for all Carrying Costs **[Suggests that IESO will pay; not provide cash for Trust to pay]** • Receipt of CEAs dependent on the performance of LDCs and IESO • Limited ability to enforce against or replace an ~~on~~ LDC	• Highly regulated industry and LDC and IESO are required under law and regulation to perform duties under FHP • IESO has a very strong credit profile and [very low losses] **[Any? Socialized?]** and grants security over all of its accounts receivables as security during the Moratorium Period • IESO will provide a letter of credit/other security to mitigate commingling risks for CEAs held ~~for the commingling of CEAs~~ by non-rated or below investment grade rated LDCs until they are remitted to IESO • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment **[Sensitive?]** • $2 billion general credit facility from the OFA which can be used to pay the Carrying Costs
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	• 20-year repayment period allows for gradual rate increases • Max CEAs as a percent of the total bill is forecast to be ~10% **[Known? Confirm?]**

VIII. Investment Highlights

Investment Highlights

- Protection against political risk through the Change of Law Protection Agreement
- Irrevocable & [non-bypassable] rate payer charge, recoverable from Specified Consumers across the Province of Ontario
- Repayment risk spread across all Specified Consumers. Full cross-collateralization; collection shortfalls allocated among all Specified Consumers (Joint and Several Liability)
- Robust ~~Enhanced~~ true-up mechanism **[If this is comparing to a precedent deal, should indicate the comparison]**
- Credit enhancement for senior debt provided via subordinated debt
- Highly regulated market with experienced operating agents (OPG, IESO, and LDCs)
- Strong service territory **[Meaning?]**
- No large user industrial risk exposure **[Meaning?]**

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "****U.S. Securities Act****") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement

January ■, 2018

FAIR HYDRO TRUST

Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust governed by the laws of the Province of Ontario, established by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (the "**FHPA**"), legislation [that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms).][1] Under the FHPA, OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA.[2] The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See "*Change of Law Protection Agreement*". The Senior Notes will be limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See "*Capital Markets Platform — Acceleration and Remedies — Limited Recourse*" and "*Risk Factors*".

[1] **Note:** This narrative should be removed or, if necessary, it should track the purposes of the FHPA set out in Section 3 of the Act.

[2] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended or supplemented by supplemental indentures thereto.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly,

purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount & Financing Plan"*, *"Subordinated Debt"*, *"■"*[3] and *"Risk Factors"* of this confidential shelf offering memorandum and *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"*, *"■"*[4] and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval by resolution of the holders of all Series of Senior Notes.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

[3] **Note:** Please complete.

[4] **Note:** Please complete.

- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Power outages could impair payment of the Senior Notes.[5]
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

[5] Is this relevant? Is the concern that the CEA would be spread across a relatively smaller base due to lower usage in a period?

- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

PRIOR TO RECEIVING THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER MUST HAVE ENTERED INTO A CONFIDENTIALITY UNDERTAKING WITH THE ISSUER (IN A FORM ACCEPTABLE TO THE ISSUER) WHICH PROVIDES THAT BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER. ***[NTD: Logistics to be discussed between Dealers and OPG.]***

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at https://www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust governed by the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"— Change of Law Protection Agreement"*.
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "**FHPA**"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[6] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[7] for that period. Under the FHPA, OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA and the Regulations.[8] The

[6] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[7] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

[8] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

	Issuer is a Financing Entity[9] under the FHPA and the Regulations and the Notes are Funding Obligations being offered for the purposes of the FHPA and the Regulations. See *"Ontario's Fair Hydro Plan — Background"*.
Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of series (each a "**Series**"), in one or several offerings (each, an "**Offering**"). A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the master trust indenture dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Trust Indenture**") between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**"), as supplemented by a supplemental indenture dated the date of the issuance of such Series between the Issuer and the Indenture Trustee (a "**Supplemental Indenture**" and collectively with the Master Trust Indenture, the "**Indenture**") authorizing that Series.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a not-for-profit corporation established under the *Electricity Act, 1998* (Ontario). The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market.[10] Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). However, the FHPA provides that the IESO is not permitted to exercise such right before May 1, 2021 is limited under the FHPA. The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may, on a monthly basis, offer to transfer a specified portion of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"Transferor and Servicer"*.
Investment Interest:	Upon acceptance of the transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right and interest to impose, invoice, collect, receive and recover the Clean

[9] **Note**: Elsewhere, the disclosure refers only to the Issuer without adverting to the possibility of other future Financing Entities. To the extent that this simplification suggests in a particular context that other future Financing Entities would not be permitted or similarly treated, references to the Trust should be broadened to encompass the possibility of future Financing Entities.

[10] **Note:** Consider also referring to IESO's planning and procurement functions. They may be meaningful here to the extent they impact IESO objectives and governance generally.

Energy Adjustment from Specified Consumers in accordance with the FHPA and the Regulations. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.

Clean Energy Adjustment:

The FHPA and the Regulations impose an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager based on the calculations and parameters set out in the FHPA. The OEB is required to determine the rates at which Specified Consumers are to be invoiced in order to recover the Clean Energy Adjustment in respected of a specified Reference Period (which is generally a six month period, or a shorter period in certain circumstances). The rates are to be determined by reference to forecasted electricity consumption of Specified Consumers for a period and are expressed as a cent per KWh rate. See *"— Statutory Duties of the OEB"* below.

The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs, derivative payments, required deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is required to be calculated by the Financial Services manager in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustment is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment during preceding Reference Periods.

The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a

Reference Period.

[Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.][11]

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs during the Moratorium Period:

During the Moratorium Period and extending to July 31, 2021,[12] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).[13]

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement,[14] the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to

[11] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) *[limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*]. In particular, the suggestion that CEAs cannot be collected in any circumstance during the Moratorium Period goes beyond 21(4) and presumes that there will be no Readjustment.

[12] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending on July 31, 2021.

[13] **Note:** Consider revising to conform with Section 9.3(3) of the General Regulation. This Section provides that "carrying costs" also include derivative payments, etc.

[14] **Note:** Not sure how this lines up with fee recovery.

the Regulations.

As security for the performance of its obligation under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount and Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.[15]

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g. OEB licensees) in Ontario's [electricity market][16], including the activities of transmitters and distributors as well as the IESO (all Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast of electricity consumption of Specified Consumers in respect of such period, based

[15] **Note:** Add detailed descriptions to correspond to the limitation on cashflows during acceleration in the applicable detailed portions of the OM and specifically address in Risk Factors.

[16] **Note:** Technically, the IESO administers (supervises) the IESO-administered markets. There is no definition for "electricity market".

on forecast information provided to the OEB by the IESO. See "*— Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA and the Regulations require Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of [the Issuer][17], amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of [the Issuer][18] until remitted to the IESO for the benefit of [the owners of Investment Interests (initially, only the Issuer)].[19] If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[20] It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.[21]

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required from the IESO is based on a formula as set out in the Master Transfer and Servicing Agreement and will equal: (i) 50% of forecasted Clean Energy Adjustment amounts that are to be collected by such non-investment grade rated Electricity Vendors and held for 45 days prior to the funds being remitted to the Issuer; or (ii) such other amount that satisfies the Rating Agency Condition. See "*The Transferor and Servicer.*"

Management Duties of OPG:

OPG has entered into a management agreement (the "**Management Agreement**") with the Issuer pursuant to which the Issuer has delegated to OPG, as manager (the "**Manager**"), all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations;

[17] **Note:** This and similar references to the Issuer should instead refer to Financing Entities (Investment Interest owners), of which the Trust is the first, and then cross-refer to the concept of co-ownership in order to facilitate additional financings in the future.

[18] **Note:** Please see note 17.

[19] **Note:** Please see note 17.

[20] **Note:** Please consider revising this to conform more closely to Section 17(4) of the FHPA.

[21] **Note:** Please confirm.

negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer. See "*The Manager*".

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA and the Regulations, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. See "*The Manager*".

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of [the Issuer][22], to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of [the Issuer] and remit such amounts to [the Issuer] [on a monthly basis, subject to daily remittance being required in certain limited circumstances.][23] In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing forecast information regarding electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts to [the Issuer] and fulfilling certain additional reporting requirements. [Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.][24] However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See "*The Transferor and Servicer.*"

[22] **Note:** Please see note 17 regarding bracketed references to the "Issuer" in this paragraph..

[23] **Note:** Please consider disclosing which IESO duties are statutory and which arise under the MTSA. For instance, in this sentence, these time requirements arise from the MTSA. Section 9(2) of the General Regulation requires that the IESO remit within a reasonable period of time.

[24] **Note:** Please confirm.

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement in favour of the Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which, provided that the Notes are Approved Obligations, includes payments of amounts that are due and payable in respect of Notes), although the amount of Province of Ontario's payment obligations in a particular period will differ depending on whether an Acceleration has occurred. See "*Change of Law Protection Agreement*". The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation.

Generally, an "Approved Obligation" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market

undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations, such amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be

entitled to the benefit of the Collateral and proceeds therefrom.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination

event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA and the Regulations by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of certain costs allocated to Specified Consumers in respect of the Ontario government's clean energy initiatives ("**Clean Energy Costs**")[25] in proportion to the relative attribution of the value of benefits determined to be derived by or accruing to Specified Consumers as a result of such clean energy initiatives ("**Clean Energy Benefits**") among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.[26]

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding

[25] **Note:** Consider that "Clean Energy Costs" is more thoroughly defined in the Glossary. Through the OM, reconsider instances where there are two different definitions.

[26] **Note:** The description of the fair allocation amount should more closely align to Section 20(1) of the FHPA.

Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA [, namely, to ensure that present and future Specified Consumers are bearing their share of the costs of providing Clean Energy Benefits].[27] Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This [means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024.][28] Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount on subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

[27] **Note:** The description should more closely align with the stated purposes of the FHPA in Section 3 of the Act.

[28] **Note:** MOE to confirm whether including this sort of prediction is appropriate.

	Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.
Use of Proceeds:	The proceeds from each Offering may be used to (i) acquire an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement, (ii) refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) pay Offering and related costs of the Issuer and (iv) fund specific reserve accounts as required. The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration"*.
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June

and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount.

In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for senior obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for subordinated obligations;
- payments of or accumulations in respect of interest for junior subordinated obligations;
- payment of or accumulations in respect of principal for warehouse obligations (see "*Warehouse Facilities*");
- accumulations in respect of principal for senior obligations (other than warehouse obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on senior obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for subordinated obligations;
- fees and other amounts (other than principal and interest) on subordinated obligations;
- payment of or accumulations in respect of principal for junior

subordinated obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for subordinated obligations or junior subordinated obligations);
- replenishment of Series Accounts established for subordinated obligations;
- fees and other amounts (other than principal and interest) on junior subordinated obligations;
- replenishment of Series Accounts established for junior subordinated obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on senior obligations and payments under derivative agreements (other than termination payments), *pari passu*, then subordinated obligations (other than principal) and then junior subordinated obligations (other than principal);
- principal for warehouse obligations;
- *pari passu*, principal on senior obligations (other than warehouse obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for subordinated obligations and then junior subordinated obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency:

Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription:	Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.
Optional Redemption:	Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.
Purchase for Cancellation:	The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.
Distribution Method:	The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103). By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.
Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.

Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydropower, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from generating facilities to local areas; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses using lower voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of small scale solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy from a few flexible loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Virtually all generators in Ontario also have bilateral contracts with the IESO or receive regulated prices, or payment amounts, that provide for payments in addition to the market price of electricity that is paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario), whose sole shareholder is the Province of Ontario. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold all of the generation assets. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power

turbine. OPG's mission is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for almost half of the total energy generated and injected into Ontario's electricity transmission system, as reported by the IESO. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for operating the real-time electricity markets in Ontario, as well as administering the market rules. The OPA was the counterparty that entered into bilateral power or capacity purchase contracts with generators. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners, but it is governed by an independent Board of Directors whose chair and directors are appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors which are also Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

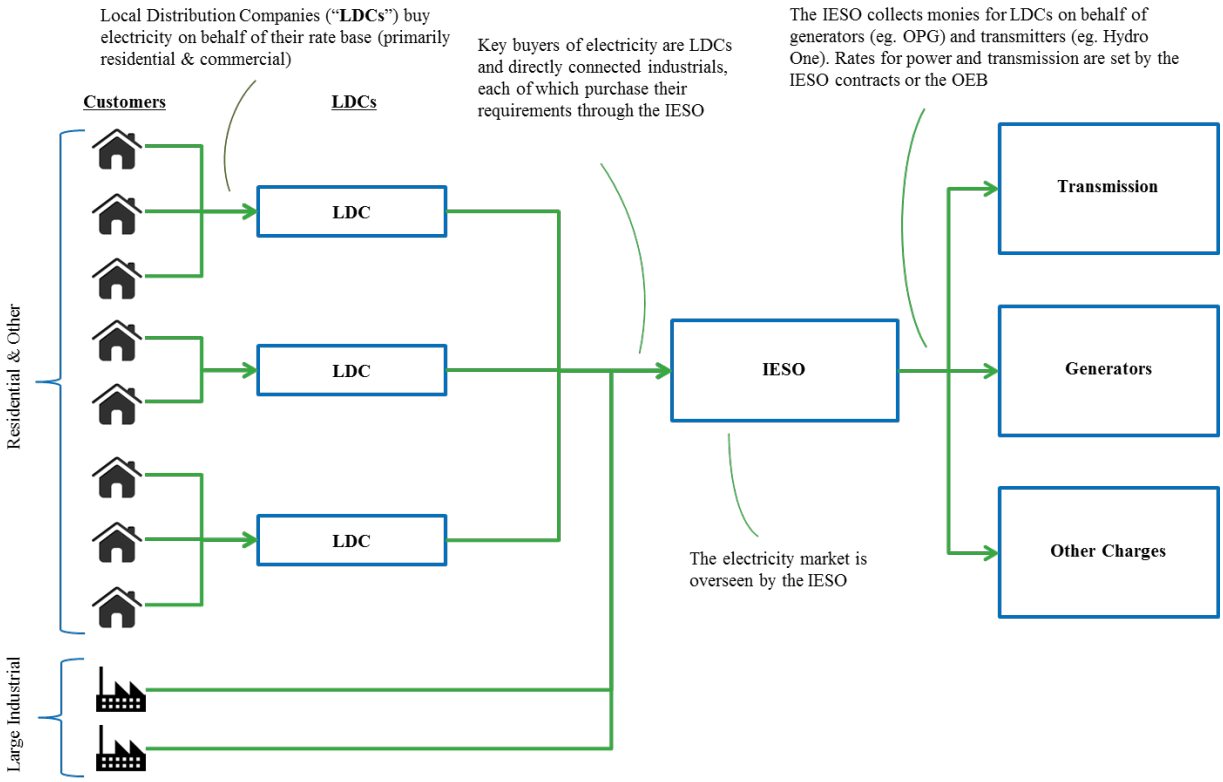
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers,

acquisitions, amalgamations and divestitures involving distributors, transmitters and other entities which it licenses. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB. The following diagram depicts a simplified flow of funds between the key industry participants:[29]



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two components that make up the commodity cost of electricity in Ontario, the Hourly Ontario Energy Price ("**HOEP**") and the Global Adjustment charge.

[29] **Note:** Proposed revisions to the text in the chart: (i) "The electricity market is ~~overseen~~ administered by the IESO"; (ii) "~~Rates for power and transmission are set by the IESO contracts or the OEB.~~ Prices paid to generators are determined by IESO contracts or approved by the OEB. Transmission rates are approved by the OEB."

- The HOEP is set by the IESO based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is paid by all consumers. It is established monthly by the IESO in accordance with regulations and is used to collect funds used by the IESO to pay certain "out of market" costs that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to certain generators, including OPG, that are entitled to a regulated rate of return based on OEB-established payment amounts. For all Specified Consumers[30] the global adjustment charge is based on electricity usage on a per unit basis.

Prior to the FHPA being passed, the amount collected by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's liabilities in this regard, subject to certain periodic true-ups and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, and in accordance with amendments to legislation, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered commodity prices for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in previous periods. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from a licensed retailer pursuant to a retail contract that provides a fixed rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the *Ontario Fair Hydro Plan Act, 2017*[31] (the "**FHPA**")[, legislation that reallocates certain electricity costs over time and provides immediate rate relief to consumers][32]. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will be the rates that result in a representative consumer being charged an invoice amount that is 25%[33] less than the rate that would otherwise have been determined by the OEB for that period (the "**Fair Adjustment**") absent Ontario's Fair Hydro Plan.

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

[30] **Note:** Some consumers below 500 kw are not Specified Consumers.

[31] **Note:** The FHPA was Schedule 1 to omnibus legislation entitled the *Fair Hydro Act, 2017*. Further, already defined as the FHPA above.

[32] **Note:** This narrative should be removed, or if necessary, the description of the FHPA should track the purposes of the Act as set out in Section 3 to the Act.

[33] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government and the shifting of certain support program costs from the rate base to the tax base.

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated its intention that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as the initial Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (such obligations, "**Funding Obligations**") to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, in a variance account.[34] The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). However, in accordance with the FHPA, the IESO is not entitled to collect all or part of the balance recorded in the variance account (which is the basis of the Regulatory Asset) from specified consumers before May 1, 2021. The IESO may, in accordance with the FHPA, transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

[34] **Note:** Please consider disclosure of further details as to what is recorded in the variance account. For instance, paragraph 3 of Section 15 in the General Regulation states that amounts incurred by the IESO on or after May 1, 2017 but before the FHPA came into force may be recorded in the IESO deferral.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment and, as an owner of the Investment Interest, will be entitled to recover its "Finance Amount" (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest from the IESO, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the transfer of a specified portion of the Regulatory Asset from the IESO, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of Investment Interest owners (among other things):[35]

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest, including any rights to receive a payment obligation incurred by the IESO as part of the transfer of the Regulatory Asset (such payment obligations incurred by the IESO being "**Funding Rebates**"); and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers [to cover the cost of financing the shortfall that results from the Fair Adjustment].[36] The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

[35] **Note:** Please consider disclosing in this section that the Investment Asset is a collective right of the Investment Interest owners. While this is explained in a risk factor ("The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities), additional explanation/ disclosure may be warranted here.

[36] **Note:** Consider that the statutory definition of "Clean Energy Adjustment" states that it is "the amount determined under section 15 [of the FHPA] and payable by specified consumers". The FHPA does not expressly state the purpose of the Clean Energy Adjustment.

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment, redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer, or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a funding obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) for any period before May 1, 2021, amounts received during the period in respect of Carrying Costs and Funding Rebates and for any period on and after May 1, 2021, amounts received during the period in respect of Funding Rebates;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax and to which the Issuer is entitled as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustments is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment during the preceding Reference Periods. The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast of electricity consumption of Specified Creditors in respect of such period, based on forecast information provided to the OEB by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the [Issuer],[37] amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the [Issuer] until remitted to the IESO for the benefit of the [the owners of Investment Interests (initially, only the Issuer)]. If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[38] It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.[39] If there are any amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to [the Issuer] during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. [Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and

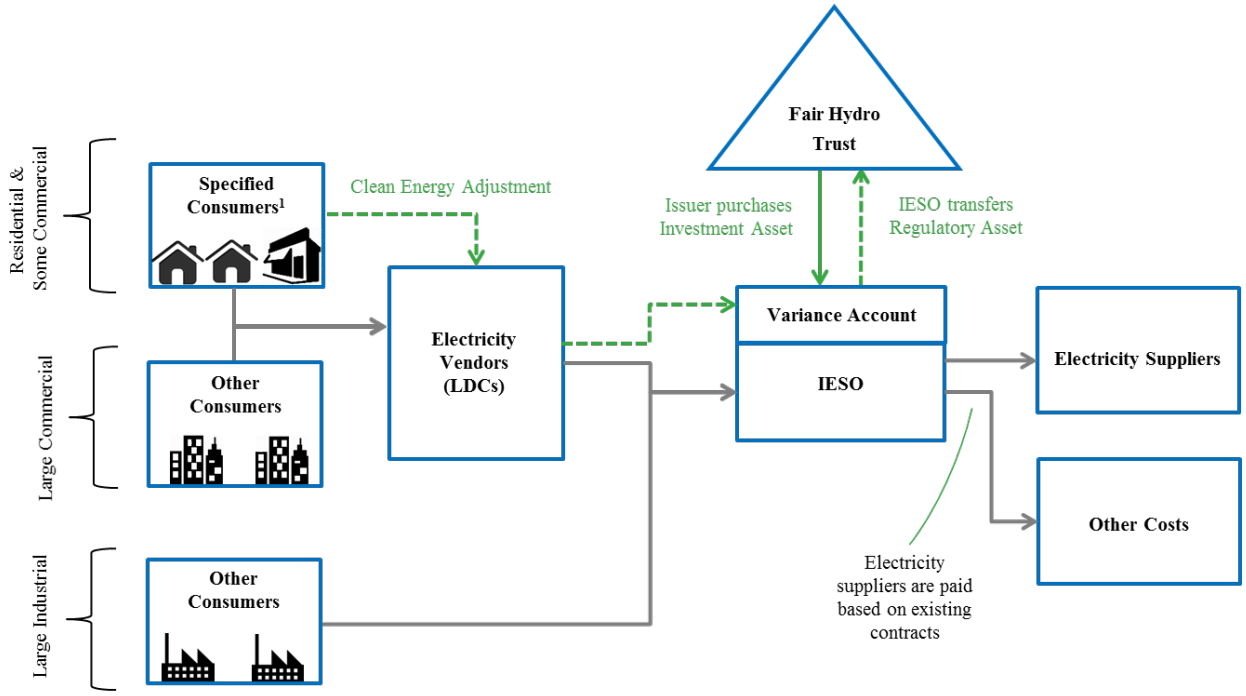
[37] **Note:** Please see note 17 regarding the placement of square brackets around "the Issuer" in this paragraph. The disclosure should indicate that amounts are collected for the Investment Interests owners (and that, as at the date of the OM, the Issuer is the only Investment Interest owner).

[38] **Note:** Please consider revising to conform more closely to Section 17(4) of the FHPA.

[39] **Note:** Please confirm.

remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period.][40] See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, directly to the IESO.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers.[41] Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA , provided

[40] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) [*limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*].

[41] **Note:** Please consider a description of the fair allocation amount that more closely aligns to Section 20(1) of the FHPA.

that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA[, namely, to ensure that present and future Specified Consumers are bearing their fair share of the costs of providing Clean Energy Benefits][42]. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This [means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024.][43] Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount of subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

IESO Payment of Carrying Costs During the Moratorium Period

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. During the Moratorium Period and extending to July 31, 2021,[44] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes).[45] The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying

[42] **Note:** Any description of the purpose of the FHPA should conform with the stated purposes of the Act set out in Section 3.

[43] **Note:** MOE to confirm.

[44] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending July 31, 2021.

[45] **Note:** Consider revising to conform with the definition of "carrying costs" in Section 9.1(3) of the General Regulation.

Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs. Furthermore, as security for the performance of its obligations under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA or the Regulations, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement in favour of the Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account (as hereinafter defined). The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Obligation Secured on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Obligation Secured on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period for purposes of [section 15(1) of the FHPA (in effect as at December 21, 2017), including section 6.1 of the General

Regulation under the FHPA (in effect as at December 21, 2017)][46], divided by the number of months in such Reference Period.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA, in whole or in part, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

[46] Perhaps this should instead cross-reference a more detailed description and explanation of the "Acceleration" mechanics under 6.1 of the Regulation.

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral (as hereinafter defined) and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture and no person entitled under any Obligation Secured (including a Specified Creditor) that ranks equal with or subordinate to the Approved Obligation in respect of which the Province of Ontario is owed a Subrogation Amount will be entitled to make any claim or assert any right in or to the amounts paid or payable to the Province of Ontario, and no such person will have any right to the Collateral or any proceeds therefrom in respect of any Subrogation Amount. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

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

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA or the Regulations; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were Approved Obligations issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust governed by the laws of the Province of Ontario pursuant to a declaration of trust made December 20, 2017 (the "**Declaration of Trust**"). Computershare Trust Company of Canada (the "**Issuer Trustee**") is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

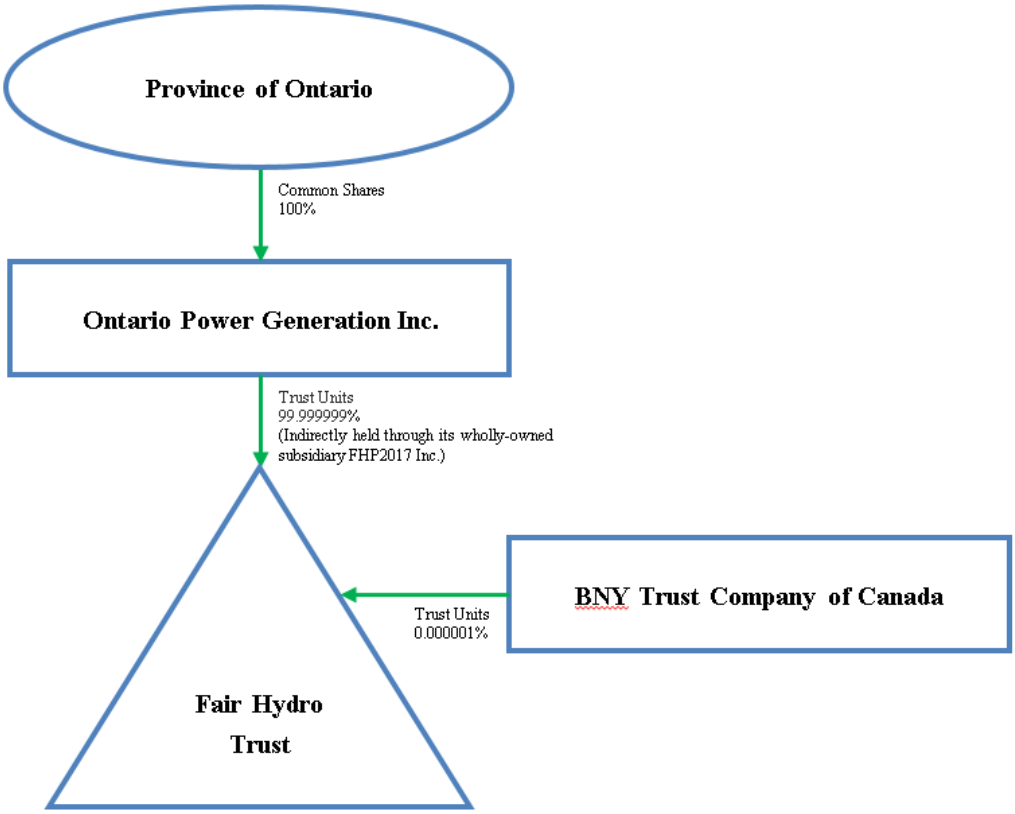
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

OPG has entered into a management agreement with the Issuer dated as of December 20, 2017 (the "**Management Agreement**") pursuant to which the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA and the Regulations, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, [47] the Manager shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA and the Regulations, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests in accordance with the FHPA or for the purposes of a Refinancing;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

[47] Please confirm the source of the right to review electricity vendor records under the Regulations. If this refers to Section 10(4) of the General Regulation, the right is that of the Issuer or the FSM.

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors − Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and Manager of the Issuer.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

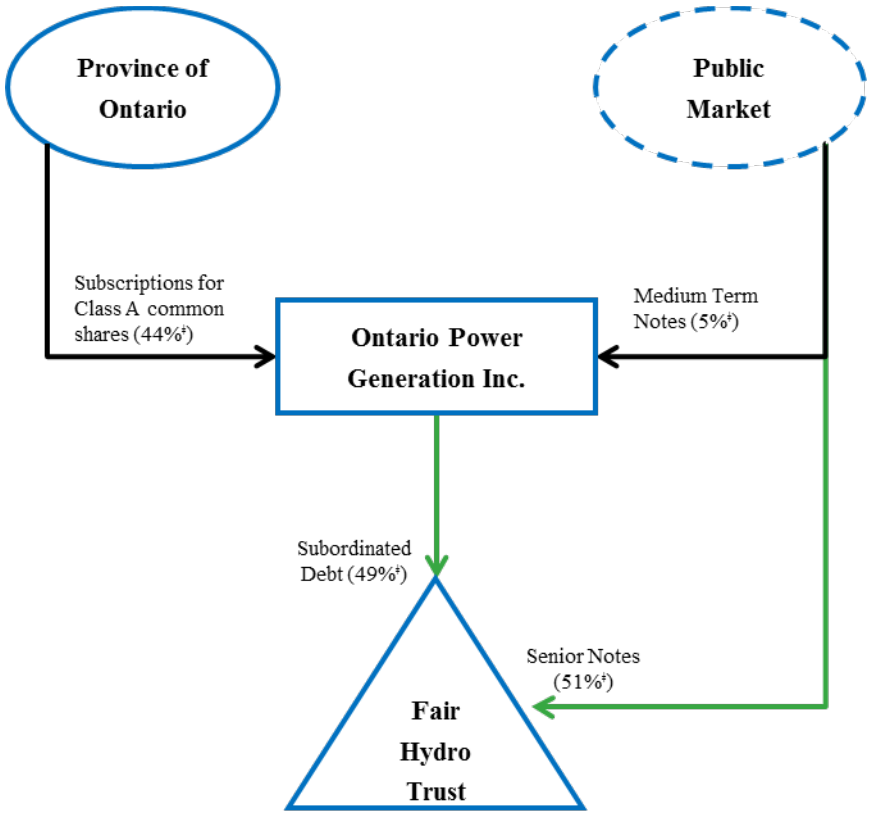
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximate 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes).

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



‡ OPG will acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

THE TRANSFEROR AND SERVICER

The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may periodically transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to transfer to the Issuer its right, title and interest in, to and under a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of collecting the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts collected in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on a monthly basis, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) forecasting the electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer.

While the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that the Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, the IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.[48] However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA or the Regulations, including its obligation to pay the Issuer's Carrying Costs.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes.[49] Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs.

As security for the performance of its obligation to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for transfer to the Issuer in a subsequent period and, upon completion of such transfer, shall become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy

[48] **Note:** Please confirm.

[49] **Note:** Consider a description of "carrying costs" that conforms to the definition set out in Section 9.1(3) of the General Regulation. Also note that the Glossary defines "Carrying Costs" as having the meaning ascribed to the term in the Regulations.

Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no

assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See "*— Subordination Provisions*", "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;

- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;

- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;

- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);

- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and

- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer

may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the United States Internal Revenue Code of 1986, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").[50]

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities

[50] **Note:** Consider also including the floating charge in all of the property, assets and undertaking now owned or hereafter acquired by the Issuer in the definition of Collateral. (s. 2.01(b) of the Master Trust Indenture).

Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for

the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "*— Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required

Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "— *Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law

Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral, and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all

actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "*— Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "*— Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel,[51] each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

[51] **Note:** Please confirm deletion of "external counsel". Please see definition of "Opinion of Counsel" and s. 13.19(c) in Master Trust Indenture.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;

- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;

- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;

- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;

- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;

- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;

- facilitate the issuance of foreign currency Issuer Funding Obligations;

- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;

- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or

- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of

acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See "*Capital Markets Platform*".[52]

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts

[52] **Note:** Please consider tracking the specific terms of section 6.1 of the General Regulation, and add detailed descriptions to correspond to the limitation on cashflows during acceleration in the applicable detailed portions of the OM and Risk Factors.

will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this "Description of the Senior Notes" section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;

- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;

- the price at which such Series or Tranche of Senior Notes will be issued;

- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;

- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;

- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;

- the Principal Accumulation Date(s) and Principal Accumulation Amount(s) for such Series of Senior Notes;

- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;

- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;

- any events of default with respect to such Series or Tranche of Senior Notes;

- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;

- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;

- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;

- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and

- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term

Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Principal Accumulation Date(s) for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than a Principal Payment Date if an optional redemption occurs and may receive principal payments later than a Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on a Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the

unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the

book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price

of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA, the Regulations or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA or the Regulations.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA or the Regulations will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit was successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any

Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA or the Regulations should no longer be law in Ontario or that the FHPA or Regulations should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See "*Change of Law Protection Agreement*". However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA or the Regulations referenced in the previous paragraph were amended or revoked through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Province of Ontario, although the remedy of damages is available.[53] Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy

[53] **Note:** Consider mentioning that section 21 of the *Proceedings Against the Crown Act* (Ontario) prohibits execution, attachment and process against the Province.

against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.[54]

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other Carrying Costs, solely upon the IESO who is obligated under the Regulations to pay these Carrying Costs. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Issuer's Carrying Costs. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs. ***[NTD: IESO credit facility description to be confirmed.]***[55] There can be no assurance that the IESO will continue to have sufficient funds available to pay interest on the Senior Notes or to pay the Issuer's other Carrying Costs during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay interest on the Senior Notes or the Issuer's other Carrying Costs and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO under the Master Transfer and Servicing Agreement.

[54] **Note:** Consider mentioning, as a mitigant, that section 22 of the *Proceedings Against the Crown Act* (Ontario), which states that "the Minister of Finance shall pay out of the Consolidated Revenue Fund the amount payable by the Crown, (a) under an order of a court that is final and not subject to appeal; (b) under a settlement of a proceeding in a court…".

[55] **Note:** Is there any other information to be added apart from the expiry date?

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other Carrying Costs, solely upon the IESO who is obligated under the Regulations to pay these Carrying Costs. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA and the Regulations.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event and delivery by the Indenture Trustee to the Province of Ontario of a written payment demand. See *"Change of Law Protection Agreement"*. The Senior Notes will be limited recourse obligations, secured only by the collateral. See "*Capital Markets Platform — Acceleration and Remedies — Limited Recourse*". Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or other obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA and the Regulations, rights to enforcement of the FHPA, the Regulations and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in

principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform – Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Funding Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring an Investment Interest. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the transfer by the IESO of a specified portion of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.[56]

[56] **Note:** Consider explaining under this risk factor that the Investment Asset is a bundle of rights and interests held collectively by all investment interest owners.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA, the Regulations and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA, the Regulations and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or forecasting consumption, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of OPG, as Financial Services Manager and as Manager of the Issuer. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA and the Regulations, including determining the Clean Energy Adjustment (inclusive of the True-Up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to

the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated in part based upon a forecast of Specified Consumer usage to be newly developed by the IESO[, adjusted for expected billing lags and charge-offs] [including the effect of delinquencies and write-offs] ***[Confirm whether the IESO forecast takes into account items noted in square brackets.]***. Under the Regulations, the IESO is required to provide to the OEB forecast information regarding electricity consumption of Specified Consumers. The amount and the rate of the Clean Energy Adjustment will depend in part on actual electricity usage and the amount of collections and write-offs for Specified Consumers.[57] If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. Neither the FHPA nor the Regulations require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information to the IESO regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in the FHPA and the Regulations. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment. For example, an Electricity Vendor's conditions of service may permit it to offer equal monthly billing plans to its consumers thereby delaying payments from one month to the next during the year or to enter into arrangements for the payment of arrears. In that event, collection of the Clean Energy Adjustment may be delayed or reduced until an adjustment is made.

[57] **Note:** Please confirm.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment.[58] The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to indemnify holders of Senior Notes, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach and the fact that holders of Senior Notes will be unsecured creditors of OPG or the IESO, as applicable, with respect to any of these indemnification amounts. Neither OPG nor the IESO will indemnify any person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Senior Notes, or for any consequential damages, including any loss of market value of the Senior Notes resulting from a default or a downgrade of the ratings of the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-Up Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°C. Winters include snow and icing conditions that can be damaging to overhead power

[58] **Note:** Please confirm source/ conform to wording in FHPA.

lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior

Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the transfers between the IESO and the Issuer pursuant to the Master Transfer and Servicing Agreement may not be respected as true sales of the Investment Interest.

Ordinarily, the interests of the Issuer as transferee of the Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time an Investment Interest is transferred to the Issuer, which could reduce the amounts that may be available to the Issuer and, consequently, the holders of Senior Notes. Section 27(3) of the FHPA provides that at the time of the transfer to a Financing Entity under the FHPA, such transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the FHPA provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the transfer and the property rights and interests acquired by the transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the FHPA in such circumstances is untested. The IESO will treat the transactions described herein as a transfer of the Regulatory Asset to the Issuer. Such transfers will be made in accordance with Section 26 of the FHPA. Section 27(1) of the FHPA provides that a transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the transferee. As a transfer, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Investment Interest. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under "*Risks Associated with the Unusual Nature of the Investment Asset*".

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.

While the IESO is the servicer under the Master Transfer and Servicing Agreement, collections held by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under "*Risks Associated with the Unusual Nature of the Investment Asset*".

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the FHPA, provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form

part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017*,[59] in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws would generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

[59] The *Fair Hydro Act, 2017* (Ontario), which provided in Schedule 1 the *Ontario Fair Hydro Plan Act, 2017*, amends two other statutes: the *Electricity Act, 1998* (see section 43) and the *Ontario Energy Board Act, 1998* (see section 44).

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the

Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to

verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Description of Senior Notes — Reporting Requirements of Senior Notes"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

  (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

  (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference therein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference therein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the Securities Act (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited

investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer. "Misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer will be liable if the person proves that

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

  (ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

  (iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that;

    (A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

[NTD: Glossary in progress. For ease of reference, Torys is considering adding an index or replacing glossary with an index for terms that are defined in the body.]

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" means the agents designated by the Issuer from time to time and identified in the Term Sheet applicable to such Offering to sell the Senior Notes as described under *"Plan of Distribution"*.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Government of Ontario related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid

in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" has the meaning set out under *"The Issuer"*.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" means The Depositary Trust Company.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to,

bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.[60]

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.[61]

"**FHPA**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" means OPG, in its capacity as financial services manager appointed under the FHPA to perform the duties assigned to it thereunder.[62]

"**Financing Entity**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligation**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

"**Funding Rebate**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

[60] **Note:** Please consider revising the definition of "Fair Adjustment" if this concept is to be used in the OM. The definition of the "Fair Adjustment" indicates that this term only refers to the rate reduction from July 1, 2017 until April 30, 2018. When the term is then later used in narrative [ex. "…the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment…"] it refers to the electricity rates that result from the entire fair hydro program.

[61] **Note:** Please consider a description of the Fair Allocation Amount that more closely aligns to Section 20(1) of the FHPA.

[62] **Note:** Please consider whether there should be disclosure indicating that the FSM is a statutory role from which OPG may be removed.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in

the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer**" means Fair Hydro Trust, a special purpose trust governed by the laws of the Province of Ontario.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" has the meaning set out under *"The Manager"*.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" means *The Securities Act* (Manitoba).

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**MW**" means megawatts.[63]

"**NI 31-103**" means National Instrument 31-103 — *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

"**NI 45-106**" means National Instrument 45-106 — *Prospectus Exemptions*.

"**NL Act**" means the *Securities Act* (Newfoundland and Labrador).

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" means an offering of senior secured notes pursuant to this confidential shelf offering memorandum and the related Term Sheet as described under *"Plan of Distribution"*.

"**Offering Jurisdiction**" means each of the provinces of Canada.

"**OPA**" means Ontario Power Authority.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month.

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

[63] **Note:** Definition not used.

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date occurring on or after the Principal Accumulation Date for such Series, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates after the Principal Accumulation Date for such Series which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts —*

Program Accounts — Protection Account".

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Readjustment amount**" has the meaning ascribed to the term "readjustment amount" in the FHPA and Regulations.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(i) every six-month period following the period mentioned in (a);

(ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under "*The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" means *The Securities Act, 1988* (Saskatchewan).

"**Section 130.1**" means section 130.1 of the *Securities Act* (Ontario).

"**Section 150**" means section 150 of the *Securities Act* (New Brunswick).

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and

Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and

Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Subrogation Amounts**" has the meaning set out under "*Change of Law Protection Agreement — Protection Event*".

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" means FHP2017 Inc., a wholly-owned subsidiary of OPG, and the Indenture Trustee.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

From:	Egberts, Adam
To:	"john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"
Cc:	Brown, Rob; Wetmore, Jamie; Schoroth, Joseph; Murray, Tim; Egberts, Adam; Wallace, Daphne
Subject:	Fair Hydro Weekly Pricing
Date:	Wednesday, March 07, 2018 11:34:48 AM
Attachments:	image002.png image003.png image004.png image005.png image006.png FHP_RBC_20180306.xlsx

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Please find attached this week's Fair Hydro pricing indications as at yesterday

From: Egberts, Adam
Sent: March 5, 18 6:18 PM
To: 'john.s.lee@opg.com' ; 'ken.hartwick@opg.com' ; 'OPG - Treasury Group,' ; 'Sheen.Liu@opg.com' ; 'Kevin.Shvarts@ofina.on.ca' ; 'Linda.Smith@ofina.on.ca' ; 'ken.ryfa@opg.com' ; 'brett.kichiy@ofina.on.ca' ; 'j.hahnparker@opg.com' ; 'matthew.go@opg.com' ; 'Ricky.Lai@ofina.on.ca' ; 'aiman.el-nahas@opg.com'
Cc: Brown, Rob ; Egberts, Adam ; Wetmore, Jamie ; Schoroth, Joseph ; Murray, Tim ; Wallace, Daphne
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, March 5, 2018

The Canadian corporate primary market was very active last week with 10 issuers accessing the market for C$6.5 billion, marking the third most active week on record as issuers capitalized on a stabilization in tone early in the week following a recent period of volatility. Supply was concentrated in the financial space, including Great-West Life's first offering following a nearly 8-year absence from the Canadian market, while activity continued in the auto finance space with a 3-year transaction from Nissan Canada, and domestic banks were also active on the back of earnings that commenced the prior week with a 10-year deposit note from Bank of Montreal. Away from financials, issuance was well-received across the curve as TELUS Corporation priced a broadly distributed C$750 million dual-tranche 10 and 30-year transaction while SNC-Lavalin priced a 3-tranche offering consisting 1 and 3-year FRNs and a 5-year fixed rate offering and Bruce Power completed a very successful 15-year offering as part of its dual tranche outing. Last week also featured two new issues and one announced offering in the Maple space, with Goldman Sachs Group Inc. pricing a well-received 4.4NC3.4-year floating rate note, Heathrow Funding Ltd. completing a 10-year offering and Mondelez International announcing investor meetings for this week in contemplation of a new transaction. The domestic high yield market was also active with NuVista Energy Ltd. completing its inaugural high yield offering, marking the first broadly marketed E&P offering in the domestic high yield market in over a year. RBC Capital Markets acted as a bookrunner on transactions from Great West Life, Goldman Sachs and NuVista last week. Away from new issues, RBC hosted fixed income investor meetings for double-B rated Russell Metals Inc. in Toronto, and announced fixed income marketing for Choice Properties REIT in connection with the announced combination of Choice Properties and Canadian Real Estate Investment Trust to take

place this week via group teleconferences. Looking ahead, the pipeline for the coming weeks remains healthy and issuers are encouraged to capitalize on windows of stable tone ahead of the traditional slowdown brought by the March School break.

The secondary market was active last week as bank earnings releases and new supply helped fuel trading activity. On the week, there was some good two-way activity in deposit notes, while there was some sizeable trading flows in corporate with a slight selling bias. On the week, corporate credit spreads generally closed 3 bps wider.

It was a quieter week in the Government market with only C$500 million pricing across 1 transaction. Hydro Quebec completed a re-opening of its 2055 maturity, to mark its first issue of 2018. We expect that supply will remain modest in the coming weeks as many issuers are in strong funding positions and may enter budget blackout periods. Alberta released its Q3 update on Wednesday, noting that the 2017/18 deficit will narrow to C$9.07bn, while also stating that long-term borrowing is expected to remain relatively stable through Q3 until the budget is released in April. Secondary trading saw modest volumes this week while spreads drifted wider. In the provincial space spreads ended 3.5-4bps wider across the curve while CMBs ended the week 1bp wider in 5s and 2bps wider in 10s.

EQUITY MARKET UPDATE

Volatility returned to the market in the second half of the week on the back of mounting anxiety over trade protectionism as tariffs announced by the Trump administration on steel and aluminum imports sparked global threats of a trade war and a precipitous drop in manufacturers. Also canvased in the economic backdrop were Fed Chair Jerome Powell's remarks of the possibility of a fourth rate hike this year which was unsettling to an investment landscape already characterized by fears of inflation. The S&P 500 and Dow Jones both saw substantial declines of 2.0% and 3.0%, respectively, though the S&P 500 made a modest recovery in Friday's session. In Canada, the TSX declined 1.6% following the concerns of major steel producers in Ontario being impacted by the new tariffs, and slower than expected growth of the Canadian economy. In commodity markets, crude oil fell $2.30 to $61.25/bbl, while gold prices also declined by $5.96 to close at $1,322.75/oz. In currencies, the Canadian dollar depreciated against the greenback, falling 2.0% to 1.2882 USDCAD.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,385	▼	1.6%
DJA	24,538	▼	3.0%
S&P 500	2,691	▼	2.0%
NASDAQ	7,258	▼	1.1%
Oil	$61.25	▼	$2.30
Gold	$1,322.75	▼	$5.96
USDCAD	1.2882	▲	2.0%

CANADIAN NEW ISSUES

Corporates

Mon, Feb 26 – Great-West Lifeco Inc. (A(High)/-/A+) – C$500 million 3.337% 10-year unsecured notes at GoC +107bps

Mon, Feb 26 – TELUS Corporation (BBB(High)/Baa1/BBB+) – C$750 million dual tranche offering consisting of a C$600 million 3.625% 10-year note at GoC +148bps and a C$150 million 4.70% 30-year reopening at GoC +220bps

Mon, Feb 26 – Nissan Canada Financial Services, Inc. (A(Low)/A2/-) – C$500 million 2.606% 3-year note at GoC +70bps

Tues, Feb 27 – NuVista Energy Ltd. (-/-/B+) – C$220 million 6.50% 5NC2-year senior unsecured notes at GoC +440.7bps

Tues, Feb 27 – Bank of Montreal (AA/A1/A+) – C$1.25 billion 3.19% 10-year deposit note at GoC+90bps

Tues, Feb 27 – Bruce Power LP (BBB/Baa2/BBB) – C$750 million dual tranche offering consisting of a C$200 million reopening of the 3.969% 2026 notes at GoC +130bps and C$550 million 4.132% 15-year senior unsecured notes at GoC +174bps

Tues, Feb 27 – Bay Adelaide East LP – C$900 million dual tranche offering consisting of C$450 million 3.773% 7-year secured notes and C$450 million 3.964% 10-year secured notes

Wed, Feb 28 – Goldman Sachs Group, Inc. (A(High)/A3/BBB+) –C$750 million 4.4NC3.4-year

FRN at CDOR +54bps

Wed, Feb 28 – SNC-Lavalin Group Inc. (BBB/-/BBB) – C$525 million triple tranche offering consisting of a C$150 million 1-year FRN at 3MCDOR +35bps, a C$175 million 3-year FRN at 3MCDOR +54bps, and a C$200 million 5-year 3.235% fixed offering at GoC +118bps

Wed, Feb 28 – Heathrow Funding Ltd. (-/Ba1/A-) - Maximum C$400 million 3.4% 10-year senior secured offering at GoC +115bps

Governments

Tues, Feb 27 – Hydro-Quebec (A(H)/Aa2/AA-) – C$500 million re-opening of the 4.00% 15Feb2055 debentures at GoC+70.5bps

NORTH AMERICAN RATES UPDATE

North American bond yields were mostly lower on the week as Government of Canada bonds outperformed Treasuries. In Canada, the yield curve flattened as yields finished the week 1bp lower in the short-end and 4-5 bps lower in the belly and further out the curve. Meanwhile, the US Treasury curve flattened slightly as the 10-year yield and shorter tenors were mostly unchanged while the 30-year yield fell 2 bps. In Canada, last week's key economic event was Finance Minister Morneau's release of the 2018 Federal Budget which targeted average GDP growth of 2% annualized between 2017 and 2022, and reduced Federal bond issuance, however failed to provide a timeline to return the budget to balance. On the data front in Canada, the Q4 GDP report came in slightly weaker than estimated with a 1.7% annualized print and a downward revision to Q3 GDP. Friday's GDP report represented the final piece of data ahead of the March 7th BoC rate decision; futures market is pricing in a ~15% likelihood of a rate hike. South of the border, markets turned to Fed Chair Powell's testimonials before the House Financial Services Committee and the Senate where he expressed a supportive view on the U.S. economy and, more notably, hinted at the possibility of a fourth rate hike in 2018; market participants continue to price in a ~100% likelihood of a rate hike at the March 21st FOMC meeting. U.S. data releases were mostly positive with annualized Q4 GDP printing in line with expectations, while personal consumption, income and spending beat consensus.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.77%	▼ 1
5yr	2.02%	▼ 4
10yr	2.20%	▼ 5
30yr	2.36%	▼ 4

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.24%	unch
5yr	2.63%	▲ 1
10yr	2.87%	unch
30yr	3.14%	▼ 2

MARKET IMPLIED BOC RATES

Market Implied Rates

Meeting	Implied Rate
March 7, 2018	1.2500
April 18, 2018	1.3400
May 30, 2018	1.3950

SWAPS

Swaps		
Swaps	Spread (bps)	1 Week Δ(bps)
2yr	37.50	▲ 1.75
3yr	42.25	▲ 2.00
5yr	38.50	▲ 3.00
7yr	38.50	▲ 2.50
10yr	37.50	▲ 1.75
30yr	34.00	▲ 0.75

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Wed, Mar 7	Bank of Canada Rate Decision	1.25%	1.25%
Thu, Mar 8	Housing Starts	215.0k	216.2k
Fri, Mar 9	Net Change in Employment	21.0k	-88.0k
Fri, Mar 9	Unemployment Rate	5.9%	5.9%
US Economic Data			
Tue, Mar 6	Factory Orders	-1.3%	1.7%
Tue, Mar 6	Durable Goods Orders	-3.5%	-3.7%
Wed, Mar 7	MBA Mortgage Applications	--	2.7%
Wed, Mar 7	ADP Employment Change	200k	234k
Wed, Mar 7	Trade Balance	-$55.0b	-$53.1b
Wed, Mar 7	U.S. Federal Reserve Releases Beige Boc	--	--
Thu, Mar 8	Initial Jobless Claims	220k	210k
Fri, Mar 9	Change in Nonfarm Payrolls	205k	200k
Fri, Mar 9	Unemployment Rate	4.0%	4.1%
Fri, Mar 9	Wholesale Inventories MoM	0.7%	0.7%
International Economic Data			
Mon, Mar 5	Markit Eurozone Composite PMI	57.5	57.5
Wed, Mar 7	Eurozone GDP SA QoQ	0.6%	0.6%
Wed, Mar 7	Japan GDP SA QoQ	0.2%	0.1%
Thu, Mar 8	ECB Main Refinancing Rate	0.0%	0.0%
Thu, Mar 8	China CPI YoY	2.5%	1.5%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Aecon Group, Baytex Energy, Canadian Western Bank, Cara Operations, Cargojet, Descartes Systems Group, Enercare, Franco-Nevada, Gibson Energy, Great Canadian Gaming, Morneau Shepell, Paramount Resources, Pure Industrial REIT, Spin Master, Tourmaline Oil

US

American Eagle Outfitters, Autodesk, Costco Wholesale, Dell Technologies, Dollar Tree, H&R Block, International Game Technology, Kroger, Ross Stores, Target, Urban Outfitters, Vail Resorts

Rob Brown
Co-Head, Debt Capital Markets | RBC Capital Markets
(416) 842-5506
rob.brown@rbccm.com
Jamie Wetmore
Managing Director, Debt Capital Markets | RBC Capital Markets
(416) 842-6452
jamie.wetmore@rbccm.com
Adam Egberts
Vice President, Debt Capital Markets | RBC Capital Markets
(416) 842-2544

adam.egberts@rbccm.com

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Thu, Mar 8	China CPI YoY	2.5%	1.5%

-- Confidential --

Bank Name	RBC
Date	06-Mar-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	**2.41%**	**2.41%**	**2.39%**	**2.34%**	**2.10%**	**1.90%**	-	-	-	-	-	-
Curve Adjustment (bp)	**0.0**	**0.4**	**5.4**	**1.7**	**3.5**	**5.2**	-	-	-	-	-	-
Spread to GoC Curve (bp)	**99**	**99**	**99**	**89**	**66**	**51**	3.0	4.0	4.0	2.0	3.0	2.0
Re-Offered Yield	3.40%	3.41%	3.43%	3.25%	2.79%	2.46%	3.0	4.0	4.0	2.0	3.0	2.0
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.43%**	**3.44%**	**3.47%**	**3.29%**	**2.87%**	**2.55%**	3.0	4.0	4.0	2.0	3.0	2.0

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	**76**	**76**	**76**	**66**	**43**	**28**	3.5	4.0	4.5	2.0	3.0	2.5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**37**	**28**	**18**				-	-	-
City of Toronto (AA/Aa1/AA)	**102**	**101**	**99**	**85**	**60**	**43**	3.5	3.5	5.5	3.5	3.5	1.0
Hydro One Inc. (A(H)/A3/A)	**131**	**n/a**	**n/a**	**92**	**62**	**53**	3.0			3.0	2.0	1.0
Ontario Power Generation Inc. (A(low)/-/BBB+)	**153**	**n/a**	**n/a**	**111**	**82**	**73**	-			-	-	-
Toronto Hydro Corporation (A/-/A)	**124**	**n/a**	**n/a**	**87**	**58**	**50**	4.0			2.0	1.0	-
Canadian National Railway Co (A/A2/A)	**125**	**n/a**	**n/a**	**87**	**66**	**58**	2.0			2.0	2.0	2.0
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**99**	**n/a**	**n/a**	**79**	**58**	**48**	4.0			3.0	3.0	3.0
NAV Canada (AA(low)/Aa2/AA-)	**94**	**n/a**	**n/a**	**78**	**58**	**50**	-			-	-	-

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.41%	2.41%	2.39%	2.34%	2.10%	1.90%						
Curve Adjustment (bp)	0.0	0.4	5.4	1.7	3.5	5.2						
Spread to GoC Curve (bp)	**127**	**127**	**127**	**117**	**94**	**79**	3.0	4.0	4.0	2.0	3.0	2.0
Re-Offered Yield	3.68%	3.69%	3.71%	3.53%	3.07%	2.74%	3.0	4.0	4.0	2.0	3.0	2.0
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	0.01	0.01	0.01	0.00	0.01	0.00
All-in Yield	**3.71%**	**3.72%**	**3.75%**	**3.57%**	**3.15%**	**2.83%**	3.0	4.0	4.0	2.0	3.0	2.0

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	76	66	43	28	3.5	4.0	4.5	2.0	3.0	2.5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**67**	**45**	**n/a**				-1.0	1.0	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.41%	2.41%	2.39%	2.34%	2.10%	1.90%						
Curve Adjustment (bp)	0.0	0.4	5.4	1.7	3.5	5.2						
Spread to GoC Curve (bp)	**159**	**159**	**159**	**149**	**126**	**111**	3.0	4.0	4.0	2.0	3.0	2.0
Re-Offered Yield	4.00%	4.01%	4.03%	3.85%	3.39%	3.06%	3.0	4.0	4.0	2.0	3.0	2.0
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	0.01	0.01	0.01	0.00	0.01	0.00
All-in Yield	**4.03%**	**4.04%**	**4.07%**	**3.90%**	**3.47%**	**3.15%**	3.0	4.0	4.0	2.0	3.0	2.0

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	76	66	43	28	3.5	4.0	4.5	2.0	3.0	2.5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From:	Egberts, Adam
To:	"john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"
Cc:	Brown, Rob; Wetmore, Jamie; Schoroth, Joseph; Murray, Tim; Wallace, Daphne
Subject:	Fair Hydro Weekly Pricing
Date:	Tuesday, February 27, 2018 6:30:50 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png FHP_RBC_20180227.xlsx

Please find attached this week's Fair Hydro pricing indications.

From: Brown, Rob
Sent: February 26, 18 8:22 PM
To: 'john.s.lee@opg.com' ; 'ken.hartwick@opg.com' ; 'OPG - Treasury Group,' ; 'Sheen.Liu@opg.com' ; 'Kevin.Shvarts@ofina.on.ca' ; 'Linda.Smith@ofina.on.ca' ; 'ken.ryfa@opg.com' ; 'brett.kichiy@ofina.on.ca' ; 'j.hahnparker@opg.com' ; 'matthew.go@opg.com' ; 'Ricky.Lai@ofina.on.ca' ; 'aiman.el-nahas@opg.com'
Cc: Brown, Rob ; Egberts, Adam ; Wetmore, Jamie ; Schoroth, Joseph ; Murray, Tim ; Wallace, Daphne
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, February 26, 2018

The Canadian corporate primary market resumed activity last week with C$1.6 billion pricing across 3 transactions in the auto and securitization sectors and RBC Capital Markets led both league table eligible corporate transactions on the week. Highlighting supply, GM Financial priced the first corporate transaction in 2 weeks, a C$500 million 3-year offering which was met with a strong orderbook that allowed it to upsize from the minimum C$350 million launch size and price at the tight end of guidance resulting in a negative concession of 1bp. The Ford name was also topical on the week with new issues priced by each of Ford Credit Canada and Ford Auto Securitization Trust entities amounting to ~C$1.1 billion in aggregate. The C$500 million Ford Credit Canada Company, which was upsized from launch, priced with just 1 bp new issue concession and demonstrated the continued demand for short-dated floating rate notes. From an overall market tone perspective, investor appetite for corporate product remains healthy despite recent volatility in broader markets, and issuers are encouraged to monitor the market for windows of stable tone as investors look to put cash balances to work after a prolonged absence of supply in recent weeks. The pipeline for coming weeks is healthy, and continued stability should drive additional issuance as issuers look to get ahead of the usual market slowdown around the March school holidays. On the marketing front, RBC hosted non-deal marketing on behalf of NuVista Energy and its annual Montreal Fixed Income Conference over the course of the week, both of which were well attended by investors, and additionally announced non-deal fixed income marketing on behalf of Russel Metals to take place in Montreal on Tuesday and Wednesday this week.

In the secondary market, utility and infrastructure credits were active over the course of the week as investors looked to position themselves for upcoming supply driven by refinancing needs in the

sectors. Bank paper was also active with deposit notes and NVCC paper seeing healthy two-way flow across the curve. Spreads closed the week relatively flat and were well supported over the course of the week, while new issues priced performed well in the secondary market.

The Government market remained active with C$1.5 billion pricing across two Provincial and two Municipal transactions. In Provincials, Newfoundland and Labrador came to market with a C$675 million 5-year FRN, while Province of Quebec completed their second ever green bond with a C$500 million 5-year (RBC Joint-Lead). On the municipal front City of Montreal priced a C$250 million 20-year offering and City of London completed a C$55 million 1-10yr Serial. In the secondary market volumes were decent through the latter half of the week following a light start with overall better client selling of Provincial names. Spreads ended mostly unchanged in Provincials and were 0.5-1bp tighter in CMBs.

EQUITY MARKET UPDATE

North American equity markets ended the week higher on both sides of the border after fluctuating between gains and losses over the course of the week. US indices closed 0.4% to 1.4% higher, although elevated volatility persisted into Friday's session. Sentiment continued to be driven by speculation surrounding the monetary policy approach that will be taken by a Jerome Powell-led Federal Reserve in reaction to the FOMC meeting minutes release mid-week. North of the border, the TSX was up 1.2% on the week, rising above its 200-day moving average on Friday for the first time since the sell-off in early February. Energy stocks spearheaded gains as Western Canada Select narrowed its discount versus WTI towards the end of the week ($27.50) and strong earnings releases in the sector fueled outperformance. Also on the week, WTI rose $1.87 to $63.55/bbl while gold fell $18.25 to $1,328.71. In currencies, the US dollar gained 0.6% against the loonie.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,638	▲	1.2%
DJA	25,310	▲	0.4%
S&P 500	2,747	▲	0.6%
NASDAQ	7,337	▲	1.4%
Oil	$63.55	▲	$1.87
Gold	$1,328.71	▼	$18.25
USDCAD	1.2633	▲	0.6%

CANADIAN NEW ISSUES

Corporates

Wednesday, February 21 - General Motors Financial of Canada (BBB/Baa3/BBB) – C$500 million 3.00% 3-year senior note offering at GoC +107 bps

Wednesday, February 21 - Ford FAST (Ford Auto Securitization Trust) – C$632.89 million auto loan receivables ABS deal, Series 2018-A

Thursday, February 22 – Ford Credit Canada Company (BBB/Baa2/BBB) – C$500 million 2.75-year FRN at a spread of CDOR +68bps

Governments

Tuesday, February 20 – Province of Newfoundland (A(low)/Aa3/A) – C$675 million 5-year FRN at CDOR +14.5bps

Wednesday, February 21 - City of Montreal (-/Aa2/AA-) – C$250 million re-opening of 3.15% 20-year note at GoC+96.5bps

Wednesday, February 21 - City of London (-/Aaa/-) – C$55 million 1-10-year serial offering

Thursday, February 22 – Province of Quebec (A(high)/Aa2/AA-) – C$500 million 2.45% 5-year Green Bond at GoC+38bps

NORTH AMERICAN RATES UPDATE

North American bond yields posted mixed performance, with GoC bonds outperforming their US counterparts, closing the week 4-7 bps lower, compared to Treasuries which were anywhere from 1 bp lower to 5 bps higher. Canadian economic data over the course of the week was mixed, with softer wholesale and retail sales for December offset by January CPI data that came in stronger than expected, with an annualized increase of 1.7% (versus consensus expectation for a 1.5% increase, although lower than 1.9% increase in December). The market will now turn its attention to the 2018 Federal Budget to be presented on Tuesday, while the futures market is currently pricing in a ~13% probability of a rate hike at the Bank of Canada's March 7th meeting. In the US, markets were

focused on the Fed meeting minutes released mid-week, Janet Yellen's last as Chairwoman, which were unsurprisingly hawkish in the context of the statement issued by the Fed following its last meeting. In its February 2018 Monetary Policy Report published in Washington on Friday, the Fed indicated that the "labour market in early 2018 appears to be near or a little beyond full employment" while noting the labour force participation rate has been mostly unchanged over the past four years. New Fed Chair Jerome Powell is scheduled to preside over his first FOMC meeting on March 21, for which the market is pricing in a ~99% probability of a rate hike.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.78%	▼ 4
5yr	2.05%	▼ 6
10yr	2.25%	▼ 7
30yr	2.40%	▼ 6

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.24%	▲ 5
5yr	2.62%	▼ 1
10yr	2.87%	▼ 1
30yr	3.16%	▲ 2

MARKET IMPLIED BOC RATES

Market Implied Rates

Meeting	Implied Rate
March 7, 2018	1.2592
April 18, 2018	1.3961
May 30, 2018	1.4687

SWAPS

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	35.75	▲ 0.25
3yr	40.25	▲ 0.25
5yr	35.50	▲ 0.50
7yr	36.00	▲ 0.25
10yr	35.75	▲ 1.00
30yr	33.25	▲ 0.25

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Tue, Feb 27	Finance Minister Morneau Delivers Canada's Federal Budget	--	--
Thu, Mar 1	Current Account Balance	--	-$19.35b
Thu, Mar 1	Markit Canada Manufacturing PMI	--	55.9
Fri, Mar 2	Quarterly GDP Annualized	2.1%	1.7%
US Economic Data			
Tue, Feb 27	Conf. Board Consumer Confidence	126.0	125.4
Tue, Feb 27	Fed's Powell Testifies to House Financial Services Committee	--	--
Wed, Feb 28	GDP Annualized QoQ	2.5%	2.6%
Thu, Mar 1	Personal Income	0.3%	0.4%
Thu, Mar 1	Personal Spending	0.2%	0.4%
Thu, Mar 1	Initial Jobless Claims	226k	222k
Thu, Mar 1	Continuing Claims	1915k	1875k
Thu, Mar 1	Markit US Manufacturing PMI	55.8	55.9
International Economic Data			
Tue, Feb 27	Eurozone M3 Money Supply YoY	4.6%	4.6%
Tue, Feb 27	Germany CPI YoY	1.5%	1.6%
Wed, Feb 28	France GDP YoY	2.4%	2.4%
Wed, Feb 28	Germany Unemployment Change (000's)	-15k	-25k
Wed, Feb 28	Eurozone CPI Estimate YoY	1.2%	1.3%
Thu, Mar 1	Eurozone Unemployment Rate	8.6%	8.7%
Thu, Mar 1	Japan Jobless Rate	2.8%	2.8%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Algonquin Power & Utilities, AltaGas, Bank of Montreal, Bank of Nova Scotia, Canadian Natural Resources, Cascades, Crescent Point Energy, First National Financial, George Weston, Granite REIT, Husky Energy, Kinaxis, Laurentian Bank of Canada, National Bank of Canada, PrairieSky Royalty, Ritchie Bros Auctioneers, Toronto-Dominion Bank, TransAlta, Valeant Pharmaceuticals International, Vermilion Energy, WSP Global

US

American Tower, AutoZone, Best Buy Co, Discovery Communications, Lowe's Cos, Macy's, Priceline Group, salesforce.com, Sempra Energy, Square, TJX, Universal Health Services, Valeant Pharmaceuticals International

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Term	Yield (%)	1 Week Δ (bps)
2yr	2.24%	▲ 5
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10yr	2.87%	▼ 1
30yr	3.16%	▲ 2

Market Implied Rates

Meeting	Implied Rate
March 7, 2018	1.2592
April 18, 2018	1.3961
May 30, 2018	1.4687

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	35.75	▲ 0.25
3yr	40.25	▲ 0.25
5yr	35.50	▲ 0.50
7yr	36.00	▲ 0.25
10yr	35.75	▲ 1.00
30yr	33.25	▲ 0.25

Date	Release	Survey	Prior
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Thu, Mar 1	Eurozone Unemployment Rate	8.6%	8.7%
Thu, Mar 1	Japan Jobless Rate	2.8%	2.8%

-- Confidential --

Bank Name	RBC
Date	27-Feb-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.41%	2.41%	2.39%	2.34%	2.10%	1.90%	-6.9	-7.7	-	-	-	-
Curve Adjustment (bp)	0.0	0.4	5.4	1.7	3.5	5.2	-	0.1	0.3	0.1	-	-
Spread to GoC Curve (bp)	96	95	95	87	63	49	1.0	-	-	2.0	-	-1.0
Re-Offered Yield	3.37%	3.37%	3.39%	3.23%	2.76%	2.44%	-5.9	-7.6	0.3	2.1	-	-1.0
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	-0.0	-0.0	0.0	0.0	-	-0.0
All-in Yield	**3.40%**	**3.40%**	**3.43%**	**3.27%**	**2.84%**	**2.53%**	-5.9	-7.6	0.3	2.1	-	-1.0

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72	72	64	40	26	1.0	-	-	2.0	-	-1.0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	37	28	18				-	-	-
City of Toronto (AA/Aa1/AA)	98	98	93	82	56	42	-	-	-	-	-	-
Hydro One Inc. (A(H)/A3/A)	128	n/a	n/a	89	60	52	-			-	-	-
Ontario Power Generation Inc. (A(low)/-/BBB+)	153	n/a	n/a	111	82	73	-			-	-	-
Toronto Hydro Corporation (A/-/A)	120	n/a	n/a	85	57	50	-1.0			-	-	-
Canadian National Railway Co (A/A2/A)	123	n/a	n/a	85	64	56	-			-	-	-
Greater Toronto Airports Authority (A(high)/Aa3/A+)	95	n/a	n/a	76	55	45	2.0			-	-	-
NAV Canada (AA(low)/Aa2/AA-)	94	n/a	n/a	78	58	50	1.0			-	-	-

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.41%	2.41%	2.39%	2.34%	2.10%	1.90%						
Curve Adjustment (bp)	0.0	0.4	5.4	1.7	3.5	5.2						
Spread to GoC Curve (bp)	124	123	123	115	91	77	1.0	-	-	2.0	-	-1.0
Re-Offered Yield	3.65%	3.65%	3.67%	3.51%	3.04%	2.72%	-5.9	-7.6	0.3	2.1	-	-1.0
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.7	-0.02	-0.02	0.00	0.00	-	-0.00
All-in Yield	**3.68%**	**3.68%**	**3.71%**	**3.55%**	**3.12%**	**2.81%**	-5.9	-7.6	0.3	2.1	-	-1.0

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72	72	64	40	26	1.0	-	-	2.0	-	-1.0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	68	44	n/a				-	-	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.41%	2.41%	2.39%	2.34%	2.10%	1.90%						
Curve Adjustment (bp)	0.0	0.4	5.4	1.7	3.5	5.2						
Spread to GoC Curve (bp)	156	155	155	147	123	109	1.0	-	-	2.0	-	-1.0
Re-Offered Yield	3.97%	3.97%	3.99%	3.83%	3.36%	3.04%	-5.9	-7.6	0.3	2.1	-	-1.0
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	-0.02	-0.02	0.00	0.00	-	-0.00
All-in Yield	**4.00%**	**4.00%**	**4.03%**	**3.88%**	**3.44%**	**3.13%**	-5.9	-7.6	0.3	2.1	-	-1.0

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72	72	64	40	26	1.0	-	-	2.0	-	-1.0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year

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From:	Egberts, Adam
To:	"john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"
Cc:	Brown, Rob; Schoroth, Joseph; Murray, Tim; Laham, Chris; Benaiah, Ian; Taylor, Brent R; Malhi, Harman; Wallace, Daphne
Subject:	Fair Hydro Weekly Pricing
Date:	Tuesday, March 20, 2018 6:21:06 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png FHP_RBC_20180320.xlsx

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Please find attached this week's Fair Hydro pricing indications.

From: Egberts, Adam
Sent: March 19, 18 6:26 PM
To: 'john.s.lee@opg.com' ; 'ken.hartwick@opg.com' ; 'OPG - Treasury Group,' ; 'Sheen.Liu@opg.com' ; 'Kevin.Shvarts@ofina.on.ca' ; 'Linda.Smith@ofina.on.ca' ; 'ken.ryfa@opg.com' ; 'brett.kichiy@ofina.on.ca' ; 'j.hahnparker@opg.com' ; 'matthew.go@opg.com' ; 'Ricky.Lai@ofina.on.ca' ; 'aiman.el-nahas@opg.com'
Cc: Brown, Rob ; Egberts, Adam ; Schoroth, Joseph ; Murray, Tim ; Wallace, Daphne
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, March 19, 2018

The Canadian corporate primary market saw two issues priced for C$1.6 billion of aggregate proceeds despite many investors being away on account of the Ontario school holidays. RBC acted as sole agent and bookrunner on the only league table eligible transaction of the week, a C$115 million 33-year amortizer for Vancouver Fuel Facilities Corporation that marked the first non-financial "A" category rated corporate bond in 2018. The transaction was narrowly placed and follows successful bond transactions by fuel facility corporations operating at airports in Calgary, Montreal and Toronto in previous years. Also on the week, TD Bank re-opened its March 2022 deposit note for C$1.5 billion. On the marketing front, RBC hosted international roadshows for Fairfax Financial in Europe and Parkland Fuel in the US, and also announced a fixed income investor update call for Sydney Airport which is scheduled to take place on March 20th. From a general market tone perspective, the overall credit spread environment was unchanged to modestly softer heading into the weekend, with thin liquidity on account of school holidays as well as the market continuing to digest elevated supply volumes in recent weeks, which has driven new issue concessions marginally higher. However, investor appetite for corporate product in both primary and secondary markets remains healthy and issuers are encouraged to monitor the market for windows of stable tone.

In the secondary market, activity was light with bank paper being the most active with both deposit notes and NVCC paper trading two-way throughout the week, while infrastructure and utility paper also traded primarily in the long end of the curve. Midstream and pipeline names were highly topical in the tail end of the week on the back of the Federal Energy Regulatory Commission (FERC)'s revised policy statement, under which it will no longer allow US MLPs to recover an income tax

allowance in cost-of-service rates for interstate natural gas and oil pipelines. Although many Canadian-based midstream issuers have limited to no exposure to US MLPs, spreads in the space exhibited modest knee-jerk widening on the back of the announcement with the selloff in equities spilling over into the bond market, although long-term spread implications are expected to be minimal for most issuers.

The Government market saw C$5.3 billion of issuance on the week across two transactions. Canada Housing Trust completed a C$5 billion new 5-year offering, while Province of New Brunswick issued a 10-year re-opening for C$300 million to complete its borrowing program for GY17/18. Expect domestic issuance to remain lighter over the coming weeks as issuers enter budget blackout periods and remain in strong funding positions. In secondary markets, trading volumes were decent as new issue activity spurred the secondary market. Two-way trading was seen across the curve as spreads ended the week 2-3bps tighter in provincials and relatively flat in CMBs.

EQUITY MARKET UPDATE

North American equity markets were mixed to end the week. US indices underperformed over the course of the week, closing 1.0% to 1.5% lower, with persistent worries regarding a potential global trade war on the back of the new protective tariffs imposed by the Trump administration on steel and aluminum, while President Trump's firing of Rex Tillerson as Secretary of State also weighed on sentiment mid-week. Tech stocks were also topical, with a broad-based selloff of stocks in the sector after the White House blocked Broadcom's $117 billion bid to purchase Qualcomm, citing national security concerns. North of the border, the TSX was up by 0.9%, with mixed performance across sectors despite persistent trade uncertainties. Energy stocks underperformed on the back of the FERC announcement, despite oil rising $0.30 on the week to $62.34/bbl on the back of data showing a fall in production among OPEC members. Also on the week, gold fell 0.7% to $1,314.24/oz while the US dollar gained 2.2% against the loonie.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,711	▲	0.9%
DJA	24,947	▼	1.5%
S&P 500	2,752	▼	1.2%
NASDAQ	7,482	▼	1.0%
Oil	$62.34	▲	$0.30
Gold	$1,314.24	▼	$9.69
USDCAD	1.3096	▲	2.2%

CANADIAN NEW ISSUES

Corporates

Wednesday, March 14 - Vancouver Airport Fuel Facilities Corporation (-/A2/-) – C$115 million 33-year (20 year WAL) amortizing bond due 2051 at GoC +130 bps

Thursday, March 15 - Toronto Dominion Bank (AA/Aa2/AA-) – C$1.5 billion 1.994% March 2022 deposit note re-opening at CAN 0.5% Mar22 +66bps (C$3 billion outstanding)

Governments

Tuesday, March 13 – Province of New Brunswick (A(H)/Aa2/A+) – C$300 million 2.35% August 2027 re-opening at GoC +72.0 bps

Wednesday, March 14 - Canada Housing Trust (AAA/Aaa/AAA) – C$5 billion 2.35% 5-year notes due June 2023 at CAN 1.75% 1Mar23 +32.5bps

NORTH AMERICAN RATES UPDATE

North American bond yields were mostly lower in a politically-charged week, with yield curves flattening on either side of the border. In Canada, during what was otherwise a quiet week from a data perspective, Bank of Canada governor Poloz delivered a dovish speech on Tuesday in which he discussed continued slack in the labour market and suggested the pace of future interest rate hikes may become more gradual, noting "the Canadian economy is carrying untapped potential that could prolong the expansion without causing inflation pressures". Market implied odds for a BoC rate hike in April fell to~30% following Governor Poloz's address, down from 43% where they had been the day prior. In the US, where President Trump replaced Gary Cohn with former Wall Street economist Larry Kudlow as his top economic advisor in the wake of alleged disagreement on the topic of Trump's new steel and aluminum import tariffs, political developments continued to be in focus for

markets throughout the week with Tuesday's CPI release coming in largely in line with market estimates. The March 21st FOMC meeting, Jerome Powell's first as Fed Chair, is virtually unanimously expected to result in a rate hike, with the futures market pricing in a ~100% probability of such.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.76%	▼ 7
5yr	1.98%	▼ 10
10yr	2.14%	▼ 13
30yr	2.29%	▼ 16

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.29%	▲ 3
5yr	2.64%	▼ 1
10yr	2.84%	▼ 5
30yr	3.08%	▼ 8

MARKET IMPLIED BOC RATES

Market Implied Rates

Meeting	Implied Rate
April 18, 2018	1.2950
May 30, 2018	1.3950
July 11, 2018	1.4566

SWAPS

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	37.00	▼ 1.00
3yr	42.00	▼ 0.50
5yr	38.50	▼ 1.00
7yr	38.75	▼ 0.50
10yr	38.75	unch
30yr	34.75	▼ 0.25

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Tue, Mar 20	Wholesale Trade Sales MoM	0.1%	-0.5%
Fri, Mar 23	CPI NSA MoM	0.4%	0.7%
Fri, Mar 23	Retail Sales MoM	1.0%	-0.8%
US Economic Data			
Wed, Mar 21	MBA Mortgage Applications	--	0.9%
Wed, Mar 21	Existing Home Sales	5.40m	5.38m
Wed, Mar 21	FOMC Rate Decision	1.75%	1.50%
Thu, Mar 22	Initial Jobless Claims	225k	226k
Thu, Mar 22	Continuing Claims	1873k	1879k
Thu, Mar 22	Markit US Manufacturing PMI	55.6	55.3
Thu, Mar 22	Leading Index	0.5%	1.0%
Fri, Mar 23	Durable Goods Orders	1.7%	-3.6%
Fri, Mar 23	New Home Sales	625k	593k
International Economic Data			
Tue, Mar 20	UK CPI YoY	2.8%	3.0%
Tue, Mar 20	UK PPI Output NSA MoM	0.1%	0.1%
Tue, Mar 20	Eurozone Consumer Confidence	0.0	0.1
Wed, Mar 21	UK ILO Unemployment Rate	4.4%	4.4%
Wed, Mar 21	Australia Unemployment Rate	5.5%	5.5%
Thu, Mar 22	Markit Eurozone Manufacturing PMI	58.1	58.6
Thu, Mar 22	UK Retail Sales Ex Auto Fuel MoM	0.4%	0.1%
Thu, Mar 22	Japan National CPI YoY	1.5%	1.4%
Thu, Mar 22	BoE MPC Rate Decision	0.5%	0.5%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Alimentation Couche-Tard, Boyd Group Income Fund, BRP, Fiera Capital, Power Corp of Canada, Power Financial, Wheaton Precious Metals

US

Conagra Brands, FedEx, General Mills, Micron Technology, NIKE, Oracle

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USDCAD	1.3096	▲	2.2%

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2yr	2.29%	▲ 3
5yr	2.64%	▼ 1
10yr	2.84%	▼ 5
30yr	3.08%	▼ 8

Market Implied Rates

Meeting	Implied Rate
April 18, 2018	1.2950
May 30, 2018	1.3950
July 11, 2018	1.4566

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	37.00	▼ 1.00
3yr	42.00	▼ 0.50
5yr	38.50	▼ 1.00
7yr	38.75	▼ 0.50
10yr	38.75	unch
30yr	34.75	▼ 0.25

Date	Release	Survey	Prior
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US Economic Data			
Wed, Mar 21	MBA Mortgage Applications	--	0.9%
Wed, Mar 21	Existing Home Sales	5.40m	5.38m
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Thu, Mar 22	Japan National CPI YoY	1.5%	1.4%
Thu, Mar 22	BoE MPC Rate Decision	0.5%	0.5%

-- Confidential --

Bank Name	RBC
Date	20-Mar-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.31%	2.30%	2.22%	2.17%	2.01%	1.90%	-10.3	-10.3	-6.9	-6.4	-5.4	-4.4
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	0.4	-	-	-1.1	-0.2	-	0.2
Spread to GoC Curve (bp)	96	96	94	86	64	50	-3.0	-2.0	-4.0	-2.0	-1.0	-
Re-Offered Yield	3.27%	3.26%	3.20%	3.05%	2.65%	2.40%	-13.3	-12.3	-12.0	-8.6	-6.4	-4.2
Commission (bp)	2.6	3.4	3.8	4.7	7.5	8.7	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
All-in Yield	**3.30%**	**3.30%**	**3.23%**	**3.10%**	**2.73%**	**2.49%**	-13.3	-12.3	-12.0	-8.6	-6.4	-4.2

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	73	71	63	41	27	-2.5	-2.0	-4.0	-2.5	-0.5	-

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	40	29	18				2.0	-1.0	-0.5
City of Toronto (AA/Aa1/AA)	96	95	90	80	57	41	-2.0	-2.0	-3.5	-1.0	-0.5	-
Hydro One Inc. (A(H)/A3/A)	135	n/a	n/a	95	65	55	1.0			2.0	2.0	2.0
Ontario Power Generation Inc. (A(low)/-/BBB+)	160	n/a	n/a	118	87	76	3.0			3.0	3.0	3.0
Toronto Hydro Corporation (A/-/A)	130	n/a	n/a	92	62	52	5.0			3.0	3.0	2.0
Canadian National Railway Co (A/A2/A)	132	n/a	n/a	91	67	59	2.0			1.0	-	-
Greater Toronto Airports Authority (A(high)/Aa3/A+)	104	n/a	n/a	83	60	50	2.0			1.0	-1.0	-1.0
NAV Canada (AA(low)/Aa2/AA-)	98	n/a	n/a	78	58	50	1.0			4.0	1.0	-

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.31%	2.30%	2.22%	2.17%	2.01%	1.90%						
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	0.4						
Spread to GoC Curve (bp)	124	124	122	114	92	78	-3.0	-2.0	-4.0	-2.0	-1.0	-
Re-Offered Yield	3.55%	3.54%	3.48%	3.33%	2.93%	2.68%	-13.3	-12.3	-12.0	-8.6	-6.4	-4.2
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	-0.05	-0.04	-0.03	-0.02	-0.01	-0.01
All-in Yield	**3.58%**	**3.58%**	**3.51%**	**3.38%**	**3.01%**	**2.77%**	-13.3	-12.3	-12.0	-8.6	-6.4	-4.2

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	73	71	63	41	27	-2.5	-2.0	-4.0	-2.5	-0.5	-

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	n/a	n/a	n/a	67	43	n/a				-	-2.0	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.31%	2.30%	2.22%	2.17%	2.01%	1.90%						
Curve Adjustment (bp)	0.0	0.6	3.8	1.8	0.1	0.4						
Spread to GoC Curve (bp)	156	156	154	146	124	110	-3.0	-2.0	-4.0	-2.0	-1.0	-
Re-Offered Yield	3.87%	3.86%	3.80%	3.65%	3.25%	3.00%	-13.3	-12.3	-12.0	-8.6	-6.4	-4.2
Commission (bp)	2.8	3.6	4.0	4.8	7.7	8.8	-0.05	-0.04	-0.03	-0.02	-0.01	-0.01
All-in Yield	**3.90%**	**3.90%**	**3.84%**	**3.70%**	**3.33%**	**3.09%**	-13.3	-12.3	-12.0	-8.6	-6.4	-4.2

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	73	71	63	41	27	-2.5	-2.0	-4.0	-2.5	-0.5	-

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From:	Wallace, Daphne
To:	"john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"
Cc:	Brown, Rob; Laham, Chris; Khan, Nur; Benaiah, Ian; Taylor, Brent R; Egberts, Adam; Kletinich, Jenny
Subject:	Fair Hydro Weekly Pricing
Date:	Tuesday, February 13, 2018 5:02:24 PM
Attachments:	image003.png image004.png image005.png image006.png image007.png image008.png header.htm FHP_RBC_20180213.xlsx

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Please find attached this week's Fair Hydro pricing indications.
Regards,
Daphne
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From: Kletinich, Jenny
Sent: February 12, 18 6:14 PM
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Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, February 12, 2018

Canadian corporate primary market activity was relatively modest last week but notably featured Canada's first issue of utility cost-recovery bonds from Fair Hydro Trust. The issuer priced its debut C$500 million ~15 year senior notes on Tuesday capitalizing on strong investor appetite for high quality names and also benefited from the cross-country investor marketing efforts a week prior. The notes were well received by the investor base and achieved strong oversubscription and broad distribution despite a soft backdrop in broader financial markets. Of note, Rogers Communications accessed the US$ market on Monday with a US$750 million 30-year offering with RBC Capital Markets acting as Joint Active Bookrunner, which marks the issuer's first bond deal since November 2016. The offering was very well-received by investors south of the border, upsized on the back of a well oversubscribed final orderbook and broadly distributed across a wide range of institutional

investors. Despite the soft backdrop in equities, the US$ notes successfully priced at the tight-end of the marketed range and notably achieved final pricing in line with secondary levels. While primary market activity slowed last week in light of heightened volatility and continued weakness in equity markets, new issue activity is expected to resume on an opportunistic basis as markets stabilize and the pipeline for corporate new issues continues to build in Canada.

The secondary market was very active last week and characterized by a net selling bias to start the week with more balanced flows throughout and a net buying bias to close the week. Deposit notes saw the most activity in the short-end with heavier selling flows on Monday and Tuesday, while the rest of the week was more balanced. Auto finance and select telecom credits as well as energy names were the most active among corporates on the week with good two-way trading flow seen through the last few sessions with a particular focus in the short-end and belly of the curve. On the week, corporate credit spreads generally closed 5 bps wider.

The Government market saw C$2.4 billion of issuance across 3 provincial transactions. Province of Ontario completed a new C$1.5 billion 5-year benchmark in the Canadian market to bring their total borrowing this fiscal year to ~C$33.6 billion equiv., Nova Scotia completed two FRN tranches for C$425 million, and Quebec issued a C$500 million 10-year. Looking into next week, CMB is expected to launch their first deal of 2017 with a benchmark sized 10-year fixed rate and a 5-year FRN. Secondaries were well traded during a volatile week in North American markets, with better selling in provincials and CMBs. Spreads backed up modestly in provincials, moving 1.5-3bps wider while CMBs were 1-1.5bp wider.

EQUITY MARKET UPDATE

Broad market volatility continued over the course of last week with North American equity markets experiencing their worst week in over two years after gyrating between multi-percentage point gains to three-month lows over the course of the last six trading sessions. Recent strength in US employment numbers precipitated a selloff in US Treasuries as the prospect of an accelerated rate hike schedule from the Fed plunged equity markets into a correction. The Dow Jones and S&P 500 both fell 5.2% to touch the lowest levels since November 2017 and breaking intraday records for losses. Volatility in equity markets was captured in the VIX “fear index” nearly tripling to 50+ on Tuesday before moderating to a still elevated ~30 to close the week. Investors are expected to closely watch for US inflation data on Wednesday for more colour around the rate of price growth. North of the border, the S&P/TSX index also dropped by 3.7%, while major EMEA equity indices also entered a correction overseas in reaction to the pullback in US equities. In commodity markets, crude oil futures fell 9.5% dipping below $60/bbl for the first time in 2018, while gold prices fell $16.74 to close at $1,316.65/oz. In currency markets, the loonie depreciated 1.2% against the US greenback to close the week at 1.2581 USDCAD.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,035	▼	3.7%
DJA	24,191	▼	5.2%
S&P 500	2,620	▼	5.2%
NASDAQ	6,874	▼	5.1%
Oil	$59.20	▼	$6.25
Gold	$1,316.65	▼	$16.74
USDCAD	1.2581	▲	1.2%

CANADIAN NEW ISSUES

Corporates

Tue, Feb 6 – Fair Hydro Trust (AAA/Aa2/-) – C$500 million 15.25 year senior notes at GoC+92bps

Governments

Tue, Feb 6 – Province of Ontario (AA(L)/Aa2/A+) – C$1.5 billion new unsecured senior notes at GoC+45bps

Tue, Feb 6 – Province of Nova Scotia (A(H)/-/-) – C$425 million re-opening of November 2022 and November 2024 floating rate notes

Wed, Feb 7 – Province of Quebec (A(H)/Aa2/AA-) – C$500 million 10-year re-opening at GoC+55.5bps

NORTH AMERICAN RATES UPDATE

North American government bond yields whipsawed last week as the expectation for acceleration in policy tightening from the Fed (in reaction to strong domestic fundamentals) precipitated a sell-off in Treasuries, followed by a risk off trade back into safe haven securities as broader risk markets plummeted. In the US, the Treasury curve steepened significantly with the 2 and 5 year benchmark yields falling 5-7 bps, while the 10-year yield closed 1 bp higher and the 30-year yield rose 7 bps. The stark volatility was evident in the short-end of the curve with the 2-year Treasury yield falling 23bps from 2.18%, its highest level since 2008, to 1.95% over the course of just two sessions. The market implied probability of an interest rate hike from the Fed at the next meeting in March fell from 93% at the end of the prior week to ~85% on Friday, despite continued pressure on the Fed to hike after a ~$300 billion spending package was signed into law this month to juice a US economy already stimulated by a tax cut agenda. North of the border, the Government of Canada curve moved in parallel to its US counterpart as the short-end of the curve fell 6 bps, while the 10-year yield fell 1 bp and the long-end of the curve rose 6 bps. Canada OIS markets cut the odds of a Bank of Canada rate hike by half from ~35% at the start of the month to 15% to close the week, especially following one of the worst domestic jobs reports since the 2008 financial crisis (-88k act; 10k est). In Canadian swaps, the short-end rose 0.25-0.5bps, while the belly rose 2.25-2.75bps and the long-end rose 0.5bps.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.79%	▼ 6
5yr	2.08%	▼ 6
10yr	2.35%	▼ 1
30yr	2.50%	▲ 6

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.07%	▼ 7
5yr	2.54%	▼ 5
10yr	2.85%	▲ 1
30yr	3.16%	▲ 7

MARKET IMPLIED BOC RATES

Market Implied Rates

Meeting	Implied Rate
March 7, 2018	1.2642
April 18, 2018	1.3861
May 30, 2018	1.4712

SWAPS

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	37.00	▲ 0.25
3yr	42.25	▲ 0.50
5yr	40.00	▲ 2.25
7yr	39.50	▲ 2.75
10yr	37.00	▲ 2.25
30yr	37.75	▲ 0.50

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Thu, Feb 15	Existing Home Sales MoM	--	4.5%
Fri, Feb 16	Manufacturing Sales MoM	0.3%	3.4%
US Economic Data			
Wed, Feb 14	CPI MoM	0.3%	0.1%
Wed, Feb 14	Retail Sales Advance MoM	0.2%	0.4%
Thu, Feb 15	Initial Jobless Claims	228k	221k
Thu, Feb 15	Continuing Claims	1928k	1923k
Thu, Feb 15	PPI Final Demand MoM	0.4%	-0.1%
Thu, Feb 15	Industrial Production MoM	0.2%	0.9%
Fri, Feb 16	Housing Starts	1231k	1192k
Fri, Feb 16	U. of Mich. Sentiment	95.5	95.7
International Economic Data			
Tue, Feb 13	UK CPI MoM	-0.6%	0.4%
Tue, Feb 13	Japan GDP QoQ	0.2%	0.6%
Wed, Feb 14	Germany GDP QoQ	0.6%	0.8%
Wed, Feb 14	Germany CPI MoM	-0.7%	-0.7%
Wed, Feb 14	Euro Area GDP QoQ	0.6%	0.6%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Agnico Eagle Mines, Air Canada, Allied Properties REIT, Barrick Gold, Bombardier, Brookfield Asset Management, Canadian Tire, Capital Power, Cenovus Energy, Choice Properties REIT, Chorus Aviation, CI Financial, Colliers International Group, Constellation Software, Enbridge, Encana, Fairfax Financial Holdings, First Capital Realty, First Quantum Minerals, Fortis, Goldcorp, H&R REIT, Hydro One, Industrial Alliance, Inter Pipeline, Kinross Gold, Restaurant Brands International, RioCan REIT, Russel Metals, Sun Life Financial, Teck Resources, TransCanada

US

Campbell Soup, CBS, Coca-Cola, Deere, Iron Mountain, Kraft Heinz, MetLife, Molson Coors Brewing, PepsiCo, Spectra, Waste Management, Western Union

Regards,

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GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.79%	▼ 6
5yr	2.08%	▼ 6
10yr	2.35%	▼ 1
30yr	2.50%	▲ 6

UST

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2yr	2.07%	▼ 7
5yr	2.54%	▼ 5
10yr	2.85%	▲ 1
30yr	3.16%	▲ 7

Market Implied Rates

Meeting	Implied Rate
March 7, 2018	1.2642
April 18, 2018	1.3861
[redacted] May 30, 2018	1.4712

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	37.00	▲ 0.25
3yr	42.25	▲ 0.50
5yr	40.00	▲ 2.25
7yr	39.50	▲ 2.75
10yr	37.00	▲ 2.25
30yr	37.75	▲ 0.50

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Wed, Feb 14	Germany CPI MoM	-0.7%	-0.7%
Wed, Feb 14	Euro Area GDP QoQ	0.6%	0.6%

-- Confidential --

Bank Name	RBC
Date	13-Feb-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	**2.47%**	**2.48%**	**2.37%**	**2.32%**	**2.06%**	**1.85%**	-2.4	-2.3	-6.6	-7.3	-8.2	-7.2
Curve Adjustment (bp)	**0.0**	**0.2**	**5.6**	**1.6**	**3.4**	**5.5**	-	-	2.3	0.3	-0.1	-1.1
Spread to GoC Curve (bp)	**96**	**98**	**96**	**84**	**70**	**53**	2.0	2.5	3.5	1.5	1.5	8.0
Re-Offered Yield	3.43%	3.46%	3.38%	3.17%	2.79%	2.43%	-0.4	0.2	-0.8	-5.5	-6.8	-0.3
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	-0.0	0.0	-0.0	-0.0	-0.0	-0.0
All-in Yield	**3.46%**	**3.49%**	**3.42%**	**3.22%**	**2.86%**	**2.52%**	-0.4	0.2	-0.8	-5.5	-6.8	-0.3

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	**72**	**74**	**72**	**60**	**46**	**29**	2.0	3.0	3.5	1.5	2.0	8.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**36**	**29**	**16**				-	1.0	0.5
City of Toronto (AA/Aa1/AA)	**95**	**97**	**92**	**81**	**56**	**42**	0.5	1.5	-2.0	-5.0	-	1.0
Hydro One Inc. (A(H)/A3/A)	**129**	**n/a**	**n/a**	**90**	**60**	**52**	4.0			7.0	2.0	2.0
Ontario Power Generation Inc. (A(low)/-/BBB+)	**151**	**n/a**	**n/a**	**109**	**82**	**73**	3.0			3.0	3.0	3.0
Toronto Hydro Corporation (A/-/A)	**122**	**n/a**	**n/a**	**85**	**57**	**50**	4.0			5.0	2.0	-
Canadian National Railway Co (A/A2/A)	**121**	**n/a**	**n/a**	**84**	**62**	**54**	2.0			2.0	2.0	2.0
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**90**	**n/a**	**n/a**	**73**	**52**	**41**	4.0			3.0	3.0	2.0
NAV Canada (AA(low)/Aa2/AA-)	**90**	**n/a**	**n/a**	**76**	**56**	**47**	4.0			2.0	1.0	1.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.47%	2.48%	2.37%	2.32%	2.06%	1.85%						
Curve Adjustment (bp)	0.0	0.2	5.6	1.6	3.4	5.5						
Spread to GoC Curve (bp)	**124**	**126**	**124**	**112**	**98**	**81**	5.0	5.5	6.5	4.5	4.5	11.0
Re-Offered Yield	3.71%	3.74%	3.66%	3.45%	3.07%	2.71%	2.6	3.2	2.2	-2.5	-3.8	2.7
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.7	0.01	0.01	0.01	-0.01	-0.01	0.00
All-in Yield	**3.74%**	**3.77%**	**3.70%**	**3.50%**	**3.14%**	**2.80%**	2.6	3.2	2.2	-2.5	-3.8	2.7

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	74	72	60	46	29	2.0	3.0	3.5	1.5	2.0	8.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**68**	**43**	**n/a**				17.0	10.0	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.47%	2.48%	2.37%	2.32%	2.06%	1.85%						
Curve Adjustment (bp)	0.0	0.2	5.6	1.6	3.4	5.5						
Spread to GoC Curve (bp)	**156**	**158**	**156**	**144**	**130**	**113**	17.0	17.5	18.5	16.5	16.5	23.0
Re-Offered Yield	4.03%	4.06%	3.98%	3.77%	3.39%	3.03%	14.6	15.2	14.2	9.5	8.2	14.7
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	0.05	0.05	0.04	0.02	0.02	0.02
All-in Yield	**4.06%**	**4.09%**	**4.02%**	**3.82%**	**3.46%**	**3.12%**	14.7	15.2	14.2	9.5	8.2	14.7

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	74	72	60	46	29	2.0	3.0	3.5	1.5	2.0	8.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From:	Egberts, Adam
To:	"john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"
Cc:	Brown, Rob; Schoroth, Joseph; Murray, Tim; Laham, Chris; Khan, Nur; Benaiah, Ian; Taylor, Brent R
Subject:	Fair Hydro Weekly Pricing
Date:	Tuesday, March 13, 2018 5:50:28 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png FHP_RBC_20180313.xlsx

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Please find attached this week's Fair Hydro pricing indications.

From: Egberts, Adam
Sent: March 12, 18 7:28 PM
To: 'john.s.lee@opg.com' ; 'ken.hartwick@opg.com' ; 'OPG - Treasury Group,' ; 'Sheen.Liu@opg.com' ; 'Kevin.Shvarts@ofina.on.ca' ; 'Linda.Smith@ofina.on.ca' ; 'ken.ryfa@opg.com' ; 'brett.kichiy@ofina.on.ca' ; 'j.hahnparker@opg.com' ; 'matthew.go@opg.com' ; 'Ricky.Lai@ofina.on.ca' ; 'aiman.el-nahas@opg.com'
Cc: Brown, Rob ; Egberts, Adam ; Schoroth, Joseph ; Murray, Tim ; Wallace, Daphne
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, March 12, 2018

The Canadian corporate primary market was active last week with ~C$2.6 billion of aggregate supply priced across 4 transactions spanning a range of sectors, with RBC acting as joint bookrunner on 3 of the 4 trades. The highlight of the week was Choice Properties' C$1.3 billion dual-tranche senior offering to fund the REIT's previously announced acquisition of CREIT, marking the largest REIT debt deal on record in Canada. The deal followed a well-received fixed income investor roadshow earlier in the week, generating additional momentum to build a strong orderbook and allowing the notes to upsize. Also on the week, Bell Canada returned to the market with a successful C$500 million 7-year while the high yield sector was also active with Russel Metals pricing a C$150 million 8NC3 senior unsecured notes offering with RBC as Lead Left. Rounding out supply, Mondelez International priced a C$600 million 7-year to bring total Maple supply to C$2.75 billion year-to-date. On the marketing front, RBC announced a fixed income investor roadshow for BPCE Group, the second-largest banking group in France, to take place during the week of March 26th in Montreal and Toronto. From a tone perspective, the week's new issues were well received by the investor base despite headlines surrounding US President Trump's recently proposed tariffs on steel and aluminum imports and the looming risk of a trade war weighted negatively on markets through the week. However, there was some relief on Thursday with Trump's signing of tariff orders, which came with temporary exemptions for Canada and Mexico and possible exclusions for other countries; the "watering down" of measures helped to buoy sentiment into the close on Friday. Looking ahead, while tone remains constructive for new issuance, the pipeline is expected to be light heading into the historically quiet March school holiday period.

The corporate secondary market continued to experience solid volumes last week with better buying

overall. Notable activity included some two-way trading in shorter-dated deposit notes, along with sizable flow in front-end financial and telecom credits. On the week, corporate credit spreads generally closed 2 bps wider.

The Government market remained active this week with ~C$370 million priced in new issue supply. On the municipal front, Regional Municipality of Halton completed a C$26.3 million serial offering, which was followed by a C$53.3 million 1-10 year serial from Regional Municipality of Peel. In the Provincial space, Newfoundland priced a C$300 million re-opening of their 2048 maturity. Issuance is expected to slow over the next week as issuers near their budget blackout periods and remain in strong funding position. Of note, the Province of Ontario announced this week that it would release its budget for the upcoming fiscal year on March 28th. The secondary market saw active flows in both the CMB and Provincial space with the majority of volume occurring in the front end of the curve. Spreads continued to push wider with Provincial levels ending ~3 bps wider in the front end and 1 bp wider in longs while 5-year CMBs traded 1 bp wider.

EQUITY MARKET UPDATE

North American equities rose last week despite experiencing another week of volatility as tariff gyrations continued and other political headlines including the departure of Trump's top economic advisor Gary Cohn soured market sentiment mid-week. Nonetheless, markets were able to find some relief to close the week after Trump's signing of tariff orders on Thursday set aside some imminent risks. In the US, the Dow Jones and S&P 500 indexes both closed higher by 3.3% and 3.5%, respectively, while the Canadian S&P/TSX also rose by 1.3%. Notwithstanding the rally, broad equity markets remain on a cautious footing given the upped stakes surrounding ongoing NAFTA negotiations and implications they may have on Trump's cross-border policies. The commodity sectors posted gains on the week as well with crude oil up $0.83 to $62.08/bbl, while gold rallied $0.84 to close the week at $1,323.59/oz. In currency markets, the Canadian dollar appreciated 0.5% against the US greenback to close the week at 1.2813 USDCAD.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,578	▲	1.3%
DJA	25,336	▲	3.3%
S&P 500	2,787	▲	3.5%
NASDAQ	7,561	▲	4.2%
Oil	$62.08	▲	$0.83
Gold	$1,323.59	▲	$0.84
USDCAD	1.2813	▼	0.5%

CANADIAN NEW ISSUES

Corporates

Mon, Mar 5 – Mondelez International (-/Baa1/BBB) – C$600 million 3.25% 7-year senior unsecured notes at GoC +120bps

Tue, Mar 6 – Choice Properties REIT (BBB/-/BBB) – C$1.3 billion dual-tranche senior unsecured notes consisting of C$550 million 3.556% 6.5-years at GoC +145bps and C$750 million 4.178% 10-years at GoC+195bps

Wed, Mar 7 – Bell Canada (BBB(H)/Baa1/BBB+) – C$500 million 3.35% 7-year senior unsecured notes at GoC+120bps

Fri, Mar 9 – Russel Metals (-/Ba3/BB+) – C$150 million 6.00% 8NC3 senior unsecured notes

Governments

Mon, Mar 5 – Regional Municipality of Halton (-/Aaa/AAA) – C$26.3 million 1-15 year Serial Offering

Thu, Mar 8 – Province of Newfoundland & Labrador (A(L)/Aa3/A) – C$300 million 3.70% 30-year re-opening at GoC +105.5bps

NORTH AMERICAN RATES UPDATE

North American government bond yields rose across the board last week as headline risks surrounding tariffs seemed to subside in the near-term and as the attention of markets returned to fundamentals with labour market data on Friday showing steady improvements on both sides of the border. On the week, the GoC curve shifted higher by 6-8 bps with a slight steepening bias, while

US Treasury yields were generally 2-3 bps higher. The Bank of Canada rate announcement mid-week was fairly benign and brought no change to the policy rate as widely predicted and continued to point to a data dependent path with the economy continuing to unfold as expected. On the data front, the focus was on US payrolls which saw a strong jobs gain of +313k (E: 205k). At this time, the March 21st FOMC is virtually fully priced in for a 25bp hike and three further hikes by the end of the year as implied by Fed futures markets. In Canadian swaps, the front-end of the curve ended the week 0.25-1bps higher, while 10 and 30-years closed 1-1.25bps higher.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.83%	▲ 6
5yr	2.08%	▲ 7
10yr	2.27%	▲ 7
30yr	2.44%	▲ 8

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.26%	▲ 2
5yr	2.65%	▲ 2
10yr	2.90%	▲ 3
30yr	3.16%	▲ 2

MARKET IMPLIED BOC RATES

Market Implied Rates

Meeting	Implied Rate
April 18, 2018	1.3485
May 30, 2018	1.4208
July 11, 2018	1.5242

SWAPS

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	38.00	▲ 0.50
3yr	42.50	▲ 0.25
5yr	39.50	▲ 1.00
7yr	39.25	▲ 0.75
10yr	38.75	▲ 1.25
30yr	35.00	▲ 1.00

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Thu, Mar 15	Existing Home Sales MoM	--	-14.5%
Fri, Mar 16	Manufacturing Sales MoM	-0.9%	-0.3%
US Economic Data			
Tue, Mar 13	CPI MoM	0.2%	0.5%
Wed, Mar 14	MBA Mortgage Applications	--	0.3%
Wed, Mar 14	Retail Sales Advance MoM	0.3%	-0.3%
Wed, Mar 14	PPI Final Demand MoM	0.1%	0.4%
Thu, Mar 15	Initial Jobless Claims	225k	231k
Thu, Mar 15	Continuing Claims	1910k	1870k
Thu, Mar 15	Philadelphia Fed Business Outlook	23.0	25.8
Fri, Mar 16	Housing Starts	1288k	1326k
Fri, Mar 16	U. of Mich. Sentiment	99.0	99.7
International Economic Data			
Wed, Mar 14	Euro Area Industrial Production	-0.4%	0.4%
Wed, Mar 14	Germany CPI YoY	1.4%	1.4%
Thu, Mar 15	France CPI YoY	1.2%	1.2%
Fri, Mar 16	Euro Area CPI YoY	1.2%	1.3%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

CanniMed Therapeutics, Element Fleet Management, Empire Co, Fiera Capital, NuVista Energy, Premium Brands Holdings, Quebecor, Roots, Seven Generations Energy, Stella-Jones

US

Adobe Systems, Dick's Sporting Goods, Dollar General, Samsonite International, Tiffany & Co, Williams-Sonoma

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Oil	$62.08	▲	$0.83
Gold	$1,323.59	▲	$0.84
USDCAD	1.2813	▼	0.5%

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.83%	▲ 6
5yr	2.08%	▲ 7
10yr	2.27%	▲ 7
30yr	2.44%	▲ 8

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.26%	▲ 2
5yr	2.65%	▲ 2
10yr	2.90%	▲ 3
30yr	3.16%	▲ 2

Market Implied Rates

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Swaps

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5yr	39.50	▲ 1.00
7yr	39.25	▲ 0.75
10yr	38.75	▲ 1.25
30yr	35.00	▲ 1.00

Date	Release	Survey	Prior
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Fri, Mar 16	Euro Area CPI YoY	1.2%	1.3%

-- Confidential --

Bank Name	RBC
Date	13-Mar-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.41%	2.40%	2.29%	2.24%	2.07%	1.94%	0.1	-1.2	-9.8	-10.3	-3.1	4.1
Curve Adjustment (bp)	0.0	0.6	4.9	2.0	0.1	0.2	-	0.2	-0.5	0.3	-3.4	-5.0
Spread to GoC Curve (bp)	99	98	98	88	65	50	-	-1.0	-1.0	-1.0	-1.0	-1.0
Re-Offered Yield	3.40%	3.39%	3.32%	3.14%	2.72%	2.44%	0.1	-2.0	-11.3	-11.0	-7.5	-1.9
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	0.0	-0.0	-0.0	-0.0	-0.0	-0.0
All-in Yield	**3.43%**	**3.42%**	**3.35%**	**3.18%**	**2.79%**	**2.53%**	0.1	-2.0	-11.3	-11.0	-7.5	-1.9

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	75	65	42	27	-0.5	-1.5	-1.5	-1.0	-1.5	-1.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	38	30	19				1.0	2.0	1.0
City of Toronto (AA/Aa1/AA)	98	97	94	81	57	41	-4.0	-4.5	-5.0	-4.5	-2.5	-2.0
Hydro One Inc. (A(H)/A3/A)	134	n/a	n/a	93	63	53	3.0			1.0	1.0	-
Ontario Power Generation Inc. (A(low)/-/BBB+)	157	n/a	n/a	115	84	73	4.0			4.0	2.0	-
Toronto Hydro Corporation (A/-/A)	125	n/a	n/a	89	59	50	1.0			2.0	1.0	-
Canadian National Railway Co (A/A2/A)	130	n/a	n/a	90	67	59	5.0			3.0	1.0	1.0
Greater Toronto Airports Authority (A(high)/Aa3/A+)	102	n/a	n/a	82	61	51	3.0			3.0	3.0	3.0
NAV Canada (AA(low)/Aa2/AA-)	97	n/a	n/a	74	57	50	3.0			-4.0	-1.0	-

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.41%	2.40%	2.29%	2.24%	2.07%	1.94%						
Curve Adjustment (bp)	0.0	0.6	4.9	2.0	0.1	0.2						
Spread to GoC Curve (bp)	127	126	126	116	93	78	-	-1.0	-1.0	-1.0	-1.0	-1.0
Re-Offered Yield	3.68%	3.67%	3.60%	3.42%	3.00%	2.72%	0.1	-2.0	-11.3	-11.0	-7.5	-1.9
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.7	0.00	-0.01	-0.03	-0.03	-0.02	-0.00
All-in Yield	**3.71%**	**3.70%**	**3.64%**	**3.46%**	**3.07%**	**2.81%**	0.1	-2.0	-11.3	-11.0	-7.5	-1.9

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	75	65	42	27	-0.5	-1.5	-1.5	-1.0	-1.5	-1.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	n/a	n/a	n/a	67	45	n/a				-	-	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.41%	2.40%	2.29%	2.24%	2.07%	1.94%						
Curve Adjustment (bp)	0.0	0.6	4.9	2.0	0.1	0.2						
Spread to GoC Curve (bp)	159	158	158	148	125	110	-	-1.0	-1.0	-1.0	-1.0	-1.0
Re-Offered Yield	4.00%	3.99%	3.92%	3.74%	3.32%	3.04%	0.1	-2.0	-11.3	-11.0	-7.5	-1.9
Commission (bp)	2.9	3.7	4.0	4.8	7.7	8.8	0.00	-0.01	-0.03	-0.03	-0.02	-0.00
All-in Yield	**4.03%**	**4.02%**	**3.96%**	**3.79%**	**3.39%**	**3.13%**	0.1	-2.0	-11.3	-11.0	-7.5	-1.9

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	75	65	42	27	-0.5	-1.5	-1.5	-1.0	-1.5	-1.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From: Ricky Lai
To: Mike Manning
Cc: James Devine; Carlos Yep
Subject: Fair Hydro price indications June 4 2018.xlsx
Date: Wednesday, June 06, 2018 8:22:03 AM
Attachments: Fair Hydro price indications June 4 2018.xlsx

Good morning, please find attached this week's FHP spreads.
R

FAIR HYDRO SPREADS

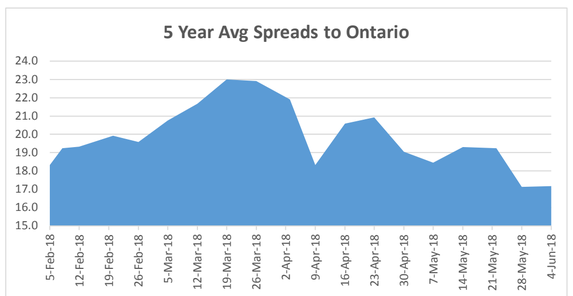
Week of June 4, 2018

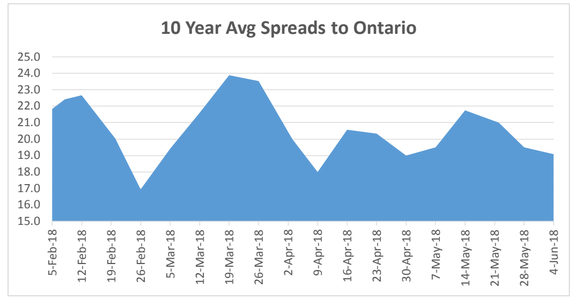
Senior Note

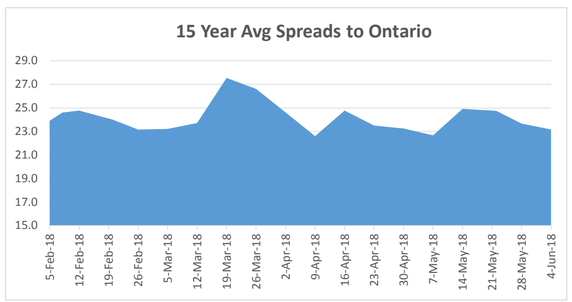
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
33.1	27.8	23.2	19.1	17.2	17.0

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	110.7	105.5	97.7	86.3	62.0	46.8
Last Week's	111.3	106.0	98.2	86.7	61.8	46.6
Change	-0.7	-0.5	-0.5	-0.3	0.2	0.2

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*TD*	*BMO*	*TD*	*TD*
	99.0	98.0	92.0	83.0	55.0	40.0
Maximum	*GS*	*GS*	*GS*	*CIBC*	*RBC*	*CIBC*
	132.0	122.0	107.0	88.0	67.0	51.0





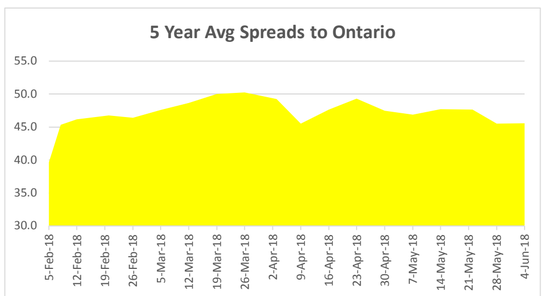


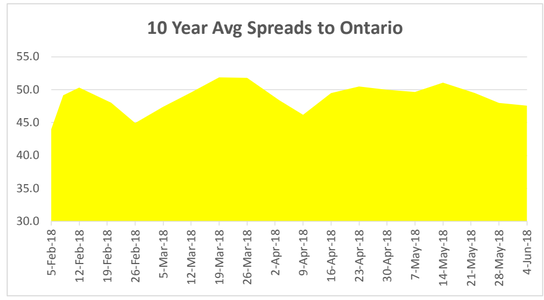
Sub Note

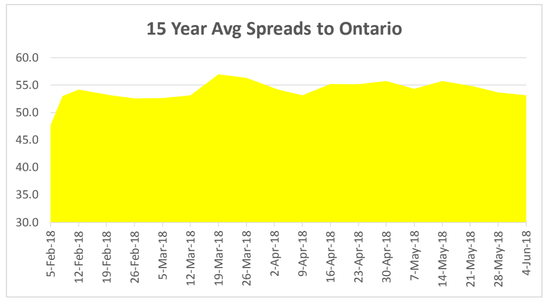
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
63.3	57.9	53.2	47.6	45.6	45.4

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	140.8	135.7	127.7	114.8	90.4	75.2
Last Week's	141.5	136.2	128.2	115.2	90.2	75.0
Change	-0.7	-0.5	-0.5	-0.3	0.2	0.2

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*TD*	*TD*	*BMO*	*TD*	*BMO*
	137.0	132.0	122.0	112.0	85.0	69.0
Maximum	*GS*	*GS*	*GS*	*RBC*	*RBC*	*RBC*
	152.0	142.0	132.0	118.0	97.0	81.0





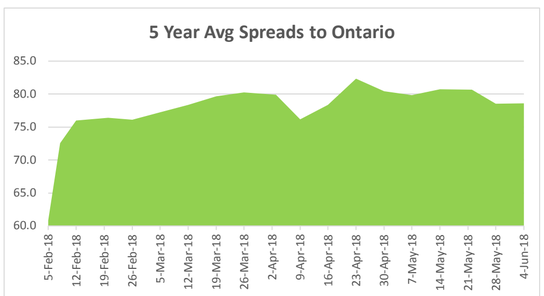


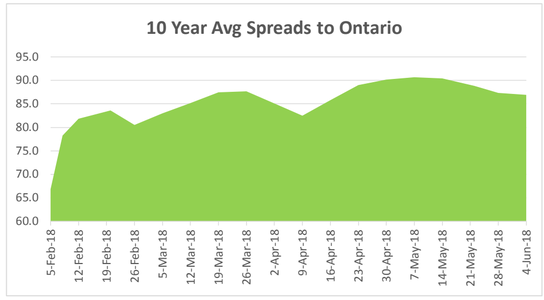
Junior Sub Note

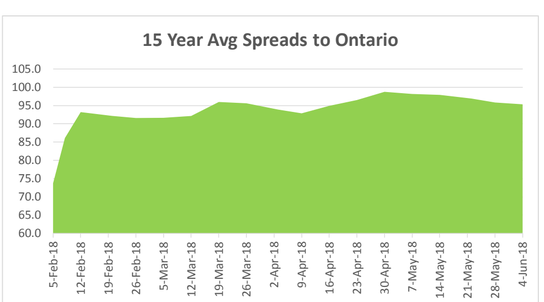
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
108.0	102.1	95.3	86.9	78.6	78.6

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	185.5	179.8	169.8	154.2	123.4	108.4
Last Week's	186.2	180.3	170.3	154.5	123.2	108.2
Change	-0.7	-0.5	-0.5	-0.3	0.2	0.2

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*BMO*	*RBC*	*CIBC*	*CIBC*	*TD*
	164.0	162.0	152.0	142.0	115.0	100.0
Maximum	*GS*	*BMO*	*BMO*	*GS*	*BMO*	*CIBC*
	217.0	208.0	198.0	177.0	131.0	115.0







FAIR HYDRO SPREADS

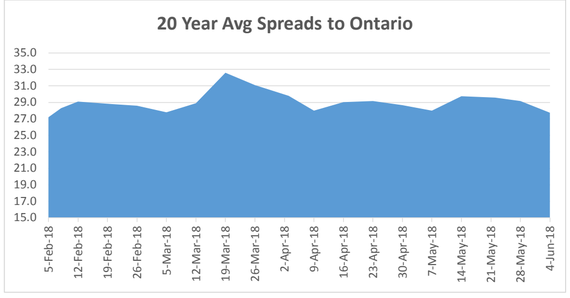
Week of June 4, 2018

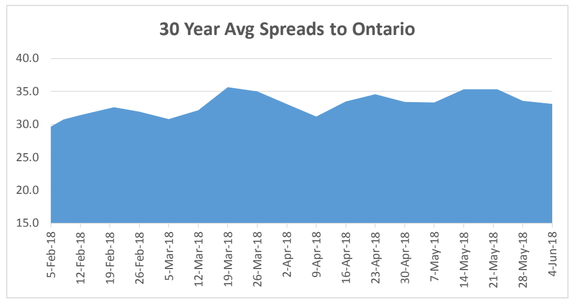
Senior Note

Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
33.1	27.8	23.2	19.1	17.2	17.0

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	110.7	105.5	97.7	86.3	62.0	46.8
Last Week's	111.3	106.0	98.2	86.7	61.8	46.6
Change	-0.7	-0.5	-0.5	-0.3	0.2	0.2

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*TD*	*BMO*	*TD*	*TD*
	99.0	98.0	92.0	83.0	55.0	40.0
Maximum	*GS*	*GS*	*GS*	*CIBC*	*RBC*	*CIBC*
	132.0	122.0	107.0	88.0	67.0	51.0



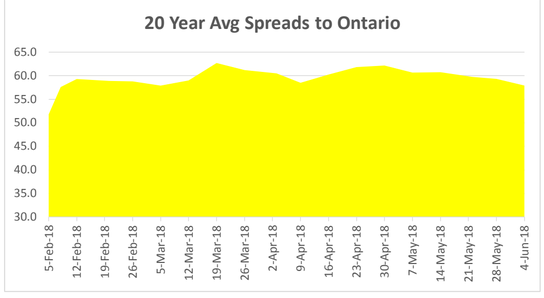


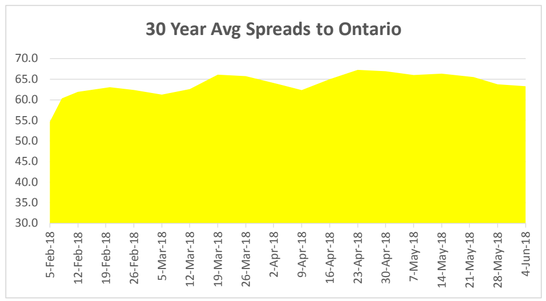
Sub Note

Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
63.3	57.9	53.2	47.6	45.6	45.4

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	140.8	135.7	127.7	114.8	90.4	75.2
Last Week's	141.5	136.2	128.2	115.2	90.2	75.0
Change	-0.7	-0.5	-0.5	-0.3	0.2	0.2

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*TD*	*TD*	*BMO*	*TD*	*BMO*
	137.0	132.0	122.0	112.0	85.0	69.0
Maximum	*GS*	*GS*	*GS*	*RBC*	*RBC*	*RBC*
	152.0	142.0	132.0	118.0	97.0	81.0



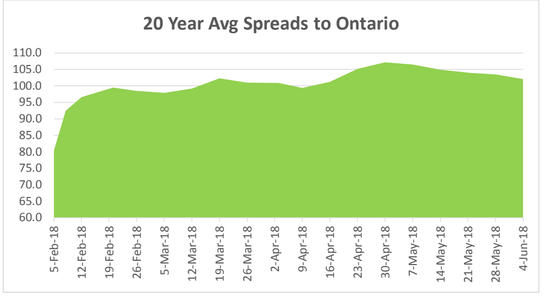


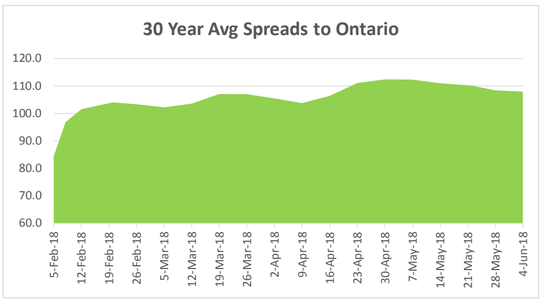
Junior Sub Note

Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
108.0	102.1	95.3	86.9	78.6	78.6

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	185.5	179.8	169.8	154.2	123.4	108.4
Last Week's	186.2	180.3	170.3	154.5	123.2	108.2
Change	-0.7	-0.5	-0.5	-0.3	0.2	0.2

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*BMO*	*RBC*	*CIBC*	*CIBC*	*TD*
	164.0	162.0	152.0	142.0	115.0	100.0
Maximum	*GS*	*BMO*	*BMO*	*GS*	*BMO*	*CIBC*
	217.0	208.0	198.0	177.0	131.0	115.0





Indicative New Issue Spreads
Week of June 4, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	BMO	BMO	BMO	CIBC	CIBC	CIBC	CIBC	CIBC	CIBC	GS	GS	GS	GS	GS	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	5.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.30%	2.31%	2.26%	2.24%	2.12%	1.95%	2.31%	2.32%	2.30%	2.27%	2.22%	2.14%	2.31%	2.32%	2.30%	2.26%			2.27%	2.29%
Curve Adjustment (bp)	0.0	0.3	2.0	1.1	0.6	6.8	0.0	0.1	0.0	0.0	0.1	0.8	0.0	0.6	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	99	98	93	83	62	44	110	108	101	88	61	51	132	122	107	87.0				
Re-Offered Yield	3.29%	3.29%	3.21%	3.08%	2.75%	2.46%	3.41%	3.40%	3.31%	3.15%	2.83%	2.66%	3.63%	3.54%	3.37%	3.13%			3.37%	3.32%
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.31%**	**3.32%**	**3.25%**	**3.13%**	**2.82%**	**2.53%**	**3.44%**	**3.42%**	**3.34%**	**3.17%**	**2.85%**	**2.67%**	**3.65%**	**3.57%**	**3.40%**	**3.18%**			**3.40%**	**3.35%**
All-in Spread to GoC Curve (bp)	**101.59**	**101.38**	**96.33**	**87.61**	**69.44**	**50.87**	**112.69**	**110.68**	**103.39**	**90.08**	**62.75**	**52.22**	**133.67**	**124.50**	**110.33**	**92.00**			**2.67**	**3.45**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	81	81	79	70	46	30	77	77	73	67	47	33	76	80	72	67			76	78

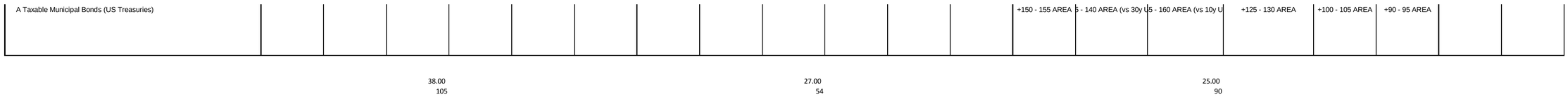
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							168	--	--	120	79	63								
Toronto Hydro Corporation (A/-/A)							132	--	--	94	66	56								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	102	0	0	92	67	51														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			140	134
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			123	117
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			145	139
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	91	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	85	68														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	69	54														
CMBs: (AAA/Aaa/AAA)	0	0	45	40	32	20														
PSP Investments (AAA/Aaa/AAA)	0	0	0	72	48	31														
CPP Investment Board (AAA/Aaa/AAA)	92	0	0	72	48	31														
BMO (Senior) (A+/A1/AA)	125	0	0	100	84	74														
Nova Scotia Power (BBB+ / - / A(l))							149	--	--	109	79	65								
FortisAlberta (A- / Baa1 / A(l))							136	--	--	97	70	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							248	--	--	182	127	103								
Bruce Power (BBB / Baa2 / BBB)							216	--	--	152	106	--								
City of Toronto (- / Aa1 / AA)							99	98	--	84	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																80-85 bps AREA				
AAA Taxable Municipal Bonds (US Treasuries)													+105 AREA	) - 95 AREA (vs 30y U	0-115 AREA (vs 10y U	+80-85 AREA	+70 - 75 AREA	+60 - 65 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.30%	2.31%	2.26%	2.24%	2.12%	1.95%	2.31%	2.32%	2.30%	2.27%	2.22%	2.14%	2.31%	2.32%	2.30%	2.26%			2.27%	2.29%
Curve Adjustment (bp)	0.0	0.3	2.0	1.1	0.6	6.8	0.0	0.1	0.0	0.0	0.1	0.8	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	138	137	131	112	87	69	137	135	128	115	88	78	152	142	132	112				
Re-Offered Yield	3.68%	3.68%	3.59%	3.37%	3.00%	2.71%	3.68%	3.67%	3.58%	3.42%	3.10%	2.93%	3.83%	3.74%	3.62%	3.38%			3.63%	3.58%
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.71%**	**3.72%**	**3.63%**	**3.42%**	**3.07%**	**2.78%**	**3.71%**	**3.69%**	**3.61%**	**3.44%**	**3.12%**	**2.94%**	**3.85%**	**3.77%**	**3.62%**	**3.43%**			**3.66%**	**3.61%**
All-in Spread to GoC Curve (bp)	**140.72**	**140.49**	**134.41**	**116.67**	**94.48**	**75.89**	**139.69**	**137.68**	**130.39**	**117.08**	**89.75**	**79.22**	**153.67**	**144.50**	**135.33**	**117.00**			**2.67**	**3.45**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			130	124
NAV Canada (AA-, AA low)																			105	101
GTAA (Aa3, A+)																			115	111
Hydro One (A3/A/A high)																			135	129
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	89														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	104														
BMO (Senior) (A+/A1/AA)	125	0	0	100	84	74														
Nav Canada (sub) (AA-/Aa2/AAL)	102	0	0	92	67	51														
City of Toronto (AA / Aa1 / AA)	101	101	99	86	61	44														
Bank ABS (AAA / - / AAA)							--	--	--	--	88	77								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	100	89								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	50	38								
AA CMBS (USD Swaps)																110 - 115 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+125 - 130 AREA	110 AREA (vs 30y US	0 - 135 AREA (vs 10y U	+105 - 110 AREA	+80 - 85 AREA	+65 - 70 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.30%	2.31%	2.26%	2.24%	2.12%	1.95%	2.31%	2.32%	2.30%	2.27%	2.22%	2.14%	2.31%	2.32%	2.30%	2.26%			2.27%	2.29%
Curve Adjustment (bp)	0.0	0.3	2.0	1.1	0.6	6.8	0.0	0.1	0.0	0.0	0.1	0.8	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	212	208	198	162	131	114	164	162	155	142	115	105	217	207	197	177				
Re-Offered Yield	4.42%	4.39%	4.26%	3.87%	3.44%	3.16%	3.95%	3.94%	3.85%	3.69%	3.37%	3.20%	4.48%	4.39%	4.27%	4.03%			3.96%	3.91%
Commission (bp)	2.8	3.6	3.5	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.45%**	**4.43%**	**4.30%**	**3.92%**	**3.51%**	**3.23%**	**3.98%**	**3.96%**	**3.88%**	**3.71%**	**3.39%**	**3.21%**	**4.50%**	**4.42%**	**4.27%**	**4.08%**			**3.99%**	**3.94%**
All-in Spread to GoC Curve (bp)	**214.82**	**211.61**	**201.51**	**166.75**	**138.54**	**120.93**	**166.69**	**164.68**	**157.39**	**144.08**	**116.75**	**106.22**	**218.67**	**209.50**	**200.33**	**182.00**			**2.67**	**3.45**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			160.0	154.0
Highway 407 (A, A)																			130.0	124.0
Enbridge Gas Distribution (A-, A)																			140.0	134.8
Hydro One (A3/A/A high)																			135.0	129.0
Schedule 1 Bank ABS (A)																			200.0	194.0
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	156.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	136.0	-														
Hydro One (A/A3/AH)	138.0	-	-	103.0	78.0	62.0														
OPG (BBB+/-/AL)	164.0	-	-	119.0	94.0	78.0														
10-year A CMBS (USD Swaps)																165 - 175 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+150 - 155 AREA
5 - 140 AREA (vs 30y US
5 - 160 AREA (vs 10y U
+125 - 130 AREA
+100 - 105 AREA
+90 - 95 AREA
38.00
105
27.00
54
25.00
90

Indicative New Issue Spreads
Week of June 4, 2018

NBF *NBF* *NBF* NBF

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	NBF			
	Current			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21
Benchmark Canada Bond Coupon	5.75%	2.00%	1.75%	0.75%
Benchmark Yield	2.27%	2.25%	2.13%	2.03%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.23%	3.11%	2.78%	2.55%
Commission (bp)	3.8	4.7	7.6	8.7
All-in Yield	**3.27%**	**3.16%**	**2.86%**	**2.64%**
All-in Spread to GoC Curve (bp)	**3.82**	**4.70**	**7.56**	**8.72**

Primary Comparable (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75	67	44	29

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	117	100	85	75
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	100	85	70	62
Schedule I Bank ABS (Aaa ; AAA ; AAA)	122	105	85	75
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-28	01-Mar-23	01-Mar-21
Benchmark Canada Bond Coupon	5.75%	2.00%	1.75%	0.75%
Benchmark Yield	2.27%	2.25%	2.13%	2.03%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.47%	3.33%	2.98%	2.75%
Commission (bp)	3.8	4.7	7.6	8.7
All-in Yield	**3.51%**	**3.38%**	**3.06%**	**2.84%**
All-in Spread to GoC Curve (bp)	**3.82**	**4.70**	**7.56**	**8.72**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
RBC Sr-Sub.				
Highway 407 (A, A)	107	90	65	55
NAV Canada (AA-, AA low)	91	80	55	45
GTAA (Aa3, A+)	98	85	60	50
Hydro One (A3/A/A high)	112	95	70	60
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21
Benchmark Canada Bond Coupon	5.75%	2.00%	1.75%	0.75%
Benchmark Yield	2.27%	2.25%	2.13%	2.03%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.77%	3.55%	3.17%	2.94%
Commission (bp)	3.8	4.7	7.6	8.7
All-in Yield	**3.81%**	**3.60%**	**3.25%**	**3.03%**
All-in Spread to GoC Curve (bp)	**3.82**	**4.70**	**7.56**	**8.72**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	137.0	120.0	90.0	75.0
Highway 407 (A, A)	107.0	90.0	65.0	55.0
Enbridge Gas Distribution (A-, A)	119.9	105.0	75.0	60.0
Hydro One (A3/A/A high)	112.0	95.0	70.0	60.0
Schedule 1 Bank ABS (A)	177.0	160.0	140.0	125.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

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0

Indicative New Issue Spreads
Week of June 4, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	RBC	RBC	RBC	RBC	RBC	RBC	Scotia	Scotia	Scotia	Scotia	Scotia	Scotia	TD	TD	TD	TD	TD	TD
	RBC						Scotia						TD					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	Interp	Interp	1-Jun-28	01-Mar-23	Interp	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-24	01-Jun-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.50%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.30%	2.30%	2.28%	2.25%	2.13%	2.03%	2.30%	2.30%	2.28%	2.25%	2.12%	1.99%	2.31%	2.36%	2.31%	2.28%	2.19%	2.04%
Curve Adjustment (bp)	0.0	0.3	0.0	0.0	0.1	0.0	0.0	0.3	0.0	0.0	0.1	1.8	0.0	0.3	0.0	0.0	0.0	0.1
Spread to GoC Curve (bp)	111	103	96	88.00	67	51	102	100	97	87	65	48	110	102	92	85	55	40
Re-Offered Yield	3.41%	3.33%	3.24%	3.13%	2.80%	2.54%	3.32%	3.30%	3.25%	3.12%	2.77%	2.49%	3.41%	3.39%	3.23%	3.13%	2.74%	2.44%
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	2.3	3.1	3.6	4.5	7.4	8.8	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.43%**	**3.37%**	**3.28%**	**3.18%**	**2.88%**	**2.62%**	**3.34%**	**3.34%**	**3.28%**	**3.16%**	**2.85%**	**2.58%**	**3.44%**	**3.42%**	**3.26%**	**3.17%**	**2.82%**	**2.53%**
All-in Spread to GoC Curve (bp)	**113.68**	**106.46**	**99.82**	**92.70**	**74.57**	**59.72**	**104.32**	**103.14**	**100.57**	**91.50**	**72.43**	**56.75**	**112.33**	**105.16**	**95.58**	**89.51**	**62.44**	**48.65**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	77	75	67	45	31	77	77	74	68	45	28	77	77	72	67	44	29

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	40	33	21												
City of Toronto (AA/Aa1/AA)	100	100	94	84	59	43												
Hydro One Inc. (A(H)/A3/A)	136	n/a	n/a	99	71	61							138	128	106	98	74	64
Ontario Power Generation Inc. (A(low)/-/BBB+)	154	n/a	n/a	116	84	73	165	0	0	120	95	81						
Toronto Hydro Corporation (A/-/A)	128	n/a	n/a	95	64	54												
Canadian National Railway Co (A/A2/A)	131	n/a	n/a	94	71	61												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	113	n/a	n/a	89	62	50												
NAV Canada (AA(low)/Aa2/AA-)	102	n/a	n/a	85	60	50												
OPB Finance Trust (AA+/-/AA(H))													112	102	97	89	66	46
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	93	71	59
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							83	0	0	67	47	31						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							139	0	0	109	96	83						
Golden Credit Card Trust							0	0	0	105	91	80						
Master Credit Card Trust							0	0	0	105	91	80						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	Interp	Interp	1-Jun-28	01-Mar-23	Interp	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-24	01-Jun-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.50%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.30%	2.30%	2.28%	2.25%	2.13%	2.03%	2.30%	2.30%	2.28%	2.25%	2.12%	1.99%	2.31%	2.32%	2.31%	2.28%	2.19%	2.04%
Curve Adjustment (bp)	0.0	0.3	0.0	0.0	0.1	0.0	0.0	0.3	0.0	0.0	0.1	1.8	0.0	0.3	0.0	0.0	0.0	0.1
Spread to GoC Curve (bp)	141	133	126	118	97	81	137	135	127	117	95	78	140	132	122	115	85	70
Re-Offered Yield	3.71%	3.63%	3.54%	3.43%	3.10%	2.84%	3.67%	3.65%	3.55%	3.42%	3.07%	2.79%	3.71%	3.64%	3.53%	3.43%	3.04%	2.74%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	2.3	3.1	3.6	4.5	7.4	8.8	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**3.73%**	**3.67%**	**3.58%**	**3.48%**	**3.18%**	**2.92%**	**3.69%**	**3.69%**	**3.58%**	**3.46%**	**3.15%**	**2.88%**	**3.74%**	**3.67%**	**3.56%**	**3.47%**	**3.12%**	**2.83%**
All-in Spread to GoC Curve (bp)	**143.78**	**136.55**	**129.90**	**122.77**	**104.63**	**89.77**	**139.32**	**138.14**	**130.57**	**121.50**	**102.43**	**86.75**	**142.33**	**135.15**	**125.58**	**119.51**	**92.44**	**78.65**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	92	72	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	Interp	Interp	1-Jun-28	01-Mar-23	Interp	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-24	01-Jun-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.50%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.30%	2.30%	2.28%	2.25%	2.13%	2.03%	2.30%	2.30%	2.28%	2.25%	2.12%	1.99%	2.31%	2.32%	2.31%	2.28%	2.19%	2.04%
Curve Adjustment (bp)	0.0	0.3	0.0	0.0	0.1	0.0	0.0	0.3	0.0	0.0	0.1	1.8	0.0	0.3	0.0	0.0	0.0	0.1
Spread to GoC Curve (bp)	175	167	160	152	131	115	175	173	157	147	125	108	170	162	152	145	115	100
Re-Offered Yield	4.05%	3.97%	3.88%	3.77%	3.44%	3.18%	4.05%	4.03%	3.85%	3.72%	3.37%	3.09%	4.01%	3.94%	3.83%	3.73%	3.34%	3.04%
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	2.3	3.1	3.6	4.5	7.4	8.8	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**4.08%**	**4.01%**	**3.92%**	**3.82%**	**3.52%**	**3.27%**	**4.07%**	**4.07%**	**3.88%**	**3.76%**	**3.45%**	**3.18%**	**4.04%**	**3.97%**	**3.86%**	**3.77%**	**3.42%**	**3.13%**
All-in Spread to GoC Curve (bp)	**177.90**	**170.66**	**164.00**	**156.85**	**138.69**	**123.82**	**177.32**	**176.14**	**160.57**	**151.50**	**132.43**	**116.75**	**172.33**	**165.15**	**155.58**	**149.51**	**122.44**	**108.65**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			30.00 64					30.00 60						30.00 60				

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	24.0
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2
12-Mar-18	21.7	21.6	23.7
19-Mar-18	23.0	23.9	27.5
26-Mar-18	22.9	23.5	26.6
3-Apr-18	21.9	20.0	24.3
9-Apr-18	18.3	18.0	22.6
16-Apr-18	20.6	20.6	24.8
23-Apr-18	20.9	20.3	23.5
30-Apr-18	19.1	19.0	23.3
7-May-18	18.5	19.5	22.7
14-May-18	19.3	21.8	24.9
22-May-18	19.3	21.0	24.8
28-May-18	17.1	19.5	23.7
4-Jun-18	17.2	19.1	23.2

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
27.2	29.7	56.8	80.6	91.2	
28.3	30.8	59.3	81.4	92.0	
29.1	31.4	61.0	83.7	94.5	
28.8	32.6	59.8	82.1	94.1	
28.6	31.9	59.4	82.1	94.0	
27.8	30.8	63.4	84.9	96.7	
28.9	32.2	63.8	85.3	97.0	
32.6	35.7	63.7	86.6	97.4	
31.1	35.0	65.8	88.6	99.4	
29.8	32.8	68.0	90.6	102.5	
28.0	31.2	68.4	90.7	103.0	
29.0	33.5	66.2	88.5	100.8	107.2
29.2	34.6	64.6	86.5	98.0	106.2
28.7	33.4	64.3	87.3	98.8	106.8
28.0	33.3	63.2	87.3	98.8	106.7
29.8	35.3	61.8	86.0	97.5	105.8
29.6	35.3	61.0	84.8	96.3	104.3
29.2	33.6	61.8	86.7	98.2	106.0
27.8	33.1	62.0	86.3	97.7	105.5

30 Year	Ontario Spread to GOC 5 Year	10 Year	15 Year	20 Year	30 Year
99.1	38.5	58.8	67.3		69.4
100.4	40.1	59.0	67.4		69.7
103.6	41.7	61.0	69.7		72.2
104.8	39.8	62.0	70.4		72.2
104.6	39.8	65.1	70.8		72.7
107.1	42.7	65.5	73.5		76.3
107.9	42.2	63.7	73.3		75.8
108.6	40.7	62.7	69.9		72.9
110.6	42.8	65.0	72.8		75.5
113.0	46.1	70.6	78.2		80.2
113.4	50.1	72.8	80.4		82.3
111.5	45.6	67.9	76.0	78.2	78.0
111.5	43.7	66.2	74.5	77.0	76.9
112.4	45.3	68.3	75.6	78.2	79.0
112.3	44.8	67.8	76.2	78.7	78.9
111.5	42.5	64.3	72.6	76.1	76.2
110.0	41.8	63.8	71.6	74.8	74.7
111.3	44.7	67.2	74.5	76.8	77.8
110.7	44.8	67.3	74.5	77.8	77.6

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6
12-Mar-18	48.7	49.6	53.1
19-Mar-18	50.0	51.9	57.0
26-Mar-18	50.3	51.8	56.3
3-Apr-18	49.3	48.4	54.2
9-Apr-18	45.5	46.2	53.2
16-Apr-18	47.7	49.5	55.2
23-Apr-18	49.3	50.5	55.2
30-Apr-18	47.5	50.0	55.8
7-May-18	46.9	49.7	54.3
14-May-18	47.7	51.1	55.8
22-May-18	47.7	49.5	54.8
28-May-18	45.5	48.0	53.7
4-Jun-18	45.6	47.6	53.2

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
51.8	54.7	78.2	102.8	115.0	
57.6	60.3	85.4	108.2	120.4	
59.3	61.9	87.8	111.3	123.9	
58.9	63.0	86.6	110.1	123.6	
58.8	62.4	86.3	110.1	123.4	
57.9	61.2	90.3	112.9	126.1	
59.0	62.6	90.8	113.3	126.4	
62.7	66.1	90.7	114.6	126.8	
61.2	65.7	93.1	116.8	129.1	
60.5	63.8	95.3	119.0	132.3	
58.5	62.3	95.6	119.0	132.7	
60.2	65.0	93.3	117.4	131.2	138.4
61.8	67.3	93.0	116.7	129.7	138.8
62.2	66.9	92.7	118.3	131.3	140.3
60.7	66.0	91.6	117.5	130.5	139.3
60.8	66.3	90.2	115.3	128.3	136.8
59.8	65.5	89.4	113.3	126.3	134.5
59.3	63.8	90.2	115.2	128.2	136.2
57.9	63.3	90.4	114.8	127.7	135.7

	Ontario Spread to GOC				
30 Year	**5 Year**	**10 Year**	**15 Year**	**20 Year**	**30 Year**
124.1	38.5	58.8	67.3		69.4
130.0	40.1	59.0	67.4		69.7
134.1	41.7	61.0	69.7		72.2
135.2	39.8	62.0	70.4		72.2
135.1	39.8	65.1	70.8		72.7
137.6	42.7	65.5	73.5		76.3
138.3	42.2	63.7	73.3		75.8
139.0	40.7	62.7	69.9		72.9
141.3	42.8	65.0	72.8		75.5
144.0	46.1	70.6	78.2		80.2
144.3	50.1	72.8	79.5		81.9
143.0	45.6	67.9	76.0	78.2	78.0
144.2	43.7	66.2	74.5	77.0	76.9
145.9	45.3	68.3	75.6	78.2	79.0
144.9	44.8	67.8	76.2	78.7	78.9
142.5	42.5	64.3	72.6	76.1	76.2
140.2	41.8	63.8	71.6	74.8	74.7
141.5	44.7	67.2	74.5	76.8	77.8
140.8	44.8	67.3	74.5	77.8	77.6

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6
12-Mar-18	78.3	85.2	92.1
19-Mar-18	79.7	87.5	96.0
26-Mar-18	80.3	87.7	95.6
3-Apr-18	79.9	84.7	93.9
9-Apr-18	76.2	82.5	92.9
16-Apr-18	78.3	85.8	94.9
23-Apr-18	82.3	89.0	96.5
30-Apr-18	80.5	90.2	98.8
7-May-18	79.9	90.7	98.2
14-May-18	80.7	90.4	97.9
22-May-18	80.7	88.8	96.9
28-May-18	78.5	87.3	95.8
4-Jun-18	78.6	86.9	95.3

		Fair Hydro Spread to GOC			
20 Year	**30 Year**	**5 Year**	**10 Year**	**15 Year**	**20 Year**
80.4	84.5	99.3	125.6	141.0	
92.5	96.8	112.7	137.3	153.5	
96.6	101.5	117.7	142.8	162.9	
99.5	104.0	116.3	145.6	162.6	
98.5	103.4	115.9	145.6	162.4	
97.9	102.2	119.9	148.5	165.1	
99.2	103.6	120.5	148.9	165.4	
102.3	107.1	120.3	150.1	165.8	
101.0	107.0	123.1	152.7	168.4	
100.9	105.3	126.0	155.3	172.1	
99.4	103.8	126.3	155.3	172.4	
101.2	106.4	123.9	153.7	170.9	179.4
105.2	111.1	126.0	155.2	171.0	182.2
107.2	112.4	125.7	158.5	174.3	185.3
106.5	112.3	124.6	158.5	174.3	185.2
104.9	111.0	123.2	154.7	170.5	181.0
103.9	110.2	122.4	152.7	168.5	178.7
103.5	108.4	123.2	154.5	170.3	180.3
102.1	108.0	123.4	154.2	169.8	179.8

	Ontario Spread to GOC				
30 Year	**5 Year**	**10 Year**	**15 Year**	**20 year**	**30 Year**
153.9	38.5	58.8	67.3		69.4
166.5	40.1	59.0	67.4		69.7
173.7	41.7	61.0	69.7		72.2
176.2	39.8	62.0	70.4		72.2
176.1	39.8	65.1	70.8		72.7
178.6	42.7	65.5	73.5		76.3
179.3	42.2	63.7	73.3		75.8
180.0	40.7	62.7	69.9		72.9
182.6	42.8	65.0	72.8		75.5
185.4	46.1	70.6	78.2		80.2
185.7	50.1	72.8	79.5		81.9
184.4	45.6	67.9	76.0	78.2	78.0
188.0	43.7	66.2	74.5	77.0	76.9
191.4	45.3	68.3	75.6	78.2	79.0
191.3	44.8	67.8	76.2	78.7	78.9
187.2	42.5	64.3	72.6	76.1	76.2
184.8	41.8	63.8	71.6	74.8	74.7
186.2	44.7	67.2	74.5	76.8	77.8
185.5	44.8	67.3	74.5	77.8	77.6

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.30%	2.31%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**99**	**98**
Re-Offered Yield	3.29%	3.29%
Commission (bp)	2.6	3.4
All-in Yield	**3.31%**	**3.32%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	81	81

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	92	
BMO (Senior) (A+/A1/AA)	125	
Nav Canada (sub) (AA-/Aa2/AAL)	102	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.30%	2.31%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**138**	**137**
Re-Offered Yield	3.68%	3.68%
Commission (bp)	2.7	3.5
All-in Yield	**3.71%**	**3.72%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	81	81

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	125	
Nav Canada (sub) (AA-/Aa2/AAL)	102	
City of Toronto (AA / Aa1 / AA)	101	101

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.30%	2.31%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**212**	**208**
Re-Offered Yield	4.42%	4.39%
Commission (bp)	2.8	3.6
All-in Yield	**4.45%**	**4.43%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	81	81

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	138	
OPG (BBB+/-/AL)	164	

Generic Corporate Credit Spreads AA	104	
Generic Corporate Credit Spreads A	162	
Generic Corporate Credit Spreads BBB	237	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.26%	2.24%	2.12%	1.95%	-3bps	-3bps	-3bps	-3bps	-1bps
2.0	1.1	0.6	6.8	0bps	0bps	0bps	0bps	-1bps
93	**83**	**62**	**44**	0bps	0bps	0bps	0bps	0bps
3.21%	3.08%	2.75%	2.46%	-3bps	-3bps	-4bps	-3bps	-2bps
3.3	4.6	7.4	6.9					
3.25%	**3.13%**	**2.82%**	**2.53%**	-3bps	-3bps	-4bps	-3bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
79	69.5	46	30	0bps	0bps	0bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		91						2bps
		85	68					2bps
		69	54					1bps
44.5	39.5	32	20			0bps	0bps	0bps
	72	48	31				4bps	3bps
	72	48	31	4bps			4bps	3bps
	100	84	74	4bps			4bps	2bps
	92	67	51	2bps			4bps	4bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.26%	2.24%	2.12%	1.95%	-3bps	-3bps	-3bps	-3bps	-1bps
2.0	1.1	0.6	6.8	0bps	0bps	0bps	0bps	-1bps
131	**112**	**87**	**69**	0bps	0bps	0bps	0bps	0bps
3.59%	3.37%	3.00%	2.71%	-3bps	-3bps	-4bps	-3bps	-2bps
3.4	4.7	7.5	6.9					
3.63%	**3.42%**	**3.07%**	**2.78%**	-3bps	-3bps	-4bps	-3bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
79	70	46	30	0bps	0bps	0bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			89					
			104					
	100	84	74	4bps			4bps	2bps
	92	67	51	2bps			4bps	4bps
98.5	85.5	60.5	43.5	0bps	0bps	0bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.26%	2.24%	2.12%	1.95%	-3bps	-3bps	-3bps	-3bps	-1bps
2.0	1.1	0.6	6.8	0bps	0bps	0bps	0bps	-1bps
198	**162**	**131**	**114**	0bps	0bps	0bps	0bps	0bps
4.26%	3.87%	3.44%	3.16%	-3bps	-3bps	-4bps	-3bps	-2bps
3.5	4.7	7.5	6.9					
4.30%	**3.92%**	**3.51%**	**3.23%**	-3bps	-3bps	-4bps	-3bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
79	70	46	30	0bps	0bps	0bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		156						2bps
		136						0bps
	103	78	62	2bps			4bps	4bps
	119	94	78	3bps			3bps	3bps

	98	79		0bps			4bps	5bps
	123	93		1bps			2bps	2bps
	182	129		5bps			4bps	5bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
5-Jun-18

3-year
-1bps
-1bps
0bps
-2bps
-2bps

3-year
0bps

3-year
2bps
2bps
0bps
3bps
3bps
6bps
2bps

3-year
-1bps
-1bps
0bps
-2bps
-2bps

3-year
0bps

3-year
2bps
2bps
6bps
2bps
0bps

3-year
-1bps
-1bps
0bps
-2bps
-2bps

3-year
0bps

3-year
4bps
3bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.31%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**110**
Re-Offered Yield	3.41%
Commission (bp)	2.7
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	77

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	168
Toronto Hydro (A / - / A)	132
Nova Scotia Power (BBB+ / - / A(l))	149
FortisAlberta (A- / Baa1 / A(l))	136
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	248
Bruce Power (BBB / Baa2 / BBB)	216
City of Toronto (- / Aa1 / AA)	99

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.31%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**137**
Re-Offered Yield	3.68%
Commission (bp)	2.7
All-in Yield	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	77

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.31%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**164**
Re-Offered Yield	3.95%
Commission (bp)	2.7
All-in Yield	**3.98%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	77

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.32%	2.30%	2.27%	2.22%	2.14%	-0.03%	-0.03%	-0.03%	-0.03%	-0.02%
0.1	0.0	0.0	0.1	0.8	0.0	(0.0)	0.0	0.0	0.1
108	**101**	**88**	**61**	**51**	-2	-1	-1	0	2
3.40%	3.31%	3.15%	2.83%	2.66%	-0.05%	-0.04%	-0.04%	-0.03%	0.00%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.42%	**3.34%**	**3.17%**	**2.85%**	**2.67%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.03%**	**0.00%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
77	73	67	47	33	-2	0	-1	-2	-2

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	120	79	63	0	--	--	1	0
--	--	94	66	56	2	--	--	3	2
--	--	109	79	65	4	--	--	4	4
--	--	97	70	--	2	--	--	2	2
--	--	182	127	103	8	--	--	7	5
--	--	152	106	--	2	--	--	2	2
98	--	84	--	--	2	3	--	3	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.32%	2.30%	2.27%	2.22%	2.14%	-0.03%	-0.03%	-0.03%	-0.03%	-0.02%
0.1	0.0	0.0	0.1	0.8	0	(0)	0	0	0
135	**128**	**115**	**88**	**78**	(2)	(1)	(1)	0	2
3.67%	3.58%	3.42%	3.10%	2.93%	-0.05%	-0.04%	-0.04%	-0.03%	0.00%
2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.69%	**3.61%**	**3.44%**	**3.12%**	**2.94%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.03%**	**0.00%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
77	73	66.5	47	33	(2)	0	(1)	(2)	(2)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
--	--	--	88	77	--	--	--	--	2
--	--	--	100	89	--	--	--	--	2
--	--	--	50	38	--	--	--	--	2

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.32%	2.30%	2.27%	2.22%	2.14%	-0.03%	-0.03%	-0.03%	-0.03%	-0.02%
0.1	0.0	0.0	0.1	0.8	0	(0)	0	0	0
162	**155**	**142**	**115**	**105**	(2)	(1)	(1)	0	2
3.94%	3.85%	3.69%	3.37%	3.20%	-0.05%	-0.04%	-0.04%	-0.03%	0.00%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.96%	**3.88%**	**3.71%**	**3.39%**	**3.21%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.03%**	**0.00%**

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
77	73	66.5	47	33	(2)	0	(1)	(2)	(2)

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

CIBC
6/4/2018

3-year
-
-
-0.01%
-1.1
2
0.00%
-
0.00%

3-year
0.5

3-year
0
2
4
--
4
--
--

3-year
-
-
-0.01%
(1)
2
0.00%
0.00%
0.00%

3-year
1

3-year
4
2
2

3-year
-
-
-0.01%
(1)
2
0.00%
-
0.00%

3-year
1

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	5.000%
Benchmark Yield	2.311%	2.320%
Curve Adjustment (bp)	0.000%	0.006%
Spread to GoC Curve (bp)	**1.320%**	**1.220%**
Re-Offered Yield	3.631%	3.540%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.65%**	**3.57%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.7630%**	**0.80300%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+105 AREA	- 95 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.311%	2.320%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.520%**	**1.420%**
Re-Offered Yield	3.831%	3.740%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.85%**	**3.77%**

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.7630%**	**0.80300%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+125 - 130 AREA	10 AREA (vs 30y US

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.311%	2.320%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**2.170%**	**2.070%**
Re-Offered Yield	4.481%	4.390%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.50%**	**4.42%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.7630%**	**0.80300%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+150 - 155 AREA	- 140 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.301%	2.256%			
0.049%	0.008%			
1.0700%	**0.870%**			
3.371%	3.126%			
0.033%	0.050%			
3.40%	**3.18%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.72300%	**0.67000%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-115 AREA (vs 10y	80-85 bps AREA +80-85 AREA	+70 - 75 AREA	+60 - 65 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.301%	2.256%			
0.049%	0.008%			
1.320%	**1.120%**			
3.621%	3.376%			
0.033%	0.050%			
3.62%	**3.43%**			

Current				

15-year	10-year	5-year	3-year	30-year
0.72300%	**0.67000%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 135 AREA (vs 10y	110 - 115 bps AREA +105 - 110 AREA	+80 - 85 AREA	+65 - 70 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.301%	2.256%			
0.049%	0.008%			
1.9700%	**1.770%**			
4.271%	4.026%			
0.033%	0.050%			
4.27%	**4.08%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.72300%	**0.67000%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 160 AREA (vs 10y	165 - 175 bps AREA +125 - 130 AREA	+100 - 105 AREA	+90 - 95 AREA	+0 bps

Bank Name	GS
Date	6/4/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week

20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.27%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	110
Re-Offered Yield	3.37%
Commission (bp)	2.7
All-in Yield	**3.40%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	140
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	123
Schedule I Bank ABS (Aaa ; AAA ; AAA)	145
FHT Series 2018-1	

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.27%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	136
Re-Offered Yield	3.63%
Commission (bp)	2.7
All-in Yield	**3.66%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	130
NAV Canada (AA-, AA low)	105
GTAA (Aa3, A+)	115
Hydro One (A3/A/A high)	135

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.27%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	169
Re-Offered Yield	3.96%
Commission (bp)	2.7
All-in Yield	**3.99%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	160
Highway 407 (A, A)	130
Enbridge Gas Distribution (A-, A)	140
Hydro One (A3/A/A high)	135
Schedule 1 Bank ABS (A)	200

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.29%	2.27%	2.25%	2.13%
0.0	0.0	0.0	0.0
103	96	86	65
3.32%	3.23%	3.11%	2.78%
3.5	3.8	4.7	7.6
3.35%	**3.27%**	**3.16%**	**2.86%**

Current			
20-year	**15-year**	**10-year**	**5-year**
78	74.5	66.5	43.5

Current			
20-year	**15-year**	**10-year**	**5-year**
134	117	100	85
117	100	85	70
139	122	105	85
	91		
97			

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.29%	2.27%	2.25%	2.13%
0.0	0.0	0.0	0.0
129	120	108	85
3.58%	3.47%	3.33%	2.98%
3.5	3.8	4.7	7.6
3.61%	**3.51%**	**3.38%**	**3.06%**

Current			
20-year	**15-year**	**10-year**	**5-year**
78	75	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
124	107	90	65
101	91	80	55
111	98	85	60
129	112	95	70

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23
5.00%	5.75%	2.00%	1.75%
2.29%	2.27%	2.25%	2.13%
0.0	0.0	0.0	0.0
162	150	130	104
3.91%	3.77%	3.55%	3.17%
3.5	3.8	4.7	7.6
3.94%	**3.81%**	**3.60%**	**3.25%**

Current			
20-year	**15-year**	**10-year**	**5-year**
78	75	67	44

Current			
20-year	**15-year**	**10-year**	**5-year**
154	137	120	90
124	107	90	65
135	120	105	75
129	112	95	70
194	177	160	140

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.03%	-0.08%	-0.08%	-0.06%
0.0	0.0	0.0	0.0
52	-1	-1	-1
2.55%	-0.09%	-0.09%	-0.07%
8.7	0.0	0.0	0.0
2.64%	**-0.09%**	**-0.09%**	**-0.08%**

			Week
3-year	**30-year**	**20-year**	**15-year**
28.5	-1	7	5.5

			Week
3-year	**30-year**	**20-year**	**15-year**
75	0	0	0
62	0	0	0
75	5	5	5
	0	0	-2
	0	-3	0

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Mar-21	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
2.03%	-0.08%	-0.08%	-0.06%
0.0	0.0	0.0	0.0
72	-1	-1	-1
2.75%	-0.09%	-0.09%	-0.07%
8.7	0.0	0.0	0.0
2.84%	**-0.09%**	**-0.09%**	**-0.08%**

			Week
3-year	**30-year**	**20-year**	**15-year**
29	-1	7	6

			Week
3-year	**30-year**	**20-year**	**15-year**
55	0	0	0
45	0	0	0
50	5	4	2
60	0	0	0

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.03%	-0.08%	-0.08%	-0.06%
0.0	0.0	0.0	0.0
91	-1	-1	-1
2.94%	-0.09%	-0.09%	-0.08%
8.7	0.0	0.0	0.0
3.03%	**-0.09%**	**-0.09%**	**-0.08%**

			Week
3-year	**30-year**	**20-year**	**15-year**
29	-1	7	6

			Week
3-year	**30-year**	**20-year**	**15-year**
75	0	0	0
55	0	0	0
60	5	5	5
60	0	0	0
125	5	5	5

Bank Name	National Bank of Canada
Date	6/4/2018

over Week

10-year	5-year	3-year
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.05%	-0.05%	-0.04%
0.0	0.0	0.0
-1	0	0
-0.06%	-0.05%	-0.04%
0.0	0.0	0.0
-0.06%	**-0.05%**	**-0.04%**

over Week

10-year	5-year	3-year
0.5	1.5	1.5

over Week

10-year	5-year	3-year
0	0	0
0	0	0
5	0	0
0	0	0
0	0	0

over Week

10-year	5-year	3-year
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.05%	-0.05%	-0.04%
0.0	0.0	0.0
-1	0	0
-0.06%	-0.05%	-0.04%
0.0	0.0	0.0
-0.06%	**-0.05%**	**-0.04%**

over Week

10-year	5-year	3-year
1	2	2

over Week

10-year	5-year	3-year
0	0	0
0	0	0
0	0	0
0	0	5

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.05%	-0.05%	-0.04%
0.0	0.0	0.0
-1	0	0
-0.06%	-0.05%	-0.04%
0.0	0.0	0.0
-0.06%	**-0.05%**	**-0.04%**

over Week		
10-year	**5-year**	**3-year**
1	2	2

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
5	5	5
0	0	5
5	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.30%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**111**
Re-Offered Yield	3.41%
Commission (bp)	2.7
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**78**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**100**
Hydro One Inc. (A(H)/A3/A)	**136**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**154**
Toronto Hydro Corporation (A/-/A)	**128**
Canadian National Railway Co (A/A2/A)	**131**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**113**
NAV Canada (AA(low)/Aa2/AA-)	**102**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.30%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**141**
Re-Offered Yield	3.71%
Commission (bp)	2.8
All-in Yield	**3.73%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.30%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**175**
Re-Offered Yield	4.05%
Commission (bp)	2.9
All-in Yield	**4.08%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	78

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

The indicative price is provided by way of example only, and is not intended to replace or supplant advice of your aud EVENT SHALL RBC OR ITS AGENTS OR OFFICERS BE LIABLE FOR ANY DAMAGES WHATSOEVER (INCLUDI the indicative price is adequate or appropriate for your purposes.

The information provided in this valuation (the “Information”) (i) is intended for your information only and is not to be d the fullest extent permissible by law, shall have no liability whatsoever to you or any other person or party for any loss

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Current			
20-year	**15-year**	**10-year**	**5-year**
Interp	Interp	1-Jun-28	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.30%	**2.28%**	**2.25%**	**2.13%**
0.3	**0.0**	**0.0**	**0.1**
103	**96**	**88**	**67**
3.33%	3.24%	3.13%	2.80%
3.5	3.8	4.7	7.6
3.37%	**3.28%**	**3.18%**	**2.88%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	**75**	**67**	**45**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**40**	**33**
100	**94**	**84**	**59**
n/a	**n/a**	**99**	**71**
n/a	**n/a**	**116**	**84**
n/a	**n/a**	**95**	**64**
n/a	**n/a**	**94**	**71**
n/a	**n/a**	**89**	**62**
n/a	**n/a**	**85**	**60**

Current			
20-year	**15-year**	**10-year**	**5-year**
Interp	Interp	01-Jun-28	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.30%	2.28%	2.25%	2.13%
0.3	0.0	0.0	0.1
133	**126**	**118**	**97**
3.63%	3.54%	3.43%	3.10%
3.6	3.9	4.8	7.6
3.67%	**3.58%**	**3.48%**	**3.18%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	75	67	45

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**92**	**72**

Current			
20-year	**15-year**	**10-year**	**5-year**
Interp	Interp	1-Jun-28	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.30%	2.28%	2.25%	2.13%
0.3	0.0	0.0	0.1
167	**160**	**152**	**131**
3.97%	3.88%	3.77%	3.44%
3.7	4.0	4.9	7.7
4.01%	**3.92%**	**3.82%**	**3.52%**

Current			
20-year	**15-year**	**10-year**	**5-year**
77	75	67	45

Current			
20-year	**15-year**	**10-year**	**5-year**

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name
Date

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
Interp					
0.75%					
2.03%	-0.9	-1.4	0.8	0.8	3.9
0.0	-	-	-2.3	-0.9	-1.2
51	-	-	-	-	-
2.54%	-0.9	-1.4	-1.5	-0.1	2.7
8.7	-	-	-	-	-
2.62%	-0.9	-1.4	-1.5	-0.1	2.7

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
31	0.5	-2.0	-5.0	-2.5	-1.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
21				-0.5	4.5
43	-	-3.0	-3.5	-2.5	-2.5
61	1.0			-	-
73	1.0			1.0	-1.0
54	-			1.0	-
61	-			-	-
50	3.0			-	-
50	1.0			-	-

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
Interp					
0.75%					
2.03%					
0.0					
81	-	-	-	-	-
2.84%	-0.9	-1.4	-1.5	-0.1	2.7
8.8	-	-	-	-	-
2.92%	-0.9	-1.4	-1.5	-0.1	2.7

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
31	0.5	-2.0	-5.0	-2.5	-1.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				7.0	10.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
Interp					
0.75%					
2.03%					
0.0					
115	-	-	-	-	-
3.18%	-0.9	-1.4	-1.5	-0.1	2.7
8.8	-	-	-	-	-
3.27%	-0.9	-1.4	-1.5	-0.1	2.7

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
31	0.5	-2.0	-5.0	-2.5	-1.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

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RBC
05-Jun-18

	3-year
	3.4
	-2.7
	-
	0.7
	-
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	-
	-
	-
	-
	-
	-
	-

	3-year
	-
	0.7
	-
	0.7

	3-year
	2.5

	3-year

3-year
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3-year
2.5

3-year

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icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.30%	2.30%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**+102**	**+100**
Re-Offered Yield	3.32%	3.30%
Commission (bp)	2.3	3.1
All-in Yield	**3.34%**	**3.34%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	165	
CPP	83	
BNS - Denior Deposit Notes	139	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.30%	2.30%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**+137**	**+135**
Re-Offered Yield	3.67%	3.65%
Commission (bp)	2.3	3.1
All-in Yield	**3.69%**	**3.69%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.30%	2.30%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**+175**	**+173**
Re-Offered Yield	4.05%	4.03%
Commission (bp)	2.3	3.1
All-in Yield	**4.07%**	**4.07%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Jun-23	01-Mar-21	
5.75%	2.00%	1.50%	0.75%	
2.28%	2.25%	2.12%	1.99%	0.04%
0.0	0.0	0.1	1.8	0
+97	**+87**	**+65**	**+48**	-3
3.25%	3.12%	2.77%	2.49%	0.01%
3.6	4.5	7.4	8.8	0
3.28%	**3.16%**	**2.85%**	**2.58%**	**0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
74	68	45	28	-1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	120	95	81	5
	67	47	31	0
	109	96	83	7
	105	91	80	
	105	91	80	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Jun-23	01-Mar-21	
5.75%	2.00%	1.50%	0.75%	
2.28%	2.25%	2.12%	1.99%	0.04%
0.0	0.0	0.1	1.8	0
+127	**+117**	**+95**	**+78**	-3
3.55%	3.42%	3.07%	2.79%	0.01%
3.6	4.5	7.4	8.8	0
3.58%	**3.46%**	**3.15%**	**2.88%**	**0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
74	68	45	28	-1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	105	91	80	
	105	91	80	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Jun-23	01-Mar-21	
5.75%	2.00%	1.50%	0.75%	
2.28%	2.25%	2.12%	1.99%	0.04%
0.0	0.0	0.1	1.8	0
+157	**+147**	**+125**	**+108**	-3
3.85%	3.72%	3.37%	3.09%	0.01%
3.6	4.5	7.4	8.8	0
3.88%	**3.76%**	**3.45%**	**3.18%**	**0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
74	68	45	28	-1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	105	91	80	
	105	91	80	

Bank Name	BNS
Date	6/5/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.04%	0.04%	0.06%	0.08%	0.04%
0	0	0	-2	0
-3	-3	-3	-2	-2
0.01%	0.01%	0.03%	0.04%	0.02%
0	0	0	0	0
0.01%	**0.01%**	**0.03%**	**0.04%**	**0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	-2	1	2	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		5	5	5
		0	3	0
		7	8	7
		7	7	7
		7	7	7

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.04%	0.04%	0.06%	0.08%	0.04%
0	0	0	-2	0
-3	-3	-3	-2	-2
0.01%	0.01%	0.03%	0.04%	0.02%
0	0	0	0	0
0.01%	**0.01%**	**0.03%**	**0.04%**	**0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	-2	1	2	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		7	7	7
		7	7	7

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.04%	0.04%	0.06%	0.08%	0.04%
0	0	0	-2	0
-3	-3	-3	-2	-2
0.01%	0.01%	0.03%	0.04%	0.02%
0	0	0	0	0
0.01%	**0.01%**	**0.03%**	**0.04%**	**0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	-2	1	2	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		7	7	7
		7	7	7

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.31%	2.36%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**110**	**102**
Re-Offered Yield	3.41%	3.39%
Commission (bp)	2.3	3.2
All-in Yield	**3.44%**	**3.42%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	112	102
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	138	128

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.31%	2.32%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**140**	**132**
Re-Offered Yield	3.71%	3.64%
Commission (bp)	2.3	3.1
All-in Yield	**3.74%**	**3.67%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	77	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.31%	2.32%
Curve Adjustment (bp)	0.0	0.3
Spread to GoC Curve (bp)	**170**	**162**
Re-Offered Yield	4.01%	3.94%
Commission (bp)	2.3	3.1
All-in Yield	**4.04%**	**3.97%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Jun-24	01-Jun-21	-
5.75%	1.00%	1.50%	0.75%	-
2.31%	2.28%	2.19%	2.04%	-0.03%
0.0	0.0	0.0	0.1	-
92	**85**	**55**	**40**	1
3.23%	3.13%	2.74%	2.44%	0.0%
3.6	4.5	7.4	8.6	-
3.26%	**3.17%**	**2.82%**	**2.53%**	**-0.01%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
72	67	44	29	2.0

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
97	89	66	46	2
N/A	93	71	59	N/A
106	98	74	64	5

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Jun-24	01-Jun-21	-
5.75%	1.00%	1.50%	0.75%	-
2.31%	2.28%	2.19%	2.04%	-0.03%
0.0	0.0	0.0	0.1	-
122	**115**	**85**	**70**	1
3.53%	3.43%	3.04%	2.74%	0.0%
3.6	4.5	7.4	8.6	-
3.56%	**3.47%**	**3.12%**	**2.83%**	**-0.01%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**

72	67	44	29	2.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Jun-24	01-Jun-21	-
5.75%	1.00%	1.50%	0.75%	-
2.31%	2.28%	2.19%	2.04%	-0.03%
0.0	0.0	0.0	0.1	-
152	**145**	**115**	**100**	1
3.83%	3.73%	3.34%	3.04%	0.0%
3.6	4.5	7.4	8.6	-
3.86%	**3.77%**	**3.42%**	**3.13%**	**-0.01%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
72	67	44	29	2.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	6/4/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.00%	-0.01%	-0.02%	0.04%	0.07%
-	-	-	-	-
1	1	1	1	1
0.0%	0.0%	0.0%	0.1%	0.1%
-	-	-	-	-
0.02%	**-0.01%**	**-0.02%**	**0.06%**	**0.08%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
1.0	2.5	4.0	1.0	1.0

20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	2	4	3	1
N/A	N/A	7	5	5
5	5	5	4	4

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.04%	-0.01%	-0.02%	0.04%	0.07%
-	-	-	-	-
1	1	1	1	1
0.0%	0.0%	0.0%	0.1%	0.1%
-	-	-	-	-
-0.03%	**-0.01%**	**-0.02%**	**0.06%**	**0.08%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**

1.0	2.5	4.0	1.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.04%	-0.01%	-0.02%	0.04%	0.07%
-	-	-	-	-
1	1	1	1	1
0.0%	0.0%	0.0%	0.1%	0.1%
-	-	-	-	-
-0.03%	**-0.01%**	**-0.02%**	**0.06%**	**0.08%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
1.0	2.5	4.0	1.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	Wagner, Ryan
To:	Brett Kichiy; ""John Lee"; ""Ken Ryfa"; Linda Smith; Mike Manning; "Sheen.liu@opg.com"; Gadi Mayman; "j.hahnparker@opg.com"; Kevin Shvarts; "ken.hartwick@opg.com"; Ricky Lai; MAHMOOD Irma -FINANCE
Cc:	Schauffert-Tam, Susan; Williams, Grant; Ruta, Olivier
Subject:	Fair Hydro pricing indications
Date:	Monday, February 05, 2018 2:32:32 PM
Attachments:	FHP_BMO_20180205.pdf FHP_BMO_20180205.xlsx

Please see our pricing input for FHP attached.

Let us know any questions.

Thank you,

Ryan Wagner, CFA, MFE

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Bank Name	Bank of Montreal
Date	5-Feb-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.47%	2.47%	2.41%	2.37%	2.13%	1.92%	13bps	14bps	10bps	10bps	6bps	3bps
Curve Adjustment (bp)	0.0	0.2	3.2	1.1	3.3	5.7	0bps	0bps	1bps	0bps	1bps	1bps
Spread to GoC Curve (bp)	**92**	**91**	**90**	**77**	**52**	**35**	2bps	2bps	2bps	2bps	2bps	0bps
Re-Offered Yield	3.39%	3.39%	3.34%	3.16%	2.69%	2.33%	15bps	15bps	13bps	12bps	8bps	4bps
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9						
All-in Yield	**3.42%**	**3.42%**	**3.37%**	**3.20%**	**2.76%**	**2.40%**	15bps	15bps	13bps	12bps	8bps	4bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	70	69	68	58	39.5	26	-1bps	-1bps	-1bps	0bps	0bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					75						2bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					67	53					2bps	0bps
MBS - BAML NHA MBS (AAA/AAA)					54	38					2bps	0bps
CMBs: (AAA/Aaa/AAA)			39.5	34.5	25.5	14			-1bps	-1bps	-1bps	0bps
PSP Investments (AAA/Aaa/AAA)				64	43	26				0bps	0bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	84			64	43	26	0bps			0bps	0bps	0bps
BMO (Senior) (A+/A1/AA)	107			82	69	56	2bps			2bps	2bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	84			74	52	45	2bps			3bps	6bps	5bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.47%	2.47%	2.41%	2.37%	2.13%	1.92%	13bps	14bps	10bps	10bps	6bps	3bps
Curve Adjustment (bp)	0.0	0.2	3.2	1.1	3.3	5.7	0bps	0bps	1bps	0bps	1bps	1bps
Spread to GoC Curve (bp)	**132**	**131**	**129**	**107**	**77**	**60**	2bps	2bps	2bps	2bps	2bps	0bps
Re-Offered Yield	3.79%	3.79%	3.73%	3.46%	2.94%	2.58%	15bps	15bps	13bps	12bps	8bps	4bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.82%**	**3.82%**	**3.76%**	**3.50%**	**3.01%**	**2.65%**	15bps	15bps	13bps	12bps	8bps	4bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69	68	58	40	26	-1bps	-1bps	-1bps	0bps	0bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)						73						0bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						88						0bps
BMO (Senior) (A+/A1/AA)	107			82	69	56	2bps			2bps	2bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	84			74	52	45	2bps			3bps	6bps	5bps
City of Toronto (AA / Aa1 / AA)	94	93	91.5	75.5	54.5	39	-1bps	-1bps	-1bps	0bps	0bps	1bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.47%	2.47%	2.41%	2.37%	2.13%	1.92%	13bps	14bps	10bps	10bps	6bps	3bps
Curve Adjustment (bp)	0.0	0.2	3.2	1.1	3.3	5.7	0bps	0bps	1bps	0bps	1bps	1bps
Spread to GoC Curve (bp)	**207**	**205**	**197**	**157**	**122**	**105**	2bps	2bps	2bps	2bps	2bps	0bps
Re-Offered Yield	4.54%	4.53%	4.41%	3.96%	3.39%	3.03%	15bps	15bps	13bps	12bps	8bps	4bps
Commission (bp)	2.9	3.6	3.5	4.8	7.5	6.9						
All-in Yield	**4.57%**	**4.56%**	**4.44%**	**4.00%**	**3.46%**	**3.10%**	15bps	15bps	13bps	12bps	8bps	4bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69	68	58	40	26	-1bps	-1bps	-1bps	0bps	0bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					140						2bps	
ABS - BMO Fortified Sub A Rated Tranche					122						2bps	
Hydro One (A/A3/AH)	123			81	59	47	3bps			1bps	4bps	4bps
OPG (BBB+/-/AL)	158			111	89	77	6bps			3bps	6bps	6bps

Generic Corporate Credit Spreads AA	88			82	60		0bps			2bps	2bps	
Generic Corporate Credit Spreads A	146			109	76		1bps			2bps	1bps	
Generic Corporate Credit Spreads BBB	218			160	110		-1bps			-1bps	1bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	5-Feb-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.47%	2.47%	2.41%	2.37%	2.13%	1.92%	13bps	14bps	10bps	10bps	6bps	3bps
Curve Adjustment (bp)	0.0	0.2	3.2	1.1	3.3	5.7	0bps	0bps	1bps	0bps	1bps	1bps
Spread to GoC Curve (bp)	**92**	**91**	**90**	**77**	**52**	**35**	2bps	2bps	2bps	2bps	2bps	0bps
Re-Offered Yield	3.39%	3.39%	3.34%	3.16%	2.69%	2.33%	15bps	15bps	13bps	12bps	8bps	4bps
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9						
All-in Yield	**3.42%**	**3.42%**	**3.37%**	**3.20%**	**2.76%**	**2.40%**	15bps	15bps	13bps	12bps	8bps	4bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	70	69	68	58	39.5	26	-1bps	-1bps	-1bps	0bps	0bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					75						2bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					67	53					2bps	0bps
MBS - BAML NHA MBS (AAA/AAA)					54	38					2bps	0bps
CMBs: (AAA/Aaa/AAA)			39.5	34.5	25.5	14			-1bps	-1bps	-1bps	0bps
PSP Investments (AAA/Aaa/AAA)				64	43	26				0bps	0bps	0bps
CPP Investment Board (AAA/Aaa/AAA)	84			64	43	26	0bps			0bps	0bps	0bps
BMO (Senior) (A+/A1/AA)	107			82	69	56	2bps			2bps	2bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	84			74	52	45	2bps			3bps	6bps	5bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.47%	2.47%	2.41%	2.37%	2.13%	1.92%	13bps	14bps	10bps	10bps	6bps	3bps
Curve Adjustment (bp)	0.0	0.2	3.2	1.1	3.3	5.7	0bps	0bps	1bps	0bps	1bps	1bps
Spread to GoC Curve (bp)	**132**	**131**	**129**	**107**	**77**	**60**	2bps	2bps	2bps	2bps	2bps	0bps
Re-Offered Yield	3.79%	3.79%	3.73%	3.46%	2.94%	2.58%	15bps	15bps	13bps	12bps	8bps	4bps
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9						
All-in Yield	**3.82%**	**3.82%**	**3.76%**	**3.50%**	**3.01%**	**2.65%**	15bps	15bps	13bps	12bps	8bps	4bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	69	68	58	40	26	-1bps	-1bps	-1bps	0bps	0bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						73						0bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						88						0bps
BMO (Senior) (A+/A1/AA)	107			82	69	56	2bps			2bps	2bps	0bps
Nav Canada (sub) (AA-/Aa2/AAL)	84			74	52	45	2bps			3bps	6bps	5bps
City of Toronto (AA / Aa1 / AA)	94	93	91.5	75.5	54.5	39	-1bps	-1bps	-1bps	0bps	0bps	1bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.47%	2.47%	2.41%	2.37%	2.13%	1.92%	13bps	14bps	10bps	10bps	6bps	3bps
Curve Adjustment (bp)	0.0	0.2	3.2	1.1	3.3	5.7	0bps	0bps	1bps	0bps	1bps	1bps
Spread to GoC Curve (bp)	**207**	**205**	**197**	**157**	**122**	**105**	2bps	2bps	2bps	2bps	2bps	0bps
Re-Offered Yield	4.54%	4.53%	4.41%	3.96%	3.39%	3.03%	15bps	15bps	13bps	12bps	8bps	4bps
Commission (bp)	2.9	3.6	3.5	4.8	7.5	6.9						
All-in Yield	**4.57%**	**4.56%**	**4.44%**	**4.00%**	**3.46%**	**3.10%**	15bps	15bps	13bps	12bps	8bps	4bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	69	68	58	40	26	-1bps	-1bps	-1bps	0bps	0bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					140						2bps	
ABS - BMO Fortified Sub A Rated Tranche					122						2bps	
Hydro One (A/A3/AH)	123			81	59	47	3bps			1bps	4bps	4bps
OPG (BBB+/-/AL)	158			111	89	77	6bps			3bps	6bps	6bps

Generic Corporate Credit Spreads AA	88			82	60		0bps			2bps	2bps	
Generic Corporate Credit Spreads A	146			109	76		1bps			2bps	1bps	
Generic Corporate Credit Spreads BBB	218			160	110		-1bps			-1bps	1bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

From:	Wagner, Ryan
To:	Brett Kichiy; ""John Lee"; ""Ken Ryfa"; Linda Smith; Mike Manning; "Sheen.liu@opg.com"; Gadi Mayman; "j.hahnparker@opg.com"; Kevin Shvarts; "ken.hartwick@opg.com"; Ricky Lai; "MAHMOOD Irma -FINANCE"
Cc:	Schauffert-Tam, Susan; Williams, Grant; Ruta, Olivier
Subject:	Fair Hydro pricing indications
Date:	Tuesday, February 13, 2018 8:42:41 AM
Attachments:	FHP_BMO_20180213.xlsx FHP_BMO_20180213.pdf

Please see our pricing input for FHP attached.

Let us know any questions.

Thank you,

Ryan Wagner, CFA, MFE

Associate

Investment Grade Origination

BMO Capital Markets

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Bank Name	Bank of Montreal
Date	13-Feb-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.48%	2.49%	2.38%	2.33%	2.06%	1.85%	1bps	1bps	-3bps	-4bps	-8bps	-7bps
Curve Adjustment (bp)	0.0	0.2	5.6	1.6	3.4	5.7	0bps	0bps	2bps	1bps	0bps	0bps
Spread to GoC Curve (bp)	**97**	**96**	**95**	**83**	**56**	**39**	5bps	5bps	5bps	6bps	4bps	4bps
Re-Offered Yield	3.45%	3.45%	3.38%	3.18%	2.65%	2.29%	6bps	6bps	4bps	2bps	-3bps	-3bps
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9						
All-in Yield	**3.48%**	**3.48%**	**3.41%**	**3.22%**	**2.73%**	**2.36%**	6bps	6bps	4bps	2bps	-4bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ONTARIO: (A+/Aa2/AAL)	73	72	71	60.5	40.5	26.5	3bps	3bps	3bps	3bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 A (AAA)					81						6bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					73	57					6bps	4bps
MBS - BAML NHA MBS (AAA/AAA)					60	42					6bps	4bps
CMBs: (AAA/Aaa/AAA)			39	34	27	15			-1bps	-1bps	2bps	1bps
PSP Investments (AAA/Aaa/AAA)				66	45	29				2bps	2bps	3bps
CPP Investment Board (AAA/Aaa/AAA)	86			66	45	29	2bps			2bps	2bps	3bps
BMO (Senior) (A+/A1/AA)	113			88	73	60	6bps			6bps	4bps	4bps
Nav Canada (sub) (AA-/Aa2/AAL)	90			78	56	45	6bps			4bps	4bps	0bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.48%	2.49%	2.38%	2.33%	2.06%	1.85%	1bps	1bps	-3bps	-4bps	-8bps	-7bps
Curve Adjustment (bp)	0.0	0.2	5.6	1.6	3.4	5.7	0bps	0bps	2bps	1bps	0bps	0bps
Spread to GoC Curve (bp)	**137**	**136**	**134**	**113**	**81**	**64**	5bps	5bps	5bps	6bps	4bps	4bps
Re-Offered Yield	3.85%	3.85%	3.77%	3.48%	2.90%	2.54%	6bps	6bps	4bps	2bps	-3bps	-3bps
Commission (bp)	2.8	3.5	3.5	4.7	7.5	6.9						
All-in Yield	**3.88%**	**3.89%**	**3.81%**	**3.52%**	**2.98%**	**2.61%**	6bps	6bps	4bps	2bps	-4bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	72	71	61	41	27	3bps	3bps	3bps	3bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - BMO Fortified (HELOC ABS) (AA/AA)						77						4bps
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)						92						4bps
BMO (Senior) (A+/A1/AA)	113			88	73	60	6bps			6bps	4bps	4bps
Nav Canada (sub) (AA-/Aa2/AAL)	90			78	56	45	6bps			4bps	4bps	0bps
City of Toronto (AA / Aa1 / AA)	96	95	94	78	55.5	39.5	3bps	2bps	3bps	3bps	1bps	1bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.48%	2.49%	2.38%	2.33%	2.06%	1.85%	1bps	1bps	-3bps	-4bps	-8bps	-7bps
Curve Adjustment (bp)	0.0	0.2	5.6	1.6	3.4	5.7	0bps	0bps	2bps	1bps	0bps	0bps
Spread to GoC Curve (bp)	**212**	**210**	**202**	**163**	**126**	**109**	5bps	5bps	5bps	6bps	4bps	4bps
Re-Offered Yield	4.60%	4.59%	4.45%	3.98%	3.35%	2.99%	6bps	6bps	4bps	2bps	-3bps	-3bps
Commission (bp)	2.9	3.7	3.6	4.8	7.5	6.9						
All-in Yield	**4.63%**	**4.63%**	**4.49%**	**4.02%**	**3.43%**	**3.06%**	6bps	6bps	4bps	2bps	-4bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	72	71	61	41	27	3bps	3bps	3bps	3bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
ABS - Eagle 2017-1 Sub A Rated Tranche					146						6bps	
ABS - BMO Fortified Sub A Rated Tranche					128						6bps	
Hydro One (A/A3/AH)	130			85	63	50	7bps			4bps	4bps	3bps
OPG (BBB+/-/AL)	165			115	93	80	7bps			4bps	4bps	3bps

Generic Corporate Credit Spreads AA	94			86	64		6bps			4bps	4bps	
Generic Corporate Credit Spreads A	151			114	81		5bps			5bps	5bps	
Generic Corporate Credit Spreads BBB	226			167	116		8bps			7bps	6bps	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

Bank Name	Bank of Montreal
Date	13-Feb-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.48%	2.49%	2.38%	2.33%	2.06%	1.85%	1bps	1bps	-3bps	-4bps	-8bps	-7bps
Curve Adjustment (bp)	0.0	0.2	5.6	1.6	3.4	5.7	0bps	0bps	2bps	1bps	0bps	0bps
Spread to GoC Curve (bp)	**97**	**96**	**95**	**83**	**56**	**39**	5bps	5bps	5bps	6bps	4bps	4bps
Re-Offered Yield	3.45%	3.45%	3.38%	3.18%	2.65%	2.29%	6bps	6bps	4bps	2bps	-3bps	-3bps
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9						
All-in Yield	**3.48%**	**3.48%**	**3.41%**	**3.22%**	**2.73%**	**2.36%**	6bps	6bps	4bps	2bps	-4bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ONTARIO: (A+/Aa2/AAL)	73	72	71	60.5	40.5	26.5	3bps	3bps	3bps	3bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 A (AAA)					81						6bps	
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)					73	57					6bps	4bps
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BMO (Senior) (A+/A1/AA)	113			88	73	60	6bps			6bps	4bps	4bps
Nav Canada (sub) (AA-/Aa2/AAL)	90			78	56	45	6bps			4bps	4bps	0bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
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Curve Adjustment (bp)	0.0	0.2	5.6	1.6	3.4	5.7	0bps	0bps	2bps	1bps	0bps	0bps
Spread to GoC Curve (bp)	**137**	**136**	**134**	**113**	**81**	**64**	5bps	5bps	5bps	6bps	4bps	4bps
Re-Offered Yield	3.85%	3.85%	3.77%	3.48%	2.90%	2.54%	6bps	6bps	4bps	2bps	-3bps	-3bps
Commission (bp)	2.8	3.5	3.5	4.7	7.5	6.9						
All-in Yield	**3.88%**	**3.89%**	**3.81%**	**3.52%**	**2.98%**	**2.61%**	6bps	6bps	4bps	2bps	-4bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72	71	61	41	27	3bps	3bps	3bps	3bps	1bps	1bps

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Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
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Nav Canada (sub) (AA-/Aa2/AAL)	90			78	56	45	6bps			4bps	4bps	0bps
City of Toronto (AA / Aa1 / AA)	96	95	94	78	55.5	39.5	3bps	2bps	3bps	3bps	1bps	1bps

Indicative New Issue Spreads - Jr. Sub Notes (A/A2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%						
Benchmark Yield	2.48%	2.49%	2.38%	2.33%	2.06%	1.85%	1bps	1bps	-3bps	-4bps	-8bps	-7bps
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Re-Offered Yield	4.60%	4.59%	4.45%	3.98%	3.35%	2.99%	6bps	6bps	4bps	2bps	-3bps	-3bps
Commission (bp)	2.9	3.7	3.6	4.8	7.5	6.9						
All-in Yield	**4.63%**	**4.63%**	**4.49%**	**4.02%**	**3.43%**	**3.06%**	6bps	6bps	4bps	2bps	-4bps	-3bps

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73	72	71	61	41	27	3bps	3bps	3bps	3bps	1bps	1bps

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
ABS - Eagle 2017-1 Sub A Rated Tranche					146						6bps	
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* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included in BMO Corporate Bond Universe Pricing

From: Ricky Lai
To: Mike Manning
Cc: James Devine; Carlos Yep
Subject: Fair Hydro spreads
Date: Wednesday, April 04, 2018 10:31:14 AM
Attachments: Fair Hydro price indications April 3 2018.xlsx

Please find this week's Fair Hydro spreads.
Ricky

FAIR HYDRO SPREADS

Week of April 3, 2018

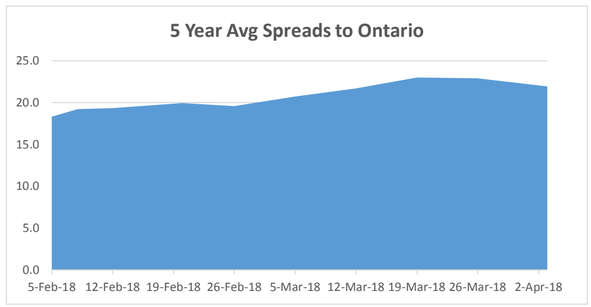
Senior Note

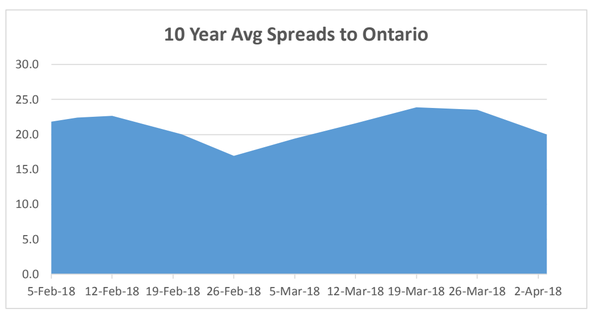
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
33.0	29.8	24.4	20.8	21.9	22.8

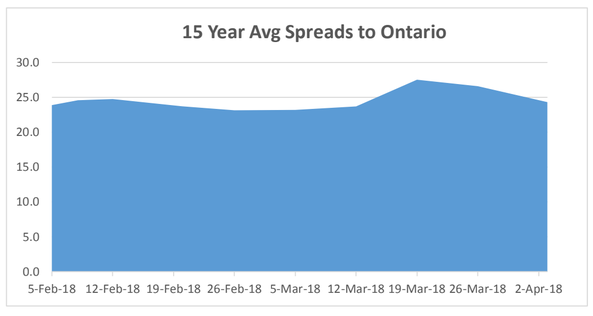
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
113.0	109.6	102.5	90.6	68.0	52.3
108.6	105.0	97.4	86.6	63.7	48.4
4.4	4.6	5.1	4.0	4.3	3.8

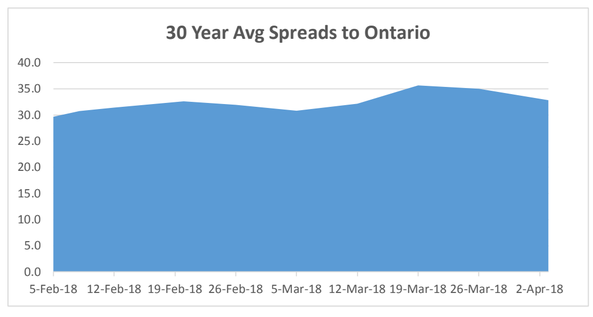
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*Scotia*	*CIBC*	*Scotia*	*GS*	*TD*	*CIBC*
	105.5	104.5	99.0	81.9	65.0	48.5
Maximum	*GS*	*CIBC*	*BMO*	*RBC*	*RBC*	*RBC*
	121.9	115.0	106.0	96.0	73.0	57.0









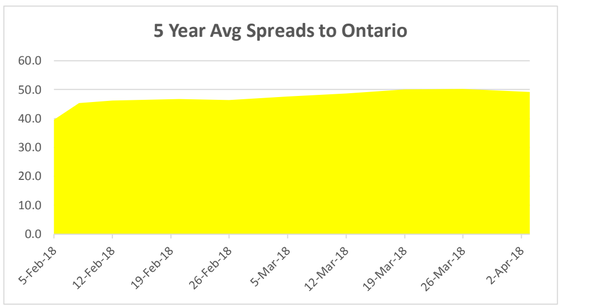
Sub Note

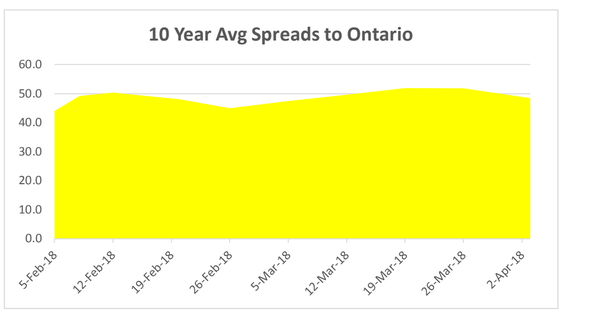
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
64.0	60.5	54.3	49.2	49.3	50.1

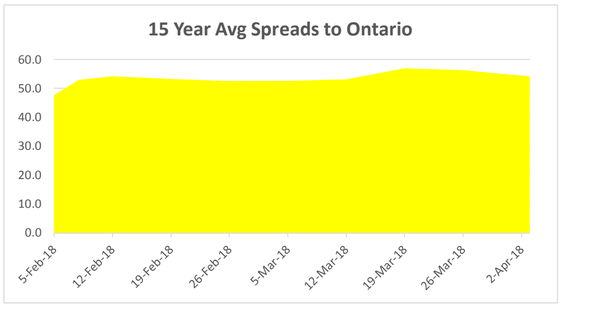
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
144.0	140.3	132.3	119.0	95.3	79.6
139.0	135.1	126.8	114.6	90.7	75.3
5.0	5.2	5.5	4.4	4.7	4.3

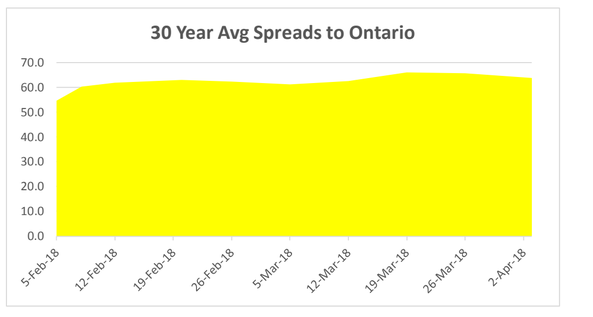
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*NBF*	*NBF*	*GS*	*NBF*	*NBF*
	138.0	137.0	126.0	111.9	88.0	73.0
Maximum	*GS*	*BMO*	*BMO*	*RBC*	*RBC*	*RBC*
	151.9	145.0	140.0	128.0	105.0	89.0









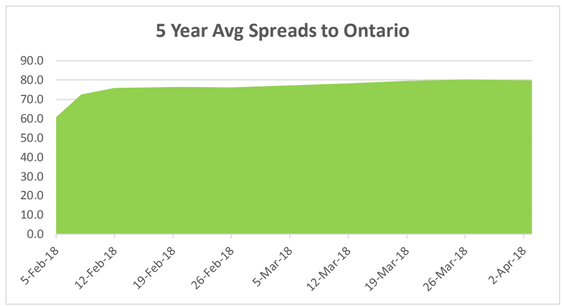
Junior Sub Note

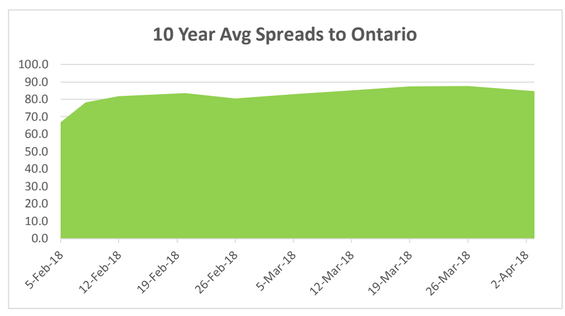
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
105.2	100.9	93.9	84.4	79.9	80.9

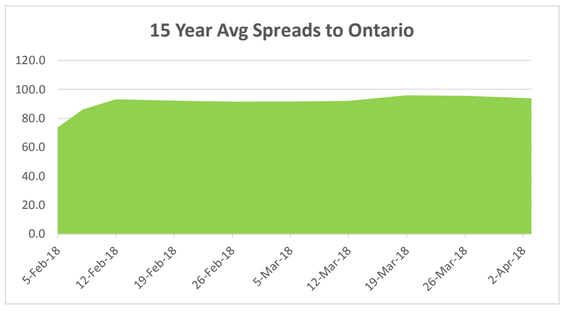
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
185.4	181.3	172.1	155.3	126.0	110.4
180.0	175.7	165.8	150.1	120.3	105.3
5.4	5.6	6.2	5.1	5.7	5.2

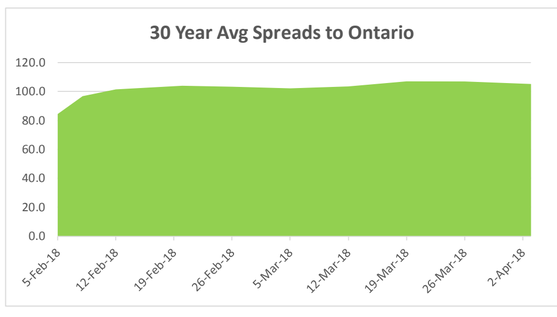
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*NBF*	*NBF*	*NBF*
	166.5	165.0	154.5	135.0	107.0	92.0
Maximum	*BMO*	*BMO*	*BMO*	*GS*	*RBC*	*RBC*
	220.0	218.0	207.0	171.9	141.0	125.0









Indicative New Issue Spreads
Week of April 3, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.29%	2.27%	2.19%	2.15%	2.01%	1.87%	2.25%	2.22%	2.19%	2.13%	2.08%	1.98%	2.29%	2.27%	2.22%	2.17%			2.23%	2.21%
Curve Adjustment (bp)	0.0	0.8	3.4	2.0	0.5	5.9	0.0	0.3	(0.2)	(0.3)	(0.6)	0.5	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	106	105	101	90	66	51	117	115	105	92	67	49	122	112	102	81.9			115	112
Re-Offered Yield	3.35%	3.33%	3.24%	3.07%	2.67%	2.44%	3.41%	3.38%	3.23%	3.04%	2.74%	2.47%	3.51%	3.39%	3.24%	2.98%			3.38%	3.33%
Commission (bp)	2.6	3.4	3.3	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.38%**	**3.36%**	**3.27%**	**3.11%**	**2.75%**	**2.51%**	**3.44%**	**3.40%**	**3.25%**	**3.06%**	**2.75%**	**2.48%**	**3.52%**	**3.41%**	**3.27%**	**3.03%**			**3.41%**	**3.36%**
All-in Spread to GoC Curve (bp)	**108.61**	**108.39**	**104.33**	**94.60**	**73.43**	**57.87**	**119.19**	**117.68**	**106.86**	**93.55**	**68.23**	**49.69**	**123.57**	**114.40**	**105.23**	**86.90**			**117.67**	**115.45**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	84	83	82	73	49	30	81	80	79	72	47	29	81	83	79	75			80	79

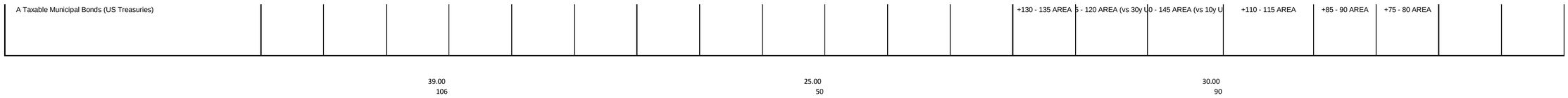
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							171	--	--	123	81	65								
Toronto Hydro Corporation (A/-/A)							132	--	--	92	66	54								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	102	0	0	83	58	51														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			140	134
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			123	117
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			145	138
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	88	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	82	67														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	67	52														
CMBs: (AAA/Aaa/AAA)	0	0	47	42	34	19														
PSP Investments (AAA/Aaa/AAA)	0	0	0	68	48	32														
CPP Investment Board (AAA/Aaa/AAA)	88	0	0	68	48	32														
BMO (Senior) (A+/A1/AA)	122	0	0	97	80	70														
Nova Scotia Power (BBB+ / - / A(l))							148	--	--	104	75	60								
FortisAlberta (A- / Baa1 / A(l))							136	--	--	95	69	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							242	--	--	182	126	102								
Bruce Power (BBB / Baa2 / BBB)							208	--	--	153	108	--								
City of Toronto (- / Aa1 / AA)							103	102	--	84	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																80 bps area				
AAA Taxable Municipal Bonds (US Treasuries)													+90 AREA	5-80 AREA (vs 30y U	30-105 AREA (vs 10y U	+70-75 AREA	+60 - 65 AREA	+50 - 55 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.29%	2.27%	2.19%	2.15%	2.01%	1.87%	2.25%	2.22%	2.19%	2.13%	2.08%	1.98%	2.29%	2.27%	2.22%	2.17%			2.23%	2.21%
Curve Adjustment (bp)	0.0	0.8	3.4	2.0	0.5	5.9	0.0	0.3	(0.2)	(0.3)	(0.6)	0.5	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	146	145	140	120	92	77	142	140	130	117	92	74	152	142	132	112			140	137
Re-Offered Yield	3.75%	3.73%	3.63%	3.37%	2.93%	2.70%	3.66%	3.63%	3.48%	3.29%	2.99%	2.72%	3.81%	3.69%	3.54%	3.28%			3.63%	3.58%
Commission (bp)	2.7	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.78%**	**3.76%**	**3.66%**	**3.41%**	**3.01%**	**2.77%**	**3.69%**	**3.65%**	**3.50%**	**3.31%**	**3.00%**	**2.73%**	**3.82%**	**3.71%**	**3.54%**	**3.33%**			**3.66%**	**3.61%**
All-in Spread to GoC Curve (bp)	**148.74**	**148.50**	**143.42**	**124.67**	**99.47**	**83.89**	**144.19**	**142.68**	**131.86**	**118.55**	**93.23**	**74.69**	**153.57**	**144.40**	**135.23**	**116.90**			**142.67**	**140.45**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			130	124
NAV Canada (AA-, AA low)																			100	98
GTAA (Aa3, A+)																			100	98
Hydro One (A3/A/A high)																			135	129
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	87														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	102														
BMO (Senior) (A+/A1/AA)	122	0	0	97	80	70														
Nav Canada (sub) (AA-/Aa2/AAL)	102	0	0	83	58	51														
City of Toronto (AA / Aa1 / AA)	104	104	102	89	65	44														
Bank ABS (AAA / - / AAA)							--	--	--	--	80	67								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	92	79								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	48	37								
AA CMBS (USD Swaps)																100 - 115 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+105 - 110 AREA	90 AREA (vs 30y UST	5 - 120 AREA (vs 10y U	+90 - 95 AREA	+65 - 70 AREA	+50 - 55 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.29%	2.27%	2.19%	2.15%	2.01%	1.87%	2.25%	2.22%	2.19%	2.13%	2.08%	1.98%	2.29%	2.27%	2.22%	2.17%			2.23%	2.21%
Curve Adjustment (bp)	0.0	0.8	3.4	2.0	0.5	5.9	0.0	0.3	(0.2)	(0.3)	(0.6)	0.5	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	220	218	207	170	136	122	167	165	155	142	117	99	212	202	192	172			170	167
Re-Offered Yield	4.49%	4.46%	4.30%	3.87%	3.37%	3.15%	3.91%	3.88%	3.73%	3.54%	3.24%	2.97%	4.41%	4.29%	4.14%	3.88%			3.93%	3.88%
Commission (bp)	2.8	3.6	3.5	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.52%**	**4.49%**	**4.33%**	**3.91%**	**3.45%**	**3.22%**	**3.94%**	**3.90%**	**3.75%**	**3.56%**	**3.25%**	**2.98%**	**4.42%**	**4.31%**	**4.14%**	**3.93%**			**3.96%**	**3.91%**
All-in Spread to GoC Curve (bp)	**222.84**	**221.63**	**210.52**	**174.75**	**143.53**	**128.93**	**169.19**	**167.68**	**156.86**	**143.55**	**118.23**	**99.69**	**213.57**	**204.40**	**195.23**	**176.90**			**172.67**	**170.45**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			160.0	154.8
Highway 407 (A, A)																			130.0	124.0
Enbridge Gas Distribution (A-, A)																			135.0	129.8
Hydro One (A3/A/A high)																			135.0	129.0
Schedule 1 Bank ABS (A)																			200.0	193.3
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	153.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	135.0	-														
Hydro One (A/A3/AH)	138.0	-	-	100.0	75.0	60.0														
OPG (BBB+/-/AL)	170.0	-	-	123.0	98.0	83.0														
10-year A CMBS (USD Swaps)																150 - 160 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+130 - 135 AREA
5 - 120 AREA (vs 30y U
0 - 145 AREA (vs 10y U
+110 - 115 AREA
+85 - 90 AREA
+75 - 80 AREA
39.00
106
25.00
50
30.00
90

Indicative New Issue Spreads
Week of April 3, 2018

NBF *NBF* *NBF* NBF

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	NBF Current			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.17%	2.06%	1.98%	1.90%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	103	90.00	67	52
Re-Offered Yield	3.20%	2.96%	2.65%	2.42%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.24%**	**3.01%**	**2.73%**	**2.51%**
All-in Spread to GoC Curve (bp)	**106.81**	**94.66**	**74.54**	**60.70**

Primary Comparable (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	69	46	30

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	117	100	80	70
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	100	85	65	57
Schedule I Bank ABS (Aaa ; AAA ; AAA)	119	100	80	70
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.17%	2.06%	1.98%	1.90%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	126	112	88	73
Re-Offered Yield	3.43%	3.18%	2.86%	2.63%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.47%**	**3.23%**	**2.94%**	**2.72%**
All-in Spread to GoC Curve (bp)	**129.81**	**116.66**	**95.54**	**81.70**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
RBC Sr-Sub.				
Highway 407 (A, A)	107	90	65	55
NAV Canada (AA-, AA low)	91	85	60	50
GTAA (Aa3, A+)	91	85	60	50
Hydro One (A3/A/A high)	112	95	75	60
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.17%	2.06%	1.98%	1.90%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	156	135	107	92
Re-Offered Yield	3.73%	3.41%	3.05%	2.82%
Commission (bp)	3.8	4.7	7.5	8.7
All-in Yield	**3.77%**	**3.46%**	**3.13%**	**2.91%**
All-in Spread to GoC Curve (bp)	**159.81**	**139.66**	**114.54**	**100.70**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	139.9	125.0	95.0	80.0
Highway 407 (A, A)	107.0	90.0	65.0	55.0
Enbridge Gas Distribution (A-, A)	114.9	100.0	75.0	60.0
Hydro One (A3/A/A high)	112.0	95.0	75.0	60.0
Schedule 1 Bank ABS (A)	174.1	155.0	135.0	120.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads
Week of April 3, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	RBC	RBC	RBC	RBC	RBC	RBC	Scotia	Scotia	Scotia	Scotia	Scotia	Scotia	TD	TD	TD	TD	TD	TD
	RBC						Scotia						TD					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.25%	2.23%	2.17%	2.12%	1.99%	1.91%	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	2.24%	2.22%	2.14%	2.09%	1.98%	1.88%
Curve Adjustment (bp)	0.0	0.8	2.8	1.9	0.4	0.8	0.0	0.6	(0.2)	1.8	0.2	0.3	0.0	0.8	3.2	1.9	0.0	0.9
Spread to GoC Curve (bp)	106	107	106	96.00	73	57	106	105	99	90	71	55	120	112	102	95	65	50
Re-Offered Yield	3.31%	3.31%	3.25%	3.10%	2.73%	2.49%	3.40%	3.38%	3.28%	3.13%	2.76%	2.49%	3.44%	3.34%	3.19%	3.06%	2.63%	2.39%
Commission (bp)	2.7	3.4	3.8	4.7	7.6	8.7	3.0	3.2	3.6	4.9	7.7	8.6	2.3	3.1	3.5	4.5	7.4	8.6
All-in Yield	**3.34%**	**3.34%**	**3.29%**	**3.15%**	**2.80%**	**2.57%**	**3.43%**	**3.41%**	**3.32%**	**3.18%**	**2.84%**	**2.58%**	**3.46%**	**3.37%**	**3.22%**	**3.11%**	**2.71%**	**2.48%**
All-in Spread to GoC Curve (bp)	**108.65**	**110.45**	**109.83**	**100.69**	**80.55**	**65.71**	**108.51**	**107.65**	**102.57**	**94.36**	**78.17**	**63.63**	**122.31**	**115.12**	**105.54**	**99.47**	**72.40**	**58.62**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	81	82	81	71	48	32	80	80	79	69	45	30	76	76	71	66	43	28

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	40	32	18												
City of Toronto (AA/Aa1/AA)	103	103	98	88	63	45												
Hydro One Inc. (A(H)/A3/A)	141	n/a	n/a	97	65	55							138	128	100	92	70	57
Ontario Power Generation Inc. (A(low)/-/BBB+)	162	n/a	n/a	120	89	77	167	0	0	122	97	85						
Toronto Hydro Corporation (A/-/A)	135	n/a	n/a	95	62	52												
Canadian National Railway Co (A/A2/A)	134	n/a	n/a	93	69	61												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	101	n/a	n/a	80	60	50												
NAV Canada (AA(low)/Aa2/AA-)	100	n/a	n/a	80	60	50												
OPB Finance Trust (AA+/-/AA(H))													116	106	101	92	64	46
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	87	70	53
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							79	0	0	69	49	31						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							132	0	0	102	85	73						
Golden Credit Card Trust							0	0	0	98	81	69						
Master Credit Card Trust							0	0	0	98	81	69						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	01-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.25%	2.23%	2.17%	2.12%	1.99%	1.91%	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	2.24%	2.22%	2.14%	2.09%	1.98%	1.88%
Curve Adjustment (bp)	0.0	0.8	2.8	1.9	0.4	0.8	0.0	0.6	(0.2)	1.8	0.2	0.3	0.0	0.8	3.2	1.9	0.0	0.9
Spread to GoC Curve (bp)	138	139	138	128	105	89	141	138	129	120	101	85	150	142	132	125	95	80
Re-Offered Yield	3.63%	3.63%	3.57%	3.42%	3.05%	2.81%	3.75%	3.71%	3.58%	3.43%	3.06%	2.79%	3.74%	3.64%	3.49%	3.36%	2.93%	2.69%
Commission (bp)	2.8	3.5	3.9	4.8	7.6	8.8	3.0	3.2	3.6	4.9	7.7	8.6	2.3	3.1	3.5	4.5	7.4	8.6
All-in Yield	**3.66%**	**3.66%**	**3.61%**	**3.47%**	**3.12%**	**2.89%**	**3.78%**	**3.74%**	**3.62%**	**3.48%**	**3.14%**	**2.88%**	**3.76%**	**3.67%**	**3.52%**	**3.41%**	**3.01%**	**2.78%**
All-in Spread to GoC Curve (bp)	**140.76**	**142.55**	**141.91**	**132.77**	**112.62**	**97.76**	**143.51**	**140.65**	**132.57**	**124.36**	**108.17**	**93.63**	**152.31**	**145.12**	**135.54**	**129.47**	**102.40**	**88.62**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	68	45	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.25%	2.23%	2.17%	2.12%	1.99%	1.91%	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	2.24%	2.22%	2.14%	2.09%	1.98%	1.88%
Curve Adjustment (bp)	0.0	0.8	2.8	1.9	0.4	0.8	0.0	0.6	(0.2)	1.8	0.2	0.3	0.0	0.8	3.2	1.9	0.0	0.9
Spread to GoC Curve (bp)	174	175	174	164	141	125	176	171	159	150	131	115	180	172	162	155	125	110
Re-Offered Yield	3.99%	3.99%	3.93%	3.78%	3.41%	3.17%	4.10%	4.04%	3.88%	3.73%	3.36%	3.09%	4.04%	3.94%	3.79%	3.66%	3.23%	2.99%
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	3.0	3.2	3.6	4.9	7.7	8.6	2.3	3.1	3.5	4.5	7.4	8.6
All-in Yield	**4.02%**	**4.02%**	**3.97%**	**3.83%**	**3.48%**	**3.25%**	**4.13%**	**4.07%**	**3.92%**	**3.78%**	**3.44%**	**3.18%**	**4.06%**	**3.97%**	**3.82%**	**3.71%**	**3.31%**	**3.08%**
All-in Spread to GoC Curve (bp)	**176.88**	**178.66**	**178.01**	**168.85**	**148.69**	**133.81**	**178.51**	**173.65**	**162.57**	**154.36**	**138.17**	**123.63**	**182.31**	**175.12**	**165.54**	**159.47**	**132.40**	**118.62**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			32.00 68					30.00 60					30.00 60					

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	23.7
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2
12-Mar-18	21.7	21.6	23.7
19-Mar-18	23.0	23.9	27.5
26-Mar-18	22.9	23.5	26.6
3-Apr-18	21.9	20.0	24.3

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
29.7	56.8	80.6	91.2	99.1	38.5
30.8	59.3	81.4	92.0	100.4	40.1
31.4	61.0	83.7	94.5	103.6	41.7
32.6	59.8	82.1	94.1	104.8	39.8
31.9	59.4	82.1	94.0	104.6	39.8
30.8	63.4	84.9	96.7	107.1	42.7
32.2	63.8	85.3	97.0	107.9	42.2
35.7	63.7	86.6	97.4	108.6	40.7
35.0	65.8	88.6	99.4	110.6	42.8
32.8	68.0	90.6	102.5	113.0	46.1

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8
62.7	69.9	72.9
65.0	72.8	75.5
70.6	78.2	80.2

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6
12-Mar-18	48.7	49.6	53.1
19-Mar-18	50.0	51.9	57.0
26-Mar-18	50.3	51.8	56.3
3-Apr-18	49.3	48.4	54.2

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
54.7	78.2	102.8	115.0	124.1	38.5
60.3	85.4	108.2	120.4	130.0	40.1
61.9	87.8	111.3	123.9	134.1	41.7
63.0	86.6	110.1	123.6	135.2	39.8
62.4	86.3	110.1	123.4	135.1	39.8
61.2	90.3	112.9	126.1	137.6	42.7
62.6	90.8	113.3	126.4	138.3	42.2
66.1	90.7	114.6	126.8	139.0	40.7
65.7	93.1	116.8	129.1	141.3	42.8
63.8	95.3	119.0	132.3	144.0	46.1

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8
62.7	69.9	72.9
65.0	72.8	75.5
70.6	78.2	80.2

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6
12-Mar-18	78.3	85.2	92.1
19-Mar-18	79.7	87.5	96.0
26-Mar-18	80.3	87.7	95.6
3-Apr-18	79.9	84.7	93.9

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
84.5	99.3	125.6	141.0	153.9	38.5
96.8	112.7	137.3	153.5	166.5	40.1
101.5	117.7	142.8	162.9	173.7	41.7
104.0	116.3	145.6	162.6	176.2	39.8
103.4	115.9	145.6	162.4	176.1	39.8
102.2	119.9	148.5	165.1	178.6	42.7
103.6	120.5	148.9	165.4	179.3	42.2
107.1	120.3	150.1	165.8	180.0	40.7
107.0	123.1	152.7	168.4	182.6	42.8
105.3	126.0	155.3	172.1	185.4	46.1

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8
62.7	69.9	72.9
65.0	72.8	75.5
70.6	78.2	80.2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.29%	2.27%
Curve Adjustment (bp)	0.0	0.8
Spread to GoC Curve (bp)	**106**	**105**
Re-Offered Yield	3.35%	3.33%
Commission (bp)	2.6	3.4
All-in Yield	**3.38%**	**3.36%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	84	83

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	88	
BMO (Senior) (A+/A1/AA)	122	
Nav Canada (sub) (AA-/Aa2/AAL)	102	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.29%	2.27%
Curve Adjustment (bp)	0.0	0.8
Spread to GoC Curve (bp)	**146**	**145**
Re-Offered Yield	3.75%	3.73%
Commission (bp)	2.7	3.5
All-in Yield	**3.78%**	**3.76%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	84	83

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	122	
Nav Canada (sub) (AA-/Aa2/AAL)	102	
City of Toronto (AA / Aa1 / AA)	104	104

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.29%	2.27%
Curve Adjustment (bp)	0.0	0.8
Spread to GoC Curve (bp)	**220**	**218**
Re-Offered Yield	4.49%	4.46%
Commission (bp)	2.8	3.6
All-in Yield	**4.52%**	**4.49%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	84	83

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	138	
OPG (BBB+/-/AL)	170	

Generic Corporate Credit Spreads AA	104	
Generic Corporate Credit Spreads A	162	
Generic Corporate Credit Spreads BBB	235	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.19%	2.15%	2.01%	1.87%	-3bps	-4bps	-6bps	-6bps	-7bps
3.4	2.0	0.5	5.9	0bps	0bps	0bps	0bps	0bps
101	**90**	**66**	**51**	1bps	1bps	1bps	2bps	3bps
3.24%	3.07%	2.67%	2.44%	-2bps	-3bps	-4bps	-4bps	-4bps
3.3	4.6	7.4	6.9					
3.27%	**3.11%**	**2.75%**	**2.51%**	-2bps	-3bps	-4bps	-4bps	-4bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
81.5	72.5	49	30	7bps	7bps	7bps	9bps	6bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
		88						3bps
		82	67					3bps
		67	52					3bps
47	42	33.5	18.5			4bps	4bps	5bps
	68	48	32				2bps	2bps
	68	48	32	2bps			2bps	2bps
	97	80	70	3bps			3bps	3bps
	83	58	51	4bps			2bps	2bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.19%	2.15%	2.01%	1.87%	-3bps	-4bps	-6bps	-6bps	-7bps
3.4	2.0	0.5	5.9	0bps	0bps	0bps	0bps	0bps
140	**120**	**92**	**77**	1bps	1bps	1bps	2bps	3bps
3.63%	3.37%	2.93%	2.70%	-2bps	-3bps	-4bps	-4bps	-4bps
3.4	4.7	7.5	6.9					
3.66%	**3.41%**	**3.01%**	**2.77%**	-2bps	-3bps	-4bps	-4bps	-4bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
82	73	49	30	7bps	7bps	7bps	9bps	6bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			87					
			102					
	97	80	70	3bps			3bps	3bps
	83	58	51	4bps			2bps	2bps
101.5	89	64.5	43.5	7bps	7bps	7bps	9bps	6bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.19%	2.15%	2.01%	1.87%	-3bps	-4bps	-6bps	-6bps	-7bps
3.4	2.0	0.5	5.9	0bps	0bps	0bps	0bps	0bps
207	**170**	**136**	**122**	0bps	0bps	0bps	2bps	3bps
4.30%	3.87%	3.37%	3.15%	-3bps	-4bps	-5bps	-4bps	-4bps
3.5	4.7	7.5	6.9					
4.33%	**3.91%**	**3.45%**	**3.22%**	-3bps	-4bps	-5bps	-4bps	-4bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
82	73	49	30	7bps	7bps	7bps	9bps	6bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		153						3bps
		135						3bps
	100	75	60	3bps			4bps	4bps
	123	98	83	4bps			4bps	4bps

	93	72		2bps			4bps	4bps
	121	90		4bps			4bps	5bps
	180	126		3bps			5bps	5bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
3-Apr-18

3-year
-6bps 0bps 5bps -1bps
-1bps

3-year
3bps

3-year
5bps 5bps 1bps 2bps 2bps 5bps 4bps

3-year
-6bps 0bps 5bps -1bps
-1bps

3-year
3bps

3-year
5bps
5bps
5bps
4bps
3bps

3-year
-6bps
0bps
5bps
-1bps
-1bps

3-year
3bps

3-year
6bps
6bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.25%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**117**
Re-Offered Yield	3.41%
Commission (bp)	2.7
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	81

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	171
Toronto Hydro (A / - / A)	132
Nova Scotia Power (BBB+ / - / A(l))	148
FortisAlberta (A- / Baa1 / A(l))	136
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	242
Bruce Power (BBB / Baa2 / BBB)	208
City of Toronto (- / Aa1 / AA)	103

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.25%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**142**
Re-Offered Yield	3.66%
Commission (bp)	2.7
All-in Yield	**3.69%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	81

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.25%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**167**
Re-Offered Yield	3.91%
Commission (bp)	2.7
All-in Yield	**3.94%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	81

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.22%	2.19%	2.13%	2.08%	1.98%	-0.09%	-0.10%	-0.11%	-0.11%	-0.10%
0.3	(0.2)	(0.3)	(0.6)	0.5	0.0	0.1	(0.0)	0.0	0.0
115	**105**	**92**	**67**	**49**	10	9	10	5	4
3.38%	3.23%	3.04%	2.74%	2.47%	0.01%	-0.01%	-0.01%	-0.06%	-0.06%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.40%	**3.25%**	**3.06%**	**2.75%**	**2.48%**	**0.01%**	**-0.01%**	**-0.01%**	**-0.06%**	**-0.06%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
80	79	72	47	28.5	4	4	4	3	3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	123	81	65	2	--	--	2	2
--	--	92	66	54	2	--	--	2	2
--	--	104	75	60	1	--	--	1	1
--	--	95	69	--	2	--	--	2	2
--	--	182	126	102	5	--	--	5	4
--	--	153	108	--	3	--	--	3	3
102	--	83.5	--	--	4	4	--	5	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.22%	2.19%	2.13%	2.08%	1.98%	-0.09%	-0.10%	-0.11%	-0.11%	-0.10%
0.3	(0.2)	(0.3)	(0.6)	0.5	0	0	(0)	0	0
140	**130**	**116.5**	**92**	**73.5**	10	9	10	5	4
3.63%	3.48%	3.29%	2.99%	2.72%	0.01%	-0.01%	-0.01%	-0.06%	-0.06%
2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.65%	**3.50%**	**3.31%**	**3.00%**	**2.73%**	**0.01%**	**-0.01%**	**-0.01%**	**-0.06%**	**-0.06%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
80	78.5	71.5	47	28.5	4	4	4	3	3

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
--	--	--	80	67	--	--	--	--	0
--	--	--	92	79	--	--	--	--	3
--	--	--	48	37	--	--	--	--	1

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.22%	2.19%	2.13%	2.08%	1.98%	-0.09%	-0.10%	-0.11%	-0.11%	-0.10%
0.3	(0.2)	(0.3)	(0.6)	0.5	0	0	(0)	0	0
165	**155**	**141.5**	**117**	**98.5**	10	9	10	5	4
3.88%	3.73%	3.54%	3.24%	2.97%	0.01%	-0.01%	-0.01%	-0.06%	-0.06%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.90%	**3.75%**	**3.56%**	**3.25%**	**2.98%**	**0.01%**	**-0.01%**	**-0.01%**	**-0.06%**	**-0.06%**

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
80	78.5	71.5	47	28.5	4	4	4	3	3

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

CIBC
4/2/2018

3-year
-
-
-0.10%
0.1
3
-0.07%
-
-0.07%

3-year
1

3-year
2
2
1
--
2
--
--

3-year
-
-
-0.10%
0
3
-0.07%
0.00%
-0.07%

3-year
1

3-year
1
3
0

3-year
-
-
-0.10%
0
3
-0.07%
-
-0.07%

3-year
1

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.289%	2.270%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.219%**	**1.119%**
Re-Offered Yield	3.508%	3.389%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.52%**	**3.41%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.8110%**	**0.82700%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+90 AREA	-80 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.289%	2.270%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.519%**	**1.419%**
Re-Offered Yield	3.808%	3.689%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.82%**	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.8110%**	**0.82700%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+105 - 110 AREA	90 AREA (vs 30y US

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.289%	2.270%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**2.119%**	**2.019%**
Re-Offered Yield	4.408%	4.289%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.42%**	**4.31%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.8110%**	**0.82700%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+130 - 135 AREA	- 120 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.220%	2.165%			
0.049%	0.008%			
1.019%	**0.819%**			
3.239%	2.984%			
0.033%	0.050%			
3.27%	**3.03%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.78600%	**0.75400%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-105 AREA (vs 10y	80 bps area +70-75 AREA	+60 - 65 AREA	+50 - 55 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.220%	2.165%			
0.049%	0.008%			
1.319%	**1.119%**			
3.539%	3.284%			
0.033%	0.050%			
3.54%	**3.33%**			

Current	

15-year	10-year	5-year	3-year	30-year
0.78600%	**0.75400%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 120 AREA (vs 10y	100 - 115 bps AREA +90 - 95 AREA	+65 - 70 AREA	+50 - 55 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.220%	2.165%			
0.049%	0.008%			
1.919%	**1.719%**			
4.139%	3.884%			
0.033%	0.050%			
4.14%	**3.93%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.78600%	**0.75400%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 145 AREA (vs 10y	150 - 160 bps AREA +110 - 115 AREA	+85 - 90 AREA	+75 - 80 AREA	+0 bps

Bank Name	GS
Date	2/15/2018

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	15-year	10-year	5-year	3-year
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	15-year	10-year	5-year	3-year

Week over Week

20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.23%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	115
Re-Offered Yield	3.38%
Commission (bp)	2.7
All-in Yield	**3.41%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	80

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	140
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	123
Schedule I Bank ABS (Aaa ; AAA ; AAA)	145
FHT Series 2018-1	

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.23%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	140
Re-Offered Yield	3.63%
Commission (bp)	2.7
All-in Yield	**3.66%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	80

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	130
NAV Canada (AA-, AA low)	100
GTAA (Aa3, A+)	100
Hydro One (A3/A/A high)	135

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.23%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	170
Re-Offered Yield	3.93%
Commission (bp)	2.7
All-in Yield	**3.96%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	80

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	160
Highway 407 (A, A)	130
Enbridge Gas Distribution (A-, A)	135
Hydro One (A3/A/A high)	135
Schedule 1 Bank ABS (A)	200

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.21%	2.17%	2.06%	1.98%
0.0	0.0	0.0	0.0
112	103	90	67
3.33%	3.20%	2.96%	2.65%
3.5	3.8	4.7	7.5
3.36%	**3.24%**	**3.01%**	**2.73%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	78	68.5	45.5

Current			
20-year	**15-year**	**10-year**	**5-year**
134	117	100	80
117	100	85	65
138	119	100	80
	100		

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.21%	2.17%	2.06%	1.98%
0.0	0.0	0.0	0.0
137	126	112	88
3.58%	3.43%	3.18%	2.86%
3.5	3.8	4.7	7.5
3.61%	**3.47%**	**3.23%**	**2.94%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	78	69	46

Current			
20-year	**15-year**	**10-year**	**5-year**
124	107	90	65
98	91	85	60
98	91	85	60
129	112	95	75

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.21%	2.17%	2.06%	1.98%
0.0	0.0	0.0	0.0
167	156	135	107
3.88%	3.73%	3.41%	3.05%
3.5	3.8	4.7	7.5
3.91%	**3.77%**	**3.46%**	**3.13%**

Current			
20-year	**15-year**	**10-year**	**5-year**
79	78	69	46

Current			
20-year	**15-year**	**10-year**	**5-year**
155	140	125	95
124	107	90	65
130	115	100	75
129	112	95	75
193	174	155	135

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.90%	-0.10%	-0.11%	-0.13%
0.0	0.0	0.0	0.0
52	2	2	3
2.42%	-0.08%	-0.09%	-0.10%
8.7	0.0	0.0	0.0
2.51%	**-0.08%**	**-0.09%**	**-0.10%**

			Week
3-year	**30-year**	**20-year**	**15-year**
29.5	4	4	5.5

			Week
3-year	**30-year**	**20-year**	**15-year**
70	5	5	5
57	5	5	5
70	5	3	1
			3

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
1.90%	-0.10%	-0.11%	-0.13%
0.0	0.0	0.0	0.0
73	2	2	2
2.63%	-0.08%	-0.09%	-0.11%
8.7	0.0	0.0	0.0
2.72%	**-0.08%**	**-0.09%**	**-0.11%**

			Week
3-year	**30-year**	**20-year**	**15-year**
30	4	4	6

			Week
3-year	**30-year**	**20-year**	**15-year**
55	0	1	3
50	5	5	5
50	0	1	3
60	5	5	5

	Week

3-year	30-year	20-year	15-year
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.90%	-0.10%	-0.11%	-0.13%
0.0	0.0	0.0	0.0
92	2	2	4
2.82%	-0.08%	-0.09%	-0.09%
8.7	0.0	0.0	0.0
2.91%	**-0.08%**	**-0.09%**	**-0.09%**

	Week

3-year	30-year	20-year	15-year
30	4	4	6

	Week

3-year	30-year	20-year	15-year
80	5	5	5
55	0	1	3
60	5	5	5
60	5	5	5
120	5	3	1

Bank Name	National Bank of Canada
Date	4/2/2018

over Week

10-year	5-year	3-year
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.18%	-0.11%	-0.09%
0.0	0.0	0.0
3	3	2
-0.15%	-0.08%	-0.07%
0.0	0.0	0.0
-0.15%	**-0.08%**	**-0.07%**

over Week

10-year	5-year	3-year
5	3	3

over Week

10-year	5-year	3-year
5	5	5
5	5	5
5	5	5

over Week

10-year	5-year	3-year
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.18%	-0.11%	-0.09%
0.0	0.0	0.0
2	1	1
-0.16%	-0.10%	-0.08%
0.0	0.0	0.0
-0.16%	**-0.10%**	**-0.08%**

over Week

10-year	5-year	3-year
5	3	3

over Week

10-year	5-year	3-year
5	5	5
5	5	5
5	5	5
5	5	5

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
-0.18%	-0.11%	-0.09%
0.0	0.0	0.0
3	3	2
-0.15%	-0.08%	-0.07%
0.0	0.0	0.0
-0.15%	**-0.08%**	**-0.07%**

over Week		
10-year	**5-year**	**3-year**
5	3	3

over Week		
10-year	**5-year**	**3-year**
5	5	5
5	5	5
5	5	5
5	5	5
5	5	5

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.25%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**106**
Re-Offered Yield	3.31%
Commission (bp)	2.7
All-in Yield	**3.34%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**81**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**103**
Hydro One Inc. (A(H)/A3/A)	**141**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**162**
Toronto Hydro Corporation (A/-/A)	**135**
Canadian National Railway Co (A/A2/A)	**134**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**101**
NAV Canada (AA(low)/Aa2/AA-)	**100**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.25%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**138**
Re-Offered Yield	3.63%
Commission (bp)	2.8
All-in Yield	**3.66%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	81

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.25%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**174**
Re-Offered Yield	3.99%
Commission (bp)	2.9
All-in Yield	**4.02%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	81

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.23%	**2.17%**	**2.12%**	**1.99%**
0.8	**2.8**	**1.9**	**0.4**
107	**106**	**96**	**73**
3.31%	3.25%	3.10%	2.73%
3.4	3.8	4.7	7.6
3.34%	**3.29%**	**3.15%**	**2.80%**

Current			
20-year	**15-year**	**10-year**	**5-year**
82	**81**	**71**	**48**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**40**	**32**
103	**98**	**88**	**63**
n/a	**n/a**	**97**	**65**
n/a	**n/a**	**120**	**89**
n/a	**n/a**	**95**	**62**
n/a	**n/a**	**93**	**69**
n/a	**n/a**	**80**	**60**
n/a	**n/a**	**80**	**60**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.23%	2.17%	2.12%	1.99%
0.8	2.8	1.9	0.4
139	**138**	**128**	**105**
3.63%	3.57%	3.42%	3.05%
3.5	3.9	4.8	7.6
3.66%	**3.61%**	**3.47%**	**3.12%**

Current			
20-year	**15-year**	**10-year**	**5-year**
82	81	71	48

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**68**	**45**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.23%	2.17%	2.12%	1.99%
0.8	2.8	1.9	0.4
175	**174**	**164**	**141**
3.99%	3.93%	3.78%	3.41%
3.7	4.0	4.9	7.7
4.02%	**3.97%**	**3.83%**	**3.48%**

Current			
20-year	**15-year**	**10-year**	**5-year**
82	81	71	48

Current			
20-year	**15-year**	**10-year**	**5-year**

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name
Date

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.91%	-8.7	-9.8	-10.1	-10.2	-9.6
0.8	-	0.1	-0.1	0.1	0.1
57	4.0	5.0	6.0	4.0	4.0
2.49%	-4.7	-4.7	-4.2	-6.1	-5.5
8.7	-0.0	-0.0	-0.0	-0.0	-0.0
2.57%	-4.7	-4.7	-4.2	-6.1	-5.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
32	4.5	5.0	4.0	4.0	4.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
18				1.5	2.5
45	5.0	4.5	4.5	5.5	4.0
55	3.0			1.0	-
77	2.0			2.0	2.0
52	4.0			2.0	-
61	2.0			2.0	2.0
50	1.0			-	-
50	2.0			2.0	2.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.91%					
0.8					
89	6.0	7.0	8.0	6.0	6.0
2.81%	-2.7	-2.7	-2.2	-4.1	-3.5
8.8	-0.01	-0.01	-0.01	-0.01	-0.01
2.89%	-2.7	-2.7	-2.2	-4.1	-3.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
32	4.5	5.0	4.0	4.0	4.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				-	-

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%					
0.8					
125	8.0	9.0	10.0	8.0	8.0
3.17%	-0.7	-0.7	-0.2	-2.1	-1.5
8.8	-0.00	-0.00	-0.00	-0.00	-0.00
3.25%	-0.7	-0.7	-0.2	-2.1	-1.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
32	4.5	5.0	4.0	4.0	4.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

RBC
03-Apr-18

	3-year
	-9.1
	0.3
	4.0
	-4.8
	-0.0
	-4.8

	3-year
	3.5

	3-year
	-
	3.0
	-
	1.0
	-
	2.0
	-
	-

	3-year
	6.0
	-2.8
	-0.00
	-2.8

	3-year
	3.5

	3-year

3-year
8.0
-0.8
-0.00
-0.8

3-year
3.5

3-year

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icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.34%	2.33%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+106**	**+105**
Re-Offered Yield	3.40%	3.38%
Commission (bp)	3.0	3.2
All-in Yield	**3.43%**	**3.41%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	167	
CPP	79	
BNS - Denior Deposit Notes	132	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.34%	2.33%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+141**	**+138**
Re-Offered Yield	3.75%	3.71%
Commission (bp)	3.0	3.2
All-in Yield	**3.78%**	**3.74%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa	**30-year**	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.34%	2.33%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+176**	**+171**
Re-Offered Yield	4.10%	4.04%
Commission (bp)	3.0	3.2
All-in Yield	**4.13%**	**4.07%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	0	0

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.29%	2.21%	2.05%	1.94%	0.06%
(0.2)	1.8	0.2	0.3	0
+99	**+90**	**+71**	**+55**	2
3.28%	3.13%	2.76%	2.49%	0.08%
3.6	4.9	7.7	8.6	1
3.32%	**3.18%**	**2.84%**	**2.58%**	**0.08%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
79	69	45	30	4

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	122	97	85	4
	69	49	31	1
	102	85	73	3
	98	81	69	
	98	81	69	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.29%	2.21%	2.05%	1.94%	0.06%
(0.2)	1.8	0.2	0.3	0
+129	**+120**	**+101**	**+85**	2
3.58%	3.43%	3.06%	2.79%	0.08%
3.6	4.9	7.7	8.6	1
3.62%	**3.48%**	**3.14%**	**2.88%**	**0.08%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
79	69	45	30	4

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	98	81	69	
	98	81	69	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.29%	2.21%	2.05%	1.94%	0.06%
(0.2)	1.8	0.2	0.3	0
+159	**+150**	**+131**	**+115**	2
3.88%	3.73%	3.36%	3.09%	0.08%
3.6	4.9	7.7	8.6	0
3.92%	**3.78%**	**3.44%**	**3.18%**	**0.08%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
73	0	0	0	-76

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	98	81	69	
	98	81	69	

Bank Name	BNS
Date	4/3/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.06%	0.05%	0.05%	0.01%	-0.02%
0	0	0	0	0
2	2	2	2	2
0.08%	0.07%	0.07%	0.03%	0.00%
0	0	0	0	0
0.08%	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
5	5	5	3	3

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		4	4	4
		1	2	1
		3	3	3
		5	5	5
		5	5	5

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.06%	0.05%	0.05%	0.01%	-0.02%
0	0	0	0	0
2	2	2	2	2
0.08%	0.07%	0.07%	0.03%	0.00%
0	0	0	0	0
0.08%	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
5	5	5	3	3

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		5	5	5
		5	5	5

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.06%	0.05%	0.05%	0.01%	-0.02%
0	0	0	0	0
2	2	2	2	2
0.08%	0.07%	0.07%	0.03%	0.00%
0	0	0	0	0
0.08%	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-75	-1	-64	-42	-27

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		5	5	5
		5	5	5

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.24%	2.22%
Curve Adjustment (bp)	0.0	0.8
Spread to GoC Curve (bp)	**120**	**112**
Re-Offered Yield	3.44%	3.34%
Commission (bp)	2.3	3.1
All-in Yield	**3.46%**	**3.37%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	116	106
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	138	128

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.24%	2.22%
Curve Adjustment (bp)	0.0	0.8
Spread to GoC Curve (bp)	**150**	**142**
Re-Offered Yield	3.74%	3.64%
Commission (bp)	2.3	3.1
All-in Yield	**3.76%**	**3.67%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.24%	2.22%
Curve Adjustment (bp)	0.0	0.8
Spread to GoC Curve (bp)	**180**	**172**
Re-Offered Yield	4.04%	3.94%
Commission (bp)	2.3	3.1
All-in Yield	**4.06%**	**3.97%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.14%	2.09%	1.98%	1.88%	-0.109%
3.2	1.9	0.0	0.9	-
102	**95**	**65**	**50**	-2
3.19%	3.06%	2.63%	2.39%	-0.13%
3.5	4.5	7.4	8.6	-
3.22%	**3.11%**	**2.71%**	**2.48%**	**-0.13%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
71	66	43	28	0.0

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
101	92	64	46	-
N/A	87	70	53	N/A
100	92	70	57	3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.14%	2.09%	1.98%	1.88%	-0.109%
3.2	1.9	0.0	0.9	-
132	**125**	**95**	**80**	-2
3.49%	3.36%	2.93%	2.69%	-0.13%
3.5	4.5	7.4	8.6	-
3.52%	**3.41%**	**3.01%**	**2.78%**	**-0.13%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**

71	66	43	28	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.14%	2.09%	1.98%	1.88%	-0.109%
3.2	1.9	0.0	0.9	-
162	**155**	**125**	**110**	-2
3.79%	3.66%	3.23%	2.99%	-0.13%
3.5	4.5	7.4	8.6	-
3.82%	**3.71%**	**3.31%**	**3.08%**	**-0.13%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
71	66	43	28	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	4/2/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.121%	-0.143%	-0.144%	-0.125%	-0.119%
-	-	-	-	-
0	0	-2	-2	-2
-0.12%	-0.14%	-0.16%	-0.15%	-0.14%
-	-	-	-	-
-0.12%	**-0.14%**	**-0.16%**	**-0.15%**	**-0.14%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.0	0.0	0.0	0.0	0.0

20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	0	-	-	0
N/A	N/A	1	4	-2
3	-	-	-	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.121%	-0.143%	-0.144%	-0.125%	-0.119%
-	-	-	-	-
0	0	-2	-2	-2
-0.12%	-0.14%	-0.16%	-0.15%	-0.14%
-	-	-	-	-
-0.12%	**-0.14%**	**-0.16%**	**-0.15%**	**-0.14%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**

0.0	0.0	0.0	0.0	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
-0.121%	-0.143%	-0.144%	-0.125%	-0.119%
-	-	-	-	-
0	0	-2	-2	-2
-0.12%	-0.14%	-0.16%	-0.15%	-0.14%
-	-	-	-	-
-0.12%	**-0.14%**	**-0.16%**	**-0.15%**	**-0.14%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.0	0.0	0.0	0.0	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	Ricky Lai
To:	Mike Manning
Cc:	James Devine; Carlos Yep
Subject:	Fair Hydro spreads
Date:	Tuesday, February 06, 2018 1:39:33 PM
Attachments:	Fair Hydro price indications Feb 5 2018.xlsx

Please find attached the Fair Hydro spreads file. Please let me know if you have any suggestions on the file, thanks.
Ricky

FAIR HYDRO SPREADS

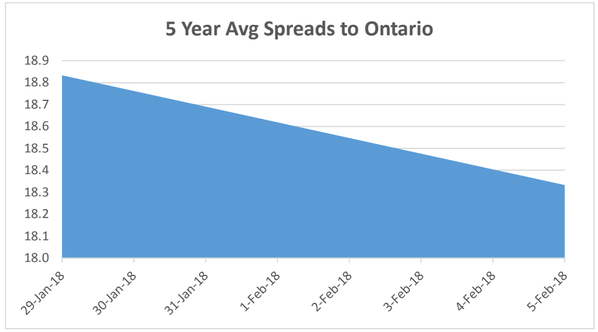
Senior Note

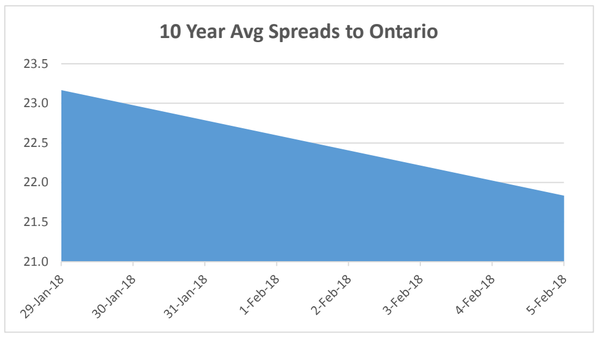
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
29.7	27.2	23.9	21.8	18.3	16.2

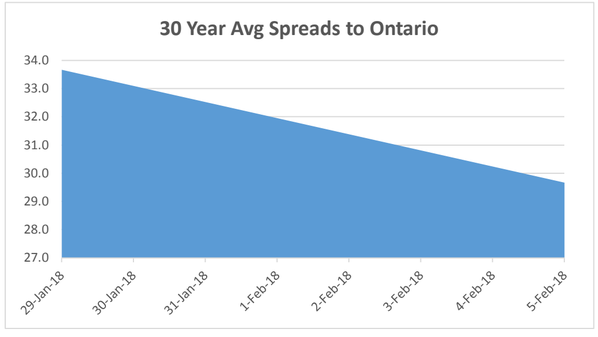
Average All-in Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	101.8	100.0	94.6	84.8	63.4	49.3
Last Week's	105.9	102.4	95.4	86.3	65.2	52.0
Change	-4.1	-2.4	-0.8	-1.5	-1.8	-2.7

All-in Spread to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*Scotia*	*BMO*	*CIBC*	*BMO*
	94.6	94.4	90.6	81.6	59.3	41.9
Maximum	*TD*	*NBF*	*RBC*	*TD*	*RBC*	*RBC*
	112.4	105.5	97.9	89.5	67.6	53.7







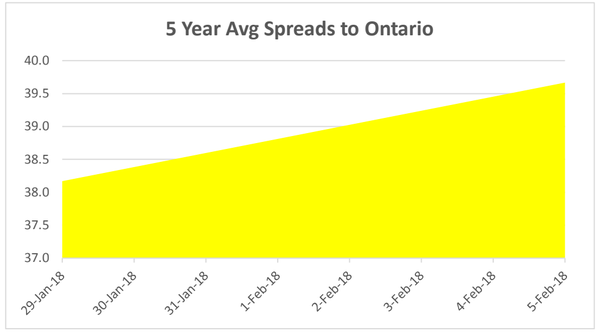
Sub Note

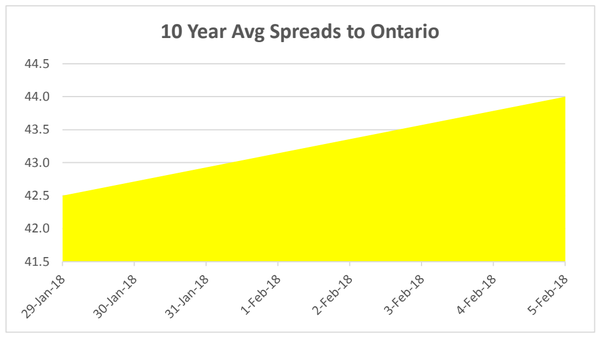
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
54.5	51.8	48.0	44.3	39.5	37.2

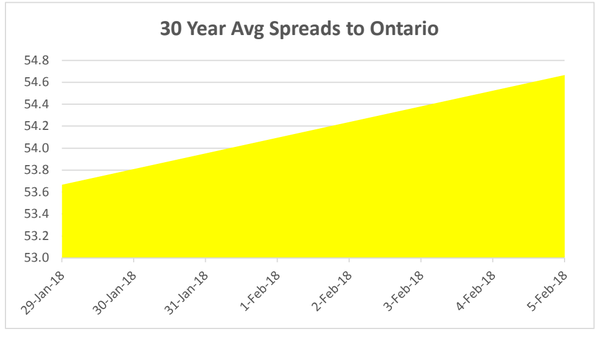
Average All-in Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	126.8	124.7	118.5	107.0	84.7	70.5
Last Week's	125.9	122.4	115.1	105.7	84.5	71.0
Change	0.9	2.3	3.4	1.3	0.2	-0.6

All-in Spread to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*Scotia*	*Scotia*	*Scotia*	*NBF*	*NBF*	*NBF*
	121.5	118.7	110.6	95.7	78.6	65.7
Maximum	*BMO*	*BMO*	*BMO*	*RBC*	*RBC*	*RBC*
	134.8	134.5	132.4	112.8	92.6	78.7







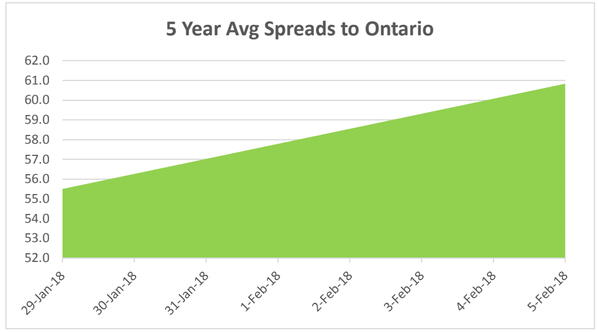
Junior Sub Note

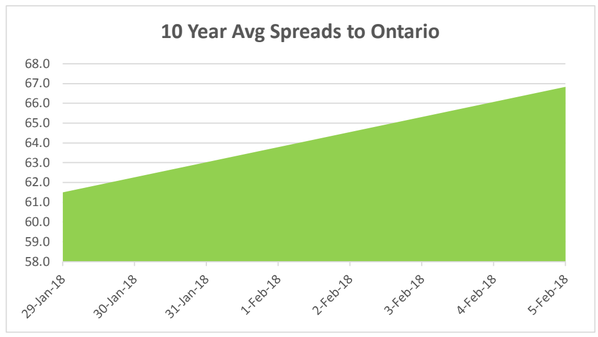
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
83.6	80.4	75.0	67.1	60.7	58.5

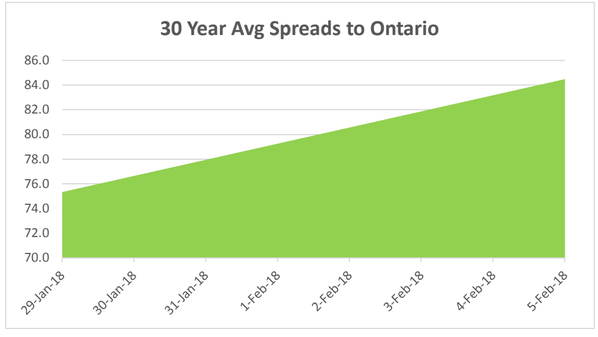
Average All-in Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	156.0	153.4	145.3	129.8	105.9	91.8
Last Week's	147.6	144.1	136.1	124.7	101.9	88.7
Change	8.4	9.3	9.2	5.2	4.0	3.1

All-in Spread to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*	*CIBC*
	136.8	137.7	130.4	120.1	94.3	81.2
Maximum	*BMO*	*BMO*	*BMO*	*BMO*	*BMO*	*BMO*
	209.9	208.6	200.5	161.8	129.5	111.9







Indicative New Issue Spreads

Week of Feb 5, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	NBF	NBF	NBF	*NBF*	*NBF*	NBF
	BMO						CIBC						NBF					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Sep-22	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.47%	2.47%	2.41%	2.37%	2.13%	1.92%	2.46%	2.47%	2.44%	2.36%	2.24%	2.12%	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%
Curve Adjustment (bp)	0.0	0.2	3.2	1.1	3.3	5.7	0.0	0.1	(0.2)	1.1	4.1	3.3	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	92	91	90	77	52	35	100	100	93	83	58	45	105	102	93	78	58	45
Re-Offered Yield	3.39%	3.39%	3.34%	3.16%	2.69%	2.33%	3.46%	3.47%	3.36%	3.20%	2.86%	2.60%	3.50%	3.47%	3.34%	3.15%	2.74%	2.42%
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.8	1.2	2.7	3.5	3.8	4.7	7.6	8.7
All-in Yield	**3.42%**	**3.42%**	**3.37%**	**3.20%**	**2.76%**	**2.40%**	**3.49%**	**3.49%**	**3.39%**	**3.22%**	**2.87%**	**2.61%**	**3.53%**	**3.50%**	**3.38%**	**3.20%**	**2.82%**	**2.51%**
All-in Spread to GoC Curve (bp)	**94.62**	**94.40**	**93.36**	**81.62**	**59.43**	**41.86**	**102.71**	**102.71**	**95.40**	**85.09**	**59.25**	**46.21**	**107.71**	**105.50**	**96.85**	**82.71**	**65.55**	**53.70**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						NBF					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69	68	58	40	26	70	70	67	58	38	25	70	70	68	59	39	26

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						NBF					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																		
City of Toronto (AA/Aa1/AA)																		
Hydro One Inc. (A(H)/A3/A)																		
Ontario Power Generation Inc. (A(low)/-/BBB+)							150	--	--	106	70	56						
Toronto Hydro Corporation (A/-/A)							118	--	--	81	56	46						
Canadian National Railway Co (A/A2/A)																		
Greater Toronto Airports Authority (A(high)/Aa3/A+)																		
NAV Canada (AA(low)/Aa2/AA-)	84	0	0	74	52	45												
OPB Finance Trust (AA+/-/AA(H))																		
Covered Bond - Bank (AAA/Aaa/AAA)																		
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)													125	119	102	85	65	55
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)													108	102	85	70	50	42
Schedule I Bank ABS (Aaa ; AAA ; AAA)													130	125	108	85	70	60
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	75	0												
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	67	53												
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	54	38												
CMBs: (AAA/Aaa/AAA)	0	0	40	35	26	14												
PSP Investments (AAA/Aaa/AAA)	0	0	0	64	43	26												
CPP Investment Board (AAA/Aaa/AAA)	84	0	0	64	43	26												
BMO (Senior) (A+/A1/AA)	107	0	0	82	69	56												
Nova Scotia Power (BBB+ / - / A(l))							131	--	--	92	65	52						
FortisAlberta (A- / Baa1 / A(l))							121	--	--	86	61	--						
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							215	--	--	158	109	83						
Bruce Power (BBB / Baa2 / BBB)							190	--	--	133	89	--						
City of Toronto (- / Aa1 / AA)							94	92	--	76	--	--						
BNS - Denior Deposit Notes																		
Golden Credit Card Trust																		
Master Credit Card Trust																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						NBF					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Sep-22	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.47%	2.47%	2.41%	2.37%	2.13%	1.92%	2.46%	2.47%	2.44%	2.36%	2.24%	2.12%	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%
Curve Adjustment (bp)	0.0	0.2	3.2	1.1	3.3	5.7	0.0	0.1	(0.2)	1.1	4.1	3.3	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	132	131	129	107	77	60	125	125	118	108	83	70	120	117	107	91	71	57
Re-Offered Yield	3.79%	3.79%	3.73%	3.46%	2.94%	2.58%	3.71%	3.72%	3.61%	3.45%	3.11%	2.85%	3.65%	3.62%	3.48%	3.28%	2.87%	2.54%
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.8	1.2	2.7	3.5	3.8	4.7	7.6	8.7
All-in Yield	**3.82%**	**3.82%**	**3.76%**	**3.50%**	**3.01%**	**2.65%**	**3.74%**	**3.74%**	**3.64%**	**3.47%**	**3.12%**	**2.86%**	**3.68%**	**3.65%**	**3.52%**	**3.33%**	**2.95%**	**2.63%**
All-in Spread to GoC Curve (bp)	**134.75**	**134.52**	**132.44**	**111.68**	**84.47**	**66.88**	**127.71**	**127.71**	**120.40**	**110.09**	**84.25**	**71.21**	**122.71**	**120.50**	**110.85**	**95.71**	**78.55**	**65.70**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						NBF					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69	68	58	40	26							70	70	68	59	39	26

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						NBF					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.																		
Highway 407 (A, A)													120	113	94	75	55	45
NAV Canada (AA-, AA low)													85	83	76	70	50	40
GTAA (Aa3, A+)													85	83	76	70	50	40
Hydro One (A3/A/A high)													125	118	99	80	60	50
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	73												
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	88												
BMO (Senior) (A+/A1/AA)	107	0	0	82	69	56												
Nav Canada (sub) (AA-/Aa2/AAL)	84	0	0	74	52	45												
City of Toronto (AA / Aa1 / AA)	94	93	92	76	55	39												
Bank ABS (AAA / - / AAA)							--	--	--	--	68	58						
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	83	71						
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	51	41						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						NBF					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	.	1-Jun-27	01-Jun-24	01-Sep-22	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.47%	2.47%	2.41%	2.37%	2.13%	1.92%	2.46%	2.47%	2.44%	2.36%	2.24%	2.12%	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%
Curve Adjustment (bp)	0.0	0.2	3.2	1.1	3.3	5.7	0.0	0.1	(0.2)	1.1	4.1	3.3	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	207	205	197	157	122	105	135	135	128	118	93	80	150	147	135	113	88	75
Re-Offered Yield	4.54%	4.53%	4.41%	3.96%	3.39%	3.03%	3.81%	3.82%	3.71%	3.55%	3.21%	2.95%	3.95%	3.92%	3.76%	3.50%	3.04%	2.72%
Commission (bp)	2.9	3.6	3.5	4.8	7.5	6.9	2.7	2.7	2.4	2.1	1.8	1.2	2.7	3.5	3.8	4.7	7.6	8.7
All-in Yield	**4.57%**	**4.56%**	**4.44%**	**4.00%**	**3.46%**	**3.10%**	**3.84%**	**3.84%**	**3.74%**	**3.57%**	**3.22%**	**2.96%**	**3.98%**	**3.95%**	**3.80%**	**3.55%**	**3.12%**	**2.81%**
All-in Spread to GoC Curve (bp)	**209.86**	**208.65**	**200.54**	**161.76**	**129.53**	**111.92**	**137.71**	**137.71**	**130.40**	**120.09**	**94.25**	**81.21**	**152.71**	**150.50**	**138.85**	**117.71**	**95.55**	**83.70**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						NBF					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)													145.0	139.0	122.0	105.0	80.0	65.0
Highway 407 (A, A)													120.0	113.3	94.1	75.0	55.0	45.0
Enbridge Gas Distribution (A-, A)													120.0	114.0	97.0	80.0	60.0	50.0
Hydro One (A3/A/A high)													125.0	118.3	99.1	80.0	60.0	50.0
Schedule 1 Bank ABS (A)													185.0	180.0	163.0	140.0	125.0	110.0
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	140.0	-												
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	122.0	-												
Hydro One (A/A3/AH)	123.0	-	-	81.0	59.0	47.0												

OPG (BBB+/-/AL)	**158.0**	-	-	**111.0**	**89.0**	**77.0**												

Indicative New Issue Spreads

Week of Feb 5, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	RBC	RBC	RBC	*RBC*	*RBC*	RBC	Scotia	Scotia	Scotia	*Scotia*	*Scotia*	Scotia	TD	TD	TD	*TD*	*TD*	TD
	RBC						Scotia						TD					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.44%	2.44%	2.39%	2.36%	2.13%	1.91%	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	2.47%	2.48%	2.40%	2.36%	2.12%	1.91%
Curve Adjustment (bp)	0.0	0.2	2.9	0.9	3.2	6.4	0.0	0.2	(0.2)	1.0	3.2	6.7	0.0	0.2	4.3	1.1	3.3	6.3
Spread to GoC Curve (bp)	94	95	94	83	60	45	94	93	87	78	59	43	110	100	90	85	55	40
Re-Offered Yield	3.38%	3.40%	3.35%	3.20%	2.76%	2.42%	3.41%	3.40%	3.31%	3.17%	2.75%	2.41%	3.57%	3.48%	3.34%	3.22%	2.70%	2.37%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	3.0	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.40%**	**3.43%**	**3.39%**	**3.25%**	**2.84%**	**2.51%**	**3.44%**	**3.44%**	**3.35%**	**3.21%**	**2.83%**	**2.49%**	**3.59%**	**3.51%**	**3.37%**	**3.27%**	**2.78%**	**2.46%**
All-in Spread to GoC Curve (bp)	**96.67**	**98.48**	**97.85**	**87.72**	**67.56**	**53.70**	**96.50**	**95.70**	**90.61**	**82.03**	**65.94**	**51.64**	**112.40**	**103.20**	**93.60**	**89.50**	**62.40**	**48.60**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	69	70	69	58	35	20	69	70	67	60	39	26	70	70	66	61	42	33

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	36	28	15												
City of Toronto (AA/Aa1/AA)	95	95	91	79	56	41												
Hydro One Inc. (A(H)/A3/A)	125	n/a	n/a	83	58	50							124	114	93	85	63	48
Ontario Power Generation Inc. (A(low)/-/BBB+)	148	n/a	n/a	106	79	70	150	0	0	105	79	66						
Toronto Hydro Corporation (A/-/A)	118	n/a	n/a	80	55	50												
Canadian National Railway Co (A/A2/A)	119	n/a	n/a	82	60	52												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	86	n/a	n/a	70	49	39												
NAV Canada (AA(low)/Aa2/AA-)	86	n/a	n/a	74	55	46												
OPB Finance Trust (AA+/-/AA(H))													109	99	94	85	55	41
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	70	55	44
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							71	0	0	61	43	26						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							117	0	0	87	70	57						
Golden Credit Card Trust							0	0	0	81	65	52						
Master Credit Card Trust							0	0	0	81	65	52						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.44%	2.44%	2.39%	2.36%	2.13%	1.91%	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	2.47%	2.48%	2.40%	2.36%	2.12%	1.91%
Curve Adjustment (bp)	0.0	0.2	2.9	0.9	3.2	6.4	0.0	0.2	(0.2)	1.0	3.2	6.7	0.0	0.2	4.3	1.1	3.3	6.3
Spread to GoC Curve (bp)	119	120	119	108	85	70	119	116	107	98	79	63	130	120	110	105	75	60
Re-Offered Yield	3.63%	3.65%	3.60%	3.45%	3.01%	2.67%	3.66%	3.63%	3.51%	3.37%	2.95%	2.61%	3.77%	3.68%	3.54%	3.42%	2.90%	2.57%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.7	3.0	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.66%**	**3.68%**	**3.64%**	**3.50%**	**3.09%**	**2.76%**	**3.69%**	**3.67%**	**3.55%**	**3.41%**	**3.03%**	**2.69%**	**3.79%**	**3.71%**	**3.57%**	**3.47%**	**2.98%**	**2.66%**
All-in Spread to GoC Curve (bp)	**121.76**	**123.55**	**122.92**	**112.77**	**92.61**	**78.74**	**121.50**	**118.70**	**110.61**	**102.03**	**85.94**	**71.64**	**132.40**	**123.20**	**113.60**	**109.50**	**82.40**	**68.60**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	70	67	57	35	20							70	70	66	61	42	33

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	51	33	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.44%	2.44%	2.39%	2.36%	2.13%	1.91%	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	2.47%	2.48%	2.40%	2.36%	2.12%	1.91%
Curve Adjustment (bp)	0.0	0.2	2.9	0.9	3.2	6.4	0.0	0.2	(0.2)	1.0	3.2	6.7	0.0	0.2	4.3	1.1	3.3	6.3
Spread to GoC Curve (bp)	134	135	134	123	100	85	144	139	127	118	99	83	150	140	130	125	95	80
Re-Offered Yield	3.78%	3.80%	3.75%	3.60%	3.16%	2.82%	3.91%	3.86%	3.71%	3.57%	3.15%	2.81%	3.97%	3.88%	3.74%	3.62%	3.10%	2.77%
Commission (bp)	2.8	3.6	4.0	4.8	7.6	8.8	3.0	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.81%**	**3.83%**	**3.79%**	**3.65%**	**3.24%**	**2.91%**	**3.94%**	**3.90%**	**3.75%**	**3.61%**	**3.23%**	**2.89%**	**3.99%**	**3.91%**	**3.77%**	**3.67%**	**3.18%**	**2.86%**
All-in Spread to GoC Curve (bp)	**136.81**	**138.60**	**137.96**	**127.81**	**107.64**	**93.76**	**146.50**	**141.70**	**130.61**	**122.03**	**105.94**	**91.64**	**152.40**	**143.20**	**133.60**	**129.50**	**102.40**	**88.60**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		

OPG (BBB+/-/AL)																	

29-Jan-18	18.8	23.2	33.7

Fair Hydro Spread to Ontarios

	5 Year	**10 Year**	**30 Year**
29-Jan-18	18.8	23.2	33.7
5-Feb-18	18.3	21.8	29.7

57.7	81.7	103.3	38.8	58.5	69.7

Fair Hydro Spread to GOC			**Ontario Spread to GOC**		
5 Year	**10 Year**	**30 Year**	**5 Year**	**10 Year**	**30 Year**
57.7	81.7	103.3	38.8	58.5	69.7
56.8	80.6	99.1	38.5	58.8	69.4

29-Jan-18	38.2	42.5	53.7

Fair Hydro Spread to Ontarios

	5 Year	**10 Year**	**30 Year**
29-Jan-18	38.2	42.5	53.7
5-Feb-18	39.7	44.0	54.7

77.0	101.0	123.3	38.8	58.5	69.7

Fair Hydro Spread to GOC			**Ontario Spread to GOC**		
5 Year	**10 Year**	**30 Year**	**5 Year**	**10 Year**	**30 Year**
77.0	101.0	123.3	38.8	58.5	69.7
78.2	102.8	124.1	38.5	58.8	69.4

29-Jan-18	55.5	61.5	75.3

Fair Hydro Spread to Ontarios

	5 Year	**10 Year**	**30 Year**
29-Jan-18	55.5	61.5	75.3
5-Feb-18	60.8	66.8	84.5

94.3	120.0	145.0	38.8	58.5	69.7

Fair Hydro Spread to GOC			**Ontario Spread to GOC**		
5 Year	**10 Year**	**30 Year**	**5 Year**	**10 Year**	**30 Year**
94.3	120.0	145.0	38.8	58.5	69.7
99.3	125.6	153.9	38.5	58.8	69.4

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.47%	2.47%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**92**	**91**
Re-Offered Yield	3.39%	3.39%
Commission (bp)	2.6	3.4
All-in Yield	**3.42%**	**3.42%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	70	69

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	84	
BMO (Senior) (A+/A1/AA)	107	
Nav Canada (sub) (AA-/Aa2/AAL)	84	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.47%	2.47%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**132**	**131**
Re-Offered Yield	3.79%	3.79%
Commission (bp)	2.8	3.5
All-in Yield	**3.82%**	**3.82%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	107	
Nav Canada (sub) (AA-/Aa2/AAL)	84	
City of Toronto (AA / Aa1 / AA)	94	93

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.47%	2.47%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**207**	**205**
Re-Offered Yield	4.54%	4.53%
Commission (bp)	2.9	3.6
All-in Yield	**4.57%**	**4.56%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	123	
OPG (BBB+/-/AL)	158	

Generic Corporate Credit Spreads AA	88	
Generic Corporate Credit Spreads A	146	
Generic Corporate Credit Spreads BBB	218	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.41%	2.37%	2.13%	1.92%	13bps	14bps	10bps	10bps	6bps
3.2	1.1	3.3	5.7	0bps	0bps	1bps	0bps	1bps
90	**77**	**52**	**35**	2bps	2bps	2bps	2bps	2bps
3.34%	3.16%	2.69%	2.33%	15bps	15bps	13bps	12bps	8bps
3.4	4.6	7.4	6.9					
3.37%	**3.20%**	**2.76%**	**2.40%**	15bps	15bps	13bps	12bps	8bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
68	58	39.5	26	-1bps	-1bps	-1bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		75						2bps
		67	53					2bps
		54	38					2bps
39.5	34.5	25.5	14			-1bps	-1bps	-1bps
	64	43	26				0bps	0bps
	64	43	26	0bps			0bps	0bps
	82	69	56	2bps			2bps	2bps
	74	52	45	2bps			3bps	6bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.41%	2.37%	2.13%	1.92%	13bps	14bps	10bps	10bps	6bps
3.2	1.1	3.3	5.7	0bps	0bps	1bps	0bps	1bps
129	**107**	**77**	**60**	2bps	2bps	2bps	2bps	2bps
3.73%	3.46%	2.94%	2.58%	15bps	15bps	13bps	12bps	8bps
3.4	4.7	7.5	6.9					
3.76%	**3.50%**	**3.01%**	**2.65%**	15bps	15bps	13bps	12bps	8bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
68	58	40	26	-1bps	-1bps	-1bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			73					
			88					
	82	69	56	2bps			2bps	2bps
	74	52	45	2bps			3bps	6bps
91.5	75.5	54.5	39	-1bps	-1bps	-1bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.41%	2.37%	2.13%	1.92%	13bps	14bps	10bps	10bps	6bps
3.2	1.1	3.3	5.7	0bps	0bps	1bps	0bps	1bps
197	**157**	**122**	**105**	2bps	2bps	2bps	2bps	2bps
4.41%	3.96%	3.39%	3.03%	15bps	15bps	13bps	12bps	8bps
3.5	4.8	7.5	6.9					
4.44%	**4.00%**	**3.46%**	**3.10%**	15bps	15bps	13bps	12bps	8bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
68	58	40	26	-1bps	-1bps	-1bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		140						2bps
		122						2bps
	81	59	47	3bps			1bps	4bps
	111	89	77	6bps			3bps	6bps

	82	60		0bps			2bps	2bps
	109	76		1bps			2bps	1bps
	160	110		-1bps			-1bps	1bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
5-Feb-18

3-year
3bps
1bps
0bps
4bps
4bps

3-year
1bps

3-year
0bps
0bps
0bps
0bps
0bps
0bps
5bps

3-year
3bps
1bps
0bps
4bps
4bps

3-year
1bps

3-year
0bps
0bps
0bps
5bps
1bps

3-year
3bps
1bps
0bps
4bps
4bps

3-year
1bps

3-year
4bps
6bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.46%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**100**
Re-Offered Yield	3.46%
Commission (bp)	2.7
All-in Yield	**3.49%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	150
Toronto Hydro (A / - / A)	118
Nova Scotia Power (BBB+ / - / A(l))	131
FortisAlberta (A- / Baa1 / A(l))	121
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	215
Bruce Power (BBB / Baa2 / BBB)	190
City of Toronto (- / Aa1 / AA)	94

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.46%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**125**
Re-Offered Yield	3.71%
Commission (bp)	2.7
All-in Yield	**3.74%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.46%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**135**
Re-Offered Yield	3.81%
Commission (bp)	2.7
All-in Yield	**3.84%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-
2.47%	2.44%	2.36%	2.24%	2.12%	0.12%	0.12%	0.11%	0.08%	0.06%
0.1	(0.2)	1.1	4.1	3.3	0.0	(0.0)	(0.1)	0.2	0.3
100	**93**	**83**	**58**	**45**	0	1	-3	-1	-3
3.47%	3.36%	3.20%	2.86%	2.60%	0.12%	0.13%	0.08%	0.07%	0.04%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
3.49%	**3.39%**	**3.22%**	**2.87%**	**2.61%**	**0.12%**	**0.13%**	**0.08%**	**0.07%**	**0.04%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
70	67	58	38	25	0	1	1	-1	-3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	106	70	56	2	--	--	2	2
--	--	81	56	46	1	--	--	2	2
--	--	92	65	52	2	--	--	2	2
--	--	86	61	--	-	--	--	2	2
--	--	158	109	83	-	--	--	-	-
--	--	133	89	--	2	--	--	2	2
92	--	76	--	--	(1)	(1)	--	(1)	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-
2.47%	2.44%	2.36%	2.24%	2.12%	0.12%	0.12%	0.11%	0.08%	0.06%
0.1	(0.2)	1.1	4.1	3.3	-	(0.0)	(0.1)	0.2	0.3
125	**118**	**108**	**83**	**70**	0	1	-3	-1	-3
3.72%	3.61%	3.45%	3.11%	2.85%	0.12%	0.13%	0.08%	0.07%	0.04%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
3.74%	**3.64%**	**3.47%**	**3.12%**	**2.86%**	**0.12%**	**0.13%**	**0.08%**	**0.07%**	**0.04%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
70	67	58	38	25	0	1	1	-1	-3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	--	68	58	--	--	--	--	4
--	--	--	83	71	--	--	--	--	4
--	--	--	51	41	--	--	--	--	2

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-37	.	1-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-
2.47%	2.44%	2.36%	2.24%	2.12%	0.12%	0.12%	0.11%	0.08%	0.06%
0.1	(0.2)	1.1	4.1	3.3	-	(0.0)	(0.1)	0.2	0.3
135	**128**	**118**	**93**	**80**	0	1	-3	-1	-3
3.82%	3.71%	3.55%	3.21%	2.95%	0.12%	0.13%	0.08%	0.07%	0.04%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
3.84%	**3.74%**	**3.57%**	**3.22%**	**2.96%**	**0.12%**	**0.13%**	**0.08%**	**0.07%**	**0.04%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
70	67	58	38	25	0	1	1	-1	-3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year

CIBC
2/5/2018

3-year
-
-
0.04%
0.6
-1
0.04%
-
0.04%

3-year
-1

3-year
2
2
2
--
-
--
--

3-year
-
-
0.04%
0.6
-1
0.04%
-
0.04%

3-year
-1

3-year
4
4
2

3-year
-
-
0.04%
0.6
-1
0.04%
-
0.04%

3-year
-1

3-year

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	105
Re-Offered Yield	3.50%
Commission (bp)	2.7
All-in Yield	**3.53%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	125
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	108
Schedule I Bank ABS (Aaa ; AAA ; AAA)	130

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	120
Re-Offered Yield	3.65%
Commission (bp)	2.7
All-in Yield	**3.68%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	120
NAV Canada (AA-, AA low)	85
GTAA (Aa3, A+)	85
Hydro One (A3/A/A high)	125

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	150
Re-Offered Yield	3.95%
Commission (bp)	2.7
All-in Yield	**3.98%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	145
Highway 407 (A, A)	120
Enbridge Gas Distribution (A-, A)	120
Hydro One (A3/A/A high)	125
Schedule 1 Bank ABS (A)	185

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.45%	2.41%	2.37%	2.16%
0.0	0.0	0.0	0.0
102	93	78	58
3.47%	3.34%	3.15%	2.74%
3.5	3.8	4.7	7.6
3.50%	**3.38%**	**3.20%**	**2.82%**

Current			
20-year	**15-year**	**10-year**	**5-year**
70	67.5	58.5	38.5

Current			
20-year	**15-year**	**10-year**	**5-year**
119	102	85	65
102	85	70	50
125	108	85	70

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.45%	2.41%	2.37%	2.16%
0.0	0.0	0.0	0.0
117	107	91	71
3.62%	3.48%	3.28%	2.87%
3.5	3.8	4.7	7.6
3.65%	**3.52%**	**3.33%**	**2.95%**

Current			
20-year	**15-year**	**10-year**	**5-year**
70	68	59	39

Current			
20-year	**15-year**	**10-year**	**5-year**
113	94	75	55
83	76	70	50
83	76	70	50
118	99	80	60

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.45%	2.41%	2.37%	2.16%
0.0	0.0	0.0	0.0
147	135	113	88
3.92%	3.76%	3.50%	3.04%
3.5	3.8	4.7	7.6
3.95%	**3.80%**	**3.55%**	**3.12%**

Current			
20-year	**15-year**	**10-year**	**5-year**
70	68	59	39

Current			
20-year	**15-year**	**10-year**	**5-year**
139	122	105	80
113	94	75	55
114	97	80	60
118	99	80	60
180	163	140	125

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.97%	0.09%	0.10%	0.09%
0.0	0.0	0.0	0.0
45	5	5	5
2.42%	0.14%	0.15%	0.14%
8.7	0.0	0.0	0.0
2.51%	**0.14%**	**0.15%**	**0.14%**

			Week
3-year	**30-year**	**20-year**	**15-year**
26	0	-1	0

			Week
3-year	**30-year**	**20-year**	**15-year**
55	0	1	3
42	0	1	3
60	5	5	5

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
1.97%	0.09%	0.10%	0.09%
0.0	0.0	0.0	0.0
57	5	5	5
2.54%	0.14%	0.15%	0.14%
8.7	0.0	0.0	0.0
2.63%	**0.14%**	**0.15%**	**0.14%**

			Week
3-year	**30-year**	**20-year**	**15-year**
26	0	-1	0

			Week
3-year	**30-year**	**20-year**	**15-year**
45	5	4	2
40	0	0	0
40	0	0	0
50	5	5	5

	Week

3-year	30-year	20-year	15-year
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.97%	0.09%	0.10%	0.09%
0.0	0.0	0.0	0.0
75	5	5	5
2.72%	0.14%	0.15%	0.14%
8.7	0.0	0.0	0.0
2.81%	**0.14%**	**0.15%**	**0.14%**

	Week

3-year	30-year	20-year	15-year
26	0	-1	0

	Week

3-year	30-year	20-year	15-year
65	5	5	5
45	5	4	2
50	0	0	0
50	5	5	5
110	5	5	5

Bank Name	National Bank of Canada
Date	2/5/2018

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.06%	0.04%	0.02%
0.0	0.0	0.0
5	5	5
0.11%	0.09%	0.07%
0.0	0.0	0.0
0.11%	**0.09%**	**0.07%**

over Week		
10-year	**5-year**	**3-year**
0.5	-1.5	1

over Week		
10-year	**5-year**	**3-year**
5	5	5
5	5	5
0	5	5

over Week		
10-year	**5-year**	**3-year**
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.06%	0.04%	0.02%
0.0	0.0	0.0
5	5	5
0.11%	0.09%	0.07%
0.0	0.0	0.0
0.11%	**0.09%**	**0.07%**

over Week		
10-year	**5-year**	**3-year**
1	-2	1

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
0	0	0
5	5	5

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.06%	0.04%	0.02%
0.0	0.0	0.0
5	5	5
0.11%	0.09%	0.07%
0.0	0.0	0.0
0.11%	**0.09%**	**0.07%**

over Week		
10-year	**5-year**	**3-year**
1	-2	1

over Week		
10-year	**5-year**	**3-year**
5	5	5
0	0	0
0	0	0
5	5	5
0	5	5

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.44%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**94**
Re-Offered Yield	3.38%
Commission (bp)	2.7
All-in Yield	**3.40%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**69**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**95**
Hydro One Inc. (A(H)/A3/A)	**125**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**148**
Toronto Hydro Corporation (A/-/A)	**118**
Canadian National Railway Co (A/A2/A)	**119**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**86**
NAV Canada (AA(low)/Aa2/AA-)	**86**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.44%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**119**
Re-Offered Yield	3.63%
Commission (bp)	2.8
All-in Yield	**3.66%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	69

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.44%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**134**
Re-Offered Yield	3.78%
Commission (bp)	2.8
All-in Yield	**3.81%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	69

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

The indicative price is provided by way of example only, and is not intended to replace or supplant advice of your aud EVENT SHALL RBC OR ITS AGENTS OR OFFICERS BE LIABLE FOR ANY DAMAGES WHATSOEVER (INCLUDI the indicative price is adequate or appropriate for your purposes.

The information provided in this valuation (the “Information”) (i) is intended for your information only and is not to be d the fullest extent permissible by law, shall have no liability whatsoever to you or any other person or party for any loss

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.44%	**2.39%**	**2.36%**	**2.13%**
0.2	**2.9**	**0.9**	**3.2**
95	**94**	**83**	**60**
3.40%	3.35%	3.20%	2.76%
3.5	3.9	4.7	7.6
3.43%	**3.39%**	**3.25%**	**2.84%**

Current			
20-year	**15-year**	**10-year**	**5-year**
70	**69**	**58**	**35**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**36**	**28**
95	**91**	**79**	**56**
n/a	**n/a**	**83**	**58**
n/a	**n/a**	**106**	**79**
n/a	**n/a**	**80**	**55**
n/a	**n/a**	**82**	**60**
n/a	**n/a**	**70**	**49**
n/a	**n/a**	**74**	**55**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.44%	2.39%	2.36%	2.13%
0.2	2.9	0.9	3.2
120	**119**	**108**	**85**
3.65%	3.60%	3.45%	3.01%
3.6	3.9	4.8	7.6
3.68%	**3.64%**	**3.50%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
70	69	58	35

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**51**	**33**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.44%	2.39%	2.36%	2.13%
0.2	2.9	0.9	3.2
135	**134**	**123**	**100**
3.80%	3.75%	3.60%	3.16%
3.6	4.0	4.8	7.6
3.83%	**3.79%**	**3.65%**	**3.24%**

Current			
20-year	**15-year**	**10-year**	**5-year**
70	69	58	35

Current			
20-year	**15-year**	**10-year**	**5-year**

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Sep-20					
0.75%					
1.91%	9.0	9.9	7.1	7.4	5.2
6.4	-	-0.1	2.0	0.8	0.5
45	-6.0	-5.0	-3.0	-4.0	-5.0
2.42%	3.0	4.8	6.1	4.2	0.7
8.7	0.0	0.0	0.0	0.0	0.0
2.51%	3.0	4.8	6.1	4.2	0.7

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
20	-0.5	-0.5	1.5	1.0	0.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
15				-1.5	-0.5
41	-	0.5	-1.5	0.5	1.5
50	6.0			3.0	2.0
70	2.0			2.0	2.0
50	2.0			2.0	1.0
52	2.0			2.0	1.0
39	-			-	-
46	1.0			1.0	-

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Sep-20					
0.75%					
1.91%					
6.4					
70	-6.0	-5.0	-3.0	-4.0	-5.0
2.67%	3.0	4.8	6.1	4.2	0.7
8.7	0.01	0.02	0.02	0.01	0.00
2.76%	3.0	4.8	6.1	4.2	0.7

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
20	-0.5	-0.5	1.5	1.0	0.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				-	-

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Sep-20					
0.75%					
1.91%					
6.4					
85	-6.0	-5.0	-3.0	-4.0	-5.0
2.82%	3.0	4.8	6.1	4.2	0.7
8.8	0.01	0.02	0.02	0.01	0.00
2.91%	3.0	4.8	6.1	4.2	0.7

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
20	-0.5	-0.5	1.5	1.0	0.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does n
dify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not comm

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RBC
05-Feb-18

	3-year
	2.0
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	1.0
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	3-year

3-year
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-2.0
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Information and, to

icative New Issue Spreads - Senior Notes (AAA/A		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+94**	**+93**
Re-Offered Yield	3.41%	3.40%
Commission (bp)	3.0	3.2
All-in Yield	**3.44%**	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	150	
CPP	71	
BNS - Denior Deposit Notes	117	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+119**	**+116**
Re-Offered Yield	3.66%	3.63%
Commission (bp)	3.0	3.2
All-in Yield	**3.69%**	**3.67%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+144**	**+139**
Re-Offered Yield	3.91%	3.86%
Commission (bp)	3.0	3.2
All-in Yield	**3.94%**	**3.90%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.44%	2.38%	2.14%	1.91%	0.11%
(0.2)	1.0	3.2	6.7	0
+87	**+78**	**+59**	**+43**	-1
3.31%	3.17%	2.75%	2.41%	0.10%
3.6	4.5	7.4	8.6	1
3.35%	**3.21%**	**2.83%**	**2.49%**	**0.11%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
67	60	39	26	-1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	105	79	66	0
	61	43	26	0
	87	70	57	4
	81	65	52	
	81	65	52	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.44%	2.38%	2.14%	1.91%	0.11%
(0.2)	1.0	3.2	6.7	0
+107	**+98**	**+79**	**+63**	-1
3.51%	3.37%	2.95%	2.61%	0.10%
3.6	4.5	7.4	8.6	1
3.55%	**3.41%**	**3.03%**	**2.69%**	**0.11%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
67	60	39	26	-1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	81	65	52	
	81	65	52	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.44%	2.38%	2.14%	1.91%	0.11%
(0.2)	1.0	3.2	6.7	0
+127	**+118**	**+99**	**+83**	-1
3.71%	3.57%	3.15%	2.81%	0.10%
3.6	4.5	7.4	8.6	1
3.75%	**3.61%**	**3.23%**	**2.89%**	**0.11%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
67	60	39	26	-1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	81	65	52	
	81	65	52	

Bank Name	BNS
Date	2/5/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.11%	0.11%	0.09%	0.05%	0.03%
0	0	0	0	1
1	0	1	0	1
0.12%	0.10%	0.10%	0.06%	0.04%
0	0	0	0	0
0.12%	**0.11%**	**0.10%**	**0.05%**	**0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1	0	1	0	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		0	0	0
		0	0	0
		4	4	4
		0	1	1
		0	1	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.11%	0.11%	0.09%	0.05%	0.03%
0	0	0	0	1
1	0	1	0	1
0.12%	0.10%	0.10%	0.06%	0.04%
0	0	0	0	0
0.12%	**0.11%**	**0.10%**	**0.05%**	**0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1	0	1	0	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		0	1	1
		0	1	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.11%	0.11%	0.09%	0.05%	0.03%
0	0	0	0	1
1	0	1	0	1
0.12%	0.11%	0.10%	0.06%	0.04%
0	0	0	0	0
0.12%	**0.11%**	**0.10%**	**0.05%**	**0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
1	0	1	0	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		0	1	1
		0	1	1

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.47%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**110**	**100**
Re-Offered Yield	3.57%	3.48%
Commission (bp)	2.4	3.2
All-in Yield	**3.59%**	**3.51%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	109	99
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	124	114

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.47%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**130**	**120**
Re-Offered Yield	3.77%	3.68%
Commission (bp)	2.4	3.2
All-in Yield	**3.79%**	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	70	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.47%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**150**	**140**
Re-Offered Yield	3.97%	3.88%
Commission (bp)	2.4	3.2
All-in Yield	**3.99%**	**3.91%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	-
5.75%	1.00%	1.00%	0.75%	-
2.40%	2.36%	2.12%	1.91%	0.090%
4.3	1.1	3.3	6.3	-
90	**85**	**55**	**40**	0
3.34%	3.22%	2.70%	2.37%	0.09%
3.6	4.5	7.4	8.6	-
3.37%	**3.27%**	**2.78%**	**2.46%**	**0.09%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
65.5	61	42	33	-

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
94	85	55	41	(3)
N/A	70	55	44	N/A
93	85	63	48	5

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20	-
5.75%	1.00%	1.00%	0.75%	-
2.40%	2.36%	2.12%	1.91%	0.090%
4.3	1.1	3.3	6.3	-
110	**105**	**75**	**60**	0
3.54%	3.42%	2.90%	2.57%	0.09%
3.6	4.5	7.4	8.6	-
3.57%	**3.47%**	**2.98%**	**2.66%**	**0.09%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

66	61	42	33	-

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	-
5.75%	1.00%	1.00%	0.75%	-
2.40%	2.36%	2.12%	1.91%	0.090%
4.3	1.1	3.3	6.3	-
130	**125**	**95**	**80**	0
3.74%	3.62%	3.10%	2.77%	0.09%
3.6	4.5	7.4	8.6	-
3.77%	**3.67%**	**3.18%**	**2.86%**	**0.09%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
66	61	42	33	-

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	2/5/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.100%	0.070%	0.070%	0.040%	0.020%
-	-	-	-	-
0	0	0	0	0
0.10%	0.09%	0.07%	0.02%	0.02%
-	-	-	-	-
0.10%	**0.09%**	**0.07%**	**0.02%**	**0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
(3)	-3	(3)	(2)	-
N/A	N/A	-	3	2
5	3	3	3	3

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.100%	0.070%	0.070%	0.040%	0.020%
-	-	-	-	-
0	0	0	0	0
0.10%	0.09%	0.07%	0.02%	0.02%
-	-	-	-	-
0.10%	**0.09%**	**0.07%**	**0.02%**	**0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

-	-	-	-	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.100%	0.070%	0.070%	0.040%	0.020%
-	-	-	-	-
0	0	0	0	0
0.10%	0.09%	0.07%	0.02%	0.02%
-	-	-	-	-
0.10%	**0.09%**	**0.07%**	**0.02%**	**0.02%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From: Ricky Lai
To: Mike Manning
Cc: James Devine; Carlos Yep
Subject: Fair Hydro spreads
Date: Thursday, May 24, 2018 8:03:35 AM
Attachments: Fair Hydro price indications May 22 2018.xlsx

Good morning, please find attached this week's FHP spreads.
Ricky

FAIR HYDRO SPREADS

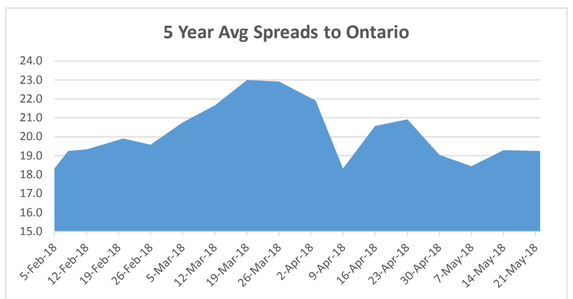
Week of May 22, 2018

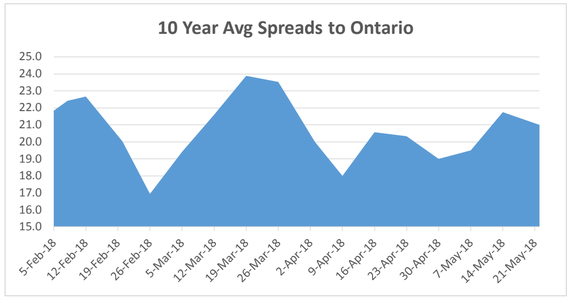
Senior Note

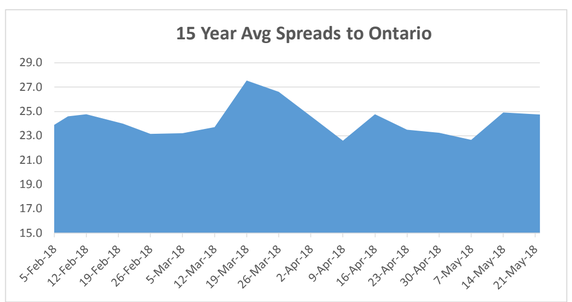
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
35.3	29.6	24.8	21.0	19.3	19.3

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	110.0	104.3	96.3	84.8	61.0	46.0
Last Week's	111.5	105.8	97.5	86.0	61.8	47.4
Change	-1.5	-1.5	-1.2	-1.2	-0.8	-1.4

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*TD*	*BMO*	*TD*	*TD*
	98.0	97.0	91.0	82.0	54.0	39.0
Maximum	*GS*	*GS*	*GS*	*RBC*	*RBC*	*RBC*
	127.0	117.0	102.0	88.0	67.0	51.0





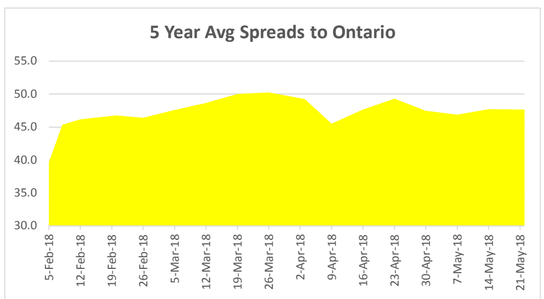


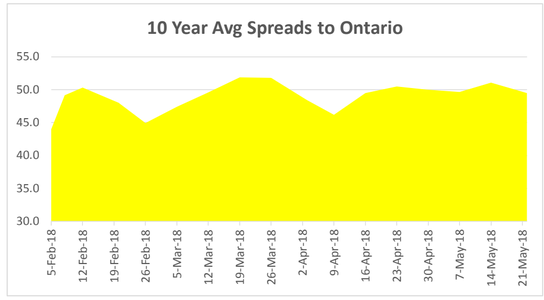
Sub Note

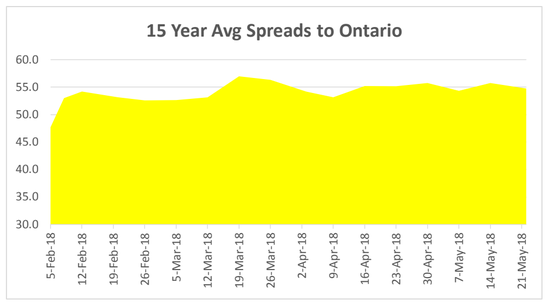
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
65.5	59.8	54.8	49.5	47.7	47.7

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	140.2	134.5	126.3	113.3	89.4	74.4
Last Week's	142.5	136.8	128.3	115.3	90.2	75.8
Change	-2.3	-2.3	-2.0	-2.0	-0.8	-1.4

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*TD*	*TD*	*GS*	*CIBC*	*BMO*
	137.0	131.0	121.0	107.0	84.0	69.0
Maximum	*GS*	*BMO*	*BMO*	*RBC*	*RBC*	*RBC*
	147.0	137.0	130.0	118.0	97.0	81.0





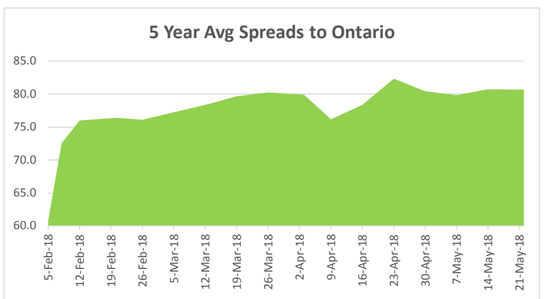


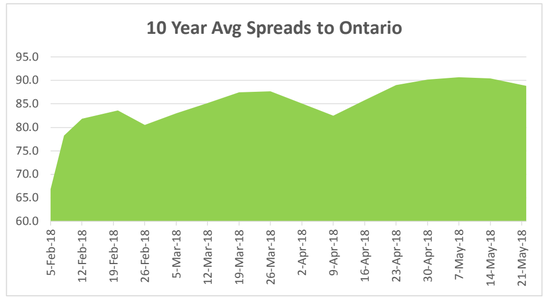
Junior Sub Note

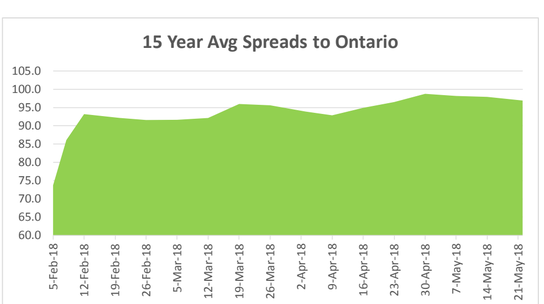
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
110.2	103.9	96.9	88.8	80.7	80.9

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	184.8	178.7	168.5	152.7	122.4	107.6
Last Week's	187.2	181.0	170.5	154.7	123.2	109.0
Change	-2.3	-2.3	-2.0	-2.0	-0.8	-1.4

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*TD*	*CIBC*	*CIBC*	*TD*
	164.0	160.0	151.0	139.0	111.0	99.0
Maximum	*GS*	*BMO*	*BMO*	*GS*	*RBC*	*RBC*
	212.0	207.0	197.0	172.0	131.0	115.0







FAIR HYDRO SPREADS

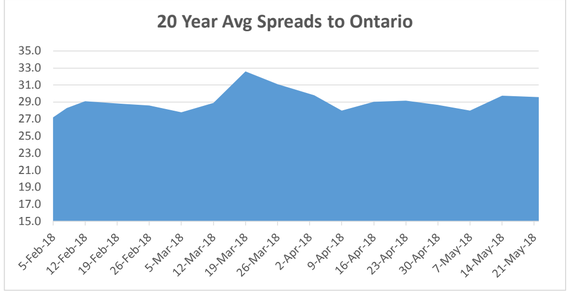
Week of May 22, 2018

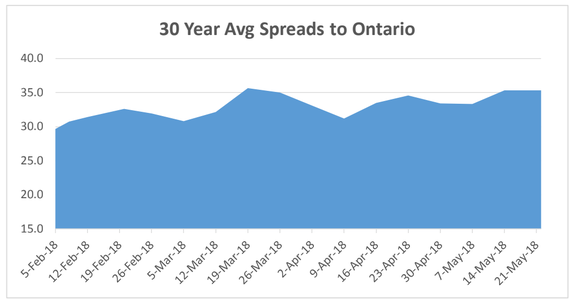
Senior Note

Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
35.3	29.6	24.8	21.0	19.3	19.3

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	110.0	104.3	96.3	84.8	61.0	46.0
Last Week's	111.5	105.8	97.5	86.0	61.8	47.4
Change	-1.5	-1.5	-1.2	-1.2	-0.8	-1.4

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*TD*	*BMO*	*TD*	*TD*
	98.0	97.0	91.0	82.0	54.0	39.0
Maximum	*GS*	*GS*	*GS*	*RBC*	*RBC*	*RBC*
	127.0	117.0	102.0	88.0	67.0	51.0



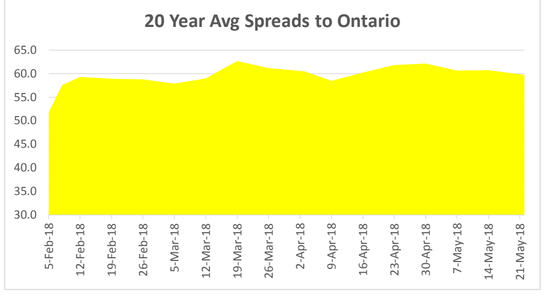


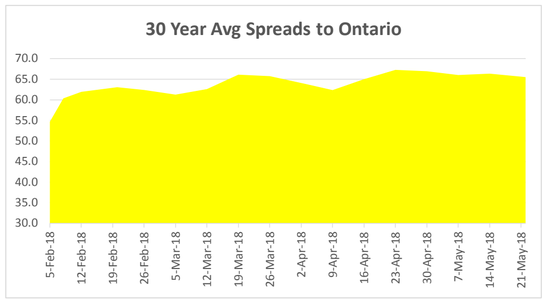
Sub Note

Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
65.5	59.8	54.8	49.5	47.7	47.7

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	140.2	134.5	126.3	113.3	89.4	74.4
Last Week's	142.5	136.8	128.3	115.3	90.2	75.8
Change	-2.3	-2.3	-2.0	-2.0	-0.8	-1.4

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*TD*	*TD*	*GS*	*CIBC*	*BMO*
	137.0	131.0	121.0	107.0	84.0	69.0
Maximum	*GS*	*BMO*	*BMO*	*RBC*	*RBC*	*RBC*
	147.0	137.0	130.0	118.0	97.0	81.0



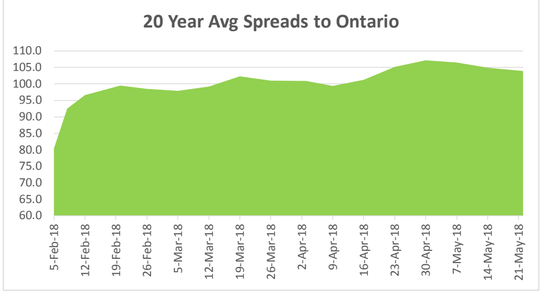


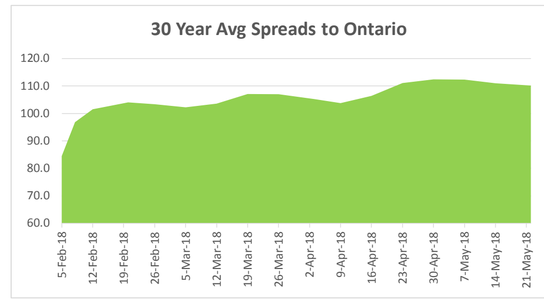
Junior Sub Note

Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
110.2	103.9	96.9	88.8	80.7	80.9

Average Fair Hydro Spreads to GoC curve						
	30-year	20-year	15-year	10-year	5-year	3-year
	184.8	178.7	168.5	152.7	122.4	107.6
Last Week's	187.2	181.0	170.5	154.7	123.2	109.0
Change	-2.3	-2.3	-2.0	-2.0	-0.8	-1.4

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*TD*	*CIBC*	*CIBC*	*TD*
	164.0	160.0	151.0	139.0	111.0	99.0
Maximum	*GS*	*BMO*	*BMO*	*GS*	*RBC*	*RBC*
	212.0	207.0	197.0	172.0	131.0	115.0





Indicative New Issue Spreads
Week of May 22, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	5.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.50%	2.52%	2.50%	2.49%	2.31%	2.08%	2.50%	2.53%	2.52%	2.49%	2.43%	2.31%	2.46%	2.49%	2.47%	2.44%			2.52%	2.53%
Curve Adjustment (bp)	0.0	0.2	1.5	0.7	2.1	9.4	0.0	(0.1)	(0.0)	(0.0)	(0.1)	2.1	0.0	0.6	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	98	97	92	82	61	44	110	106	99	85	57	47	127	117	102	82.0				
Re-Offered Yield	3.48%	3.49%	3.43%	3.31%	2.94%	2.62%	3.60%	3.59%	3.51%	3.34%	3.00%	2.80%	3.73%	3.66%	3.49%	3.26%			3.64%	3.58%
Commission (bp)	2.7	3.4	3.4	4.7	7.5	6.9	2.8	2.7	2.5	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.8	3.5
All-in Yield	**3.50%**	**3.52%**	**3.47%**	**3.36%**	**3.01%**	**2.68%**	**3.63%**	**3.62%**	**3.54%**	**3.36%**	**3.02%**	**2.81%**	**3.75%**	**3.68%**	**3.52%**	**3.31%**			**3.67%**	**3.62%**
All-in Spread to GoC Curve (bp)	**100.65**	**100.43**	**95.38**	**86.65**	**68.47**	**50.89**	**112.75**	**108.75**	**101.45**	**87.13**	**58.79**	**48.24**	**128.67**	**119.50**	**105.33**	**87.00**			**2.76**	**3.53**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	76	76	74	65	42	26	75	74	71	64	43	29	74	79	70	64			75	75

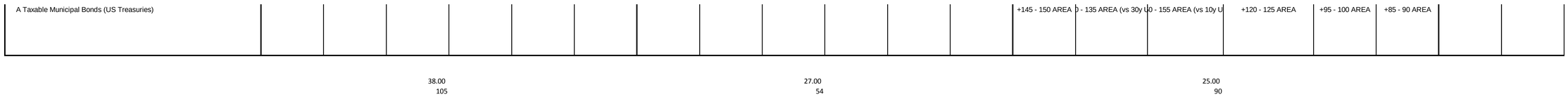
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							170	--	--	119	78	62								
Toronto Hydro Corporation (A/-/A)							131	--	--	91	63	53								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	102	0	0	87	62	48														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			135	129
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			118	112
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			140	133
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	87	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	81	66														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	66	52														
CMBs: (AAA/Aaa/AAA)	0	0	42	37	29	17														
PSP Investments (AAA/Aaa/AAA)	0	0	0	64	41	27														
CPP Investment Board (AAA/Aaa/AAA)	84	0	0	64	41	27														
BMO (Senior) (A+/A1/AA)	119	0	0	94	80	68														
Nova Scotia Power (BBB+ / - / A(l))							148	--	--	105	74	59								
FortisAlberta (A- / Baa1 / A(l))							135	--	--	95	67	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							243	--	--	178	123	100								
Bruce Power (BBB / Baa2 / BBB)							214	--	--	150	104	--								
City of Toronto (- / Aa1 / AA)							98	95	--	81	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																80 bps AREA				
AAA Taxable Municipal Bonds (US Treasuries)													+100 AREA	- 90 AREA (vs 30y U	5-110 AREA (vs 10y U	+75-80 AREA	+65 - 70 AREA	+55 - 60 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.50%	2.52%	2.50%	2.49%	2.31%	2.08%	2.50%	2.53%	2.52%	2.49%	2.43%	2.31%	2.46%	2.49%	2.47%	2.44%			2.52%	2.53%
Curve Adjustment (bp)	0.0	0.2	1.5	0.7	2.1	9.4	0.0	(0.1)	(0.0)	(0.0)	(0.1)	2.1	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	137	136	130	111	86	69	137	133	126	112	84	74	147	137	127	107				
Re-Offered Yield	3.87%	3.88%	3.81%	3.60%	3.19%	2.87%	3.87%	3.86%	3.78%	3.61%	3.27%	3.07%	3.93%	3.86%	3.74%	3.51%			3.91%	3.85%
Commission (bp)	2.8	3.5	3.5	4.7	7.5	6.9	2.8	2.7	2.5	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.8	3.5
All-in Yield	**3.89%**	**3.91%**	**3.85%**	**3.65%**	**3.26%**	**2.93%**	**3.90%**	**3.89%**	**3.81%**	**3.63%**	**3.29%**	**3.08%**	**3.95%**	**3.88%**	**3.74%**	**3.56%**			**3.94%**	**3.89%**
All-in Spread to GoC Curve (bp)	**139.78**	**139.55**	**133.46**	**115.71**	**93.51**	**75.91**	**139.75**	**135.75**	**128.45**	**114.13**	**85.79**	**75.24**	**148.67**	**139.50**	**130.33**	**112.00**			**2.76**	**3.53**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			130	124
NAV Canada (AA-, AA low)																			100	97
GTAA (Aa3, A+)																			110	106
Hydro One (A3/A/A high)																			135	129
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	87														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	102														
BMO (Senior) (A+/A1/AA)	119	0	0	94	80	68														
Nav Canada (sub) (AA-/Aa2/AAL)	102	0	0	87	62	48														
City of Toronto (AA / Aa1 / AA)	96	96	94	81	56	40														
Bank ABS (AAA / - / AAA)							--	--	--	--	81	68								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	93	80								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	47	35								
AA CMBS (USD Swaps)																110 - 115 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+120 - 125 AREA	105 AREA (vs 30y US	5 - 130 AREA (vs 10y U	+100 - 105 AREA	+75 - 80 AREA	+60 - 65 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	2.00%	2.25%	1.75%	2.75%	4.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.50%	2.52%	2.50%	2.49%	2.31%	2.08%	2.50%	2.53%	2.52%	2.49%	2.43%	2.31%	2.46%	2.49%	2.47%	2.44%			2.52%	2.53%
Curve Adjustment (bp)	0.0	0.2	1.5	0.7	2.1	9.4	0.0	(0.1)	(0.0)	(0.0)	(0.1)	2.1	0.0	0.7	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	211	207	197	161	130	114	164	160	153	139	111	101	212	202	192	172				
Re-Offered Yield	4.61%	4.59%	4.48%	4.10%	3.63%	3.32%	4.14%	4.13%	4.05%	3.88%	3.54%	3.34%	4.58%	4.51%	4.39%	4.16%			4.24%	4.18%
Commission (bp)	2.9	3.7	3.6	4.8	7.6	6.9	2.8	2.7	2.5	2.1	1.8	1.2	1.7	2.5	3.3	5.0			2.8	3.5
All-in Yield	**4.63%**	**4.63%**	**4.52%**	**4.15%**	**3.70%**	**3.38%**	**4.17%**	**4.16%**	**4.08%**	**3.90%**	**3.56%**	**3.35%**	**4.60%**	**4.53%**	**4.39%**	**4.21%**			**4.27%**	**4.22%**
All-in Spread to GoC Curve (bp)	**213.88**	**210.67**	**200.56**	**165.79**	**137.57**	**120.94**	**166.75**	**162.75**	**155.45**	**141.13**	**112.79**	**102.24**	**213.67**	**204.50**	**195.33**	**177.00**			**2.76**	**3.53**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			155.0	149.0
Highway 407 (A, A)																			130.0	124.0
Enbridge Gas Distribution (A-, A)																			135.0	129.8
Hydro One (A3/A/A high)																			135.0	129.0
Schedule 1 Bank ABS (A)																			195.0	188.3
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	152.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	134.0	-														
Hydro One (A/A3/AH)	136.0	-	-	98.0	73.0	57.0														
OPG (BBB+/-/AL)	164.0	-	-	117.0	92.0	76.0														
10-year A CMBS (USD Swaps)																155 - 165 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+145 - 150 AREA
0 - 135 AREA (vs 30y U
0 - 155 AREA (vs 10y U
+120 - 125 AREA
+95 - 100 AREA
+85 - 90 AREA
38.00
105
27.00
54
25.00
90

Indicative New Issue Spreads
Week of May 22, 2018

NBF *NBF* *NBF* NBF

Indicative New Issue Spreads - Senior Notes (AA/Aa2)	NBF			
	Current			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.53%	2.50%	2.34%	2.18%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.51%	3.38%	3.00%	2.71%
Commission (bp)	3.9	4.8	7.6	8.7
All-in Yield	**3.55%**	**3.43%**	**3.08%**	**2.80%**
All-in Spread to GoC Curve (bp)	**3.89**	**4.76**	**7.61**	**8.75**

Primary Comparable (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	64	41	25

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	112	95	80	70
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	95	80	65	57
Schedule I Bank ABS (Aaa ; AAA ; AAA)	114	95	80	70
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.53%	2.50%	2.34%	2.18%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	3.76%	3.61%	3.21%	2.92%
Commission (bp)	3.9	4.8	7.6	8.7
All-in Yield	**3.80%**	**3.66%**	**3.29%**	**3.01%**
All-in Spread to GoC Curve (bp)	**3.89**	**4.76**	**7.61**	**8.75**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
RBC Sr-Sub.				
Highway 407 (A, A)	107	90	65	55
NAV Canada (AA-, AA low)	89	80	55	45
GTAA (Aa3, A+)	96	85	60	50
Hydro One (A3/A/A high)	112	95	70	55
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.53%	2.50%	2.34%	2.18%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)				
Re-Offered Yield	4.06%	3.83%	3.40%	3.11%
Commission (bp)	3.9	4.8	7.6	8.7
All-in Yield	**4.10%**	**3.88%**	**3.48%**	**3.20%**
All-in Spread to GoC Curve (bp)	**3.89**	**4.76**	**7.61**	**8.75**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	132.0	115.0	90.0	75.0
Highway 407 (A, A)	107.0	90.0	65.0	55.0
Enbridge Gas Distribution (A-, A)	114.9	100.0	70.0	55.0
Hydro One (A3/A/A high)	112.0	95.0	70.0	55.0
Schedule 1 Bank ABS (A)	169.1	150.0	135.0	120.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

-

0

Indicative New Issue Spreads
Week of May 22, 2018

	RBC	RBC	RBC	*RBC*	*RBC*	RBC	Scotia	Scotia	Scotia	*Scotia*	*Scotia*	Scotia	TD	TD	TD	*TD*	*TD*	TD
	RBC						Scotia						TD					
Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Current						Current					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.47%	2.49%	2.46%	2.45%	2.28%	2.13%	2.51%	2.52%	2.51%	2.50%	2.31%	2.15%	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%
Curve Adjustment (bp)	0.0	0.1	1.5	0.3	2.0	2.5	0.0	0.1	0.0	(0.0)	2.3	2.4	0.0	0.1	1.3	0.2	0.0	2.4
Spread to GoC Curve (bp)	111	103	96	88.00	67	51	105	102	98	88	66	49	109	101	91	84	54	39
Re-Offered Yield	3.58%	3.52%	3.44%	3.33%	2.97%	2.67%	3.56%	3.54%	3.49%	3.38%	2.99%	2.67%	3.59%	3.54%	3.43%	3.33%	2.87%	2.57%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	2.4	3.2	3.6	4.6	7.5	8.7	2.4	3.2	3.6	4.6	7.5	8.7
All-in Yield	**3.61%**	**3.56%**	**3.48%**	**3.38%**	**3.04%**	**2.75%**	**3.58%**	**3.58%**	**3.52%**	**3.42%**	**3.07%**	**2.75%**	**3.62%**	**3.58%**	**3.46%**	**3.38%**	**2.95%**	**2.65%**
All-in Spread to GoC Curve (bp)	**113.74**	**106.52**	**99.88**	**92.75**	**74.60**	**59.74**	**107.39**	**105.21**	**101.63**	**92.55**	**73.47**	**57.67**	**111.39**	**104.21**	**94.63**	**88.55**	**61.47**	**47.67**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	74	74	65	41	26	75	74	72	64	42	26	75	76	70	63	43	28

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	38	30	20												
City of Toronto (AA/Aa1/AA)	97	98	92	82	56	41												
Hydro One Inc. (A(H)/A3/A)	135	n/a	n/a	99	71	61							133	123	101	93	70	60
Ontario Power Generation Inc. (A(low)/-/BBB+)	150	n/a	n/a	112	82	70	160	0	0	115	90	76						
Toronto Hydro Corporation (A/-/A)	128	n/a	n/a	94	64	54												
Canadian National Railway Co (A/A2/A)	130	n/a	n/a	93	71	61												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	110	n/a	n/a	87	61	51												
NAV Canada (AA(low)/Aa2/AA-)	101	n/a	n/a	85	60	50												
OPB Finance Trust (AA+/-/AA(H))													110	100	95	85	63	45
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	86	66	54
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							82	0	0	66	43	31						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							129	0	0	99	85	74						
Golden Credit Card Trust							0	0	0	95	81	71						
Master Credit Card Trust							0	0	0	95	81	71						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	01-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.47%	2.49%	2.46%	2.45%	2.28%	2.13%	2.51%	2.52%	2.51%	2.50%	2.31%	2.15%	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%
Curve Adjustment (bp)	0.0	0.1	1.5	0.3	2.0	2.5	0.0	0.1	0.0	(0.0)	2.3	2.4	0.0	0.1	1.3	0.2	0.0	2.4
Spread to GoC Curve (bp)	141	133	126	118	97	81	140	137	128	118	96	79	139	131	121	114	84	69
Re-Offered Yield	3.88%	3.82%	3.74%	3.63%	3.27%	2.97%	3.91%	3.89%	3.79%	3.68%	3.29%	2.97%	3.89%	3.84%	3.73%	3.63%	3.17%	2.87%
Commission (bp)	2.8	3.6	4.0	4.8	7.7	8.8	2.4	3.2	3.6	4.6	7.5	8.7	2.4	3.2	3.6	4.6	7.5	8.7
All-in Yield	**3.91%**	**3.86%**	**3.78%**	**3.68%**	**3.34%**	**3.05%**	**3.93%**	**3.93%**	**3.82%**	**3.72%**	**3.37%**	**3.05%**	**3.92%**	**3.88%**	**3.76%**	**3.68%**	**3.25%**	**2.95%**
All-in Spread to GoC Curve (bp)	**143.85**	**136.61**	**129.96**	**122.82**	**104.66**	**89.78**	**142.39**	**140.21**	**131.63**	**122.55**	**103.47**	**87.67**	**141.39**	**134.21**	**124.63**	**118.55**	**91.47**	**77.67**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	n/a	n/a	n/a	82	60	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	2.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.47%	2.49%	2.46%	2.45%	2.28%	2.13%	2.51%	2.52%	2.51%	2.50%	2.31%	2.15%	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%
Curve Adjustment (bp)	0.0	0.1	1.5	0.3	2.0	2.5	0.0	0.1	0.0	(0.0)	2.3	2.4	0.0	0.1	1.3	0.2	0.0	2.4
Spread to GoC Curve (bp)	175	167	160	152	131	115	178	175	158	148	126	109	169	161	151	144	114	99
Re-Offered Yield	4.22%	4.16%	4.08%	3.97%	3.61%	3.31%	4.29%	4.27%	4.09%	3.98%	3.59%	3.27%	4.19%	4.14%	4.03%	3.93%	3.47%	3.17%
Commission (bp)	3.0	3.7	4.1	4.9	7.7	8.8	2.4	3.2	3.6	4.6	7.5	8.7	2.4	3.2	3.6	4.6	7.5	8.7
All-in Yield	**4.25%**	**4.20%**	**4.12%**	**4.02%**	**3.69%**	**3.39%**	**4.31%**	**4.31%**	**4.12%**	**4.02%**	**3.67%**	**3.35%**	**4.22%**	**4.18%**	**4.06%**	**3.98%**	**3.55%**	**3.25%**
All-in Spread to GoC Curve (bp)	**177.96**	**170.72**	**164.05**	**156.90**	**138.73**	**123.84**	**180.39**	**178.21**	**161.63**	**152.55**	**133.47**	**117.67**	**171.39**	**164.21**	**154.63**	**148.55**	**121.47**	**107.67**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			30.00 64					30.00 60						30.00 60				

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	24.0
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2
12-Mar-18	21.7	21.6	23.7
19-Mar-18	23.0	23.9	27.5
26-Mar-18	22.9	23.5	26.6
3-Apr-18	21.9	20.0	24.3
9-Apr-18	18.3	18.0	22.6
16-Apr-18	20.6	20.6	24.8
23-Apr-18	20.9	20.3	23.5
30-Apr-18	19.1	19.0	23.3
7-May-18	18.5	19.5	22.7
14-May-18	19.3	21.8	24.9
22-May-18	19.3	21.0	24.8

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
27.2	29.7	56.8	80.6	91.2	
28.3	30.8	59.3	81.4	92.0	
29.1	31.4	61.0	83.7	94.5	
28.8	32.6	59.8	82.1	94.1	
28.6	31.9	59.4	82.1	94.0	
27.8	30.8	63.4	84.9	96.7	
28.9	32.2	63.8	85.3	97.0	
32.6	35.7	63.7	86.6	97.4	
31.1	35.0	65.8	88.6	99.4	
29.8	32.8	68.0	90.6	102.5	
28.0	31.2	68.4	90.7	103.0	
29.0	33.5	66.2	88.5	100.8	107.2
29.2	34.6	64.6	86.5	98.0	106.2
28.7	33.4	64.3	87.3	98.8	106.8
28.0	33.3	63.2	87.3	98.8	106.7
29.8	35.3	61.8	86.0	97.5	105.8
29.6	35.3	61.0	84.8	96.3	104.3

30 Year	Ontario Spread to GOC 5 Year	10 Year	15 Year	20 Year	30 Year
99.1	38.5	58.8	67.3		69.4
100.4	40.1	59.0	67.4		69.7
103.6	41.7	61.0	69.7		72.2
104.8	39.8	62.0	70.4		72.2
104.6	39.8	65.1	70.8		72.7
107.1	42.7	65.5	73.5		76.3
107.9	42.2	63.7	73.3		75.8
108.6	40.7	62.7	69.9		72.9
110.6	42.8	65.0	72.8		75.5
113.0	46.1	70.6	78.2		80.2
113.4	50.1	72.8	80.4		82.3
111.5	45.6	67.9	76.0	78.2	78.0
111.5	43.7	66.2	74.5	77.0	76.9
112.4	45.3	68.3	75.6	78.2	79.0
112.3	44.8	67.8	76.2	78.7	78.9
111.5	42.5	64.3	72.6	76.1	76.2
110.0	41.8	63.8	71.6	74.8	74.7

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6
12-Mar-18	48.7	49.6	53.1
19-Mar-18	50.0	51.9	57.0
26-Mar-18	50.3	51.8	56.3
3-Apr-18	49.3	48.4	54.2
9-Apr-18	45.5	46.2	53.2
16-Apr-18	47.7	49.5	55.2
23-Apr-18	49.3	50.5	55.2
30-Apr-18	47.5	50.0	55.8
7-May-18	46.9	49.7	54.3
14-May-18	47.7	51.1	55.8
22-May-18	47.7	49.5	54.8

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
51.8	54.7	78.2	102.8	115.0	
57.6	60.3	85.4	108.2	120.4	
59.3	61.9	87.8	111.3	123.9	
58.9	63.0	86.6	110.1	123.6	
58.8	62.4	86.3	110.1	123.4	
57.9	61.2	90.3	112.9	126.1	
59.0	62.6	90.8	113.3	126.4	
62.7	66.1	90.7	114.6	126.8	
61.2	65.7	93.1	116.8	129.1	
60.5	63.8	95.3	119.0	132.3	
58.5	62.3	95.6	119.0	132.7	
60.2	65.0	93.3	117.4	131.2	138.4
61.8	67.3	93.0	116.7	129.7	138.8
62.2	66.9	92.7	118.3	131.3	140.3
60.7	66.0	91.6	117.5	130.5	139.3
60.8	66.3	90.2	115.3	128.3	136.8
59.8	65.5	89.4	113.3	126.3	134.5

30 Year	Ontario Spread to GOC 5 Year	10 Year	15 Year	20 Year	30 Year
124.1	38.5	58.8	67.3		69.4
130.0	40.1	59.0	67.4		69.7
134.1	41.7	61.0	69.7		72.2
135.2	39.8	62.0	70.4		72.2
135.1	39.8	65.1	70.8		72.7
137.6	42.7	65.5	73.5		76.3
138.3	42.2	63.7	73.3		75.8
139.0	40.7	62.7	69.9		72.9
141.3	42.8	65.0	72.8		75.5
144.0	46.1	70.6	78.2		80.2
144.3	50.1	72.8	79.5		81.9
143.0	45.6	67.9	76.0	78.2	78.0
144.2	43.7	66.2	74.5	77.0	76.9
145.9	45.3	68.3	75.6	78.2	79.0
144.9	44.8	67.8	76.2	78.7	78.9
142.5	42.5	64.3	72.6	76.1	76.2
140.2	41.8	63.8	71.6	74.8	74.7

	Fair Hydro Spread to Ontarios		
	5 Year	10 Year	15 Year
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6
12-Mar-18	78.3	85.2	92.1
19-Mar-18	79.7	87.5	96.0
26-Mar-18	80.3	87.7	95.6
3-Apr-18	79.9	84.7	93.9
9-Apr-18	76.2	82.5	92.9
16-Apr-18	78.3	85.8	94.9
23-Apr-18	82.3	89.0	96.5
30-Apr-18	80.5	90.2	98.8
7-May-18	79.9	90.7	98.2
14-May-18	80.7	90.4	97.9
22-May-18	80.7	88.8	96.9

20 Year	30 Year	Fair Hydro Spread to GOC 5 Year	10 Year	15 Year	20 Year
80.4	84.5	99.3	125.6	141.0	
92.5	96.8	112.7	137.3	153.5	
96.6	101.5	117.7	142.8	162.9	
99.5	104.0	116.3	145.6	162.6	
98.5	103.4	115.9	145.6	162.4	
97.9	102.2	119.9	148.5	165.1	
99.2	103.6	120.5	148.9	165.4	
102.3	107.1	120.3	150.1	165.8	
101.0	107.0	123.1	152.7	168.4	
100.9	105.3	126.0	155.3	172.1	
99.4	103.8	126.3	155.3	172.4	
101.2	106.4	123.9	153.7	170.9	179.4
105.2	111.1	126.0	155.2	171.0	182.2
107.2	112.4	125.7	158.5	174.3	185.3
106.5	112.3	124.6	158.5	174.3	185.2
104.9	111.0	123.2	154.7	170.5	181.0
103.9	110.2	122.4	152.7	168.5	178.7

30 Year	Ontario Spread to GOC 5 Year	10 Year	15 Year	20 year	30 Year
153.9	38.5	58.8	67.3		69.4
166.5	40.1	59.0	67.4		69.7
173.7	41.7	61.0	69.7		72.2
176.2	39.8	62.0	70.4		72.2
176.1	39.8	65.1	70.8		72.7
178.6	42.7	65.5	73.5		76.3
179.3	42.2	63.7	73.3		75.8
180.0	40.7	62.7	69.9		72.9
182.6	42.8	65.0	72.8		75.5
185.4	46.1	70.6	78.2		80.2
185.7	50.1	72.8	79.5		81.9
184.4	45.6	67.9	76.0	78.2	78.0
188.0	43.7	66.2	74.5	77.0	76.9
191.4	45.3	68.3	75.6	78.2	79.0
191.3	44.8	67.8	76.2	78.7	78.9
187.2	42.5	64.3	72.6	76.1	76.2
184.8	41.8	63.8	71.6	74.8	74.7

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.52%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**98**	**97**
Re-Offered Yield	3.48%	3.49%
Commission (bp)	2.7	3.4
All-in Yield	**3.50%**	**3.52%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	76	76

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	84	
BMO (Senior) (A+/A1/AA)	119	
Nav Canada (sub) (AA-/Aa2/AAL)	102	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.52%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**137**	**136**
Re-Offered Yield	3.87%	3.88%
Commission (bp)	2.8	3.5
All-in Yield	**3.89%**	**3.91%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	119	
Nav Canada (sub) (AA-/Aa2/AAL)	102	
City of Toronto (AA / Aa1 / AA)	96	96

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.52%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**211**	**207**
Re-Offered Yield	4.61%	4.59%
Commission (bp)	2.9	3.7
All-in Yield	**4.63%**	**4.63%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	76	76

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	136	
OPG (BBB+/-/AL)	164	

Generic Corporate Credit Spreads AA	104	
Generic Corporate Credit Spreads A	160	
Generic Corporate Credit Spreads BBB	233	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.50%	2.49%	2.31%	2.08%	-2bps	-1bps	0bps	1bps	0bps
1.5	0.7	2.1	9.4	0bps	0bps	0bps	0bps	0bps
92	**82**	**61**	**44**	-4bps	-4bps	-3bps	-3bps	-3bps
3.43%	3.31%	2.94%	2.62%	-6bps	-5bps	-3bps	-2bps	-3bps
3.4	4.7	7.5	6.9					
3.47%	**3.36%**	**3.01%**	**2.68%**	-6bps	-5bps	-3bps	-2bps	-3bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
74	64.5	41.5	26	-1bps	0bps	-1bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		87						1bps
		81	66					1bps
		66	52					1bps
42	37	29	16.5			0bps	0bps	0bps
	64	41	27				-9bps	-7bps
	64	41	27	-9bps			-9bps	-7bps
	94	80	68	1bps			1bps	0bps
	87	62	48	-1bps			-1bps	-1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.50%	2.49%	2.31%	2.08%	-2bps	-1bps	0bps	1bps	0bps
1.5	0.7	2.1	9.4	0bps	0bps	0bps	0bps	0bps
130	**111**	**86**	**69**	-4bps	-4bps	-3bps	-3bps	-3bps
3.81%	3.60%	3.19%	2.87%	-6bps	-5bps	-3bps	-2bps	-3bps
3.5	4.7	7.5	6.9					
3.85%	**3.65%**	**3.26%**	**2.93%**	-6bps	-5bps	-3bps	-2bps	-3bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
74	65	42	26	-1bps	0bps	-1bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			87					
			102					
	94	80	68	1bps			1bps	0bps
	87	62	48	-1bps			-1bps	-1bps
93.5	80.5	56	39.5	-1bps	-1bps	-1bps	-1bps	-1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.50%	2.49%	2.31%	2.08%	-2bps	-1bps	0bps	1bps	0bps
1.5	0.7	2.1	9.4	0bps	0bps	0bps	0bps	0bps
197	**161**	**130**	**114**	-4bps	-4bps	-3bps	-3bps	-3bps
4.48%	4.10%	3.63%	3.32%	-6bps	-5bps	-3bps	-2bps	-3bps
3.6	4.8	7.6	6.9					
4.52%	**4.15%**	**3.70%**	**3.38%**	-6bps	-5bps	-3bps	-2bps	-3bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
74	65	42	26	-1bps	0bps	-1bps	0bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		152						1bps
		134						1bps
	98	73	57	-1bps			-1bps	-1bps
	117	92	76	-2bps			-2bps	-2bps

	92	72		0bps			1bps	0bps
	120	90		0bps			0bps	0bps
	178	124		0bps			0bps	0bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
22-May-18

3-year
2bps 0bps -3bps -1bps
-1bps

3-year
0bps

3-year
0bps 1bps 0bps -4bps -4bps 1bps -2bps

3-year
2bps 0bps -3bps -1bps
-1bps

3-year
0bps

3-year
1bps
1bps
1bps
-2bps
0bps

3-year
2bps
0bps
-3bps
-1bps
-1bps

3-year
0bps

3-year
-2bps
-3bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.50%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**110**
Re-Offered Yield	3.60%
Commission (bp)	2.8
All-in Yield	**3.63%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	170
Toronto Hydro (A / - / A)	131
Nova Scotia Power (BBB+ / - / A(l))	148
FortisAlberta (A- / Baa1 / A(l))	135
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	243
Bruce Power (BBB / Baa2 / BBB)	214
City of Toronto (- / Aa1 / AA)	98

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.50%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**137**
Re-Offered Yield	3.87%
Commission (bp)	2.8
All-in Yield	**3.90%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.50%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**164**
Re-Offered Yield	4.14%
Commission (bp)	2.8
All-in Yield	**4.17%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.53%	2.52%	2.49%	2.43%	2.31%	0.05%	0.07%	0.07%	0.07%	0.07%
(0.1)	(0.0)	(0.0)	(0.1)	2.1	0.0	(0.1)	0.0	0.0	0.1
106	**99**	**85**	**57**	**47**	-2	-2	-1	-2	1
3.59%	3.51%	3.34%	3.00%	2.80%	0.03%	0.04%	0.06%	0.05%	0.08%
2.7	2.5	2.1	1.8	1.2	-	-	-	-	-
3.62%	**3.54%**	**3.36%**	**3.02%**	**2.81%**	**0.03%**	**0.04%**	**0.06%**	**0.05%**	**0.08%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
74	71	64	43	29	-1	-2	-1	0	0

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	119	78	62	2	--	--	(1)	(1)
--	--	91	63	53	1	--	--	(2)	(2)
--	--	105	74	59	1	--	--	(2)	(2)
--	--	95	67	--	1	--	--	(2)	(2)
--	--	178	123	100	0	--	--	(2)	(2)
--	--	150	104	--	2	--	--	0	0
95	--	81	--	--	0	(2)	--	0	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.53%	2.52%	2.49%	2.43%	2.31%	0.05%	0.07%	0.07%	0.07%	0.07%
(0.1)	(0.0)	(0.0)	(0.1)	2.1	0	(0)	0	0	0
133	**126**	**112**	**84**	**74**	(2)	(2)	(1)	(2)	1
3.86%	3.78%	3.61%	3.27%	3.07%	0.03%	0.04%	0.06%	0.05%	0.08%
2.7	2.5	2.1	1.8	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.89%	**3.81%**	**3.63%**	**3.29%**	**3.08%**	**0.03%**	**0.04%**	**0.06%**	**0.05%**	**0.08%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
74	71	64	43	29	(1)	(2)	(1)	0	0

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	--	81	68	--	--	--	--	1
--	--	--	93	80	--	--	--	--	0
--	--	--	47	35	--	--	--	--	0

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-25	01-Mar-23	-	-	-	-	-
5.00%	5.75%	2.00%	2.25%	1.75%	-	-	-	-	-
2.53%	2.52%	2.49%	2.43%	2.31%	0.05%	0.07%	0.07%	0.07%	0.07%
(0.1)	(0.0)	(0.0)	(0.1)	2.1	0	(0)	0	0	0
160	**153**	**139**	**111**	**101**	(2)	(2)	(1)	(2)	1
4.13%	4.05%	3.88%	3.54%	3.34%	0.03%	0.04%	0.06%	0.05%	0.08%
2.7	2.5	2.1	1.8	1.2	-	-	-	-	-
4.16%	**4.08%**	**3.90%**	**3.56%**	**3.35%**	**0.03%**	**0.04%**	**0.06%**	**0.05%**	**0.08%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
76	72	64	43	28	(3)	(3)	(3)	(4)	(3)

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year

CIBC
5/22/2018

3-year
-
-
0.06%
-0.1
-2
0.04%
-
0.04%

3-year
1

3-year
(1)
(2)
(2)
--
(1)
--
--

3-year
-
-
0.06%
(0)
(2)
0.04%
0.00%
0.04%

3-year
1

3-year
-2
0
0

3-year
-
-
0.06%
(0)
(2)
0.04%
-
0.04%

3-year
(3)

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	5.000%
Benchmark Yield	2.463%	2.488%
Curve Adjustment (bp)	0.000%	0.006%
Spread to GoC Curve (bp)	**1.270%**	**1.170%**
Re-Offered Yield	3.733%	3.658%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.75%**	**3.68%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.7430%**	**0.78800%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+100 AREA	- 90 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.463%	2.488%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**1.470%**	**1.370%**
Re-Offered Yield	3.933%	3.858%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.95%**	**3.88%**

Primary Comparable (S&P/Moody's/ DBRS)

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.7430%**	**0.78800%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+120 - 125 AREA	05 AREA (vs 30y US

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	4.000%
Benchmark Yield	2.463%	2.488%
Curve Adjustment (bp)	0.000%	0.007%
Spread to GoC Curve (bp)	**2.120%**	**2.020%**
Re-Offered Yield	4.583%	4.508%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.60%**	**4.53%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.7430%**	**0.78800%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+145 - 150 AREA	- 135 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.471%	2.438%			
0.049%	0.008%			
1.0200%	**0.820%**			
3.491%	3.258%			
0.033%	0.050%			
3.52%	**3.31%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.70400%	**0.63700%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-110 AREA (vs 10y	80 bps AREA +75-80 AREA	+65 - 70 AREA	+55 - 60 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.471%	2.438%			
0.049%	0.008%			
1.270%	**1.070%**			
3.741%	3.508%			
0.033%	0.050%			
3.74%	**3.56%**			

Current				

15-year	10-year	5-year	3-year	30-year
0.70400%	**0.63700%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 130 AREA (vs 10y	110 - 115 bps AREA +100 - 105 AREA	+75 - 80 AREA	+60 - 65 AREA	+0 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.471%	2.438%			
0.049%	0.008%			
1.9200%	**1.720%**			
4.391%	4.158%			
0.033%	0.050%			
4.39%	**4.21%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.70400%	**0.63700%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
- 155 AREA (vs 10y	155 - 165 bps AREA +120 - 125 AREA	+95 - 100 AREA	+85 - 90 AREA	+0 bps

Bank Name	GS
Date	5/23/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	+0 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week

20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	-5 bps +0 bps	+0 bps	+0 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+0 bps	+0 bps	-5 bps +0 bps	+0 bps	+0 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.52%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	112
Re-Offered Yield	3.64%
Commission (bp)	2.8
All-in Yield	**3.67%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140
FHT Series 2018-1	

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.52%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	139
Re-Offered Yield	3.91%
Commission (bp)	2.8
All-in Yield	**3.94%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	130
NAV Canada (AA-, AA low)	100
GTAA (Aa3, A+)	110
Hydro One (A3/A/A high)	135

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.52%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	172
Re-Offered Yield	4.24%
Commission (bp)	2.8
All-in Yield	**4.27%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	155
Highway 407 (A, A)	130
Enbridge Gas Distribution (A-, A)	135
Hydro One (A3/A/A high)	135
Schedule 1 Bank ABS (A)	195

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.53%	2.53%	2.50%	2.34%
0.0	0.0	0.0	0.0
105	98	88	66
3.58%	3.51%	3.38%	3.00%
3.5	3.9	4.8	7.6
3.62%	**3.55%**	**3.43%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	69.5	63.5	41

Current			
20-year	**15-year**	**10-year**	**5-year**
129	112	95	80
112	95	80	65
133	114	95	80
	94		
101			

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.53%	2.53%	2.50%	2.34%
0.0	0.0	0.0	0.0
132	123	111	87
3.85%	3.76%	3.61%	3.21%
3.5	3.9	4.8	7.6
3.89%	**3.80%**	**3.66%**	**3.29%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	41

Current			
20-year	**15-year**	**10-year**	**5-year**
124	107	90	65
97	89	80	55
106	96	85	60
129	112	95	70

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.53%	2.53%	2.50%	2.34%
0.0	0.0	0.0	0.0
165	153	133	106
4.18%	4.06%	3.83%	3.40%
3.5	3.9	4.8	7.6
4.22%	**4.10%**	**3.88%**	**3.48%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	41

Current			
20-year	**15-year**	**10-year**	**5-year**
149	132	115	90
124	107	90	65
130	115	100	70
129	112	95	70
188	169	150	135

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.18%	0.09%	0.09%	0.10%
0.0	0.0	0.0	0.0
53	0	1	1
2.71%	0.09%	0.10%	0.11%
8.7	0.0	0.0	0.0
2.80%	**0.09%**	**0.10%**	**0.11%**

			Week
3-year	**30-year**	**20-year**	**15-year**
25	-1	-2	-2.5

			Week
3-year	**30-year**	**20-year**	**15-year**
70	0	0	0
57	0	0	0
70	0	0	0
	0	0	1
	0	1	0

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
2.18%	0.09%	0.09%	0.10%
0.0	0.0	0.0	0.0
74	0	1	1
2.92%	0.09%	0.10%	0.11%
8.7	0.0	0.0	0.0
3.01%	**0.09%**	**0.10%**	**0.11%**

			Week
3-year	**30-year**	**20-year**	**15-year**
25	-1	-2	-3

			Week
3-year	**30-year**	**20-year**	**15-year**
55	0	0	0
45	0	0	0
50	0	0	0
55	0	0	0

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
2.18%	0.09%	0.09%	0.10%
0.0	0.0	0.0	0.0
93	0	1	1
3.11%	0.09%	0.10%	0.11%
8.7	0.0	0.0	0.0
3.20%	**0.09%**	**0.10%**	**0.11%**

			Week
3-year	**30-year**	**20-year**	**15-year**
25	-1	-2	-3

			Week
3-year	**30-year**	**20-year**	**15-year**
75	0	0	0
55	0	0	0
55	0	0	0
55	0	0	0
120	0	0	0

Bank Name	National Bank of Canada
Date	5/22/2018

over Week

10-year	5-year	3-year
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.10%	0.10%	0.08%
0.0	0.0	0.0
1	1	1
0.11%	0.11%	0.09%
0.0	0.0	0.0
0.11%	**0.11%**	**0.09%**

over Week

10-year	5-year	3-year
-0.5	-1	-0.5

over Week

10-year	5-year	3-year
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

over Week

10-year	5-year	3-year
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.10%	0.10%	0.08%
0.0	0.0	0.0
1	1	1
0.11%	0.11%	0.09%
0.0	0.0	0.0
0.11%	**0.11%**	**0.09%**

over Week

10-year	5-year	3-year
-1	-1	-1

over Week

10-year	5-year	3-year
0	0	0
0	0	0
0	0	0
0	0	-5

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.10%	0.10%	0.08%
0.0	0.0	0.0
1	1	1
0.11%	0.11%	0.09%
0.0	0.0	0.0
0.11%	**0.11%**	**0.09%**

over Week		
10-year	**5-year**	**3-year**
-1	-1	-1

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
0	-5	-5
0	0	-5
0	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.47%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**111**
Re-Offered Yield	3.58%
Commission (bp)	2.7
All-in Yield	**3.61%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**73**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**97**
Hydro One Inc. (A(H)/A3/A)	**135**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**150**
Toronto Hydro Corporation (A/-/A)	**128**
Canadian National Railway Co (A/A2/A)	**130**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**110**
NAV Canada (AA(low)/Aa2/AA-)	**101**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.47%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**141**
Re-Offered Yield	3.88%
Commission (bp)	2.8
All-in Yield	**3.91%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.47%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**175**
Re-Offered Yield	4.22%
Commission (bp)	3.0
All-in Yield	**4.25%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	73

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

The indicative price is provided by way of example only, and is not intended to replace or supplant advice of your aud EVENT SHALL RBC OR ITS AGENTS OR OFFICERS BE LIABLE FOR ANY DAMAGES WHATSOEVER (INCLUDI the indicative price is adequate or appropriate for your purposes.

The information provided in this valuation (the “Information”) (i) is intended for your information only and is not to be d the fullest extent permissible by law, shall have no liability whatsoever to you or any other person or party for any loss

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.49%	**2.46%**	**2.45%**	**2.28%**
0.1	**1.5**	**0.3**	**2.0**
103	**96**	**88**	**67**
3.52%	3.44%	3.33%	2.97%
3.5	3.9	4.7	7.6
3.56%	**3.48%**	**3.38%**	**3.04%**

Current			
20-year	**15-year**	**10-year**	**5-year**
74	**74**	**65**	**41**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**38**	**30**
98	**92**	**82**	**56**
n/a	**n/a**	**99**	**71**
n/a	**n/a**	**112**	**82**
n/a	**n/a**	**94**	**64**
n/a	**n/a**	**93**	**71**
n/a	**n/a**	**87**	**61**
n/a	**n/a**	**85**	**60**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.49%	2.46%	2.45%	2.28%
0.1	1.5	0.3	2.0
133	**126**	**118**	**97**
3.82%	3.74%	3.63%	3.27%
3.6	4.0	4.8	7.7
3.86%	**3.78%**	**3.68%**	**3.34%**

Current			
20-year	**15-year**	**10-year**	**5-year**
74	74	65	41

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**82**	**60**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.49%	2.46%	2.45%	2.28%
0.1	1.5	0.3	2.0
167	**160**	**152**	**131**
4.16%	4.08%	3.97%	3.61%
3.7	4.1	4.9	7.7
4.20%	**4.12%**	**4.02%**	**3.69%**

Current			
20-year	**15-year**	**10-year**	**5-year**
74	74	65	41

Current			
20-year	**15-year**	**10-year**	**5-year**

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.13%	-0.9	0.0	-1.0	0.2	-1.6
2.5	-	-0.1	0.2	-0.6	-
51	-	-	-	-	-
2.67%	-0.9	-0.1	-0.8	-0.4	-1.6
8.7	-0.0	-0.0	-0.0	-0.0	-0.0
2.75%	-0.9	-0.1	-0.8	-0.4	-1.6

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
26	-2.5	-1.5	-1.5	-	-0.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
20				1.0	2.0
41	-3.0	-1.5	-0.5	-	-0.5
61	-			-	-
70	-5.0			-5.0	-
54	-2.0			-1.0	-
61	-1.0			-	-
51	-			-	-2.0
50	-			-	-2.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
2.13%					
2.5					
81	-	-	-	-	-
2.97%	-0.9	-0.1	-0.8	-0.4	-1.6
8.8	-0.00	-0.00	-0.00	-0.00	-0.00
3.05%	-0.9	-0.1	-0.8	-0.4	-1.6

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
26	-2.5	-1.5	-1.5	-	-0.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				2.0	-

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
2.13%					
2.5					
115	-	-	-	-	-
3.31%	-0.9	-0.1	-0.8	-0.4	-1.6
8.8	-0.00	-0.00	-0.00	-0.00	-0.00
3.39%	-0.9	-0.1	-0.8	-0.4	-1.6

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
26	-2.5	-1.5	-1.5	-	-0.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does n
dify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not comm

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nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

RBC
23-May-18

3-year
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Information and, to

icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.51%	2.52%
Curve Adjustment (bp)	0.0	0.1
Spread to GoC Curve (bp)	**+105**	**+102**
Re-Offered Yield	3.56%	3.54%
Commission (bp)	2.4	3.2
All-in Yield	**3.58%**	**3.58%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	160	
CPP	82	
BNS - Denior Deposit Notes	129	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.51%	2.52%
Curve Adjustment (bp)	0.0	0.1
Spread to GoC Curve (bp)	**+140**	**+137**
Re-Offered Yield	3.91%	3.89%
Commission (bp)	2.4	3.2
All-in Yield	**3.93%**	**3.93%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa	**30-year**	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.51%	2.52%
Curve Adjustment (bp)	0.0	0.1
Spread to GoC Curve (bp)	**+178**	**+175**
Re-Offered Yield	4.29%	4.27%
Commission (bp)	2.4	3.2
All-in Yield	**4.31%**	**4.31%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.51%	2.50%	2.31%	2.15%	-0.01%
0.0	(0.0)	2.3	2.4	0
+98	**+88**	**+66**	**+49**	-1
3.49%	3.38%	2.99%	2.67%	-0.02%
3.6	4.6	7.5	8.7	0
3.52%	**3.42%**	**3.07%**	**2.75%**	**-0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
72	64	42	26	-3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	115	90	76	(5)
	66	43	31	0
	99	85	74	1
	95	81	71	
	95	81	71	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.51%	2.50%	2.31%	2.15%	-0.01%
0.0	(0.0)	2.3	2.4	0
+128	**+118**	**+96**	**+79**	-1
3.79%	3.68%	3.29%	2.97%	-0.02%
3.6	4.6	7.5	8.7	0
3.82%	**3.72%**	**3.37%**	**3.05%**	**-0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
72	64	42	26	-3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	95	81	71	
	95	81	71	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-28	01-Mar-23	01-Mar-21	
5.75%	2.00%	1.75%	0.75%	
2.51%	2.50%	2.31%	2.15%	-0.01%
0.0	(0.0)	2.3	2.4	0
+158	**+148**	**+126**	**+109**	-1
4.09%	3.98%	3.59%	3.27%	-0.02%
3.6	4.6	7.5	8.7	0
4.12%	**4.02%**	**3.67%**	**3.35%**	**-0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
72	64	42	26	-3

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	95	81	71	
	95	81	71	

Bank Name	BNS
Date	5/22/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.00%	0.00%	0.01%	0.00%	0.00%
0	0	0	0	0
-1	-1	0	0	0
-0.01%	-0.01%	0.01%	0.00%	0.01%
0	0	0	0	0
-0.01%	**-0.01%**	**0.01%**	**0.00%**	**0.01%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-3	0	-1	-2	-1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		(5)	(5)	(5)
		0	(2)	(1)
		1	0	(1)
		(3)	(1)	(1)
		(3)	(1)	(1)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.00%	0.00%	0.01%	0.00%	0.00%
0	0	0	0	0
-1	-1	0	0	0
-0.01%	-0.01%	0.01%	0.00%	0.01%
0	0	0	0	0
-0.01%	**-0.01%**	**0.01%**	**0.00%**	**0.01%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-3	0	-1	-2	-1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		(3)	(1)	(1)
		(3)	(1)	(1)

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.00%	0.00%	0.01%	0.00%	0.00%
0	0	0	0	0
-1	-1	0	0	0
-0.01%	-0.01%	0.01%	0.00%	0.01%
0	0	0	0	0
-0.01%	**-0.01%**	**0.01%**	**0.00%**	**0.01%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-3	0	-1	-2	-1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		(3)	(1)	(1)
		(3)	(1)	(1)

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.53%
Curve Adjustment (bp)	0.0	0.1
Spread to GoC Curve (bp)	**109**	**101**
Re-Offered Yield	3.59%	3.54%
Commission (bp)	2.4	3.2
All-in Yield	**3.62%**	**3.58%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	110	100
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	133	123

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.53%
Curve Adjustment (bp)	0.0	0.1
Spread to GoC Curve (bp)	**139**	**131**
Re-Offered Yield	3.89%	3.84%
Commission (bp)	2.4	3.2
All-in Yield	**3.92%**	**3.88%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	75	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.53%
Curve Adjustment (bp)	0.0	0.1
Spread to GoC Curve (bp)	**169**	**161**
Re-Offered Yield	4.19%	4.14%
Commission (bp)	2.4	3.2
All-in Yield	**4.22%**	**4.18%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	76

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.51%	2.49%	2.33%	2.15%	0.050%
1.3	0.2	0.0	2.4	-
91	**84**	**54**	**39**	-2
3.43%	3.33%	2.87%	2.57%	0.03%
3.6	4.6	7.5	8.7	-
3.46%	**3.38%**	**2.95%**	**2.65%**	**0.03%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
69.5	63	43	28	(1.0)

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
95	85	63	45	2
N/A	86	66	54	N/A
101	93	70	60	(3)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.51%	2.49%	2.33%	2.15%	0.050%
1.3	0.2	0.0	2.4	-
121	**114**	**84**	**69**	-2
3.73%	3.63%	3.17%	2.87%	0.03%
3.6	4.6	7.5	8.7	-
3.76%	**3.68%**	**3.25%**	**2.95%**	**0.03%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**

70	63	43	28	(1.0)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-May-19	28-Feb-17	-
5.75%	1.00%	1.50%	0.75%	-
2.51%	2.49%	2.33%	2.15%	0.050%
1.3	0.2	0.0	2.4	-
151	**144**	**114**	**99**	-2
4.03%	3.93%	3.47%	3.17%	0.03%
3.6	4.6	7.5	8.7	-
4.06%	**3.98%**	**3.55%**	**3.25%**	**0.03%**

			Current	
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70	63	43	28	(1.0)

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	5/22/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.064%	0.076%	0.082%	0.061%	0.060%
-	-	-	-	-
-2	-2	-2	-2	-2
0.04%	0.05%	0.05%	0.04%	0.04%
-	-	-	-	-
0.04%	**0.05%**	**0.05%**	**0.04%**	**0.04%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.0	(0.5)	(1.0)	(1.0)	0.0

20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	2	1	2	2
N/A	N/A	4	(1)	0
(3)	(2)	(2)	(3)	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.064%	0.076%	0.082%	0.061%	0.060%
-	-	-	-	-
-2	-2	-2	-2	-2
0.04%	0.05%	0.05%	0.04%	0.04%
-	-	-	-	-
0.04%	**0.05%**	**0.05%**	**0.04%**	**0.04%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**

0.0	(0.5)	(1.0)	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.064%	0.076%	0.082%	0.061%	0.060%
-	-	-	-	-
-2	-2	-2	-2	-2
0.04%	0.05%	0.05%	0.04%	0.04%
-	-	-	-	-
0.04%	**0.05%**	**0.05%**	**0.04%**	**0.04%**

20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.0	(0.5)	(1.0)	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	Ricky Lai
To:	Mike Manning
Cc:	James Devine; Carlos Yep
Subject:	Fair hydro spreads
Date:	Thursday, February 08, 2018 12:58:35 PM
Attachments:	Fair Hydro price indications Feb 8 2018.xlsx

Please find the latest Fair Hydro spreads.

Thanks.

Ricky

FAIR HYDRO SPREADS

Senior Note

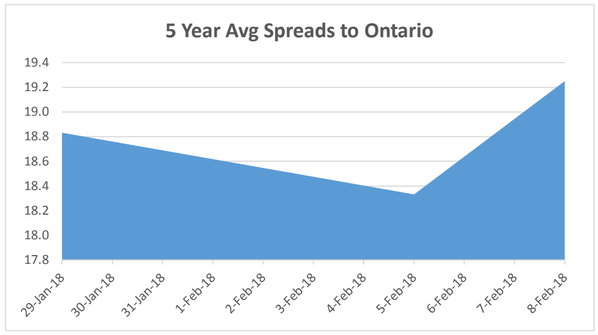
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
30.8	28.3	24.6	22.4	19.3	17.0

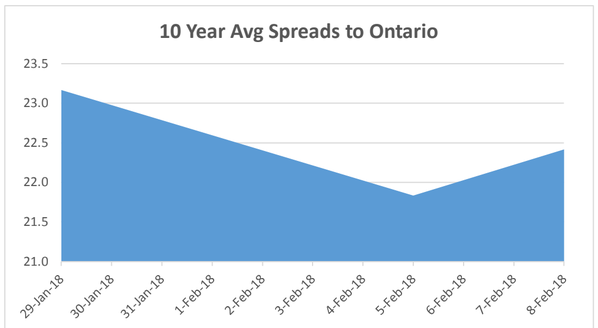
Average All-in Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
103.1	101.3	95.5	85.6	65.9	50.5
105.9	102.4	95.4	86.3	65.2	52.0
-2.8	-1.0	0.0	-0.7	0.7	-1.6

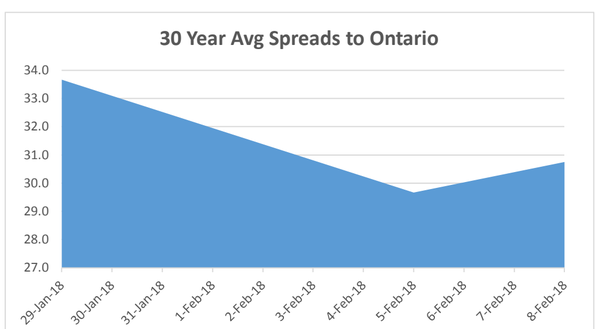
Last Week's
Change

All-in Spread to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*BMO*	*BMO*	*CIBC*	*BMO*
	95.6	95.4	94.4	82.6	59.3	41.9
Maximum	*TD*	*NBF*	*NBF*	*TD*	*RBC*	*Scotia*
	114.4	105.5	96.8	91.5	75.6	56.6







Sub Note

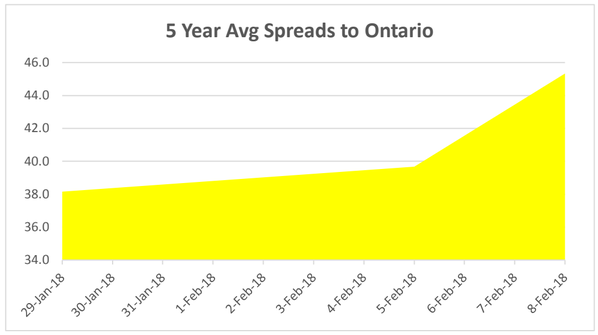
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
60.3	57.6	53.0	49.2	45.3	42.9

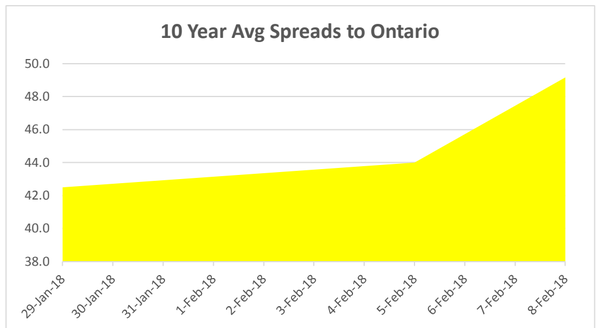
Average All-in Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
132.7	130.6	123.9	112.4	92.0	76.4
125.9	122.4	115.1	105.7	84.5	71.0
6.8	8.2	8.8	6.7	7.4	5.4

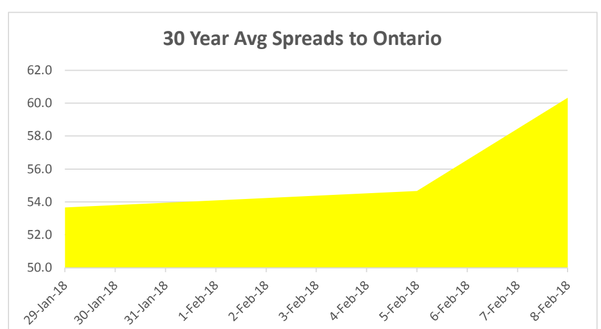
Last Week's
Change

All-in Spread to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*RBC*	*CIBC*	*NBF*	*CIBC*	*BMO*
	121.8	123.6	119.4	105.7	84.3	67.9
Maximum	*TD*	*BMO*	*BMO*	*TD*	*Scotia*	*Scotia*
	141.9	135.5	133.4	119.0	100.9	86.6







Junior Sub Note

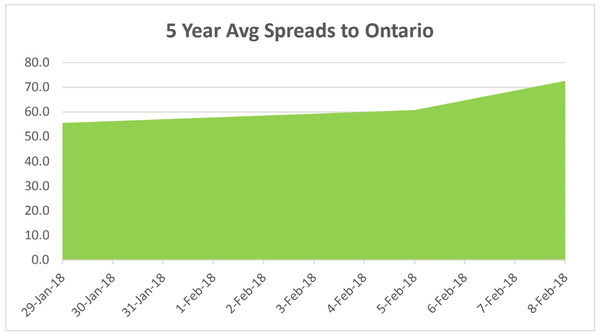
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
95.8	92.5	86.1	78.3	72.6	70.3

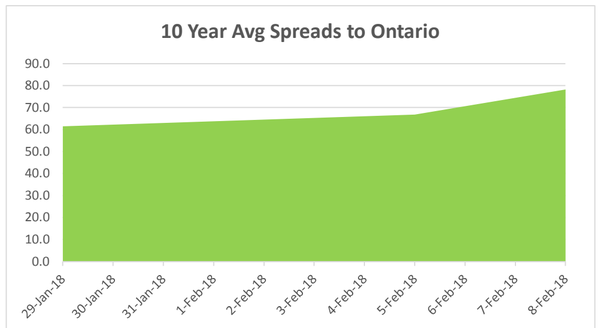
Average All-in Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
168.2	165.6	157.0	141.5	119.2	103.8
147.6	144.1	136.1	124.7	101.9	88.7
20.6	21.5	20.9	16.8	17.4	15.1

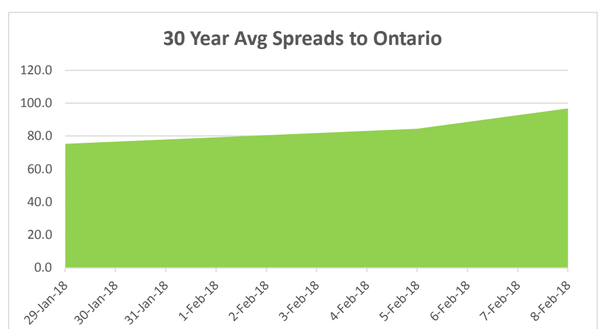
Last Week's
Change

All-in Spread to GoC

	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*RBC*	*RBC*	*RBC*	*CIBC*	*CIBC*
	141.8	143.6	141.0	131.8	109.3	96.2
Maximum	*BMO*	*BMO*	*BMO*	*BMO*	*Scotia*	*Scotia*
	210.9	209.7	201.5	162.8	130.9	116.6







Indicative New Issue Spreads
Week of Feb 5, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	NBF	NBF	NBF	*NBF*	*NBF*	NBF
	BMO						CIBC						NBF					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Sep-22	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.48%	2.49%	2.41%	2.37%	2.12%	1.91%	2.51%	2.51%	2.47%	2.40%	2.27%	2.15%	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%
Curve Adjustment (bp)	0.0	0.2	3.7	1.4	3.4	6.5	0.0	0.1	(0.3)	1.2	4.7	3.5	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	93	92	91	78	52	35	100	100	92	81	58	45	105	102	93	78	58	45
Re-Offered Yield	3.41%	3.41%	3.35%	3.16%	2.67%	2.33%	3.51%	3.52%	3.39%	3.22%	2.89%	2.63%	3.50%	3.47%	3.34%	3.15%	2.74%	2.42%
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.8	1.2	2.7	3.5	3.8	4.7	7.6	8.7
All-in Yield	**3.44%**	**3.45%**	**3.39%**	**3.21%**	**2.75%**	**2.40%**	**3.54%**	**3.54%**	**3.41%**	**3.25%**	**2.91%**	**2.65%**	**3.53%**	**3.50%**	**3.38%**	**3.20%**	**2.82%**	**2.51%**
All-in Spread to GoC Curve (bp)	**95.63**	**95.41**	**94.36**	**82.62**	**59.43**	**41.86**	**102.72**	**102.72**	**94.41**	**83.10**	**59.26**	**46.22**	**107.71**	**105.50**	**96.85**	**82.71**	**65.55**	**53.70**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						NBF					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69	69	59	40	27	70	70	68	58	38	25	70	70	68	59	39	26

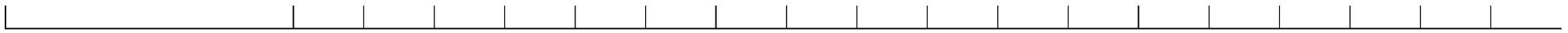
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						NBF					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																		
City of Toronto (AA/Aa1/AA)																		
Hydro One Inc. (A(H)/A3/A)																		
Ontario Power Generation Inc. (A(low)/-/BBB+)							150	--	--	106	70	56						
Toronto Hydro Corporation (A/-/A)							118	--	--	81	56	46						
Canadian National Railway Co (A/A2/A)																		
Greater Toronto Airports Authority (A(high)/Aa3/A+)																		
NAV Canada (AA(low)/Aa2/AA-)	84	0	0	74	52	45												
OPB Finance Trust (AA+/-/AA(H))																		
Covered Bond - Bank (AAA/Aaa/AAA)																		
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)													125	119	102	85	65	55
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)													108	102	85	70	50	42
Schedule I Bank ABS (Aaa ; AAA ; AAA)													130	125	108	85	70	60
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	75	0												
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	67	53												
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	54	38												
CMBs: (AAA/Aaa/AAA)	0	0	39	34	26	14												
PSP Investments (AAA/Aaa/AAA)	0	0	0	64	43	26												
CPP Investment Board (AAA/Aaa/AAA)	84	0	0	64	43	26												
BMO (Senior) (A+/A1/AA)	107	0	0	82	69	56												
Nova Scotia Power (BBB+ / - / A(l))							131	--	--	92	65	52						
FortisAlberta (A- / Baa1 / A(l))							121	--	--	86	61	--						
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							215	--	--	158	109	83						
Bruce Power (BBB / Baa2 / BBB)							190	--	--	133	89	--						
City of Toronto (- / Aa1 / AA)							94	92	--	76	--	--						
BNS - Denior Deposit Notes																		
Golden Credit Card Trust																		
Master Credit Card Trust																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						NBF					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.48%	2.49%	2.41%	2.37%	2.12%	1.91%	2.51%	2.51%	2.47%	2.40%	2.27%	2.15%	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%
Curve Adjustment (bp)	0.0	0.2	3.7	1.4	3.4	6.5	0.0	0.1	(0.3)	1.2	4.7	3.5	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	133	132	130	108	78	61	125	125	117	106	83	70	130	127	117	101	81	67
Re-Offered Yield	3.81%	3.81%	3.74%	3.46%	2.93%	2.59%	3.76%	3.77%	3.64%	3.47%	3.14%	2.88%	3.75%	3.72%	3.58%	3.38%	2.97%	2.64%
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.8	1.2	2.7	3.5	3.8	4.7	7.6	8.7
All-in Yield	**3.84%**	**3.85%**	**3.78%**	**3.51%**	**3.01%**	**2.66%**	**3.79%**	**3.79%**	**3.66%**	**3.50%**	**3.16%**	**2.90%**	**3.78%**	**3.75%**	**3.62%**	**3.43%**	**3.05%**	**2.73%**
All-in Spread to GoC Curve (bp)	**135.76**	**135.53**	**133.44**	**112.69**	**85.47**	**67.88**	**127.72**	**127.72**	**119.41**	**108.10**	**84.26**	**71.22**	**132.71**	**130.50**	**120.85**	**105.71**	**88.55**	**75.70**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						NBF					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.																		
Highway 407 (A, A)													120	113	94	75	55	45
NAV Canada (AA-, AA low)													85	83	76	70	50	40
GTAA (Aa3, A+)													85	83	76	70	50	40
Hydro One (A3/A/A high)													125	118	99	80	60	50
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	73												
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	88												
BMO (Senior) (A+/A1/AA)	107	0	0	82	69	56												
Nav Canada (sub) (AA-/Aa2/AAL)	84	0	0	74	52	45												
City of Toronto (AA / Aa1 / AA)	94	93	92	77	55	40												
Bank ABS (AAA / - / AAA)							--	--	--	--	68	58						
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	83	71						
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	51	41						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						NBF					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37		1-Jun-27	01-Jun-24	01-Sep-22	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.48%	2.49%	2.41%	2.37%	2.12%	1.91%	2.51%	2.51%	2.47%	2.40%	2.27%	2.15%	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%
Curve Adjustment (bp)	0.0	0.2	3.7	1.4	3.4	6.5	0.0	0.1	(0.3)	1.2	4.7	3.5	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	208	206	198	158	122	105	150	150	142	131	108	95	160	157	145	123	98	85
Re-Offered Yield	4.56%	4.55%	4.42%	3.96%	3.37%	3.03%	4.01%	4.02%	3.89%	3.72%	3.39%	3.13%	4.05%	4.02%	3.86%	3.60%	3.14%	2.82%
Commission (bp)	2.9	3.7	3.5	4.8	7.5	6.9	2.7	2.7	2.4	2.1	1.8	1.2	2.7	3.5	3.8	4.7	7.6	8.7
All-in Yield	**4.59%**	**4.59%**	**4.46%**	**4.01%**	**3.45%**	**3.10%**	**4.04%**	**4.04%**	**3.91%**	**3.75%**	**3.41%**	**3.15%**	**4.08%**	**4.05%**	**3.90%**	**3.65%**	**3.22%**	**2.91%**
All-in Spread to GoC Curve (bp)	**210.86**	**209.65**	**201.54**	**162.77**	**129.53**	**111.92**	**152.72**	**152.72**	**144.41**	**133.10**	**109.26**	**96.22**	**162.71**	**160.50**	**148.85**	**127.71**	**105.55**	**93.70**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						NBF					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)													145.0	139.0	122.0	105.0	80.0	65.0
Highway 407 (A, A)													120.0	113.3	94.1	75.0	55.0	45.0
Enbridge Gas Distribution (A-, A)													120.0	114.0	97.0	80.0	60.0	50.0
Hydro One (A3/A/A high)													125.0	118.3	99.1	80.0	60.0	50.0
Schedule 1 Bank ABS (A)													185.0	180.0	163.0	140.0	125.0	110.0
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	140.0	-												
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	122.0	-												
Hydro One (A/A3/AH)	123.0	-	-	81.0	59.0	47.0												
OPG (BBB+/-/AL)	158.0	-	-	111.0	89.0	77.0												



Indicative New Issue Spreads
Week of Feb 5, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	RBC	RBC	RBC	*RBC*	*RBC*	RBC	Scotia	Scotia	Scotia	*Scotia*	*Scotia*	Scotia	TD	TD	TD	*TD*	*TD*	TD
	RBC						Scotia						TD					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	30-Nov-44	31-May-33	31-May-25	31-May-23	31-Aug-18	31-Aug-16
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.50%	2.50%	2.44%	2.40%	2.14%	1.92%	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	2.50%	2.51%	2.43%	2.40%	2.15%	1.92%
Curve Adjustment (bp)	0.0	0.2	3.3	1.3	3.5	6.6	0.0	0.2	(0.2)	1.0	3.2	6.7	0.0	0.2	4.3	1.2	3.5	7.0
Spread to GoC Curve (bp)	94	95	92	82	68	45	99	98	92	83	64	48	112	102	92	87	57	42
Re-Offered Yield	3.44%	3.45%	3.39%	3.23%	2.85%	2.44%	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	3.62%	3.53%	3.39%	3.28%	2.75%	2.41%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	3.0	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.46%**	**3.49%**	**3.43%**	**3.28%**	**2.93%**	**2.52%**	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**3.65%**	**3.56%**	**3.43%**	**3.32%**	**2.83%**	**2.50%**
All-in Spread to GoC Curve (bp)	**96.69**	**98.49**	**95.86**	**86.72**	**75.58**	**53.71**	**101.50**	**100.70**	**95.61**	**87.03**	**70.94**	**56.64**	**114.39**	**105.20**	**95.62**	**91.53**	**64.44**	**50.64**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	71	68	58	44	21	69	70	67	60	39	26	70	70	66	61	43	34

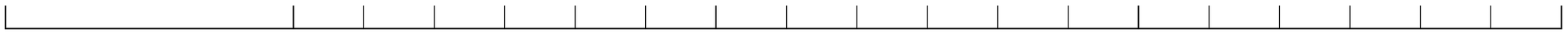
Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	36	28	15												
City of Toronto (AA/Aa1/AA)	95	96	94	86	56	41												
Hydro One Inc. (A(H)/A3/A)	125	n/a	n/a	83	58	50							124	114	93	85	63	48
Ontario Power Generation Inc. (A(low)/-/BBB+)	148	n/a	n/a	106	79	70	150	0	0	105	79	66						
Toronto Hydro Corporation (A/-/A)	118	n/a	n/a	80	55	50												
Canadian National Railway Co (A/A2/A)	119	n/a	n/a	82	60	52												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	86	n/a	n/a	70	49	39												
NAV Canada (AA(low)/Aa2/AA-)	86	n/a	n/a	74	55	46												
OPB Finance Trust (AA+/-/AA(H))													109	99	94	85	55	41
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	70	55	44
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							71	0	0	61	43	26						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							117	0	0	87	70	57						
Golden Credit Card Trust							0	0	0	81	65	52						
Master Credit Card Trust							0	0	0	81	65	52						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	30-Nov-44	31-May-33	31-May-25	31-May-23	31-Aug-18	31-Aug-16
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.50%	2.50%	2.44%	2.40%	2.14%	1.92%	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	2.50%	2.51%	2.43%	2.40%	2.15%	1.92%
Curve Adjustment (bp)	0.0	0.2	3.3	1.3	3.5	6.6	0.0	0.2	(0.2)	1.0	3.2	6.7	0.0	0.2	4.3	1.2	3.5	7.0
Spread to GoC Curve (bp)	119	120	117	107	93	70	134	131	122	113	94	78	140	130	120	115	85	70
Re-Offered Yield	3.69%	3.70%	3.64%	3.48%	3.10%	2.69%	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	3.90%	3.81%	3.67%	3.55%	3.03%	2.69%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.7	3.0	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.71%**	**3.74%**	**3.68%**	**3.53%**	**3.18%**	**2.77%**	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**3.92%**	**3.84%**	**3.70%**	**3.60%**	**3.10%**	**2.77%**
All-in Spread to GoC Curve (bp)	**121.78**	**123.57**	**120.93**	**111.78**	**100.63**	**78.74**	**136.50**	**133.70**	**125.61**	**117.03**	**100.94**	**86.64**	**141.89**	**132.70**	**123.12**	**119.03**	**91.94**	**78.14**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	51	33	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	30-Nov-44	31-May-33	31-May-25	31-May-23	31-Aug-18	31-Aug-16
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.50%	2.50%	2.44%	2.40%	2.14%	1.92%	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	2.50%	2.51%	2.43%	2.40%	2.15%	1.92%
Curve Adjustment (bp)	0.0	0.2	3.3	1.3	3.5	6.6	0.0	0.2	(0.2)	1.0	3.2	6.7	0.0	0.2	4.3	1.2	3.5	7.0
Spread to GoC Curve (bp)	139	140	137	127	113	90	169	164	152	143	124	108	167	157	147	142	112	97
Re-Offered Yield	3.89%	3.90%	3.84%	3.68%	3.30%	2.89%	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	4.17%	4.08%	3.94%	3.83%	3.30%	2.96%
Commission (bp)	2.8	3.6	4.0	4.8	7.7	8.8	3.0	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.91%**	**3.94%**	**3.88%**	**3.73%**	**3.38%**	**2.97%**	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**4.20%**	**4.11%**	**3.98%**	**3.87%**	**3.38%**	**3.05%**
All-in Spread to GoC Curve (bp)	**141.85**	**143.64**	**140.98**	**131.83**	**120.67**	**98.77**	**171.50**	**166.70**	**155.61**	**147.03**	**130.94**	**116.64**	**169.39**	**160.20**	**150.62**	**146.53**	**119.44**	**105.64**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		



29-Jan-18	18.8	23.2	33.7

Fair Hydro Spread to Ontarios

	5 Year	**10 Year**	**30 Year**
29-Jan-18	18.8	23.2	33.7
5-Feb-18	18.3	21.8	29.7
8-Feb-18	19.3	22.4	30.8

57.7	81.7	103.3	38.8	58.5	69.7

Fair Hydro Spread to GOC			**Ontario Spread to GOC**		
5 Year	**10 Year**	**30 Year**	**5 Year**	**10 Year**	**30 Year**
57.7	81.7	103.3	38.8	58.5	69.7
56.8	80.6	99.1	38.5	58.8	69.4
59.3	81.4	100.4	40.1	59.0	69.7

29-Jan-18	38.2	42.5	53.7

Fair Hydro Spread to Ontarios

	5 Year	**10 Year**	**30 Year**
29-Jan-18	38.2	42.5	53.7
5-Feb-18	39.7	44.0	54.7
8-Feb-18	45.3	49.2	60.3

77.0	101.0	123.3	38.8	58.5	69.7

Fair Hydro Spread to GOC			**Ontario Spread to GOC**		
5 Year	**10 Year**	**30 Year**	**5 Year**	**10 Year**	**30 Year**
77.0	101.0	123.3	38.8	58.5	69.7
78.2	102.8	124.1	38.5	58.8	69.4
85.4	108.2	130.0	40.1	59.0	69.7

29-Jan-18	55.5	61.5	75.3

Fair Hydro Spread to Ontarios

	5 Year	**10 Year**	**30 Year**
29-Jan-18	55.5	61.5	75.3
5-Feb-18	60.8	66.8	84.5
8-Feb-18	72.6	78.3	96.8

94.3	120.0	145.0	38.8	58.5	69.7

Fair Hydro Spread to GOC			**Ontario Spread to GOC**		
5 Year	**10 Year**	**30 Year**	**5 Year**	**10 Year**	**30 Year**
94.3	120.0	145.0	38.8	58.5	69.7
99.3	125.6	153.9	38.5	58.8	69.4
112.7	137.3	166.5	40.1	59.0	69.7

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.49%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**93**	**92**
Re-Offered Yield	3.41%	3.41%
Commission (bp)	2.6	3.4
All-in Yield	**3.44%**	**3.45%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	70	69

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	84	
BMO (Senior) (A+/A1/AA)	107	
Nav Canada (sub) (AA-/Aa2/AAL)	84	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.49%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**133**	**132**
Re-Offered Yield	3.81%	3.81%
Commission (bp)	2.8	3.5
All-in Yield	**3.84%**	**3.85%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	107	
Nav Canada (sub) (AA-/Aa2/AAL)	84	
City of Toronto (AA / Aa1 / AA)	94	93

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.49%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**208**	**206**
Re-Offered Yield	4.56%	4.55%
Commission (bp)	2.9	3.7
All-in Yield	**4.59%**	**4.59%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	123	
OPG (BBB+/-/AL)	158	

Generic Corporate Credit Spreads AA	88	
Generic Corporate Credit Spreads A	146	
Generic Corporate Credit Spreads BBB	218	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.41%	2.37%	2.12%	1.91%	14bps	15bps	10bps	9bps	4bps
3.7	1.4	3.4	6.5	0bps	0bps	2bps	0bps	1bps
91	**78**	**52**	**35**	3bps	3bps	3bps	3bps	2bps
3.35%	3.16%	2.67%	2.33%	17bps	18bps	15bps	12bps	7bps
3.4	4.6	7.4	6.9					
3.39%	**3.21%**	**2.75%**	**2.40%**	17bps	18bps	15bps	12bps	7bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
68.5	59	39.5	26.5	0bps	-1bps	0bps	1bps	0bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
		75						2bps
		67	53					2bps
		54	38					2bps
38.5	33.5	25.5	14			-2bps	-2bps	-1bps
	64	43	26				0bps	0bps
	64	43	26	0bps			0bps	0bps
	82	69	56	2bps			2bps	2bps
	74	52	45	2bps			3bps	6bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.41%	2.37%	2.12%	1.91%	14bps	15bps	10bps	9bps	4bps
3.7	1.4	3.4	6.5	0bps	0bps	2bps	0bps	1bps
130	**108**	**78**	**61**	3bps	3bps	3bps	3bps	3bps
3.74%	3.46%	2.93%	2.59%	17bps	18bps	15bps	12bps	8bps
3.4	4.7	7.5	6.9					
3.78%	**3.51%**	**3.01%**	**2.66%**	17bps	18bps	15bps	12bps	8bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
69	59	40	27	0bps	-1bps	0bps	1bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			73					
			88					
	82	69	56	2bps			2bps	2bps
	74	52	45	2bps			3bps	6bps
92	76.5	54.5	39.5	0bps	-1bps	0bps	1bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.41%	2.37%	2.12%	1.91%	14bps	15bps	10bps	9bps	4bps
3.7	1.4	3.4	6.5	0bps	0bps	2bps	0bps	1bps
198	**158**	**122**	**105**	3bps	3bps	3bps	3bps	2bps
4.42%	3.96%	3.37%	3.03%	17bps	18bps	15bps	12bps	7bps
3.5	4.8	7.5	6.9					
4.46%	**4.01%**	**3.45%**	**3.10%**	17bps	18bps	15bps	12bps	7bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
69	59	40	27	0bps	-1bps	0bps	1bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		140						2bps
		122						2bps
	81	59	47	3bps			1bps	4bps
	111	89	77	6bps			3bps	6bps

	82	60		0bps			2bps	2bps
	109	76		1bps			2bps	1bps
	160	110		-1bps			-1bps	1bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
8-Feb-18

3-year
2bps
2bps
0bps
4bps
4bps

3-year
1bps

3-year
0bps
0bps
0bps
0bps
0bps
0bps
5bps

3-year
2bps
2bps
1bps
5bps
5bps

3-year
1bps

3-year
0bps
0bps
0bps
5bps
1bps

3-year
2bps
2bps
0bps
4bps
4bps

3-year
1bps

3-year
4bps
6bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.51%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**100**
Re-Offered Yield	3.51%
Commission (bp)	2.7
All-in Yield	**3.54%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	150
Toronto Hydro (A / - / A)	118
Nova Scotia Power (BBB+ / - / A(l))	131
FortisAlberta (A- / Baa1 / A(l))	121
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	215
Bruce Power (BBB / Baa2 / BBB)	190
City of Toronto (- / Aa1 / AA)	94

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.51%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**125**
Re-Offered Yield	3.76%
Commission (bp)	2.7
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.51%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**150**
Re-Offered Yield	4.01%
Commission (bp)	2.7
All-in Yield	**4.04%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-
2.51%	2.47%	2.40%	2.27%	2.15%	0.16%	0.17%	0.14%	0.12%	0.09%
0.1	(0.3)	1.2	4.7	3.5	0.0	(0.0)	(0.2)	0.2	0.8
100	**92**	**81**	**58**	**45**	0	1	-4	-3	-3
3.52%	3.39%	3.22%	2.89%	2.63%	0.16%	0.18%	0.10%	0.09%	0.08%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
3.54%	**3.41%**	**3.25%**	**2.91%**	**2.65%**	**0.16%**	**0.18%**	**0.10%**	**0.09%**	**0.08%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
70	68	58	38	25	0	1	2	-1	-3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	106	70	56	2	--	--	2	2
--	--	81	56	46	1	--	--	2	2
--	--	92	65	52	2	--	--	2	2
--	--	86	61	--	-	--	--	2	2
--	--	158	109	83	-	--	--	-	-
--	--	133	89	--	2	--	--	2	2
92	--	76	--	--	(1)	(1)	--	(1)	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-
2.51%	2.47%	2.40%	2.27%	2.15%	0.16%	0.17%	0.14%	0.12%	0.09%
0.1	(0.3)	1.2	4.7	3.5	-	(0.0)	(0.2)	0.2	0.8
125	**117**	**106**	**83**	**70**	0	1	-4	-3	-3
3.77%	3.64%	3.47%	3.14%	2.88%	0.16%	0.18%	0.10%	0.09%	0.08%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
3.79%	**3.66%**	**3.50%**	**3.16%**	**2.90%**	**0.16%**	**0.18%**	**0.10%**	**0.09%**	**0.08%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
70	68	58	38	25	0	1	2	-1	-3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	--	68	58	--	--	--	--	4
--	--	--	83	71	--	--	--	--	4
--	--	--	51	41	--	--	--	--	2

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-37	.	1-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-
2.51%	2.47%	2.40%	2.27%	2.15%	0.16%	0.17%	0.14%	0.12%	0.09%
0.1	(0.3)	1.2	4.7	3.5	-	(0.0)	(0.2)	0.2	0.8
150	**142**	**131**	**108**	**95**	15	16	11	12	13
4.02%	3.89%	3.72%	3.39%	3.13%	0.31%	0.33%	0.25%	0.24%	0.23%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
4.04%	**3.91%**	**3.75%**	**3.41%**	**3.15%**	**0.31%**	**0.33%**	**0.25%**	**0.24%**	**0.23%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
70	68	58	38	25	0	1	2	-1	-3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year

CIBC
2/8/2018

3-year
-
-
0.07%
0.8
-1
0.07%
-
0.07%

3-year
-1

3-year
2
2
2
--
-
--
--

3-year
-
-
0.07%
0.8
-1
0.07%
-
0.07%

3-year
-1

3-year
4
4
2

3-year
-
-
0.07%
0.8
14
0.22%
-
0.22%

3-year
-1

3-year

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	105
Re-Offered Yield	3.50%
Commission (bp)	2.7
All-in Yield	**3.53%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	125
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	108
Schedule I Bank ABS (Aaa ; AAA ; AAA)	130

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	130
Re-Offered Yield	3.75%
Commission (bp)	2.7
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	120
NAV Canada (AA-, AA low)	85
GTAA (Aa3, A+)	85
Hydro One (A3/A/A high)	125

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	160
Re-Offered Yield	4.05%
Commission (bp)	2.7
All-in Yield	**4.08%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	145
Highway 407 (A, A)	120
Enbridge Gas Distribution (A-, A)	120
Hydro One (A3/A/A high)	125
Schedule 1 Bank ABS (A)	185

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.45%	2.41%	2.37%	2.16%
0.0	0.0	0.0	0.0
102	93	78	58
3.47%	3.34%	3.15%	2.74%
3.5	3.8	4.7	7.6
3.50%	**3.38%**	**3.20%**	**2.82%**

Current			
20-year	**15-year**	**10-year**	**5-year**
70	67.5	58.5	38.5

Current			
20-year	**15-year**	**10-year**	**5-year**
119	102	85	65
102	85	70	50
125	108	85	70

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.45%	2.41%	2.37%	2.16%
0.0	0.0	0.0	0.0
127	117	101	81
3.72%	3.58%	3.38%	2.97%
3.5	3.8	4.7	7.6
3.75%	**3.62%**	**3.43%**	**3.05%**

Current			
20-year	**15-year**	**10-year**	**5-year**
70	68	59	39

Current			
20-year	**15-year**	**10-year**	**5-year**
113	94	75	55
83	76	70	50
83	76	70	50
118	99	80	60

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.45%	2.41%	2.37%	2.16%
0.0	0.0	0.0	0.0
157	145	123	98
4.02%	3.86%	3.60%	3.14%
3.5	3.8	4.7	7.6
4.05%	**3.90%**	**3.65%**	**3.22%**

Current			
20-year	**15-year**	**10-year**	**5-year**
70	68	59	39

Current			
20-year	**15-year**	**10-year**	**5-year**
139	122	105	80
113	94	75	55
114	97	80	60
118	99	80	60
180	163	140	125

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.97%	0.09%	0.10%	0.09%
0.0	0.0	0.0	0.0
45	5	5	5
2.42%	0.14%	0.15%	0.14%
8.7	0.0	0.0	0.0
2.51%	**0.14%**	**0.15%**	**0.14%**

			Week
3-year	**30-year**	**20-year**	**15-year**
26	0	-1	0

			Week
3-year	**30-year**	**20-year**	**15-year**
55	0	1	3
42	0	1	3
60	5	5	5

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
1.97%	0.09%	0.10%	0.09%
0.0	0.0	0.0	0.0
67	15	15	15
2.64%	0.24%	0.25%	0.24%
8.7	0.0	0.0	0.0
2.73%	**0.24%**	**0.25%**	**0.24%**

			Week
3-year	**30-year**	**20-year**	**15-year**
26	0	-1	0

			Week
3-year	**30-year**	**20-year**	**15-year**
45	5	4	2
40	0	0	0
40	0	0	0
50	5	5	5

	Week

3-year	30-year	20-year	15-year
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.97%	0.09%	0.10%	0.09%
0.0	0.0	0.0	0.0
85	15	15	15
2.82%	0.24%	0.25%	0.24%
8.7	0.0	0.0	0.0
2.91%	**0.24%**	**0.25%**	**0.24%**

	Week

3-year	30-year	20-year	15-year
26	0	-1	0

	Week

3-year	30-year	20-year	15-year
65	5	5	5
45	5	4	2
50	0	0	0
50	5	5	5
110	5	5	5

Bank Name	National Bank of Canada
Date	2/8/2018

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.06%	0.04%	0.02%
0.0	0.0	0.0
5	5	5
0.11%	0.09%	0.07%
0.0	0.0	0.0
0.11%	**0.09%**	**0.07%**

over Week		
10-year	**5-year**	**3-year**
0.5	-1.5	1

over Week		
10-year	**5-year**	**3-year**
5	5	5
5	5	5
0	5	5

over Week		
10-year	**5-year**	**3-year**
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.06%	0.04%	0.02%
0.0	0.0	0.0
15	15	15
0.21%	0.19%	0.17%
0.0	0.0	0.0
0.21%	**0.19%**	**0.17%**

over Week		
10-year	**5-year**	**3-year**
1	-2	1

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
0	0	0
5	5	5

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.06%	0.04%	0.02%
0.0	0.0	0.0
15	15	15
0.21%	0.19%	0.17%
0.0	0.0	0.0
0.21%	**0.19%**	**0.17%**

over Week		
10-year	**5-year**	**3-year**
1	-2	1

over Week		
10-year	**5-year**	**3-year**
5	5	5
0	0	0
0	0	0
5	5	5
0	5	5

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.50%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**94**
Re-Offered Yield	3.44%
Commission (bp)	2.7
All-in Yield	**3.46%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**70**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**95**
Hydro One Inc. (A(H)/A3/A)	**125**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**148**
Toronto Hydro Corporation (A/-/A)	**118**
Canadian National Railway Co (A/A2/A)	**119**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**86**
NAV Canada (AA(low)/Aa2/AA-)	**86**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.50%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**119**
Re-Offered Yield	3.69%
Commission (bp)	2.8
All-in Yield	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.50%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**139**
Re-Offered Yield	3.89%
Commission (bp)	2.8
All-in Yield	**3.91%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

The indicative price is provided by way of example only, and is not intended to replace or supplant advice of your aud EVENT SHALL RBC OR ITS AGENTS OR OFFICERS BE LIABLE FOR ANY DAMAGES WHATSOEVER (INCLUDI the indicative price is adequate or appropriate for your purposes.

The information provided in this valuation (the “Information”) (i) is intended for your information only and is not to be d the fullest extent permissible by law, shall have no liability whatsoever to you or any other person or party for any loss

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.50%	**2.44%**	**2.40%**	**2.14%**
0.2	**3.3**	**1.3**	**3.5**
95	**92**	**82**	**68**
3.45%	3.39%	3.23%	2.85%
3.5	3.9	4.7	7.6
3.49%	**3.43%**	**3.28%**	**2.93%**

Current			
20-year	**15-year**	**10-year**	**5-year**
71	**68**	**58**	**44**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**36**	**28**
96	**94**	**86**	**56**
n/a	**n/a**	**83**	**58**
n/a	**n/a**	**106**	**79**
n/a	**n/a**	**80**	**55**
n/a	**n/a**	**82**	**60**
n/a	**n/a**	**70**	**49**
n/a	**n/a**	**74**	**55**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.50%	2.44%	2.40%	2.14%
0.2	3.3	1.3	3.5
120	**117**	**107**	**93**
3.70%	3.64%	3.48%	3.10%
3.6	3.9	4.8	7.6
3.74%	**3.68%**	**3.53%**	**3.18%**

Current			
20-year	**15-year**	**10-year**	**5-year**
71	68	58	44

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**51**	**33**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.50%	2.44%	2.40%	2.14%
0.2	3.3	1.3	3.5
140	**137**	**127**	**113**
3.90%	3.84%	3.68%	3.30%
3.6	4.0	4.8	7.7
3.94%	**3.88%**	**3.73%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
71	68	58	44

Current			
20-year	**15-year**	**10-year**	**5-year**

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Sep-20					
0.75%					
1.92%	5.8	5.7	5.0	3.7	0.7
6.6	-	-	0.4	0.4	0.3
45	-	-	-2.0	-1.0	8.0
2.44%	5.8	5.7	3.4	3.1	9.0
8.7	0.0	0.0	0.0	0.0	0.0
2.52%	5.8	5.7	3.4	3.1	9.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
21	1.0	1.0	-0.5	0.5	0.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
15				-	-
41	-0.5	0.5	3.5	7.0	0.5
50	-			-	-
70	-			-	-
50	-			-	-
52	-			-	-
39	-			-	-
46	-			-	-

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Sep-20					
0.75%					
1.92%					
6.6					
70	-	-	-2.0	-1.0	8.0
2.69%	5.8	5.7	3.4	3.1	9.0
8.7	0.02	0.02	0.01	0.01	0.02
2.77%	5.8	5.7	3.4	3.1	9.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
21	1.0	1.0	-0.5	0.5	8.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				-	-

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Sep-20					
0.75%					
1.92%					
6.6					
90	5.0	5.0	3.0	4.0	13.0
2.89%	10.8	10.7	8.4	8.1	14.0
8.8	0.04	0.03	0.02	0.02	0.03
2.97%	10.8	10.7	8.4	8.1	14.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
21	1.0	1.0	-0.5	0.5	8.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

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e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does n
dify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not comm

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nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

RBC
08-Feb-18

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icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+99**	**+98**
Re-Offered Yield	3.46%	3.45%
Commission (bp)	3.0	3.2
All-in Yield	**3.49%**	**3.49%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	150	
CPP	71	
BNS - Denior Deposit Notes	117	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+134**	**+131**
Re-Offered Yield	3.81%	3.78%
Commission (bp)	3.0	3.2
All-in Yield	**3.84%**	**3.82%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+169**	**+164**
Re-Offered Yield	4.16%	4.11%
Commission (bp)	3.0	3.2
All-in Yield	**4.19%**	**4.15%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.44%	2.38%	2.14%	1.91%	0.00%
(0.2)	1.0	3.2	6.7	0
+92	**+83**	**+64**	**+48**	5
3.36%	3.22%	2.80%	2.46%	0.05%
3.6	4.5	7.4	8.6	0
3.40%	**3.26%**	**2.88%**	**2.54%**	**0.05%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
67	60	39	26	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	105	79	66	0
	61	43	26	0
	87	70	57	0
	81	65	52	0
	81	65	52	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.44%	2.38%	2.14%	1.91%	0.00%
(0.2)	1.0	3.2	6.7	0
+122	**+113**	**+94**	**+78**	15
3.66%	3.52%	3.10%	2.76%	0.15%
3.6	4.5	7.4	8.6	0
3.70%	**3.56%**	**3.18%**	**2.84%**	**0.15%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
67	60	39	26	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	81	65	52	0
	81	65	52	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.44%	2.38%	2.14%	1.91%	0.00%
(0.2)	1.0	3.2	6.7	0
+152	**+143**	**+124**	**+108**	25
3.96%	3.82%	3.40%	3.06%	0.25%
3.6	4.5	7.4	8.6	0
4.00%	**3.86%**	**3.48%**	**3.14%**	**0.25%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
67	60	39	26	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	81	65	52	0
	81	65	52	0

Bank Name	BNS
Date	2/8/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0
5	5	5	5	5
0.05%	0.05%	0.05%	0.05%	0.05%
0	0	0	0	0
0.05%	**0.05%**	**0.05%**	**0.05%**	**0.05%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0
15	15	15	15	15
0.15%	0.15%	0.15%	0.15%	0.15%
0	0	0	0	0
0.15%	**0.15%**	**0.15%**	**0.15%**	**0.15%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0
0	0	0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0
25	25	25	25	25
0.25%	0.25%	0.25%	0.25%	0.25%
0	0	0	0	0
0.25%	**0.25%**	**0.25%**	**0.25%**	**0.25%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0
0	0	0	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.51%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**112**	**102**
Re-Offered Yield	3.62%	3.53%
Commission (bp)	2.4	3.2
All-in Yield	**3.65%**	**3.56%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	109	99
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	124	114

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.51%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**139.5**	**129.5**
Re-Offered Yield	3.90%	3.81%
Commission (bp)	2.4	3.2
All-in Yield	**3.92%**	**3.84%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	70	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)		
	30-year	**20-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.51%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**167**	**157**
Re-Offered Yield	4.17%	4.08%
Commission (bp)	2.4	3.2
All-in Yield	**4.20%**	**4.11%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-Aug-18	31-Aug-16	-
5.75%	1.00%	1.00%	0.75%	-
2.43%	2.40%	2.15%	1.92%	0.034%
4.3	1.2	3.5	7.0	-
92	**87**	**57**	**42**	2
3.39%	3.28%	2.75%	2.41%	0.05%
3.6	4.5	7.4	8.6	-
3.43%	**3.32%**	**2.83%**	**2.50%**	**0.06%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
65.5	61	43	34	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
94	85	55	41	-
N/A	70	55	44	N/A
93	85	63	48	-

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-Aug-18	31-Aug-16	-
5.75%	1.00%	1.00%	0.75%	-
2.43%	2.40%	2.15%	1.92%	0.034%
4.3	1.2	3.5	7.0	-
119.5	**114.5**	**84.5**	**69.5**	9.5
3.67%	3.55%	3.03%	2.69%	0.13%
3.6	4.5	7.4	8.6	-
3.70%	**3.60%**	**3.10%**	**2.77%**	**0.13%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

66	61	43	34	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-Aug-18	31-Aug-16	-
5.75%	1.00%	1.00%	0.75%	-
2.43%	2.40%	2.15%	1.92%	0.034%
4.3	1.2	3.5	7.0	-
147	**142**	**112**	**97**	17
3.94%	3.83%	3.30%	2.96%	0.20%
3.6	4.5	7.4	8.6	-
3.98%	**3.87%**	**3.38%**	**3.05%**	**0.21%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
66	61	43	34	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	2/8/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.029%	0.030%	0.035%	0.026%	0.012%
-	-	-	-	-
2	2	2	2	2
0.05%	0.05%	0.06%	0.05%	0.04%
-	-	-	-	-
0.05%	**0.06%**	**0.05%**	**0.05%**	**0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.0	0.0	0.0	1.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	0	-	-	0
N/A	N/A	-	-	0
-	-	-	-	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.029%	0.030%	0.035%	0.026%	0.012%
-	-	-	-	-
9.5	9.5	9.5	9.5	9.5
0.13%	0.13%	0.13%	0.13%	0.12%
-	-	-	-	-
0.13%	**0.13%**	**0.13%**	**0.12%**	**0.11%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

0.0	0.0	0.0	1.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.029%	0.030%	0.035%	0.026%	0.012%
-	-	-	-	-
17	17	17	17	17
0.20%	0.20%	0.21%	0.20%	0.19%
-	-	-	-	-
0.20%	**0.21%**	**0.20%**	**0.20%**	**0.19%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.0	0.0	0.0	1.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From: ASHBOURNE, STEPHEN
To: Mike Manning
Subject: Follow-up regarding Fair Hydro term financing

From: Whitfield, Tobias P. (MOF)
To: Ken Kandeepan; Mike Manning; Malle Hanslep (MOF); Gadi Mayman
Subject: Fw: Change of Law Process Agreement -- Reference Documentation, Process Certificate & Initial Protection Agreement Maximum
Date: Wednesday, December 20, 2017 10:05:53 PM
Attachments: December 20 2017 letter to Hon. Glenn Thibeault.pdf
Importance: High

Please see attached letter to the Province attaching the financing plan, which sets out the Protection Agreement Maximum in table 4 on page 18.

I thought we had wanted to see this set out in the cover letter separately, but I am not sure if this was accepted as an approach today in conversations I wasn't part of.

Have you heard confirmation on the financing plan and Maximum from Energy?

Please advise if this is signed off on.

Thanks

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

777 Bay Street, 11th Floor

Toronto, ON, M5G 2C8

tobias.whitfield@ontario.ca

Phone: 416-325-1456

From: PALMER, AARON <AARON.PALMER@blakes.com>

Sent: Wednesday, December 20, 2017 9:45 PM

To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); McKinlay, Tom (MAG); Thouin, Alena (ENERGY)

Cc: ASHBOURNE, STEPHEN

Subject: Change of Law Process Agreement -- Reference Documentation, Process Certificate & Initial Protection Agreement Maximum

Alena, Malle, Toby, Tom,

Blakes confirms we are fine with the Reference Documentation set of financing documents sent this evening by Torys at 618pm (email below). The documents were in the expected form and all appear to be duly completed and signed.

We would appreciate if you could confirm the receipt of the Reference Documentation to Torys and release of the Province's signature pages. – Torys is requesting sign-off this evening.

Please note that Torys has provided a copy of the OPG Financing Plan dated Dec. 18, 2017 (a copy is re-attached hereto) which I expect you will also want to forward internally to confirm it is in the expected form.

Many thanks, best regards, Aaron

Aaron Palmer

aaron.palmer@blakes.com<mailto:aaron.palmer@blakes.com>

Dir: 416.863.4227

_____

[cid:image6e2b21.GIF@626dd69c.4b97bc02]

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000, Toronto ON M5L 1A9

Tel: 416-863-2400 Fax: 416-863-2653

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Blake, Cassels & Graydon LLP | Barristers & Solicitors | Patent & Trade-mark Agents

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From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: Wednesday, December 20, 2017 6:18 PM

To: 'Thouin, Alena (ENERGY)'; 'Hanslep, Malle (MOF)'; 'Whitfield, Tobias P. (MOF)'; ASHBOURNE, STEPHEN; PALMER, AARON

Cc: 'John Lee (john.s.lee@opg.com)'; 'Ken Ryfa (ken.ryfa@opg.com)'; 'WONG Leslie -LAWDIV'; Olusoga, Yinka; Saulnier, Brett; Ramchandani, Rima; Feldman, Michael; Dost, Mitchell; Prado, Melissa; Mansoori, Nina

Subject: Change of Law Process Agreement -- Reference Documentation, Process Certificate & Initial Protection Agreement Maximum

Importance: High

All,

Reference is made to the Change of Law Process Agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the Province") and Ontario Power Generation Inc. ("OPG") to be dated as of December 21, 2017 (the "Change of Law Process Agreement"). All capitalized terms used and not defined in this email shall have their respective meanings in the Change of Law Process Agreement.

On behalf of OPG, please find attached the final forms of the following Transaction Documents as described in Exhibit A to the Change of Law Process Agreement and which constitute Reference Documentation:

- Declaration of Trust;
- Management Agreement;
- Master Transfer and Servicing Agreement;
- Acknowledgement and indemnity agreement dated as of December 21, 2017 made by IESO in favour of the Indenture Trustee;
- IESO Security Agreement;
- Trust Indenture;
- Warehouse Senior Series 2017-1 Supplemental Indenture between the Financing Entity and the Indenture Trustee dated as of December 21, 2017;
- Warehouse Subordinated Series 2017-1 Supplemental Indenture between the Financing Entity and the Indenture Trustee dated as of December 21, 2017; and
- Warehouse Junior Subordinated Series 2017-1 Supplemental Indenture between the Financing Entity and the Indenture Trustee dated as of December 21, 2017.

Also attached are:

(i) an executed Process Certificate delivered under Section 3.01 of the Change of Law Process Agreement; and

(ii) a copy of the letter to the Minister of Energy enclosing the Financing Plan, which includes notification of the Initial Protection Agreement Maximum.

We would ask that a representative of the Province to please acknowledge receipt of this email.

Best Regards,

Nina

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=VSx7Fk2X4x-wIzj5liZsYLXrY2hbEADJdJs9q5o12rA&s=fqhOCfyvfUE7mMFLi5pJmzTYUVewBkMBKlZFqosKTlA&e= >

[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=VSx7Fk2X4x-wIzj5liZsYLXrY2hbEADJdJs9q5o12rA&s=fqhOCfyvfUE7mMFLi5pJmzTYUVewBkMBKlZFqosKTlA&e= >

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ONTARIO POWER GENERATION

Bernard Lord
Board Chair

700 University Avenue Toronto, ON M5G 1X6

Tel: 416-592-2115
bernard.lord@opg.com

Wednesday, December 20, 2017

The Honourable Glenn Thibeault
Minister of Energy
4th Floor, Hearst Block
900 Bay Street
Toronto, Ontario
M7A 2E1

Hand Delivered and sent via email

Dear Minister Thibeault,

Re: Financing Plan under the Ontario Fair Hydro Plan Act, 2017 (the "Act")

I am writing further to our recent exchange of letters and the most recent one dated May 19, 2017, regarding the delivery of a Financing Plan by OPG as Financial Services Manager of the Fair Hydro Trust under the Act. I am pleased to advise that OPG's delivery of the Financing Plan was confirmed by the OPG Board on November 22, 2017, and it is enclosed herewith.

Sincerely,

Bernard Lord
Board Chair

cc (by email):
The Honourable Charles Sousa, Minister of Finance
Scott Thompson, Deputy Minister of Finance
Serge Imbrogno, Deputy Minister of Energy
Gadi Mayman, CEO, Ontario Financing Authority
Jeff Lyash, President and CEO, Ontario Power Generation

Enclosure

FAIR HYDRO TRUST
FINANCING PLAN

December 18, 2017

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A. Background

In June 2017, the Province enacted the *Ontario Fair Hydro Plan Act, 2017* (the **Act**), to establish a framework under which the costs and benefits associated with the Government of Ontario's (the **Province**) Clean Energy Initiatives are to be fairly allocated between present and future consumers of electricity under Ontario's Fair Hydro Plan (Fair Hydro Plan or FHP). The Act requires the Ontario Energy Board (**OEB**) to set rates that would reduce electricity bills for a proxy regulated rate specified consumer by 25 percent commencing on July 1, 2017. The total bill reduction is comprised of the 8 percent rebate equivalent to the Provincial portion of the Harmonized Sales Tax, the shifting of funding for electricity support programs from electricity bills to provincial revenues, and by decreasing electricity rates for specified consumers paying the Regulated Price Plan (**RPP**) rate. The OEB is providing a Global Adjustment reduction credit for non-RPP specified consumers.

The reduction in electricity bills will result in a shortfall in the Independent Electricity System Operator's (**IESO**) collections, which will need to be financed in order to pay the underlying global adjustment costs (**GAC**). The objective of the Fair Hydro Plan Program (**FHP Program**) is to refinance a portion of the deferred GAC over a longer period.

Under the Act, OPG is appointed as the Financial Services Manager (**FSM**) and is given the authority to, among other things, establish and manage one or more financing entities to raise debt financing (referred to as "Funding Obligations") for the purposes of the Act. The Act requires the Minister of Energy (**MOE**) to calculate the Fair Allocation Amount and for the FSM to incur Funding Obligations that, subject to refinancing, reasonably align with the Fair Allocation Amount, as adjusted by any readjustment amount.

The following attendant regulations were enacted in support of the Act:

- *Ontario Regulation 206/17 General* (**General Regulation**) provides details on specific requirements of the Act, in particular, the requirements for the Financing Plan.
- *Ontario Regulation 195/17 Fair Adjustment* provides details on rate reductions up to April 30, 2019 for specified consumers under the Act.
- *Ontario Regulation 196/17 Invoicing Requirements* provides details on information to be included with the invoice for specified consumers under the Act.

Under sections 21(1) and 21(2) of the Act, OPG, as FSM, has an obligation to prepare a Financing Plan in accordance with the Act and regulations, and to deliver it to the Minister of Energy. Under section 21(6) of the Act, the FSM has the right to amend the Financing Plan from time to time, without affecting any Clean Energy Adjustment that has already been determined or any Funding Obligations that have already been incurred before the amendment.

This Financing Plan was prepared based on the information available to, and the views of, OPG at the time this Financing Plan was prepared (or amended, as applicable). This Financing Plan also includes forward-looking information, which is subject to change. Actual outcomes and results may differ materially from what is expressed, implied or forecasted due to, but not limited to, changes in underlying assumptions relating to the Fair Allocation Amount, interest rates, investor interest, market capacity, market conditions, and credit rating assessments. References made to the "current Fair Allocation Amount" pertains to the Fair Allocation Amount received by OPG from the MOE at the end of September 2017. Terms that are capitalized and not defined

herein have meanings ascribed to the same terms as in the Act or in the General Regulation. All amounts presented are in Canadian dollars.

1. Financing Entity – Fair Hydro Trust

Trustees

In December 2017, OPG as FSM, appointed Computershare Trust Company of Canada to act as the third party issuer trustee (Computershare or **Issuer Trustee**). Following its appointment, the Fair Hydro Trust (the **Trust**) was established as a financing entity contemplated in the Act through a declaration of trust. The Trust is structured to be bankruptcy remote from OPG. The Issuer Trustee is empowered under the declaration of trust to appoint, employ or contract with any person for the transaction of the Trust's activities. Under the Management Agreement between the Trust (by the Issuer Trustee) and OPG, the Trust appointed OPG as its agent to provide services and perform duties for the Trust in planning, implementing and administering the debt financing for the FHP Program.

In December 2017, OPG as FSM, appointed BNY Trust Company of Canada, as the third party indenture trustee (BNY or **Indenture Trustee**). The Indenture Trustee will be acting on behalf of all specified creditors, who are all persons who may have contractual claims against the Trust under the FHP Program agreements contemplated by the Master Trust Indenture (**MTI**) governing the debt issued by the Trust.

Unitholders

The Trust will carry on activities for the benefit of its unitholders outlined below:

Table 1: Fair Hydro Trust Unitholders

Unitholder	Number of Units Held
FHP2017 Inc., a wholly-owned subsidiary of OPG	1,000,000
BNY, as Indenture Trustee	1
Total Units Outstanding	**1,000,001**

Trust Capitalization Structure

The Trust will be 100 percent debt financed and the contemplated source of funding is summarized in Table 2.

Table 2: Type and Source of Debt Funding

Tranche and Debt Type	Source of Funding	% of Total Funding Requirement
Tranche A Senior Debt	Capital Markets	51%
Tranche B Subordinated Debt	OPG via Province	39%
Tranche C Junior Subordinated Debt	OPG via Province	5%
	OPG via Capital Markets	5%

The Trust will issue senior debt in the capital markets to finance 51 percent of the total funding requirement related to the deferred GAC (Tranche A). The financing platform was developed to allow the Trust access to both the Canadian and United States (**US**) markets in order to optimize pricing, provide flexibility, and market capacity. Further details on the types of financing that can be utilized are outlined under the heading *Current Funding Options*.

Through periodic equity injections in OPG, the Province is expected to provide 44 percent of the total funding requirement throughout the duration of the FHP Program. OPG will invest the proceeds from the equity injections into the Trust, with 39 percent in Tranche B as subordinated debt and five percent in Tranche C as junior subordinated debt.

OPG will invest the remaining five percent of the total funding requirement in Tranche C as junior subordinated debt, using internally generated funds or proceeds raised from debt issuances from the public markets.

2. OPG's Duties and Responsibilities

Financial Services Manager under the Act

OPG, as FSM, will perform its duties and responsibilities under the Act and its attendant regulations. These include, but are not limited to, the following:

- Establish one or more financing entities to incur Funding Obligations for the FHP Program
- Prepare a written Financing Plan to be used by OPG to evaluate the incurrence of Funding Obligations to acquire and finance a portion of the GAC deferral
- Ensure that Funding Obligations are incurred in a manner that is consistent with the Financing Plan
- Forecast the cash flow requirements of the financing entities
- Determine the monthly Clean Energy Adjustment for a particular Reference Period
- Administer the Investment Asset on behalf of the financing entities
- Establish and charge fees to the financing entities to recover costs and expenditures and to earn a return

- Seek the best terms available at the time of incurrence of a Funding Obligation, having regard to other financing transactions of similar size and type
- Apply debt proceeds to purchase an Investment Interest or repay or redeem outstanding debt
- Consider the interests of specified consumers with respect to stable and predictable electricity rates
- Deal with related parties on arm's length terms
- Fulfil various reporting requirements to stakeholders

Manager under the Management Agreement

OPG has also entered into a management agreement with the Issuer Trustee, on behalf of the Trust, whereby all of the powers and duties of managing the Trust have been delegated to OPG as the manager. The duties and responsibilities associated with this role includes:

- Determining whether to incur Funding Obligations to acquire an Investment Interest or to refinance existing Funding Obligations;
- Negotiating and entering into program agreements;
- Maintaining accounts and banking records;
- Preparing any offering documents furnished by the Trust to prospective purchasers of Funding Obligations; and
- Preparing financial statements and tax filings on behalf of the Trust.

OPG's entitlement to fees, as FSM, is subject to the payment priorities outlined in the MTI and summarized in Section C, *Application of Recovery Amounts to Funding Obligations,* Figure 5. The FSM is not entitled to resign from its duties or terminate the management agreement as long as Funding Obligations remain outstanding. OPG may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the MTI.

3. Fair Allocation Amount and the Financing Plan

The Fair Allocation Amount, including the readjustment amount where applicable, is an amount calculated under the Act and the regulations by the MOE for every Reference Period over the term of the FHP Program. It is intended to allocate the estimated Clean Energy Costs and Clean Energy Benefits fairly among specified consumers.

The FSM is required to prepare a Financing Plan under the Act to evaluate whether Funding Obligations should be incurred by the Trust. OPG is to have regard to certain prescribed principles (outlined in detail in Section B below), including that Funding Obligations should be incurred so that the estimated Finance Amount that would become due and payable during a Reference Period will, subject to refinancing, reasonably align with the Fair Allocation Amount determined in respect of such Reference Period, as adjusted by a readjustment amount where applicable. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by specified consumers to ensure that they are bearing their fair share of the costs of providing Clean Energy Benefits. The Act also provides that each Funding Obligation is deemed

to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

Figures 1 and 2 illustrate the FHP Program's financing profile over the next 30-year period.

Figure 1: Fair Hydro Trust Debt Balance

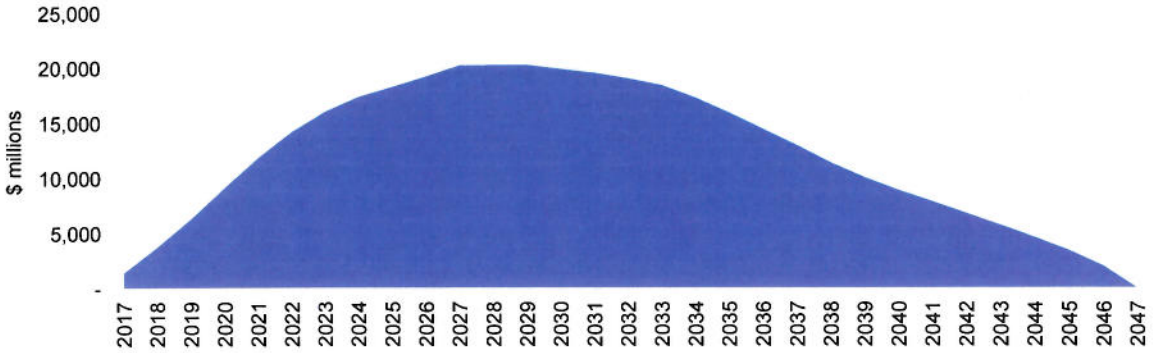
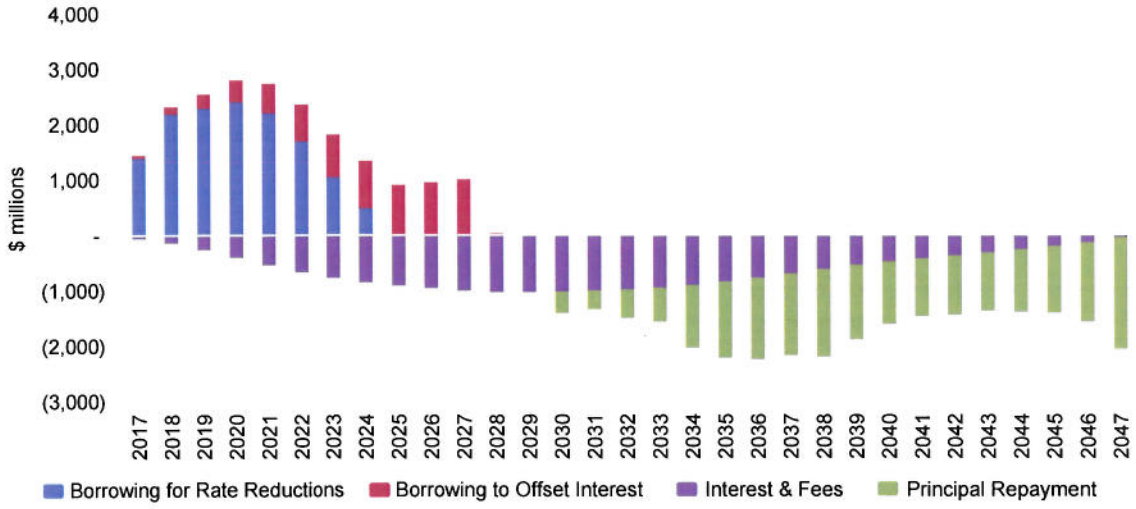


Figure 2: Fair Hydro Trust Borrowing and Repayment Profile



The Fair Allocation Amount is a net amount, either positive or negative, equal to the difference between the following:

1) estimated costs of Clean Energy Initiatives without adjustment; and
2) a re-profiling of the costs in item 1) plus:
    a. the estimated operating and financing costs of the FHP Program, and
    b. the repayment of the readjustment amount.

A negative Fair Allocation Amount in any Reference Period generally represents a period of borrowing, and a positive Fair Allocation Amount generally represents a period of principal repayment.

In a Reference Period when the Fair Allocation Amount is negative, the operating and financing costs of the FHP Program are shown in the Fair Allocation Amount calculation as an increase in the debt of the FHP Program. This treatment is equivalent to increasing the amount of the deferred GAC. The repayment of the related debt is included in the Fair Allocation Amount calculation to establish that all debt will be repaid by the end of the FHP Program. During these periods, operating and financing costs of the FHP Program are considered to align with the Fair Allocation Amount as long as these costs do not exceed the corresponding components in the Fair Allocation Amount calculation in any Reference Period by more than +/- 15 percent. If these costs exceed the corresponding components of the Fair Allocation Amount by more than +/- 15 percent, the FSM will take reasonable actions in accordance with the Act and regulations to align to the Fair Allocation Amount. Variability in costs is expected throughout the FHP Program as the Fair Allocation Amount was calculated on a forecast basis. Accordingly, any variability that is less than +/- 15 percent is deemed to be within an acceptable range.

Assessment for Reasonable Alignment

The Act stipulates that the Financing Plan must reasonably align with Fair Allocation Amount. This requirement is expected to be achieved through the consistent application of the following methodology, guidelines, and steps throughout the term of the FHP Program:

- Maintain a financial model that captures the Funding Obligations requirements of the Trust. Translate the funding requirements into expected cash flows by determining the related interest amounts, reserve requirements, fees, principal repayment, and the Trust's operating costs. This exercise will be performed for each Reference Period over the term of the program.
- Determine and assess the following:
    - For Reference Periods when the Fair Allocation Amount is negative, determine whether the forecast cash flow requirements is less than or equal to the financing and operating costs reflected in the Fair Allocation Amount as additional debt of the Trust. If the forecast cash flow requirements exceed the addition to the debt in the Fair Allocation Amount by more than +/- 15 percent, determine the cause of the variance. In these situations, the FSM will take reasonable actions in accordance with the Act and regulations to align to the Fair Allocation Amount.
    - For Reference Periods when the Fair Allocation Amount is positive, determine whether the forecast cash flow requirements is less than or equal to the Fair Allocation Amount. If the forecast cash flow requirements exceed the Fair Allocation Amount by more than +/- 15 percent, determine the cause of the variance. In these situations, the FSM will take reasonable actions in accordance with the Act and regulations to align to the Fair Allocation Amount.
- Due to the timing of the collection of cash flows, the General Regulation contemplates the use of reserve accounts. Provisions for reserves are excluded from the reasonable alignment assessment as these amounts are required to allow the Trust to incur the Funding Obligations. In addition, the reserve balances will be credited to specified consumers at the end of the term through the true-up mechanism if they are not required to satisfy terms of any Funding Obligation agreements pursuant to the MTI. Refer to *Financing Reserve and Capital Accounts* for more information on reserve accounts.

- Utilize and apply an accrual methodology when determining costs of the program, except for debt issuance costs, principal repayments, and reserve requirements.

The FSM will establish a methodology for assessing reasonable alignment at such time when a new Fair Allocation Amount letter is received from the MOE.

B. Principles and Assumptions of the Financing Plan

This section outlines the various principles and assumptions that guided the development of this Financing Plan in accordance with the Act and section 14 of the General Regulation. The same principles and assumptions will apply to all subsequent revisions of the Financing Plan, if required.

The FSM is required to make reasonable assumptions regarding the following matters:

1. IESO Deferral for Future Months

The FSM will base its expectation of the IESO deferrals on the most current version of the Fair Allocation Amount and readjustment amounts provided by the MOE. Actual IESO deferrals and forecasts of near term deferrals, if available, will be used to guide forecast deferrals over the next quarter.

2. Future Transfers of Portions of the IESO's Regulatory Asset

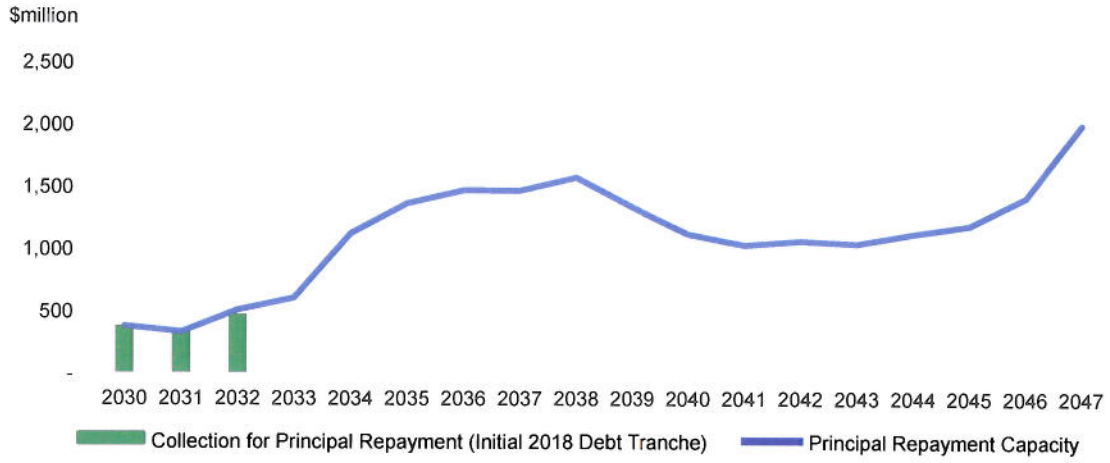
The Trust anticipates periodic purchases of Investment Assets from the IESO when the cumulative balance of its regulatory assets is large enough to be financed and when effective financing options are available to the Trust. The market capacity for both long-term and short-term debt financing will also be key elements to consider when determining the most cost efficient option.

3. Term to Maturity of Funding Obligations

Initial Term Debt Tranche – 2018 Borrowing

The forecast debt profile for the Trust based on the current Fair Allocation Amount received from the Province at the end of September 2017 indicates that principal repayments can commence in 2030 (see Figure 3). However, the principal repayment amount for that year is expected to be relatively small at approximately $400 million for the year or about $200 million for each six-month Reference Period. Accordingly, principal repayment of the initial 2018 term debt tranche is expected to commence in 2032 when the cumulative principal repayment amount reaches approximately $1 billion, which indicates a minimum term for the initial debt issuance of approximately 15 years. This offering is expected to include $500 million of senior notes, which is a sizeable amount to ensure sufficient liquidity and marketability. Subsequently, principal repayment increases to approximately $1.5 billion annually or $0.75 billion for each Reference Period by around 2035 allowing for larger single maturities.

Figure 3: Principal Repayment Profile Based on Current Fair Allocation Amount



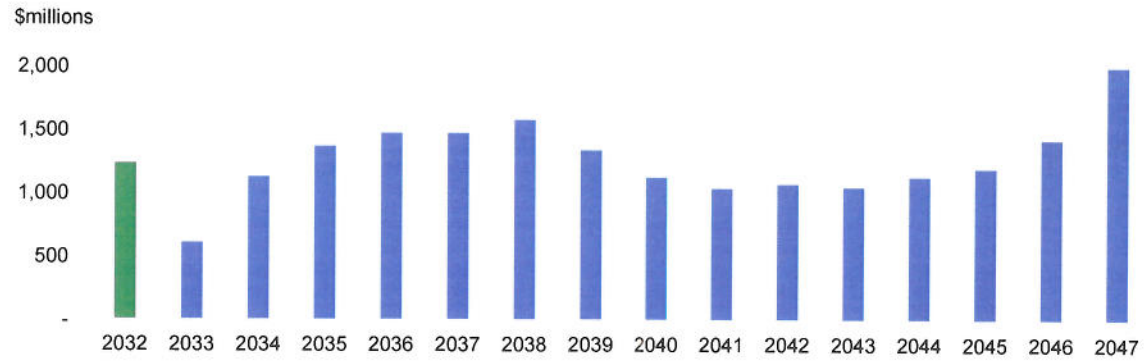
This length of term for an asset-backed security (**ABS**) has no precedence in the Canadian market where terms are typically 10 years or less. Therefore, it is expected that a higher premium will be required to attract investors. Refer to Table 3 under the heading *Interest Rates* for the indicative current pricing range for all debt tranches, including senior debt.

For a new issuer such as the Trust offering a unique program, a strategy of issuing a 15-year term paper may not provide an optimal initial pricing given the absence of a specific credit curve for the Trust. It is expected that at program inception, the Trust will issue debt to cover both short and long-term exposures. The terms of maturities will be staggered, up to year 30, with maturities capped at the projected Fair Allocation Amount and readjustment amount, during each six-month Reference Period. In addition, consideration for a combination of characteristics established by the Fair Allocation Amount curve and investor interest will drive the term of a Funding Obligation.

Indicative Debt Maturities for Borrowings

Using the current Fair Allocation Amount, the forecast debt maturities over the life of the FHP Program was derived in Figure 4 for illustrative purposes only and is current as of the date of this Financing Plan. Actual debt maturities may differ materially from what is illustrated in Figure 4 primarily due, but not limited to, future changes in the Fair Allocation Amount.

Figure 4: Indicative Debt Maturities Using the Current Fair Allocation Amount



The key objective when determining the indicative debt maturities in Figure 4 is to align the annual amount of debt maturities with the principal repayment capacity under the Fair Allocation Amount curve. In years where the principal repayment capacity is less than $500 million, the debt maturities will fall in subsequent years where the cumulative maturities do not exceed the cumulative principal repayment capacity. This type of decision will be made along with other considerations such as size of each issuance to ensure liquidity (and thus, cost efficiency). As this schedule is based on the current Fair Allocation Amount curve and its underlying assumptions, a shift in the curve and/or any changes in the assumptions will result in changes to this indicative debt maturity schedule.

4. Refinancing

The MTI requires the Trust to establish and maintain a deposit account in the name of the Indenture Trustee for a refinancing account held for the benefit of the Indenture Trustee and specified creditors. All proceeds arising from notes and borrowings related to refinancing shall be deposited to this refinancing account.

Debt refinancing may occur under the following scenarios:

- When original financing is incurred, the short end of the yield curve is more cost efficient than the long end, on a relative basis;
- The Fair Allocation Amount or readjustment amount is updated; and
- In line with the provisions of the Act, no Clean Energy Adjustments will be collected from specified consumers between July 1, 2017 and April 30, 2021. Accordingly, any debt maturities during this period will need to be refinanced.

Refinancing decisions will be guided by the Trust's ability to secure cost efficient long-term financing from investors and the maximum principal repayment profile dictated by the Fair Allocation Amount curve. Given the current Fair Allocation Amount, the FSM expects that debt issuances during the moratorium period will be a minimum of 15-year terms.

However, if market conditions are such that short-term notes (e.g. 5-year notes), along with hedging the refinancing of these notes after 5 years, could be more cost effective than issuing longer term notes, the FSM may consider such a strategy instead of issuing 15-year notes. In the event of an update to the Fair Allocation Amount or the readjustment amount that leads to a significant change in the profile whereby collections of CEAs could start earlier, short-term notes could also be issued.

5. Cash Flow Requirements

The Trust's cash flow requirements to meet its contractual obligations include, but are not limited to, the following:

- Payment of taxes, if any
- Reimbursing the FSM for costs and expenditures outlined in sections 10.2 (3) and 10.13 (3) of the General Regulation and summarized under the heading *Fair Hydro Trust Costs and Expenditures*
- Interest and fees on all outstanding borrowings
- Scheduled principal repayments

- Deposits or transfers to reserve accounts required by the MTI and summarized under the heading *Financing Reserve and Capital Accounts*
- OPG's fees as FSM as summarized under the heading *Financial Services Manager's Fees*
- Termination payments to defaulting derivative counterparties, if applicable

Refer to Figure 5 in Section C, *Application of Recovery Amounts to Funding Obligations* for the cash flow receipts' payment priority.

6. Current Funding Options and Related Terms and Conditions

To achieve cost efficiencies, the following funding vehicles could be utilized in either the Canadian or US markets (except for the subordinated debt), from time to time, depending on the financing requirement, as well as market capacity and relative pricing at the time of issuance:

- **Short Term**: asset-backed commercial paper (**ABCP**) conduit and revolving bank lines of credit in the Canadian market
- **Medium to Long-Term**: term ABS and privately placed debt securities in either the Canadian or US markets
- **Subordinated Debt**: to be provided by OPG

Syndicated Short-Term Warehousing Facility

Short-term notes will be issued by the Trust to fund short-term borrowing requirements. The amount outstanding will be periodically refinanced and repaid by long-term funding from the capital markets once the cumulative amount of the Investment Asset available to be purchased is approximately $300 million to $500 million. This warehouse facility is expected to be utilized on a monthly basis to fund the Investment Asset purchases from the IESO.

The Trust will be securing a warehouse facility agreement with a bank syndicate comprising of CIBC, RBC, and Goldman Sachs for $800 million under a 2-year committed term, which would be primarily funded through their ABCP conduit.

Revolving Bank Lines of Credit

This type of funding option provides the Trust with a warehouse facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period. This bank funding option will be utilized when it is more cost effective than short-term notes.

Term ABS

ABS are notes that will be backed by the Trust's Investment Asset and issued under the MTI. The specific terms and conditions of each series, class or tranche of notes will be set forth in a supplemental indenture and, if applicable, a terms document authorizing that series, class or tranche.

To minimize financing costs, term ABS bullet bonds will be used rather than amortizing bonds, which require an additional premium by investors. The current intent is to issue term ABS notes in the 15 to 25 year term to fill out the yield curve based on the Fair Allocation Amount and investor demand.

Subordinated Debt

Concurrent with every issuance of senior debt by the Trust, it is expected that OPG will acquire subordinated debt in an amount not to exceed 49 percent of all outstanding debt of the Trust at any time. The subordination of OPG's debt investment plays an important credit enhancement role, which is expected to minimize the cost of senior debt tranches in the external market by garnering a higher rating through some differentiation. The subordinated debt will assume substantially all of the liquidity and deferral risk for the structure. Accordingly, the cash flow payment waterfall in Figure 5 reflects this subordination structure.

The credit rating for the subordinated debt will be dependent on the rating agency assessment and evaluation of the stress credit scenarios. It is expected that there will be a minimum of one rating category differential between each debt tranche.

The interest rate applicable to subordinated debt is expected to be the aggregate of:

- The applicable base rate, which is the relevant senior debt rate, plus
- The applicable spread, which represents the additional interest, in basis points, over the base rate that will apply to the relevant subordinated debt. This rate will be established by OPG through an annual survey of market spreads from a syndicate of banks.

The subordinated debt will maintain a minimum of one rating to allow for appropriate benchmarking/pricing. A simple average of the market spreads will determine the rate, excluding the highest and lowest rates in the survey sample. The terms of the subordinated debt will be finalized prior to the initial debt issuance.

For the short-term subordinated debt lending facility, the banking syndicate will provide OPG with comparable short-term lending spreads on committed bank credit facilities on an annual basis (i.e. ratings based on a pricing grid). A simple average of the market spreads will determine the rate, excluding the highest and lowest rates in the survey sample.

The process will be consistent with the Subordinated Debt Pricing Protocol between OPG, as FSM, and the Ontario Financing Authority.

7. Currency and Interest Rate Hedging Programs

As the FHP Program develops over time, the Trust will consider interest rate and currency swaps and other hedging instruments, as required. Refer to the Section C, *Risk Mitigation Strategies* for further details on hedging and other instruments that could be used by the Trust.

8. Fair Hydro Trust Costs and Expenditures

The costs and expenditures incurred by OPG as FSM on behalf of the Trust will be in accordance with sections 10.2 (3) and 10.13 (3) of the General Regulation as amended in November 2017.

Specifically, the costs and expenditures incurred by the FSM include, but are not limited to, the following:

1. Underwriters or selling agents for Funding Obligations.
2. Banking fees, including but not limited to structuring fees or work fees.
3. Fees of issuing and paying agents for Funding Obligations.
4. Fees of trustees.

5. Fees incurred in the preparation of financial statements, financial reports, compliance certificates and tax returns.
6. Fees of legal counsel.
7. Rating agency fees.
8. Filing or registration fees.
9. Direct costs of OPG for employees whose work consists exclusively of the provision of services to the Trust in relation to prescribed matters.
10. Costs and expenditures incurred on behalf of any financing entity in connection with OPG's duties under the Act in relation to the financing entity.
11. Costs and expenditures incurred in relation to a management agreement between OPG as FSM and any financing entity, where the agreement provides for the reimbursement of the costs and expenditures.

The costs and expenditures incurred directly by the Trust, as well as the fees of the FSM and the costs and expenditures incurred by the FSM on behalf of the Trust, are Finance Amounts that can be recovered by the Trust (as carrying costs) from the IESO until July 2021 and thereafter through Clean Energy Adjustments charged to specified consumers.

9. Interest Rates

As the FHP Program is expected to last until 2047, it is appropriate to assume that long-term debt rates are the primary components of the financing costs for the overall program. In estimating indicative interest rates for each tranche and debt type, the following key considerations and assumptions were utilized:

- The base case credit rating assumptions are as follows:
  - Target of "AAA" for Tranche A – Senior Debt,
  - "A" for Tranche B – Subordinated Debt which is dependent on the senior debt credit rating, and
  - "BBB" for Tranche C – Junior Subordinated Debt
- Using the projected Province of Ontario long bond rate of 4 percent plus a 25 basis points premium to reflect the securitization structure, the estimated indicative pricing over the life of Tranche A – Senior Debt is 4.25 percent
- For comparative purposes, the current pricing using the Province of Ontario long bond rate of 3.0 percent plus the same 25 basis points premium was included to reflect the current low interest rate environment
- A higher return on the subordinated debt is required to compensate for incremental risks assuming:
  - Rating agencies attribute a lower rating to the subordinated debt relative to the senior debt due to the lower priority in the cash flow waterfall (refer to Figure 5 in Section C, *Application of Recovery Amounts to Funding Obligations*)
  - Senior debt's rating needs to be credit enhanced to address collection and liquidity risks

To achieve cost efficiencies, the Trust was established with a tiered debt structure to achieve a higher credit rating for the senior debt and to maximize market capacity by accessing the AAA market to achieve cheaper financing costs overall. The following table summarizes the indicative pricing range by debt tranche:

Table 3: Indicative Pricing by Debt Tranche

Tranche and Debt Type	Risk Profile	Source	% of Total Funding Requirement	Rating Category Estimate	Current Pricing	Potential Rating Range	Price Based on Rating Range
Tranche A Senior Debt	Lowest Risk	Capital Market	51%	AAA	3.25%	AAA – AA	3.25% – 3.75%
Tranche B Subordinated Debt	Medium Risk	OPG via Province	39%	A	4.5%	AA – A	4.0% – 4.5%
Tranche C Junior Subordinated Debt	Highest Risk	OPG via Province	5%	BBB	5.5%	A – BBB	5.0% – 5.75%
		OPG via Capital Markets	5%				
Weighted Average					**4.0%**		**3.75% – 4.5%**

The credit range for each debt tranche will be determined by the overall credit strength of the financing structure and its resilience under various credit stress scenarios. The rating agencies' assessment of the limited guarantee to bondholders provided by the Change of Law Protection Agreement, discussed under the heading *Indemnifications*, is one of the major factors that will influence the final ratings of each debt tranche. In addition, in assessing credit stress, the following factors, among others, will be considered: (i) declining energy usage throughout the securitization period, (ii) forecast collections in peak months not materializing, and (iii) declining consumption equal to the largest absolute annual forecast error. The market capacity for securitization notes is predominantly available for AAA-rated notes, limited for AA-rated notes, and not tested or developed for A-rated or lower. The pricing estimates provided in Table 3 reflect these credit and liquidity factors. Debt pricing will be finalized at the time of the initial issuance.

10. Finance and Capital Reserve Accounts

Section 5(1) of the General Regulation stipulates that the Finance Amount shall include any amounts the Trust deposits into capital or finance reserve accounts as required under the governing documents of the Funding Obligations (i.e. the MTI). The accounts also act as a credit enhancement feature in support of the Trust borrowings. Any unused balance in the segregated trust accounts at the end of the term will be credited to specified consumers. Refer to Figure 5 in Section C, *Application of Recovery Amounts to Funding Obligations*, for the priority order of deposits into the reserve accounts.

Section 7.02 of the MTI between the Trust and the Indenture Trustee specifies the establishment and maintenance of the following key reserve accounts:

Finance Reserve Accounts

Program Cash Reserve Account

The Trust shall establish and maintain a Program Cash Reserve Account, a deposit account in the name of the Indenture Trustee with an eligible institution. This finance reserve account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the specified creditors. The Trust is required to deposit to this account the Program Cash Reserve Required Amount during the Reference Period commencing May 1, 2021, being an amount equal to 0.50 percent of the aggregate outstanding principal amount of the senior Funding Obligations, subordinated Funding Obligations and junior subordinated Funding Obligations after giving effect to all settlements on such payment date, or such lesser amount that satisfies the rating agency condition. Amounts available from the collection account will be deposited from time to time in the Program Cash Reserve Account to maintain the balance at the then Program Cash Reserve Required Amount.

Series Finance Reserve Account

From time to time, the Trust may establish a Series Finance Reserve Account, a deposit account in the name of the Indenture Trustee with an eligible institution. Each Series Finance Reserve Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the applicable specified creditors. This finance reserve account may be established for the purpose of allowing the Trust to reserve funds to pay finance charges (including, without limitation, interest and payments under derivative agreements) for a series of issuer Funding Obligations.

Capital Reserve Account

Series Capital Reserve Account

From time to time, the Trust may establish a Series Capital Reserve Account, a deposit account in the name of the Indenture Trustee with an eligible institution. Each Series Capital Reserve Account shall be under the control of the Indenture Trustee for the benefit of the Indenture Trustee and the applicable specified creditors. This capital reserve account may be established for the sole purpose of allowing the Trust to accumulate funds to be used to make repayments in respect of Funding Obligations. Details of any period of accumulation and the amounts to be accumulated shall be specified in the related Funding Obligation agreement.

11. Indemnifications

The following forms of indemnities are expected to be issued for the FHP Program:

Change of Law Protection Agreement

The Change of Law Protection Agreement provides bondholders a limited guarantee in the event of a protection event and acts as a credit enhancement for the Trust's senior debt. The guarantee will be triggered if:

i. the Province changes the Fair Hydro legislation/regulations or passes other legislation/regulation; or

ii. a change in the organization or structure of the IESO is implemented or Ontario's electricity market is undertaken at the initiative of the Province or an entity controlled by the Province; or

iii. the Act is declared invalid/unconstitutional.

in each case, in a way that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay funding obligations covered by the agreement, after taking into account and having regard to (i) any funds available at such time to apply to pay such Funding Obligations, including in any finance reserve account, (ii) the availability of any credit enhancement to which the Trust is a party and (iii) any reasonably expected potential effect of a true-up amount under the Act in the Reference Period immediately following the occurrence of an event described above.

Upon the occurrence of a protection event, the Province is required to pay the approved obligations owing by the Trust as they become due and payable provided that the Province has a right of subrogation to receive amounts that the Trust has a right to receive.

Change of Law Process Agreement

Prior to entering into to the Change of Law Process Agreement between OPG and the Province, OPG as FSM provided the Province with an initial forecast setting out OPG's expectations regarding the aggregate maximum amount of debt to be incurred during the initial 24-month forecast period commencing December 1, 2017. This initial forecast amount is designated as the "Initial Protection Agreement Maximum". The Province did not disagree with the initial forecast or the Initial Protection Agreement Maximum on the basis of an apparent inaccuracy in the initial forecast, an inconsistency between the initial forecast and the initial Financing Plan, or as a result of the Initial Protection Agreement Maximum being more than the initial forecast. Pursuant to the Change of Law Process Agreement, between 9 and 12 months prior to the expiry of the initial 24-month forecast period (and every subsequent 24-month forecast period), OPG as FSM will provide the Province with an updated forecast of the aggregate maximum amount of debt to be issued such 24-month forecast periods. This amount, combined with such future amounts with which the Province has not disagreed, will be the Protection Agreement Maximum.

Table 4 provides the expected debt issuance amounts for the next 24-month period as consistent with the Financing Plan and submitted to the Province pursuant to the agreement.

Table 4: Initial Protection Agreement Maximum

Forecast Period Start Date	Forecast Period End Date	Expected Amount of Debt Issuance ($M)
December 1, 2017	December 31, 2017	$1,179
January 1, 2018	December 31, 2018	$2,591
January 1, 2019	November 30, 2019	$2,553
Initial Protection Agreement Maximum:		**$6,323**

Issuer Trustee

Each of the Issuer Trustee and its related parties will be indemnified out of the trust property from and against all liabilities, obligations, losses, damages, penalties, taxes, claims, actions, investigations, proceedings, costs, expenses or disbursements of any kind arising out of, among other things, the declaration of trust or any other program agreement, the administration of the Trust's assets or the action or inaction of the Issuer Trustee's agents, except for its own fraud, willful misconduct, bad faith or negligence.

Limited Recourse

The obligation of the Trust to pay principal and interest on the Funding Obligations is subject to the allocation and payment provisions in the MTI and the applicable Funding Obligation agreement and limited to amounts available from the collateral. Neither the Indenture Trustee, OPG nor the Issuer Trustee in its individual capacity will be personally liable for the payment of the principal or interest on the notes or any other Funding Obligation, or for the Trust's covenants and agreements contained in the MTI.

12. Financial Services Manager's Fees

All fees charged by OPG to the Trust will be in accordance with the provisions of the General Regulation.

Subject to OEB approval, OPG is entitled to the following:

- For 2017, OPG will receive $3.1 million and an amount to cover up-front costs incurred between June 1 and December 31, 2017 by OPG on behalf of the Trust (e.g. legal fees, rating agency fees, trustee fees). The $3.1 million includes a $600,000 fee and $2.5 million to cover costs incurred prior to June 1, 2017. The expenses between June 1 and December 31, 2017 will also include direct costs of OPG employees who are dedicated exclusively to Fair Hydro matters.
- For January 2018 to March 2019, OPG will receive a general fee consisting of (i) a monthly base fee equal to 7.5 basis points, divided by 12, multiplied by the average outstanding debt of the Trust, calculated on a monthly basis, (ii) a variable fee that is calculated based on how the interest rate for external funding tranches for that period compare to forecast interest rates for the period (and which fee is limited to ± 2 percent of 5 percent of the total

external funding tranches issued in the period), and (iii) third-party expenses and direct employee costs of dedicated Fair Hydro employees.

- For April 2019 to March 2020, and every 12-month period thereafter, OPG will make submissions to the OEB on the base fee, variable fee and expenses. The base fee will be based on comparable fees charged by full-service managers of securitization vehicles (and other similar funds). The variable fee will be calculated in the same manner noted above, but with a refresh of forecast interest rates for the relevant period. For 2019 onward, the expenses will include direct employee costs of dedicated Fair Hydro employees only if the fees of comparable managers also include such direct costs.

A written confirmation from OPG's external auditor or another external auditor is required to accompany each submission to the OEB for the recovery of expenditures incurred by OPG on behalf of the Trust. The report shall confirm the accuracy of the costs and expenditures charged to the Trust, that such amounts were incurred by OPG, and the amounts were paid to third parties (with the exception of direct employee costs).

C. Other Considerations

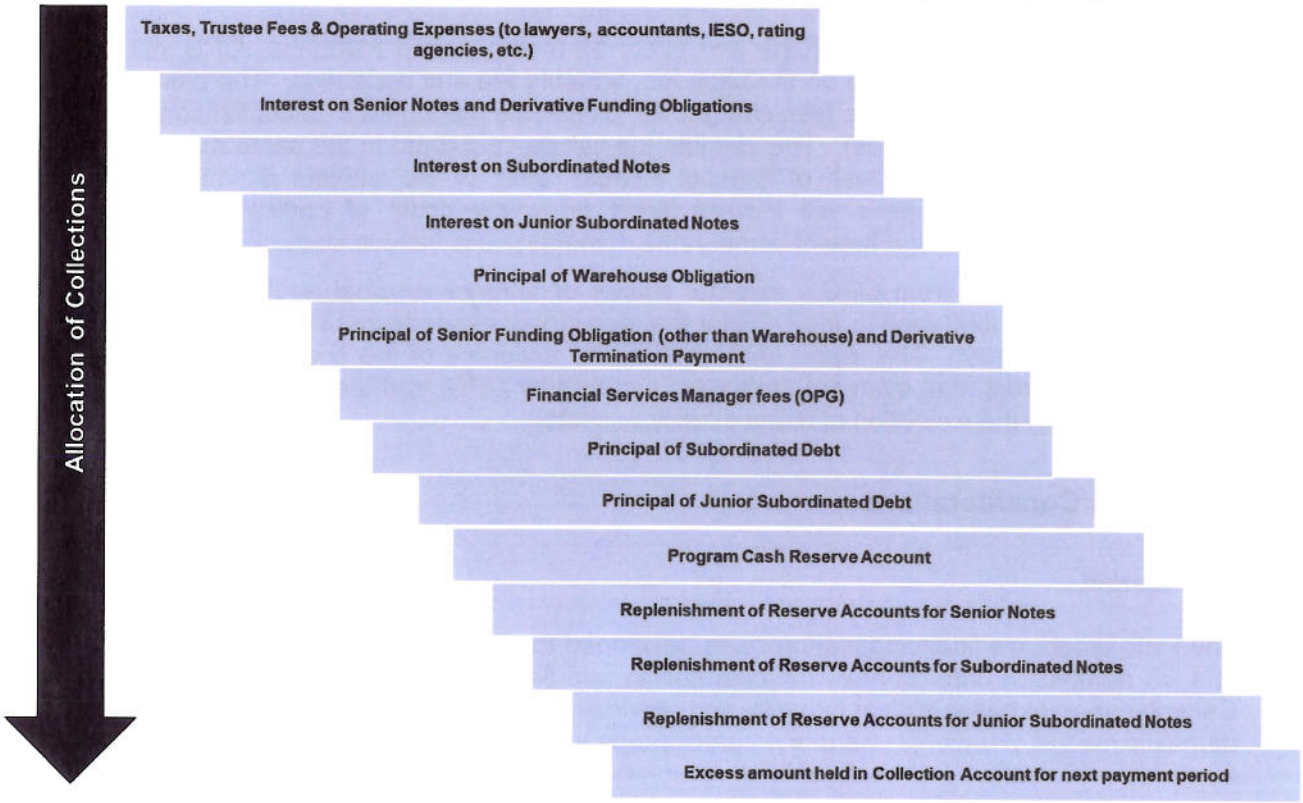
1. Market

The FHP Program's financing platform was developed to allow for access to both the Canadian and US markets in order to have the best pricing and flexibility options. To the extent that the Canadian market has sufficient capacity and provides cost efficiency, priority will be given to the domestic market. However, there is no precedence in the Canadian market for term ABS notes longer than 10 years, nor the size of funding required by the FHP Program. Due to this, the ability to access the US market provides the program additional financing capacity in the event that the Canadian market cannot support the financing requirement. The FSM will make its decision on which market to access on a deal-by-deal basis.

2. Application of Recovery Amounts to Funding Obligations

Section 7.04(e) of the MTI outlines the payment priorities for the Trust's receipt of cash flows. Figure 5 below summarizes the significant components of the payment waterfall.

Figure 5: Payment Waterfall for Fair Hydro Trust Cash Collections



Payment Priorities

On each payment date, all amounts on deposit in the collection account will be paid out in the following order of priority:

1. to pay (A) all taxes exigible for which a governmental authority is given priority over the specified creditors under the laws of the applicable jurisdiction, and then (B) fees, expenses and reimbursements owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount of equal to $150,000, multiplied by the number of series of senior Funding Obligations outstanding on the payment date, divided by 12;
2. to pay (A) interest, fees and other amounts owing in respect of senior debt and (B) amounts payable to derivative counterparties other than termination payments;
3. to pay interest, fees and other amounts owing in respect of subordinated debt;
4. to pay interest, fees and other amounts owing in respect of junior subordinated debt;
5. to pay principal owing in respect of warehouse debt;
6. to pay (A) principal owing in respect of senior debt to the extent required to satisfy any payment of principal; and (B) termination payments owing to derivative counterparties where the derivative counterparty is not the defaulting party or the sole affected party;
7. to pay fees, expenses, reimbursement and indemnity amounts owing to the FSM;
8. to pay principal owing in respect of subordinated debt to the extent required to satisfy any payment of principal;

9. to pay principal owing in respect of junior subordinated debt to the extent required to satisfy any payment of principal;
10. to deposit to the Program Cash Reserve Account, if the amount on deposit is less than the required amount;
11. to replenish any reserve account in respect of senior debt, the amount required pursuant to the applicable Funding Obligation agreement;
12. to replenish any reserve account in respect of subordinated debt, the amount required pursuant to the applicable Funding Obligation agreement;
13. to replenish any reserve account in respect of junior subordinated debt, the amount required pursuant to the applicable Funding Obligation agreement;
14. to be held in the collection account for distribution in the above order of priority on the next payment date; or (ii) after all Funding Obligations have been paid and discharged, and all other amounts have been paid in full, to pay to the Trust.

3. Risk Mitigation Strategies

Currency Risk

If the Canadian market cannot support the financing capacity of the FHP Program in the future and/or it is less cost efficient than the US market at the time of each subsequent debt issuance, the Trust will access the US market for long-term financing.

Under this scenario, hedges will be considered to mitigate currency exposure. For the initial debt issuance in 2017, it is anticipated that funding will be sourced from the Canadian market only as it is expected to be more cost efficient and there is sufficient market capacity.

Interest Rate and Refinancing Risk

The FHP Program is expected to span over a 30-year period until 2047 with various series of notes expected to be issued at various maturity dates. Given the long-term timeline of the program, it is subject to interest rate and refinancing risk.

Interest rate hedges, including bond forwards and/or forward start interest rate swaps, will be considered in the future to mitigate potential interest rate risk and/or refinancing risk in a cost-efficient manner.

Legal and Political Risk

Given the long-term nature of the FHP Program and the potential for changes in provincial policy, the lenders requires that changes to any legislation (including the Act and its attendant regulations) that would materially and adversely affect the ability of the Trust to service interest or principal payments on its debt would be addressed by the Province.

As discussed in Section B, *11. Indemnifications*, the Change of Law Protection Agreement provides bondholders a limited guarantee that the Province will cover the approved obligations of the Trust if the guarantee is triggered.

4. Tax Minimization Strategies

Beneficiary – FHP2017 Inc.

The majority unitholder and beneficiary of the Trust is exempt from federal tax under section 149 of the *Income Tax Act, Canada* and from Ontario tax under section 27 of the *Ontario Taxation Act, 2007*.

The beneficiary is subject to payments in lieu of federal and provincial income taxes (**PILs**). In order to minimize the tax associated with the Fair Hydro Plan, an exemption from PILs payable on income from the Trust has been requested for the beneficiary. This will result in a reduction in the income tax costs related to the Financing Plan.

Fair Hydro Trust

Trust income will be fully distributed to unitholders to ensure that there is no tax payable by the Trust.

D. Execution Plan for First Investment Asset Purchase

The regulatory asset balance available to be purchased from the IESO is expected to be approximately $1.2 billion, representing accumulated GAC deferrals up to the end of November 2017. Given there will be better market access in January 2018 compared to December 2017, the short-term warehouse facility will be utilized to fund the senior debt tranche of the funding requirement for the first investment asset purchase. Accordingly, the size of the short-term funding is approximately $600 million, representing 51 percent of the funding structure allocation from capital markets. OPG will purchase short-term subordinated and junior subordinated debt issued by the Trust for approximately $580 million, representing the remaining 49 percent of the total funding requirement.

Key Activities

The following table outlines the key activities for funding the first purchase of the Investment Asset:

Activity	2017/2018 Timeline
Province's Equity Contribution and Warehouse Facility Closing & Funding to Purchase Investment Asset	December 21, 2017
Term Debt Rating Agencies' Confirmation of Ratings	Week of January 8, 2018
Marketing & Roadshow	Week of January 22, 2018
Term Debt Pricing	Week of February 5, 2018
Term Debt Closing & Funding	T+5 of Pricing Date

E. Glossary of Terms

In this Financing Plan, the capitalized terms used have the following meanings from the Act:

"**Clean Energy Adjustment**" means the amount determined under section 15 and payable by specified consumers

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to specified consumers as a result of the clean energy initiative, including as a result of clean energy costs

"**Clean Energy Costs**" means the value of the costs allocated to specified consumers as a result of the clean energy initiative, including as a result of past, present and expected costs incurred in respect of,

a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the Electricity Act, 1998 or any provision that is the successor to that provision, which relate to contracts or amounts for,
    (i) renewable energy generation or capacity,
    (ii) conservation and demand management,
    (iii) energy storage,
    (iv) energy efficiency,
    (v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the Ontario Energy Board Act, 1998 and excluding such other contracts as may be prescribed,
b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*, and
c) such other costs or estimated costs as may be prescribed

"**Clean Energy Initiative**" means the policies of the Government of Ontario related to,

a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies,
b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies,
c) promoting conservation, demand management and energy efficiency, and
d) investing in energy infrastructure to ensure a clean, modern and reliable system

"**Fair Allocation Amount**" means an amount calculated under section 20 of the Act

"**Finance Amount**" means the finance amount determined in accordance with the regulations

"**Funding Obligation**" means a payment obligation incurred by or on behalf of an investment interest owner to fund its ownership of an investment interest or a payment obligation that meets such other criteria as may be prescribed

"**Investment Asset**" means the rights and interests described in section 29 of the Act

"**Investment Interest**" means,

a) an ownership interest in the investment asset, and
b) in circumstances where the ownership interest is transferred, the rights and benefits specified in the agreement under which the interest is transferred

"**Reference Period**" means,

a) the period beginning on July 1, 2017 and ending on October 31, 2017, and
b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed,
   (i) every six-month period following the period mentioned in clause (a), or
   (ii) any period shorter than six months, as may be prescribed

From: Hanslep, Malle (MOF)
To: Mike Manning; Ken Kandeepan; Anna Strathy
Cc: Tobias P. Whitfield (MOF)
Subject: Fw: Fair Hydro Trust -- Term Closing
Date: Thursday, February 08, 2018 2:25:47 PM

Fyi

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ramchandani, Rima <rramchandani@torys.com>
Sent: Thursday, February 8, 2018 14:21
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: 'WONG Leslie -LAWDIV'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: Fair Hydro Trust -- Term Closing

Alena, Malle and Toby, hope you are all well. In case you have not been made aware, we wanted to let you know that we are closing the Fair Hydro Trust term deal tomorrow morning and will be delivering, on behalf of OPG, the required process certificate by fax to the attention of the Ministers and Deputy Ministers later today. As with the warehouse closing, Brett Saulnier from Torys will send all of you an email with a PDF of the signed process certificate and accompanying cover letter for your records.

Just FYI, you will see that the cover letter will also reference the delivery (pursuant to Section 2.01(c) of the process agreement) of a brief 2-page agreement that will be entered into between the Trust and the warehouse lenders on closing tomorrow which simply permits delivery of the decrease notice 2 business days prior to closing and repayment of the warehouse notes on a day other than the 15th business day of the month.

Thanks,
Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=2lJMOhjFypQfjDUQQythSm7KVQvhyT-FU2cM0zFDKpA&s=j3xCihhaXVTOv3VtcEjF3glzcAhmKR6xW3Z6lqR2_E0&e= >
[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=2lJMOhjFypQfjDUQQythSm7KVQvhyT-FU2cM0zFDKpA&s=j3xCihhaXVTOv3VtcEjF3glzcAhmKR6xW3Z6lqR2_E0&e= >

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From:	Gadi Mayman
To:	Scott Thompson (CAB); Serge Imbrogno (ENERGY)
Cc:	Mike Manning
Subject:	Fw: Investor Package - Fair Hydro Trust
Date:	Wednesday, April 18, 2018 10:09:33 PM
Attachments:	Fair Hydro - Series 2018-2 Senior Notes TS.PDF FHT Investor Presentation - April 2018.pdf Fair Hydro Trust - Confidential Shelf Offering Memorandum.pdf

FYI.

OPG will be issuing the next tranche of the FHT senior debt tomorrow. Target size is $300-400 million.

OPG contacted Moody's to find out whether their placement of our debt on negative outlook would affect the FHT rating. OPG was told that structured finance ratings don't have outlooks, they just have a rating, so even though Moody's has directly tied the FHT rating to ours (and included it in their analysis of our debt when they put us on negative outlook yesterday - it was a small part, so far, and not the reason for the outlook change) there is no immediate ratings impact on the FHT.

Gadi

From: Martin, Kevin E
Sent: Wednesday, April 18, 2018 2:10 PM
To: Elizabeth Wallace; James Devine; Mike Manning; Carlos Yep; Gadi Mayman
Cc: Caridia, Alex; Vijay, Shaaj; Dorri, Sam
Subject: FW: Investor Package - Fair Hydro Trust
20-year min $300mm, small room to grow.
To launch and price tomorrow.

From: Robertson, Sherry
Sent: April 18, 18 2:06 PM
To: +DS-GM-Bond Sales Desk
Subject: Investor Package - Fair Hydro Trust
THE FOLLOWING HAS BEEN FORWARDED TO INVESTORS

Base Offering Memorandum

Investor Presentation

Term Sheet

Sherry Robertson, MBA | Vice President | Debt Syndication | RBC Capital Markets | (416) 842-7758 |
2nd Floor, North Tower, Royal Bank Plaza | 200 Bay Street, Toronto, Ontario M5J 2W7
sherry.robertson@rbccm.com

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This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January 22, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-2 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Capital Markets Platform" and "Description of Senior Notes" sections of the confidential shelf offering memorandum which contain a more detailed description of certain terms of the Series 2018-2 Senior Notes and the trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-2 Senior Notes will be subject), as supplemented by the term senior series 2018-2 supplemental indenture to the Master Trust Indenture (the "Series 2018-2 Senior Supplemental Indenture") pursuant to which the Series 2018-2 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *April 18, 2018*

FAIR HYDRO TRUST

•% SENIOR NOTES DUE MAY 15, 2038, SERIES 2018-2

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	•% Senior Notes due May 15, 2038, Series 2018-2 (the "**Series 2018-2 Senior Notes**").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	Minimum $300,000,000[(1)]
Term:	20 years
Launch Date:	April •, 2018
Pricing Date:	April •, 2018
Settlement Date:	April •, 2018 (T+3)
Interest Rate:	•% per annum (the "**Series 2018-2 Interest Rate**")
Issue Spread:	+• bps versus Government of Canada curve interpolated between CAN 5% due June 1, 2037 and CAN 4% due June 1, 2041 +• bps (including a • bps curve adjustment and • bps delay adjustment), versus the CAN 5% due June 1, 2037 (priced at $•to yield •%)

(1) The Issuer may offer and sell Series 2018-2 Senior Notes having a principal amount greater than the amount shown above. In that event, the Principal Accumulation Amounts, the principal amounts of the Series 2018-2 Subordinated Notes and the Series 2018-2 Junior Subordinated Notes and the use of proceeds amount will be increased proportionately.

Issue Yield:	•%
Issue Price:	$• per $1,000 principal amount of Series 2018-2 Senior Notes.
Agents Commission:	$5.50 per $1,000 principal amount of Series 2018-2 Senior Notes sold (payable from existing cash resources of the Issuer)
Interest Payment Dates:	The Interest Payment Dates for the Series 2018-2 Senior Notes are as follows: (i) prior to the occurrence of an Amortization Event, interest on the Series 2018-2 Senior Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-2 Senior Notes on each Payment Date thereafter at a rate equal to the monthly equivalent of the Series 2018-2 Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-2 Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-2 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-2 Senior Notes Offering**") to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event, the first interest payment will be in an amount equal to $• per $1,000 principal amount of Series 2018-2 Senior Notes. If an Interest Payment Date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis. The record date for each Interest Payment Date is the last day of the calendar month preceding such Interest Payment Date. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-2 Senior Notes, or the outstanding principal amount of the Series 2018-2 Senior Notes has not been paid in full on the Expected Principal Payment Date (as defined below). An "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the Master Trust Indenture, or (ii) the outstanding principal amount of the Series 2018-2 Senior Notes and all interest thereon is declared due and payable in accordance with the Indenture as a result of the occurrence of a Series 2018-2 Event of Default (as defined below).
Principal Payment Dates and Principal Payment Amount:	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-2 Senior Notes shall be due and payable on May 15, 2038 (such Payment Date, the "**Expected Principal Payment Date**"). Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date in respect of the Series 2018-2 Senior Notes and the then outstanding principal amount of the Series 2018-2 Senior Notes shall be due and payable on each such Payment Date.
Principal Payment Default Date:	May 15, 2040

Principal Accumulation Amounts: Subject to the occurrence of an Amortization Event, the Series 2018-2 Senior Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix A hereto.

Following the occurrence of an Amortization Event, the Principal Accumulation Amount with respect to each Payment Date thereafter shall be an amount equal to the outstanding principal amount of the Series 2018-2 Senior Notes.

Subordination: Concurrent with the issuance of the Series 2018-2 Senior Notes, OPG will subscribe for (i) $• of subordinated notes due May 15, 2038 , Series 2018-2 (the "**Series 2018-2 Subordinated Notes**"); and (ii) $• of junior subordinated notes due May 15, 2038, Series 2018-2 (the "**Series 2018-2 Junior Subordinated Notes**"). The interest rates on the Series 2018-2 Subordinated Notes and the Series 2018-2 Junior Subordinated Notes will be fixed on the Settlement Date. The Series 2018-2 Subordinated Notes shall be subordinated to the Series 2018-2 Senior Notes (and all other Senior Funding Obligations), and the Series 2018-2 Junior Subordinated Notes shall be subordinated to the Series 2018-2 Senior Notes (and all other Senior Funding Obligations) and the Series 2018-2 Subordinated Notes (and all other Subordinated Funding Obligations), in each case in the manner described in the confidential shelf offering memorandum under the heading "*Capital Markets Platform – Subordination Provisions*".

Optional Redemption: The Series 2018-2 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-2 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption.

"**Par Call Date**" means November 15, 2037.

"**Series 2018-2 Canada Yield Price**" means a price equal to the price of the Series 2018-2 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus •% per annum.

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-2 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

Limited Recourse:	The Series 2018-2 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-2 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-2 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Series 2018-2 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under *"Change of Law Protection Agreement"*. The Series 2018-2 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under the heading *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.
Use of Proceeds:	The proceeds from the Series 2018-2 Senior Notes Offering will be used to refinance $• of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement. See *"Consolidated Capitalization"*. Expenses of the Series 2018-2 Senior Notes Offering are to be paid from existing cash resources.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-2 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Change of Law Protection Agreement:	The Series 2018-2 Senior Notes are Approved Obligations under the Change of Law Protection Agreement.
Series 2018-2 Events of Default:	In addition to the Events of Default contained in the Master Trust Indenture and described in the confidential shelf offering memorandum, each of the following events constitute a "**Series 2018-2 Events of Default**": (a) failure to pay interest on the Series 2018-2 Senior Notes when due, subject to a 5-day cure period; (b) failure to pay principal on the Principal Payment Default Date for the Series 2018-2 Senior Notes; (c) breach of representation or warranty in the Series 2018-2 Senior Supplemental Indenture applicable to the Series 2018-2 Senior Notes, subject to materiality requirements and a 60-day cure period; (d) breach of a covenant in the Series 2018-2 Senior Supplemental Indenture, subject to materiality requirements and a 60-day cure period; and (e) an event occurs and as a result thereof, all or any portion of the principal amount of any other Senior Funding Obligation has been accelerated.

Acceleration upon a Series 2018-2 Event of Default:	Upon the occurrence of a Series 2018-2 Event of Default, the holders of Series 2018-2 Senior Notes may, by Ordinary Resolution, declare the outstanding principal and all accrued and unpaid interest on the Series 2018-2 Senior Notes to be immediately due and payable, whether or not all Issuer Funding Obligations have been accelerated pursuant to the Master Trust Indenture. For a discussion of the consequences of such declaration, see the confidential shelf offering memorandum under the headings "*Capital Markets Platform – Acceleration and Remedies*" and "*Risk Factors – If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected*".
Rating Covenant:	As long as the Series 2018-2 Senior Notes remain outstanding, the Issuer will use commercially reasonable efforts to maintain a credit rating of the Series 2018-2 Senior Notes from DBRS, Moody's or any other nationally recognized statistical rating organization or designated rating organization acceptable to the Issuer, acting reasonably.
Rating Agency Condition:	"**Rating Agency Condition**" means with respect to any action in respect of the Series 2018-2 Senior Notes subject to such condition, the Issuer shall deliver written notice of the proposed action to such Rating Agency or Rating Agencies at least 10 business days prior to the effective date of such action (or if 10 business days prior notice is impractical, such advance notice as is practicable) and (i) the Rating Agencies shall not have informed the Issuer prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-2 Senior Notes immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, DBRS shall have informed the Issuer in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-2 Senior Notes immediately before the taking of such action.
Additional Security:	No Series Account will be established for the Series 2018-2 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-2 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-2 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – 30324RAB2 ISIN – CA30324RAB20
Agents:	CIBC World Markets Inc. (joint lead and joint bookrunner), RBC Dominion Securities Inc. (joint lead and joint bookrunner), Goldman Sachs Canada Inc. (joint lead), BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Morgan Stanley Canada Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Desjardins Securities Inc. and Casgrain & Company Limited.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such

prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-2 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $658,607,000 is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $335,890,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $256,857,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $65,860,000 is drawn.

Draws under the Warehouse Facilities are used from time to time to acquire Investment Interests from the IESO. It is anticipated that the Warehouse Facilities will be used to acquire a $149,000,000 Investment Interest from the IESO on April 20, 2018.

Concurrently with the issuance of the Series 2018-2 Senior Notes, OPG will also subscribe for the Series 2018-2 Subordinated Notes and the Series 2018-2 Junior Subordinated Notes.

The following table outlines the outstanding amounts under various series of long-term debt of the Issuer as of the date hereof.

As at March 31, 2018 after giving effect to the Series 2018-2 Senior Notes Offering

	Senior Notes	Subordinated Notes	Junior Subordinated Notes
Series 2018-1	$500,000,000	$382,353,000	$98,040,000
Series 2018-2	$•	$•	$•
Total	$•	$•	$•

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-2 Senior Notes Offering.

	As at March 31, 2018 before giving effect to the Series 2018-2 Senior Notes Offering	As at March 31, 2018 after giving effect to the Series 2018-2 Senior Notes Offering
Cash and Cash Equivalents……..	$13,032,277.89	$•
Debt		
Long-term debt, including current portion…….	980,393,000[2]	$• [4]
Short-term debt……...	$658,607,000 [1]	$• [3]
Bank indebtedness……..	Nil	Nil
Total Debt……	$1,639,000,000 [1]	$•
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	$1,652,042,277.90 [1]	$•

(1) Represents Notes outstanding under the Warehouse Facilities.

(2) Representing Notes outstanding as of March 31, 2018, as follows: (i) $500,000,000, or 51% of all long-term debt, represented by Senior Notes; (ii) $382,353,000, or 39% of all long-term debt, represented by the Subordinated Notes held by OPG; and (iii) $98,040,000, or 10% of all long-term-debt, represented by Junior Subordinated Notes, held by OPG.

(3) Representing Notes outstanding as of March 31, 2018, adjusted for the effect of acquiring an additional Investment Interest of $149,000,000 under the Warehouse Facilities from the IESO expected on April 20, 2018. The amount outstanding has been further adjusted for the Series 2018-2 Notes Offering that is expected to close on or about April • , 2018, which will be used to repay the Warehouse Facilities as follows: (i) $•, or 51% of all short-term debt, represented by Senior Notes, Series 2018-2; (ii) $•, or 39% of all short-term debt, represented by Subordinated Notes, Series 2018-2 held by OPG; and (iii) $•, or 10% of all short term debt, represented by Junior Subordinated Notes, Series 2018-2 held by OPG.

(4) Representing Notes outstanding as of March 31, 2018, adjusted for the Series 2018-2 Notes Offering expected to close April •, 2018, as follows: (i) $•, or •% of all long-term debt, represented by the Series 2018-2 Senior Notes; (ii) $•, or •% of all long-term debt, represented by the Series 2018-2 Subordinated Notes held by OPG; and (iii) $•, or •% of all long-term-debt, represented by the Series 2018-2 Junior Subordinated Notes held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-2 Senior Notes as beneficial owner pursuant to the Series 2018-2 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-2 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-2 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-2 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-2 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-2 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-2 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-2 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-2 Senior Notes.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-2 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-2 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-2 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-2 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-2 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-2 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-2 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-2 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-2 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year. A Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on certain investment income, including amounts in respect of interest.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-2 Senior Note or a purchase for cancellation of a Series 2018-2 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-2 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-2 Senior Note that accrued before such Series 2018-2 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-2 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-2 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-2 Senior Notes

On a disposition or deemed disposition of a Series 2018-2 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-2 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-2 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

A Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on certain investment income, including amounts in respect of taxable capital gains.

Eligibility for Investment

The Series 2018-2 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-2 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-2 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-2 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-2 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-2 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-2 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of April •, 2018, the Issuer had approximately $• owing to such lenders under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-2 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-2 Senior Notes Offering other than its respective portion of the Agents' commission payable by the Issuer.

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-2 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

APPENDIX A
PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
June 15, 2037	•
July 15, 2037	•
August 15, 2037	•
September 15, 2037	•
October 15, 2037	•
November 15, 2037	•
December 15, 2037	•
January 15, 2038	•
February 15, 2038	•
March 15, 2038	•
April 15, 2038	•
May 15, 2038	•

Fair Hydro Trust
Investor Presentation

April 18, 2018

Disclaimers

This presentation and its contents are being supplied for informational purposes only by Fair Hydro Trust (the "Issuer") and are not an offer to buy or sell or a solicitation of an offer to buy or sell any securities of the Issuer.

This presentation does not, and does not purport to, contain all information that may be material to an investment decision in respect of the Issuer's Notes. It is only a summary of certain information in respect of the Issuer. Prior to making an investment decision with respect to the Issuer's Notes, prospective investors should carefully review the Confidential Shelf Offering Memorandum, including the related Term Sheet, pursuant to which such Notes are offered (the Offering Memorandum). The information and opinions contained in this presentation are qualified in their entirety by reference to the Offering Memorandum. In particular, reference should be made to the risks of any investment in the Issuer's Notes offered and the statutory rights of rescission or rights to damages available to purchasers of such Notes described in the Offering Memorandum. No representation or warranty, express or implied, is given by or on behalf of the Issuer, the Agents or any other person as to the accuracy or completeness of the information or opinions contained in this presentation.

Some of the statements contained in this presentation, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. The forward-looking information contained in this presentation is presented for the purposes of assisting prospective purchasers in making an investment decision regarding the Notes and may not be appropriate for other circumstances. Reference should be made to the information under the headings "Caution Regarding Forward-Looking Information" and "Risk Factors" in the Offering Memorandum.

The information presented herein is only current as of the date on the cover of this presentation. Except as required by law, neither the Issuer nor Ontario Power Generation ("OPG") intends, or assumes any obligation, to revise or update any information in this presentation.

By accepting a copy of this presentation, each prospective purchaser agrees that all information contained herein, all documents delivered in connection herewith and all other information obtained by such prospective purchaser in relation to the Issuer or OPG (collectively, the Confidential Information) is confidential, that none of the Confidential Information will be copied, transcribed, recorded or transmitted by the recipient for any reason or used for any purpose other than evaluating an investment in the Issuer's Notes, and that the recipient will hold all of the Confidential Information in confidence and will not provide any of it to third parties other than persons retained to advise the recipient with respect to the purchase of the Issuer's Notes (so long as they advise such persons of the confidential nature of such Confidential Information), without the prior written consent of the Issuer and OPG.

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I. Introduction and Transaction Overview

Introduction

Ontario's Fair Hydro Plan	• The Province of Ontario announced its Fair Hydro Plan ("FHP") on March 2, 2017, which proposed to lower the average electricity bill for eligible customers[1] by 25% (the "Fair Adjustment") • The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax granted by the Ontario government in January 2017
Legislation	• On June 1, 2017, the Ontario Legislature passed the *Ontario Fair Hydro Plan Act, 2017* (the "FHPA" or the "Act") to give effect to the FHP • The FHPA was enacted to ensure that clean energy costs and clean energy benefits associated with Ontario's clean energy initiatives are fairly allocated among present and future Specified Consumers and to provide fairness for Specified Consumers over time • The FHPA is supplemented by regulations related to the implementation of the FHPA (the "Regulations" and together with the FHPA, the "Legislation") • The FHPA imposes an irrevocable and non-bypassable charge recoverable from Specified Consumers which is referred to as the Clean Energy Adjustment ("CEA"); the CEA will be determined by Ontario Power Generation ("OPG") in accordance with the Legislation in its role as Financial Services Manager ("FSM") under the Act • From July 1, 2017 to April 30, 2021 (the "Moratorium Period"), no payments in respect of CEA are expected to be collected; during the Moratorium Period and extending to July 31, 2021, the Independent Electricity System Operator ("IESO") is obligated to pay all funding and other expenses of the Trust (excluding principal) (referred to as "Carrying Costs") under the Legislation
Fair Hydro Trust Financing Program	• The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") through the issuance of senior, subordinated and junior subordinated notes • Structured to be bankruptcy remote and even though consolidated by OPG on an accounting basis, the Trust is ring fenced from OPG's other creditors • The FHT term notes will be repaid through the CEA payments received from Specified Consumers • The inaugural FHT term debt offering was completed in February 2018

[1] Defined as Specified Consumers under the FHPA.

Summary of Outstanding Bonds

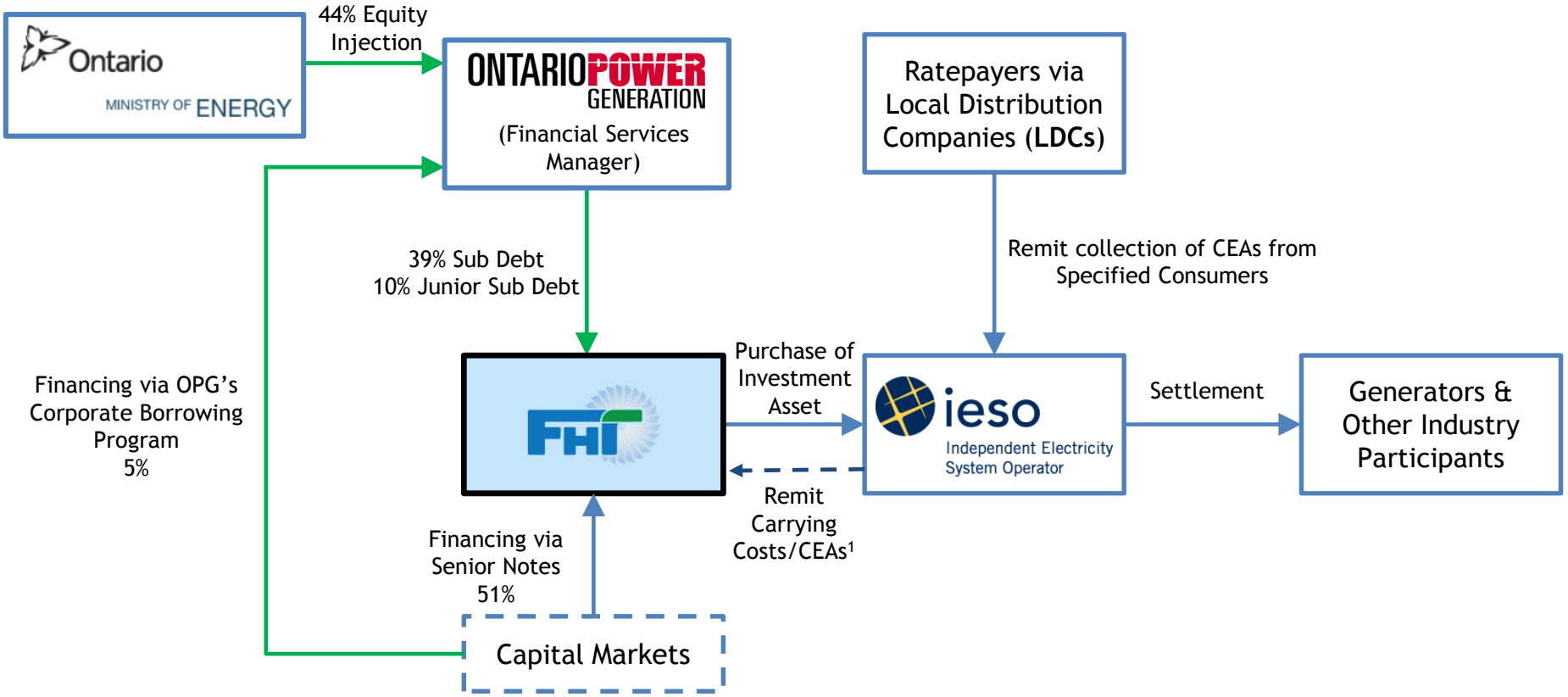
	Overview of Notes		
Class	**Senior**	**Subordinated**	**Junior Subordinated**
Issuance Date	February 9, 2018	February 9, 2018	February 9, 2018
Issue Amount	$500,000,000	$382,353,000 (placed with OPG)	$98,040,000 (placed with OPG)
Initial % of Aggregate Notes	51%	39%	10%
Ratings (DBRS / Moody's)	AAA(sf)/Aa2(sf)	AA(sf)/Aa2(sf)	A(sf)/Aa2(sf)
Remaining Term to Maturity	15.15 years	15.15 years	15.15 years
Expected Maturity Date	May 15, 2033	May 15, 2033	May 15, 2033
Principal Payment Default Date	May 15, 2035	May 15, 2035	May 15, 2035
Par Call Date	November 15, 2032	November 15, 2032	November 15, 2032
Principal Accumulation	Principal will be accumulated monthly commencing January 2030 to facilitate repayment of notes on the Expected Maturity Date		
Payment Dates	May 15 and November 15 or next business day		
Senior Note Credit Enhancements	Credit enhancements for the FHT 2018-1 Senior Notes consist of: • Subordinated and Junior Subordinated notes initially equal to 49% of the aggregate issuance amount and will be retained by OPG • A segregated trust account with an eligible institution, referred to as a Program Cash Reserve Account, which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations • True-up mechanism to address any shortfalls in collections		
Operating Agents	OPG serving as the Financial Services Manager and the Independent Electricity System Operator as the Servicer		

Summary of Proposed Offering

	Overview of Notes		
Class	**Senior**	**Subordinated**	**Junior Subordinated**
Issue Amount	$●MM	$●MM (to be placed with OPG)	$●MM (to be placed with OPG)
Initial % of Aggregate Notes	51%	39%	10%
Expected Ratings (DBRS / Moody's)	AAA(sf)/Aa2(sf)	AA(sf)/Aa2(sf)	A(sf)/Aa2(sf)
Term to Maturity	20 years	20 years	20 years
Expected Maturity Date	May 15, 2038	May 15, 2038	May 15, 2038
Principal Payment Default Date	May 15, 2040	May 15, 2040	May 15, 2040
Par Call Date	November 15, 2037	November 15, 2037	November 15, 2037
Principal Accumulation	Principal will be accumulated monthly commencing June 2037 to facilitate repayment of notes on the Expected Maturity Date		
Interest Type	Fixed rate		
Day Count	180/360, first payment actual/365		
Payment Dates	May 15 and November 15 or next business day		
Senior Note Credit Enhancements	Credit enhancements for the FHT 2018-2 Senior Notes will consist of: • Subordinated and Junior Subordinated notes initially equal to 49% of the aggregate issuance amount and will be retained by OPG • A segregated trust account with an eligible institution, referred to as a Program Cash Reserve Account, which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations • True-up mechanism to address any shortfalls in collections		
Operating Agents	OPG serving as the Financial Services Manager and the Independent Electricity System Operator as the Servicer		

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt and junior subordinated debt of the Trust in an aggregate amount not to exceed 49% of all outstanding debt
  - The subordination amount may vary but must at least be equal to or greater than 35% of all outstanding debt

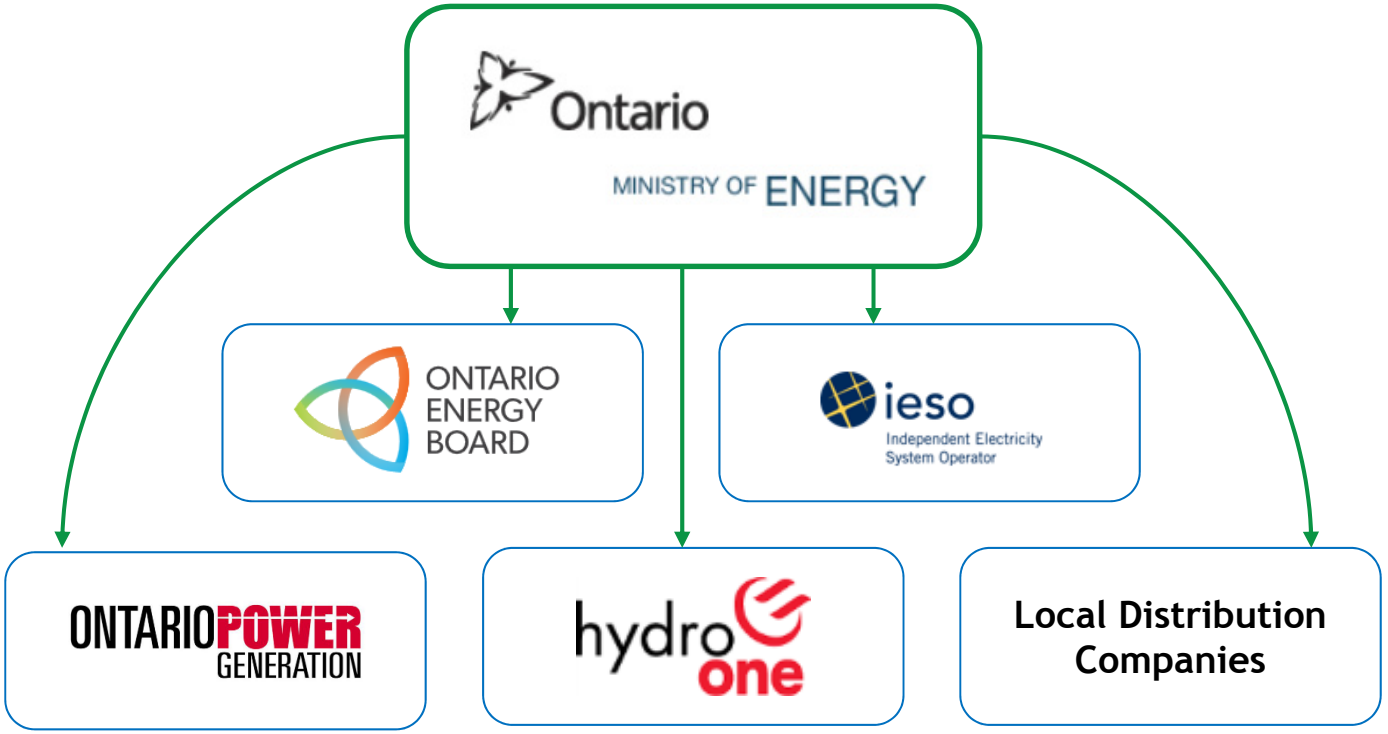


[1] The IESO is required to pay and remit Carrying Costs to the FHT up to July 31, 2021. Commencing May 1, 2021, CEAs will be included on invoices sent to Specified Consumers and collections will be used to pay all funding and other expenses of the Trust. The additional three months of IESO remittances from May 1, 2021 to July 31, 2021 is intended to cover billing and collection lags from the introduction of CEAs.
Note: The diagram above is based on subordinated debt of 49% of all outstanding debt.
Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to exclude the assets and liabilities of OPG, and vice versa.

II. Ontario Electricity Market

Overview of Ontario's Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in average annual cash flows[1]
- Transmission rates, distribution rates, and OPG's regulated rates are set by the OEB
- Rates for the majority of the remaining generation supply are set by the wholesale electricity market and by direct contracts with the IESO (e.g. Bruce Power (nuclear), wind, solar, hydroelectric)



[1] Source: "Ontario Planning Outlook – A technical report on the electricity system prepared by the IESO" dated September 1, 2016. The amount represents the mathematical average of the system costs on page 44 in the appendix "Data Tables for the OPO Technical Report".

Key Industry Participants

Participants	Credit Ratings *(DBRS / S&P / Moody's)*	Description
Ontario Ministry of Energy	**AA (l) / A+ / Aa2** [1]	• The Province of Ontario through the Ministry of Energy sets policy for the electricity system
Ontario Energy Board	--	• Independent public regulatory agency established under the *Ontario Energy Board Act, 1998* and has the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • Sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan ("RPP"); RPP rates are set twice a year (May and November)
ieso Independent Electricity System Operator	**A(h) / -- / Aa2**	• Corporation without share capital established under the *Electricity Act, 1998 (Ontario)* • Manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
Ontario Power Generation	**A(l) / BBB+ / --**	• Corporation formed under the *Business Corporation Act (Ontario)*, whose sole shareholder is the Province of Ontario • Principal business is the generation and sale of electricity in Ontario and is Ontario's largest clean energy electricity generator, providing a significant portion of the province's electricity
hydro one	**A(h) / A / A3**	• Ontario's largest electricity transmission and distribution company, delivering electricity to over 1.3 million customers across the province, and to large industrial customers and municipal utilities

[1] The credit ratings noted are for the Province of Ontario.

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry under the *Energy Competition Act, 1998*, the municipal electricity utilities became municipally-owned business corporations. The majority of LDCs continue to be municipally-owned, while others have been acquired by Hydro One or private-sector owners
- An LDC, referenced as an Electricity Vendor in the FHPA, is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors

Select Aggregate Market Stats[1]

Number of LDCs in Ontario	65
Total Revenue	$18.89 billion
Total Metered Usage (kWh)	116.11 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

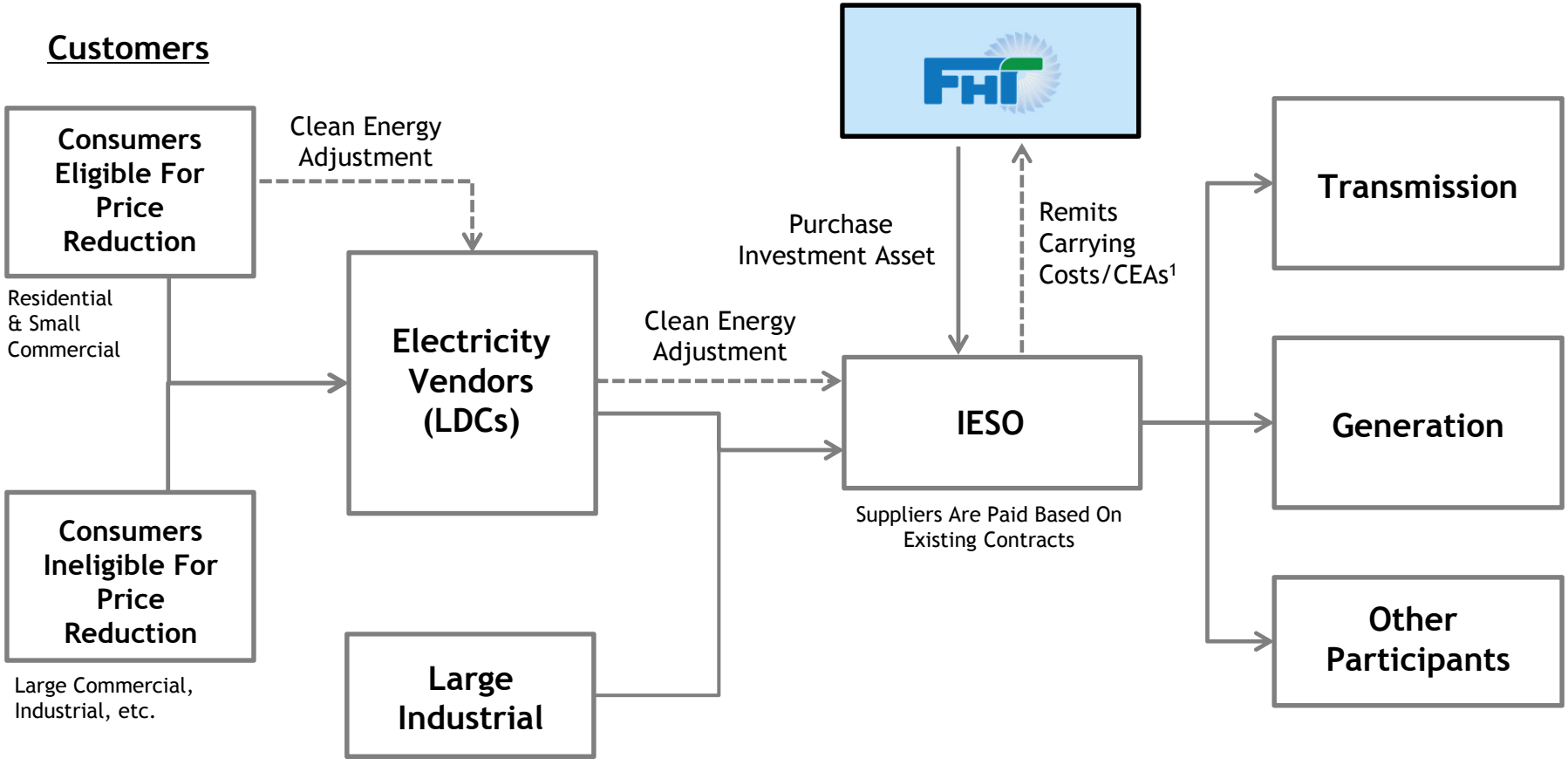
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	Customers[4] *(MM)*	Total Revenue *(C$MM)*
hydro one	A / A(h) / A3	1.30	$4,533
alectra utilities	A / A / --	0.96	$3,642
TORONTO HYDRO	A / A / --	0.75	$3,886
HydroOttawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	**$13,680**
Percentage of Residential & Small Commercial[2]		**69%**	

[1] Source: OEB 2016 Yearbook of Electricity Distributors
[2] Small Commercial includes General Service <50kW Customers
[3] Most recent rating reports from S&P, DBRS and Moody's
[4] Residential and Small Commercial customers

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the IESO deferral (the shortfall that results from the Fair Adjustment together with Carrying Costs paid, financing costs and other related costs)
- FHT will finance the shortfall and is entitled to recover its costs and the principal and interest on its debt through CEAs from Specified Consumers, commencing May 1, 2021



[1] The IESO is required to pay and remit Carrying Costs to the FHT up to July 31, 2021. Commencing May 1, 2021, CEAs will be included on invoices sent to Specified Consumers and collections will be used to pay all funding and other expenses of the Trust. The additional three months of IESO remittances from May 1, 2021 to July 31, 2021 is intended to cover billing and collection lags from the introduction of CEAs.

III. Legislative and Regulatory Framework

Legislation Overview

Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to Specified Consumers as a result of Ontario's clean energy initiatives; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• **July 1, 2017 – April 30, 2018** – Specified Consumers charged an invoice amount that is 25%[1] less than the regulated rate that would otherwise have been determined by the OEB; the 25% reduction includes an 8% rebate equivalent to the provincial portion of the HST previously granted by the Ontario government • **May 1, 2018 – April 30, 2019** - regulated rate established in the first year of the Rate Reduction Period anticipated to increase by the rate of inflation in Ontario • **May 1, 2019 – April 30, 2021** - rate reductions will be established by future regulation but anticipated to increase by the rate of inflation in Ontario

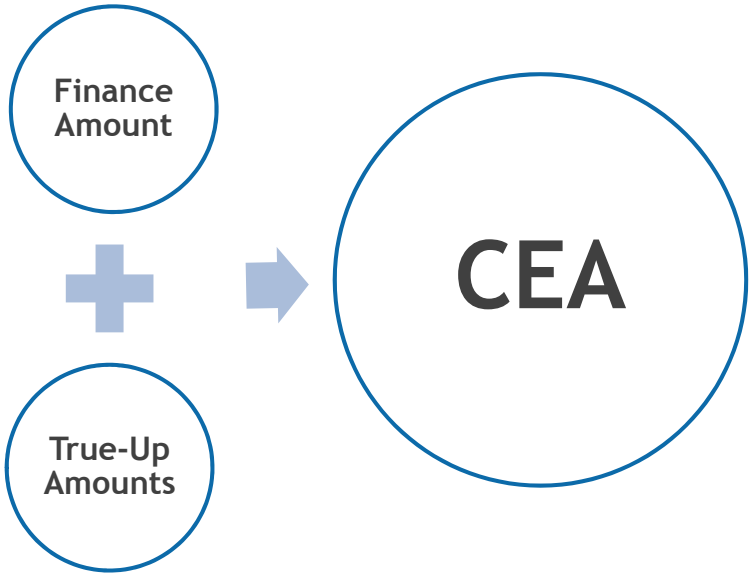
[1] Based on a typical Toronto Hydro customer; the amount of the reduction for any given Specified Consumer may vary from this amount.

Legislation Overview, cont'd

Regulatory Asset	• Each month the IESO determines the IESO deferral (the shortfall that results from the Fair Adjustment together with Carrying Costs paid, financing costs and other related costs) and records this amount, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right is the "Regulatory Asset") • The IESO may from time to time transfer a specified portion of the Regulatory Asset to the Trust for a cash purchase price equal to the corresponding amount recorded in the variance account
Investment Asset	• The Trust is not obligated to purchase Regulatory Assets from the IESO • If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right is an "Investment Interest" in an Investment Asset) • By acquiring an Investment Interest, the Trust will be entitled to recover all of its associated financing costs and acquires the right to collect, receive and recover CEAs from Specified Consumers in accordance with the Legislation
Moratorium Period *(July 1, 2017 to April 30, 2021)*	• CEAs are not permitted to be collected from Specified Consumers during this period • The IESO is obligated to pay the Trust all Carrying Costs, excluding repayment of principal on any debt obligations, during the Moratorium Period and extending to July 31, 2021. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to the Regulations • As security for the performance of its obligations, the IESO has granted the Trust a first-priority security interest in its accounts receivable owing by Electricity Vendors to the IESO • The IESO has a $2 billion credit facility from the Ontario Financing Authority ("OFA") which can be used, among other things, to fund payments of the Carrying Costs

Clean Energy Adjustments

- Under the FHPA, the CEA is the amount payable by Specified Consumers to cover the financing and other costs related to the acquisition by the Trust of the Investment Asset and the associated costs of the financing, including payment of principal, interest, operating costs of the Trust and funding of reserve accounts
- CEAs shown on an invoice issued to Specified Consumers represent the amount of the consumers' indebtedness and may not be set off or bypassed

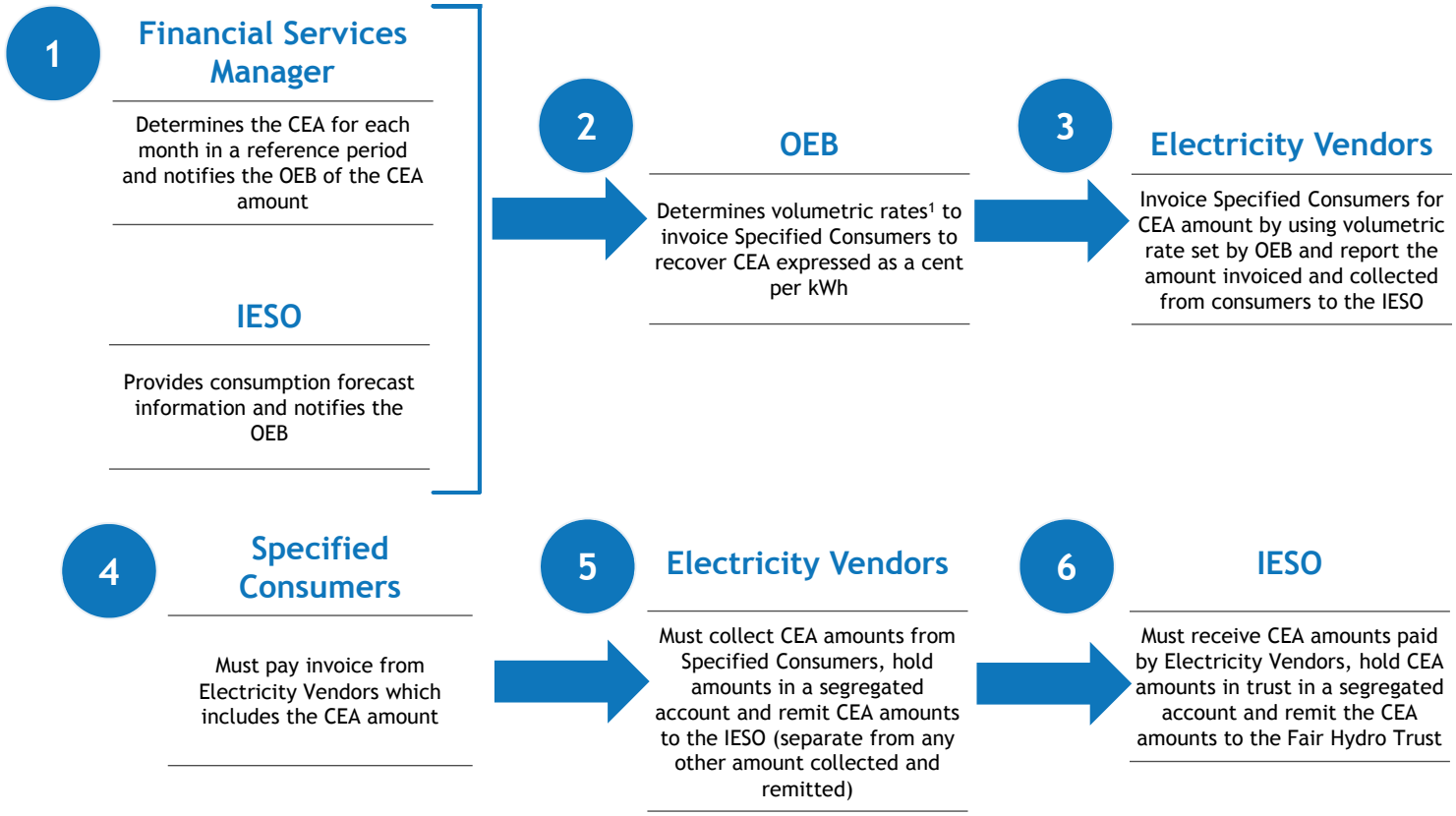


Finance amount is an estimate of the amount payable by the Trust mainly in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments

True-up amounts capture the difference between the finance amounts incurred by the Trust and the CEAs collected from Specified Consumers and also include other reasonably foreseeable differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)

Billing and Collection of CEAs

- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are mitigated through statutory rights in the FHPA, the obligations of the IESO under the Master Transfer & Servicing Agreement, and the ability to include amounts in the CEA by means of the true-up mechanism
- IESO is required to segregate the CEAs during a monthly period before remitting to FHT. If the IESO's credit rating is downgraded below investment grade, the IESO will be required to remit within two business days of receipt

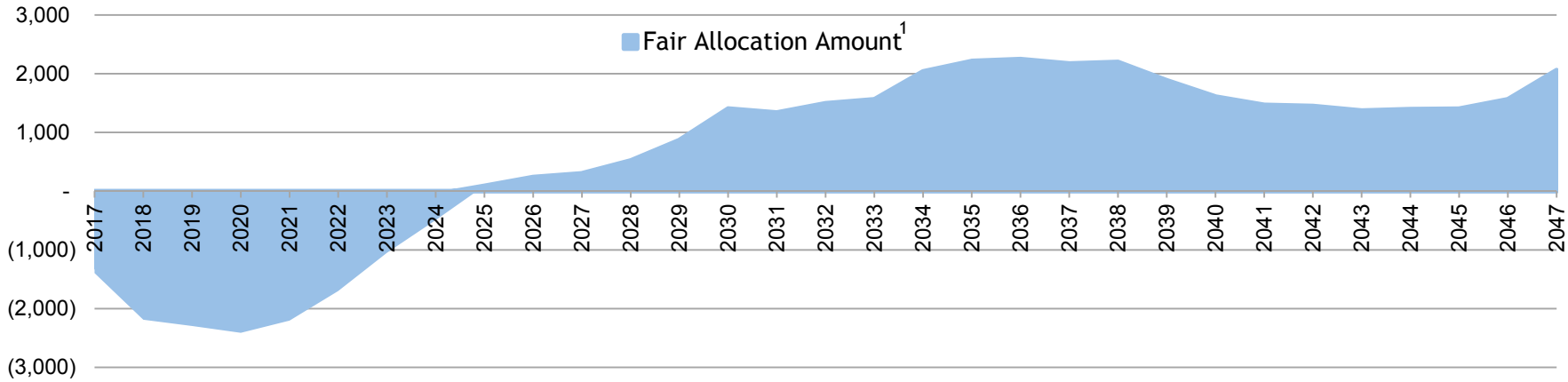


[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers.

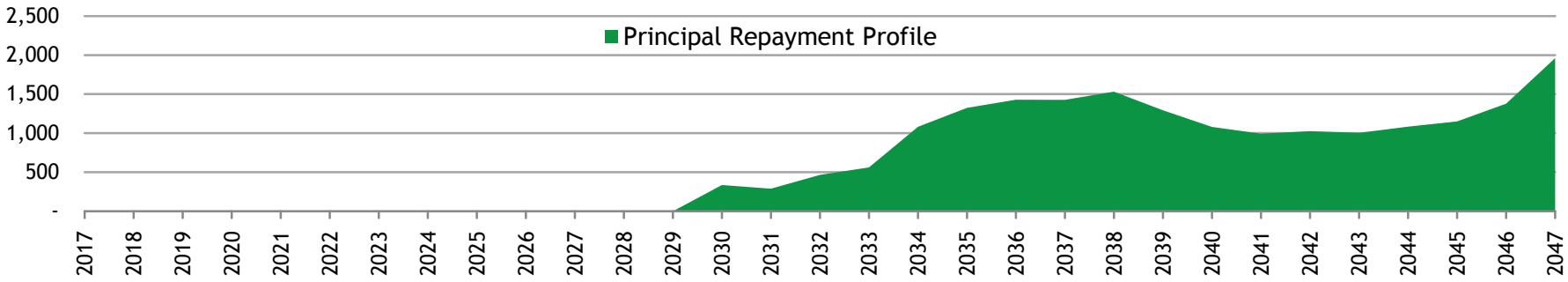
Fair Allocation Amount

- The Fair Allocation Amount ("FAA") is an amount calculated under the FHPA by the Minister of Energy in respect of each reference period that, among other things, allocates the estimated value of clean energy costs in proportion to the relative attribution of the value of clean energy benefits among Specified Consumers

Fair Allocation Amount ($ million)



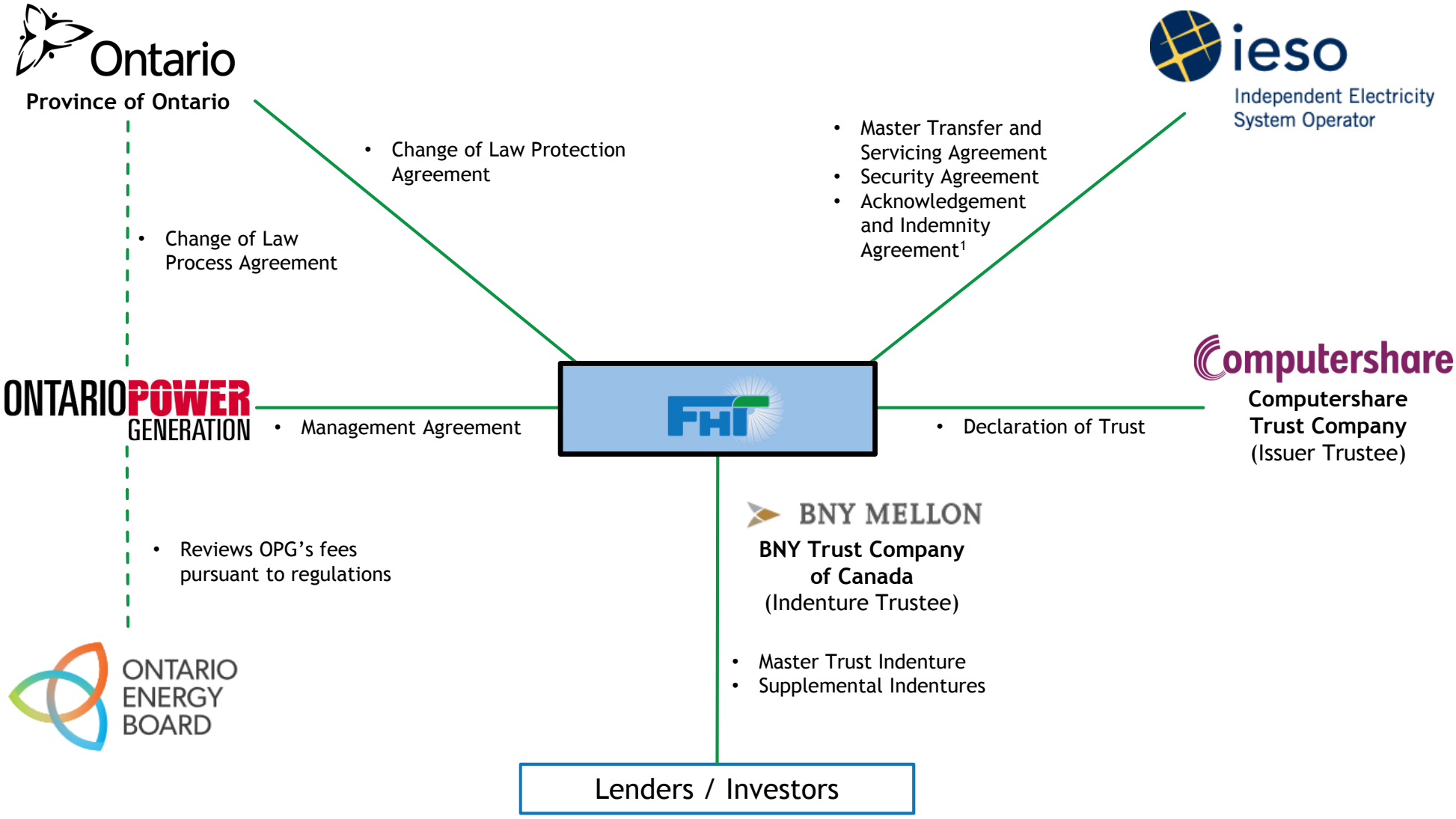
Principal Repayment Profile (derived from the FAA)



[1] Prior to 2025, the above graph of the FAA incorporates the Readjustment Amount. The Readjustment Amount represents the estimated amounts by which Specified Consumers overpaid for clean energy initiatives in the past. It has been incorporated into the FAA to further reduce electricity bills for such consumers.

IV. Contractual Framework

Simplified Contractual Structure



[1] Agreement between IESO and Indenture Trustee.

Contract Highlights

Change of Law Protection Agreement

Purpose	• Provides assurance to Specified Creditors[1] that upon the occurrence of a Protection Event, the Province of Ontario is required to make payments in respect of all Approved Obligations when due and payable
Protection Events	The occurrence of any of the following events: (1) • The Legislature repeals (and does not replace on an equivalent basis) or amends the Act or any portion thereof as in effect on the date hereof • The Legislature enacts or amends any other statute • The Lieutenant Governor in Council repeals (and does not replace on an equivalent basis) the regulations made under the Act or any portion thereof as in effect on the date hereof • The Lieutenant Governor in Council makes or amends any "Regulation" as in effect on the date hereof • The implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province or an entity controlled by the Province in each case that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount; or (2) • A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is *ultra vires* or invalid in a way that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable

Note: Additional information on the Change of Law Protection Agreement can be found in the Appendix.

[1] **Specified Creditors** refers to any Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Contract Highlights

Key Agreements

Master Transfer and Servicing Agreement	• Provides for the transfer by the IESO to the Trust of the Regulatory Asset, and upon such transfer the Trust acquires an Investment Interest in the Investment Asset • The IESO will be responsible for servicing the Investment Interest, including receiving CEA amounts from Electricity Vendors and remitting to the Trust
Management Agreement	• Issuer Trustee delegates to OPG, as Manager under the Management Agreement, all powers and duties of managing the Trust • The Manager will determine how and when to incur funding obligations to acquire Investment Interests
Other Key Agreements	• Security Agreement • Acknowledgement and Indemnity Agreement • Change of Law Process Agreement • Declaration of Trust

Note: Additional information on these key agreements can be found in the Appendix.

Allocation of Servicing Role and Responsibilities

- The shared responsibilities of servicing and management roles are summarized below

	OPG	IESO	LDC
Review Records of LDCs with Respect to CEAs (annually or less frequently in certain circumstances)	✔		
Determination of CEA for a Reference Period, including the True-Up Amount	✔		
Ongoing Reporting for Trust and Reporting to the Rating Agencies	✔		
Management of Ongoing Debt Issuances	✔		
Cash Management	✔	✔	
Preparation of Monthly Servicer Reports		✔	
Remittance of CEA to IESO and to the Trust		✔	✔
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		✔	✔
Customer Billing			✔
Customer Collections			✔
Customer Meter Reading			✔

V. Financing Program

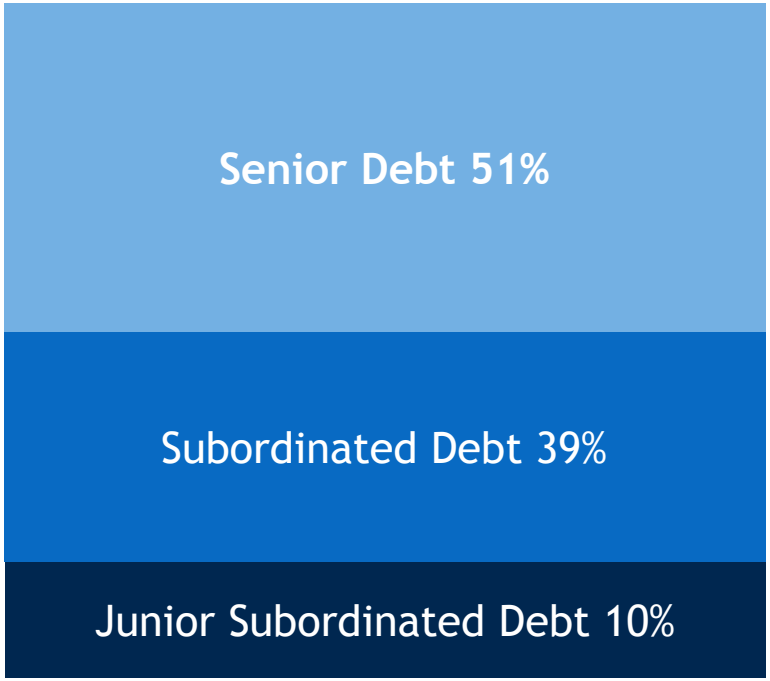
Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program
- Given the size (~$20 billion) and longevity (~10 years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Warehouse financing (ABCP conduit and bank funded senior debt) and subordinated warehouse debt and junior subordinated warehouse debt funded by OPG will be used to fund monthly Regulatory Asset purchases from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- Term debt can take the form of bullet bonds or could be issued as amortizing bonds

Warehouse Financing	• ABCP conduit and bank funded senior debt with subordinated debt funded by OPG will be used by the Trust to fund monthly Regulatory Asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance warehouse financing and the subordinated and junior subordinated warehouse debt funded by OPG • Both Canadian term debt and U.S. term debt market will be considered • Maturity profiles will be structured to ensure reasonable alignment with the FAA (bullet bonds with sinking funds or amortizing bonds) • FHT may issue debt that may be refinanced in the future
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall)

Financing Structure

- The Trust will fund Regulatory Asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51% anticipated) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required[1]) will be purchased by OPG, primarily funded by equity injections from the Province (44% of 49%) and the remaining portion from OPG (5% of 49%)



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

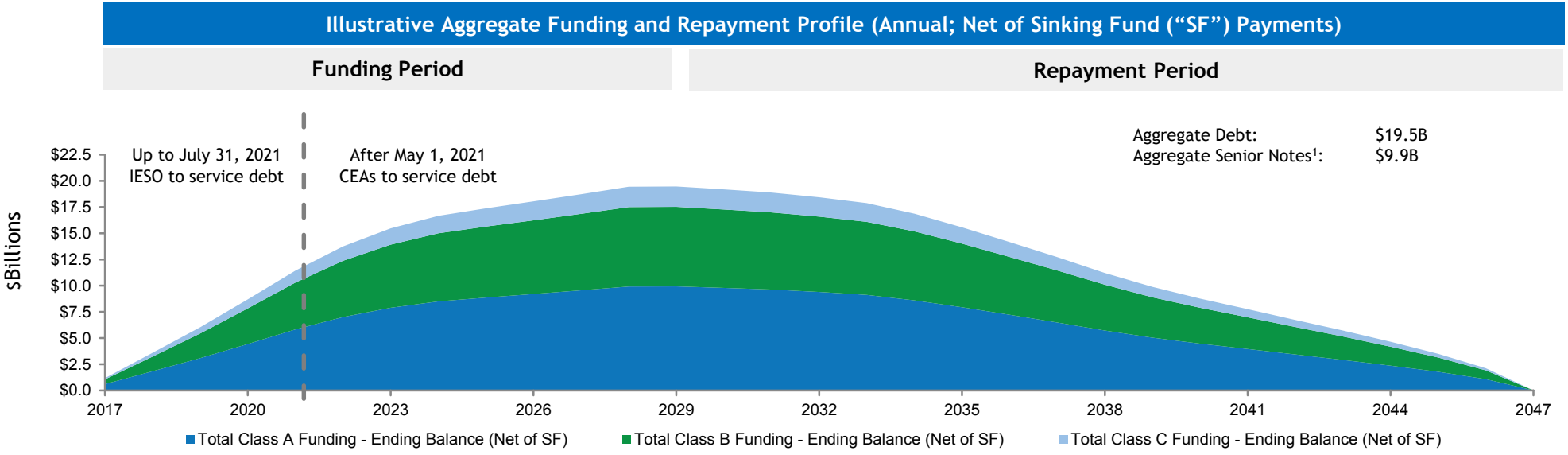
Note: Assumes 49% subordinated debt.

[1] Under the MTI, FHT is required at all times to ensure that all outstanding subordinated and junior subordinated debt be not less than 35% of all outstanding debt.

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount and the Province's electricity bill reduction targets, the following debt profile for the program is expected, peaking at just under $20 billion by 2029
- Various tranches of debt will be issued periodically during the period of 2018 - 2028, which are expected to mature over a period after 2029



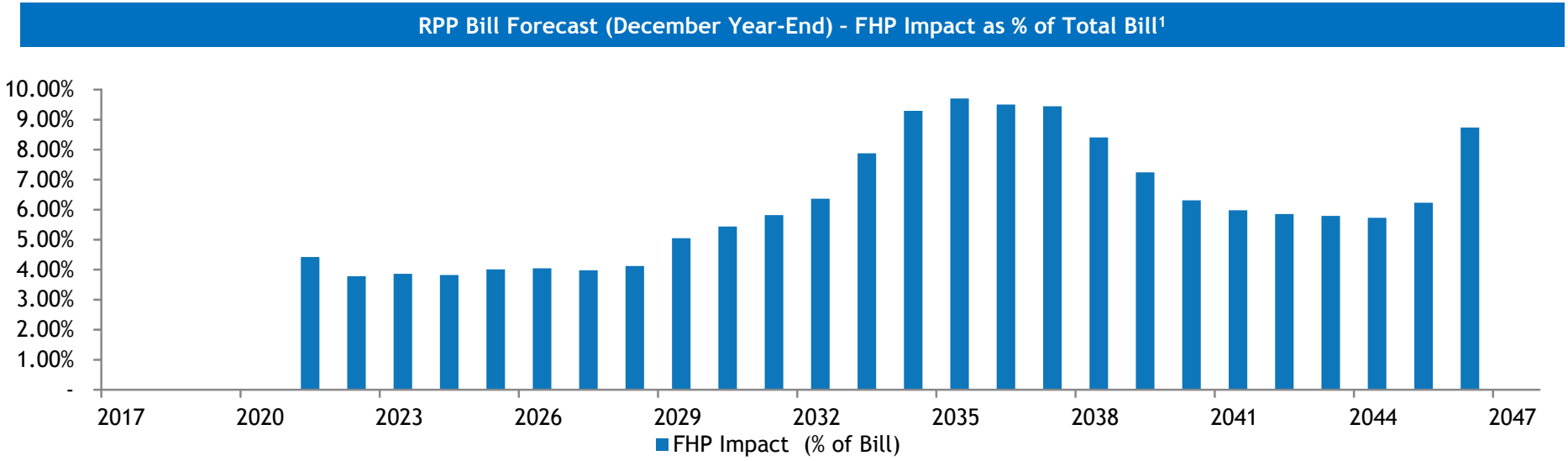
[1] Assumes 51% Senior Notes

Note: During the Moratorium Period and extending three additional months to July 31, 2021, the IESO is required under the Regulations to pay all Carrying Costs. The additional three month period is intended to cover the billing and collection lag from the introduction of Clean Energy Adjustments in May 2021.

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro Program, the CEA for the average residential customer is anticipated to remain below 10% of the total electricity bill
- The CEA as a percent of the total bill is forecasted to increase to 10.0% over the collection period
- The average CEA as a percent of the total bill is forecast to be 7.0% over the collection period



[1] Presents % of total bill at December year-ends; individual months in any given year may have a higher or lower impact as % of total bill.

Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• Governs the terms of the debt issued by FHT and cash flow waterfall and collateral structure for all Trust obligations to all Specified Creditors

Key Terms

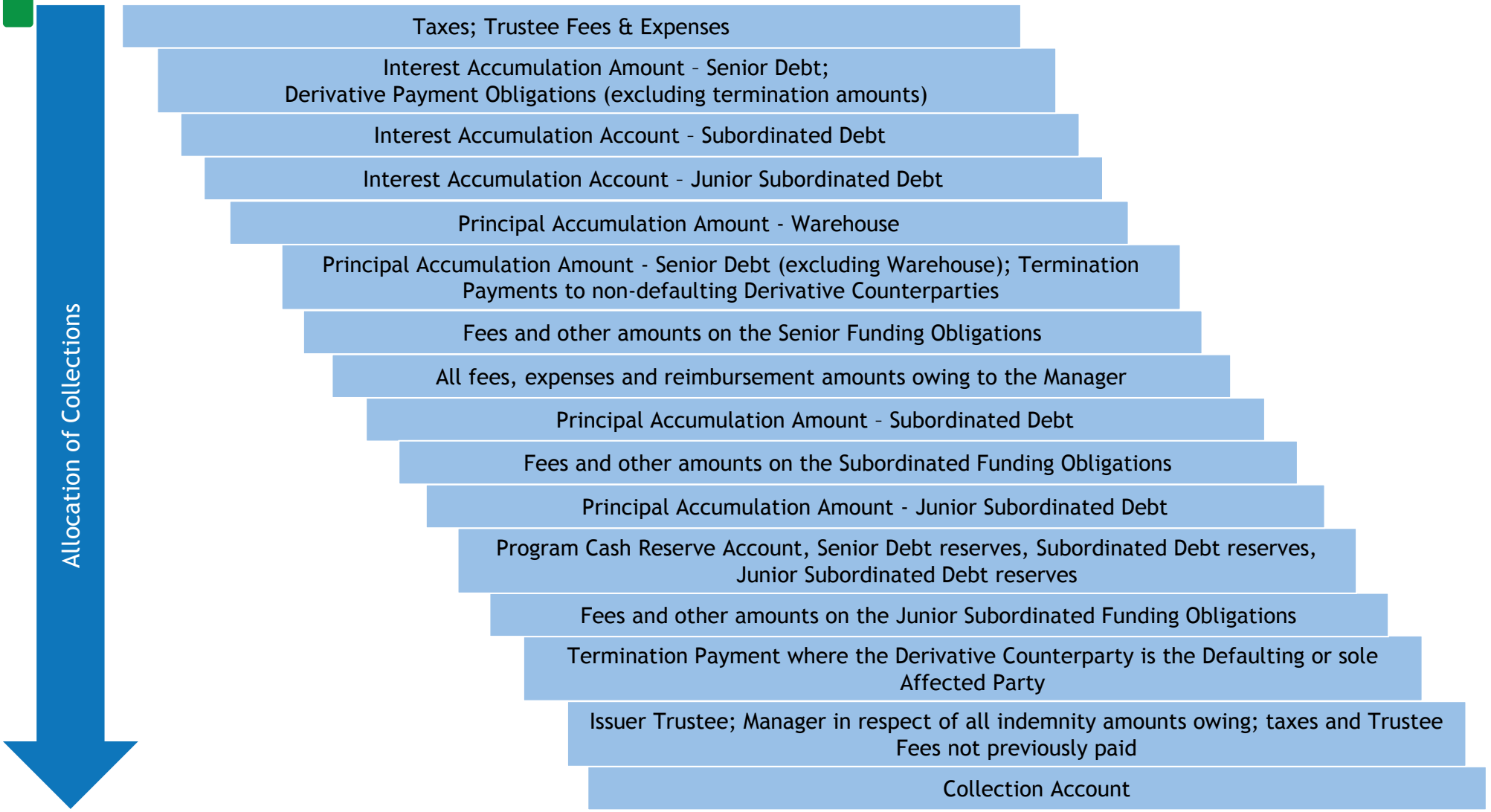
Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments including: – Note issuances under supplemental indentures – Borrowings under credit agreements – Purchase of notes under note purchase agreements – Letters of Credit/Guarantees under credit enhancement agreements – Liquidity loans under liquidity agreements backing short term notes
Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that: – the incurrence of such additional obligations will not cause an adverse effect – the incurrence of such additional obligations is materially consistent with the Financing Plan • It will also be a condition precedent that (i) each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations and (ii) the Indenture Trustee has received certain assurances as to the applicability of the Change of Law Protection Agreement to such funding obligations

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts
Subordination	• Provides for three different classes of funding obligations (i) senior (ii) subordinated (iii) junior subordinated
Events of Default	• Includes payment and senior defaults, representation and covenant breaches, insolvency and Change of Law Protection Agreement ceasing to be in full force and effect against the Province
Acceleration	• Upon an acceleration, CEAs may be insufficient to repay all amounts becoming due in a period. CEAs for a period will be capped under the Regulation at the otherwise scheduled amounts, plus an additional amount equal to the amounts available under the FAA • However, the amounts received from CEAs after an acceleration will be allocated to pay senior indebtedness before principal amounts owing on subordinated and junior subordinated indebtedness. Accordingly, the subordination of debt across all series of debt should advance the repayment of the principal amount for senior funding obligations • After an acceleration, all Senior Term Notes will be paid *pari-passu*

Waterfall



Note: This waterfall indicates the priority of payment prior to an Event of Default and acceleration; additional information on the priority of payments after an Event of Default and acceleration can be found in the Offering Memorandum.
Note: After paying interest on the senior debt, no interest payments will be made on the subordinated debt unless there will be sufficient amounts remaining in the Interest Accumulation Account for what should be accumulated for the Senior Notes after making such payments.

VI. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• Future legislative action to change or challenge/invalidate the Act or the Change of Law Protection Agreement might materially adversely affect a holder's investment in the Notes	• Limited Guarantee provided by the Province of Ontario via the Change of Law Protection Agreement in favour of the Indenture Trustee for lenders/investors in these circumstances
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• True-up mechanism may result in a delay, but will be corrected in next True-up • Cash reserve and 35%-49% subordination which would first absorb any shortfalls • 6-month reference period • Any shortfall in collections are recoverable from all Specified Consumers
Reliance on IESO and LDCs	• Until July 31, 2021, the Trust is dependent on the IESO to remit payments to the Trust for all Carrying Costs • Receipt of CEAs dependent on the performance of LDCs and IESO • Limited ability to enforce against or replace an LDC	• Highly regulated industry and LDC and IESO are required under law and regulation to perform duties under FHP • IESO has a very strong credit profile and very low losses and grants security over its accounts receivable owed by Electricity Vendors as security during the Moratorium Period • IESO will provide a letter of credit/other security to mitigate commingling risks for CEAs held by non-rated or below investment grade rated LDCs until they are remitted to IESO • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment • $2 billion credit facility from the OFA which can be used by the IESO to pay the Carrying Costs
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	• 20-year repayment period allows for gradual rate increases • CEAs as a percent of the total bill over the collection period is forecast to increase to 10.0%
Disruptive Technology Risk / Change in Demographics	• Technological developments may result in reduced CEA payments as a result of increased use of alternative energy sources • Population fluctuations may result in fewer Specified Consumers	• True-up mechanism available to offset the reduction in CEAs due to technological advancements or fluctuations in the number of Specified Consumers • Collection shortfalls are allocated among a large base of Specified Consumers

VII. Summary of Offering

Summary of Indicative Terms

	Class	Issue Amount	% of Initial Aggregate Notes	Expected Maturity Date	Principal Payment Default Date	Expected Ratings (DBRS / Moody's)
Fair Hydro Term Issuance	Senior Term Notes	$●MM	51%	May 15, 2038	May 15, 2040	AAA(sf)/Aa2(sf)
	Subordinated Notes	$●MM (placed with OPG)	39%	May 15, 2038	May 15, 2040	AA(sf)/Aa2(sf)
	Jr. Subordinated Notes	$●MM (placed with OPG)	10%	May 15, 2038	May 15, 2040	A(sf)/Aa2(sf)

Issuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager
Financial Services Manager	Ontario Power Generation, Inc.
Servicer	Independent Electricity System Operator
Source of Repayment	• Moratorium Period: Statutorily mandated remittances (not including principal) from IESO (Up to July 31, 2021) • Post Moratorium Period: Non-bypassable charge from residential and small commercial customers in Ontario (After May 1, 2021)
Payment Frequency	Semi-annual pay on May 15 and November 15 until the Expected Maturity Date, monthly thereafter if the notes are not repaid on the Expected Maturity Date
Principal Accumulation	Principal will be accumulated monthly commencing June 2037 to facilitate repayment of notes on the Expected Maturity Date
Interest Type	Fixed rate
Senior Note Credit Enhancements	• Subordinated and Junior Subordinated notes initially equal to 49% of the aggregate issuance amount • Program Cash Reserve Account • Semi-annual (or more frequent) True-up mechanism to address any shortfalls in collections
Program Cash Reserve Account	After the Moratorium Period, an amount equal to 0.50% of the aggregate amount of all outstanding Senior, Subordinated and Junior Subordinated funding obligations
True-up	Calculated on at least a semi-annual basis post Moratorium Period
Subordination	Subordinated and Junior Subordinated Notes will be retained by OPG

VIII. Investment Highlights

Investment Highlights

- Protection against political risk through the Change of Law Protection Agreement
- Irrevocable & non-bypassable ratepayer charge, recoverable from Specified Consumers across the Province of Ontario
- Repayment risk spread across all Specified Consumers. Full cross-collateralization; collection shortfalls allocated among all Specified Consumers
- Robust true-up mechanism
- Credit enhancement for senior debt provided via subordinated debt
- Highly regulated market with experienced operating agents (OPG, IESO, and LDCs)
- Strong ratepayer base in Ontario

Appendix – Key Agreement Summaries

Key Agreements

Change of Law Protection Agreement

Parties	• (1) Province of Ontario and (2) Indenture Trustee as Trustee of the Issuer, on behalf of Specified Creditors[1], and (3) OPG as FSM
Purpose	• Provides assurance to Specified Creditors that upon the occurrence of a Protection Event (see slide 22 for details) the Province of Ontario will pay all Approved Obligations on behalf of the Trust, with limited rights of acceleration
Key Terms	• **Term**: Continues for as long as any protected obligations of the Trust that are secured under the Master Trust Indenture ("MTI") remain outstanding • **Limited Guarantee**: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all Approved Obligations when due and payable • **Priority of Payments**: The priority application of guarantee payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: For the Limited Guarantee to apply to an obligation of the Trust, OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the incurrence of such obligation (such obligation called an "Approved Obligation") • **Suspension Notice**: The Province may deliver a suspension notice upon the occurrence of the acceleration of any indebtedness of the Trust or other Program Breach or a default in performance or misrepresentation by OPG as FSM pursuant to certain internal reporting and other requirements contained in a Change of Law Process Agreement between OPG and the Province. Any new funding obligations that are incurred during a suspension period will not have the benefit of the Limited Guarantee, except that the Change of Law Protection Agreement applies to post-suspension refinancing of previously issued Approved Obligations

[1] **Specified Creditors** refers to any Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Key Agreements

Master Transfer and Servicing Agreement

Parties	• (1) IESO, as transferor and servicer; (2) Trust
Purpose	• Provides for the transfer, by the IESO to the Trust of specified portions of the Regulatory Asset, and upon such transfers the Trust acquires an Investment Interest; also describes the servicing obligations of IESO
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer specified portions of the Regulatory Asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer • **Servicing Duties:** The IESO will be responsible for servicing the Investment Interest under the Legislation, including receiving CEA amounts from Electricity Vendors and remitting the same to the Trust; other duties of the IESO include: – Establishing a segregated account for collecting CEAs and using commercially reasonable efforts to cause Electricity Vendors to do the same; – Remitting CEAs monthly to the Trust (unless downgraded below investment grade in which case it will remit within two business days); – Preparing monthly servicer reports; and – Providing a forecast of electricity consumption • **Carrying Costs:** During the Moratorium Period (until April 30, 2021) and extending to July 31, 2021, the IESO is required by regulation to fund all Carrying Costs of the Trust. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to regulation • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, as security for the commingling risk of CEAs collected by non-rated or non-investment grade rated Electricity Vendors and not yet remitted to the IESO

Key Agreements

Management Agreement

Parties	• (1) Issuer Trustee, on behalf of the Trust, and (2) OPG, as Manager and acknowledged and accepted by the Indenture Trustee, on behalf of specified creditors
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust
Key Terms	• **Duties Include**: – Negotiating and executing program agreements; – Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations; – Review or cause to be reviewed, records of electricity vendors on an annual basis with respect to CEAs (or less frequently in certain circumstances); – Preparing monthly portfolio reports; – Preparing financial statements; and – Paying taxes on behalf of the Trust • **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire Investment Interests • **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements • **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding • **Management Fees:** OPG is entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer

Key Agreements

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulation to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in its accounts receivable owing by Electricity Vendors
Acknowledgement and Indemnity Agreement	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee, including the right to enforce the indemnities provided to the issuer with respect to IESO's duties and obligations under the MTSA
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Limited Guarantee under the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as updated from time to time in the Financing Plan) to be exceeded
Declaration of Trust	• Establishes FHT to carry out activities for the exclusive benefit of its unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare) • The Issuer Trustee has delegated all of the powers and duties of managing the Trust to OPG under the Management Agreement

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement — January 22, 2018

FAIR HYDRO TRUST
Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (together with the regulations promulgated thereunder, the "**FHPA**"). Under the FHPA, OPG is appointed as financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this

confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended, supplemented, restated or otherwise modified from time to time.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the

investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page 95 of this confidential shelf offering memorandum. An index of defined terms used in this confidential shelf offering memorandum specifying on which page such terms are defined is provided starting on page 107 of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*, *"Subordinated Debt"* and *"Risk Factors"* of this confidential shelf offering memorandum and *"Fair Allocation Amount"*, *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"* and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval of all Series.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.
- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO in performing their respective obligations under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Power outages could impair payment of the Senior Notes.
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.
- If any Electricity Vendor or the IESO were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against such Electricity Vendor or the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS, AND THEIR RESPECTIVE REPRESENTATIVES, TO WHOM IT IS TRANSMITTED, SOLELY TO ENABLE SUCH PERSONS TO EVALUATE AN INVESTMENT IN THE NOTES DESCRIBED IN THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM. BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER.

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with a future Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer

nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page 95 of this confidential shelf offering memorandum. An index of defined terms used in this summary is provided starting on page 107 of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer) or of the IESO. The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG, IESO or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"— Change of Law Protection Agreement"*.
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "FHPA"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[1] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[2] for that period. Under the FHPA, OPG is appointed as Financial Services Manager and is given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Notes are Funding Obligations being offered for the purposes of the FHPA. See *"Ontario's Fair Hydro Plan — Background"*.

[1] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[2] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of Series, in one or several Offerings. A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the Master Trust Indenture, as supplemented by a Supplemental Indenture authorizing that Series.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a non-share corporation established under the *Electricity Act, 1998* (Ontario). As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy. The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market. Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). Pursuant to the Master Transfer and Servicing Agreement, the IESO may, on a monthly basis, offer to Transfer specified portions of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"The Transferor and Servicer"*.
Investment Interest:	Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.
Clean Energy Adjustment:	The FHPA imposes an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager and will be converted by the OEB into a cent per kWh rate and added to the electricity invoices sent to Specified Consumers. See *"— Statutory Duties of the OEB"* below. The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs (including interest and principal on the Senior Notes), derivative payments, required reserve account deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount will also reflect any historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. Based on the Fair Allocation Amount determined and provided by the Province, from July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment of interest on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*. Amounts so contributed by the IESO are not available to pay principal on the Senior Notes.

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs until July 31, 2021:

The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement, the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest.

As security for the performance of the IESO's obligation under the Regulations to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount & Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g.

OEB licensees) in Ontario's electricity market, including the activities of transmitters and distributors as well as the IESO (all of whom are Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided by the IESO to the OEB. See *"The Transferor and Servicer"*.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*The Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA requires Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of the Issuer and any other Financing Entities that may be established, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts and hold such amounts in trust for the benefit of the Financing Entities until remitted to the IESO for the benefit of the Financing Entities (initially, only the Issuer). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required is based on a formula as set out in the Master Transfer and Servicing Agreement and will be equal to: (a) the product of (i) 50% of estimated Clean Energy Adjustment amounts that are to be collected over a twelve-month period by all such non-investment grade rated Electricity Vendors, and (ii) a fraction equal to 45/365 (representing the 45-day period during which funds are expected to be held by such non-investment grade rated Electricity Vendors prior to being remitted to the Issuer); or (b) such

other lesser amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. See *"The Electricity Industry in Ontario — Key Industry Participants — Ontario Power Generation Inc."* and *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of the Financing Entities (of which the Issuer is currently the only one), to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of the Financing Entities (of which the Issuer is currently the only one) and remit such amounts on a monthly basis, subject to daily remittance being required in certain limited circumstances. Pursuant to the Master Transfer and Servicing Agreement, monthly remittances of amounts received in respect of the Clean Energy Adjustment will occur on the 18th business day of each calendar month. In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts and

fulfilling certain additional reporting requirements. Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which includes payments of amounts that are due and payable in respect of Senior Notes), although the amount of the Province of Ontario's payment obligations in a particular period may differ depending on whether an Acceleration has occurred. See *"Change of Law Protection Agreement"*. The Issuer and the Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*.

Generally, an "**Approved Obligation**" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

It will be a condition to any Offering of Senior Notes that such Senior Notes constitute Approved Obligations under the Change of Law Protection Agreement.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the Act or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the Act or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and

subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture (in effect as of the date hereof). See *"Capital Markets Platform — Acceleration and Remedies — Rights of Specified Creditors"*.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include

inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including all Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of Clean Energy Costs in proportion to the relative attribution of the value of Clean Energy Benefits among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations

should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation that is issued is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

Use of Proceeds:

The proceeds from each Offering may be used for one or more of the following purposes: (i) to acquire an Investment Interest pursuant to the FHPA and the Master Transfer and Servicing Agreement, (ii) to refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) to pay Offering and related costs of the Issuer and (iv) to fund specific reserve accounts as required.

The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.

Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", *"Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration"*.
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount. In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement

or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for Senior Funding Obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for Subordinated Funding Obligations;
- payments of or accumulations in respect of interest for Junior Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Warehouse Obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for Senior Funding Obligations (other than Warehouse Obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on Senior Funding Obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Junior Subordinated Funding Obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for Subordinated Funding Obligations or Junior Subordinated Funding Obligations);
- replenishment of Series Accounts established for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Junior Subordinated Funding Obligations;
- replenishment of Series Accounts established for Junior Subordinated Funding Obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on Senior Funding Obligations and payments under derivative agreements (other than termination payments), *pari passu*, then Subordinated Funding Obligations (other than principal) and then Junior Subordinated Funding Obligations (other than principal);
- principal for Warehouse Obligations;
- *pari passu*, principal on Senior Funding Obligations (other than Warehouse Obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for Subordinated Funding Obligations and then Junior Subordinated Funding Obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 units of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior

	Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103). By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.
Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The following summary of the electricity industry in Ontario does not purport to be comprehensive or definitive. It is a general and high-level overview of the historical context and the current manner in which the industry operates, including how real-time energy supply needs are met.

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydroelectric, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from large generating facilities to local distribution systems and large transmission-connected consumers, as well as to and from inter-jurisdictional entities; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses, as well as the delivery of electricity from small distribution-connected generating facilities, using low voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive wholesale electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes, along with the transmission and distribution system investments needed to support these changes, have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of smaller scale wind and solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be scheduled and dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy by certain domestic loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Most generators in Ontario also have bilateral contracts with the IESO (i.e. power purchase agreements) and one large generator, OPG, receives OEB-regulated prices, or payment amounts, that provide for payments in addition to wholesale market settlements that are paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario). The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold the generation assets of the former Ontario Hydro. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power facility. OPG's mandate is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for a significant portion of the total energy generated and injected into Ontario's electricity transmission system. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for managing the reliability of the provincial transmission system and operating the wholesale electricity markets in Ontario. The OPA was formed to plan the provincial power system and to procure electricity resources. The OPA entered into bilateral power or capacity purchase contracts with generators and other electricity resource providers. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial administrative tribunal and public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors. The IESO and distributors are Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

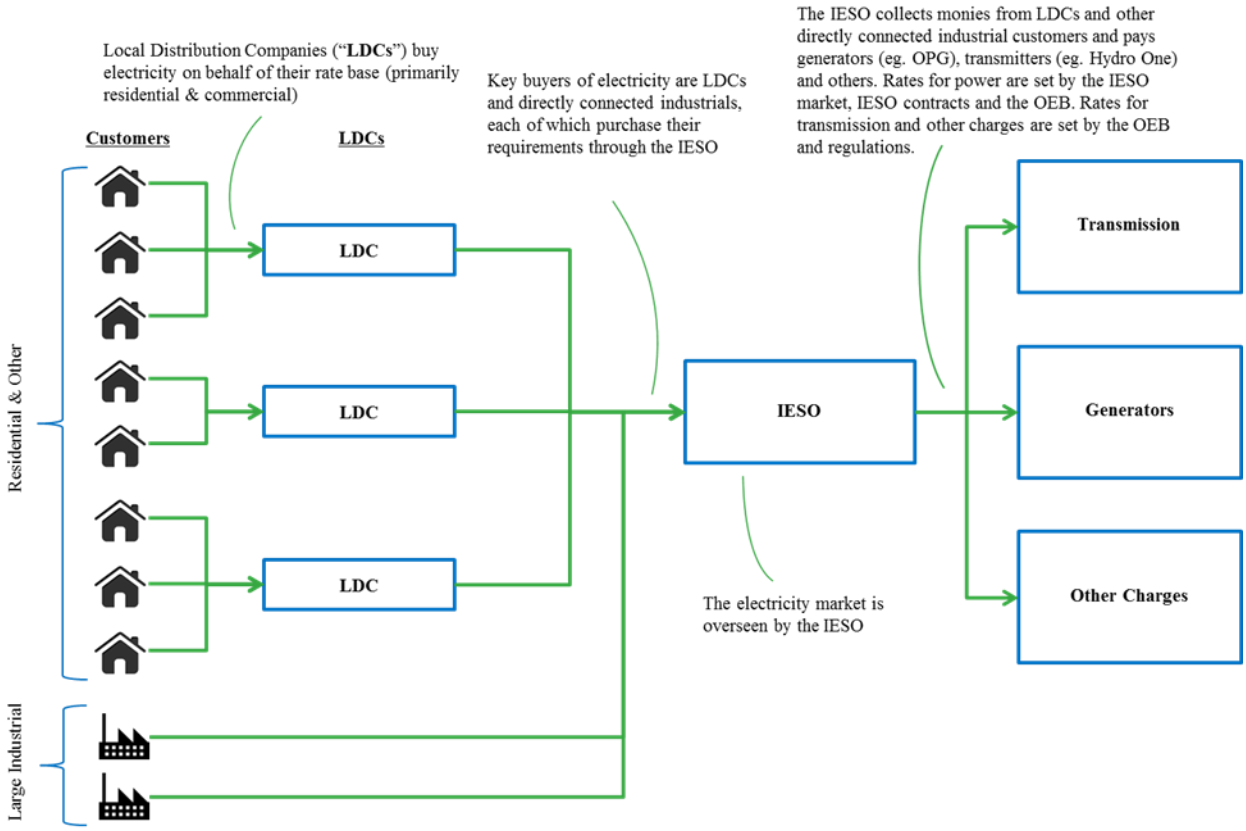
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures affecting regulated assets and regulated entities, such as distributors and transmitters. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, as well as institutions such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB.

The following diagram depicts the flow of funds between the key industry participants:



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two main components that make up the commodity cost of electricity in Ontario, the Hourly Ontario Energy Price ("**HOEP**") and the global adjustment charge.

- The HOEP is set by the IESO based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is established monthly by the IESO in accordance with regulations and is the amount of money necessary to pay certain other costs to generators and other suppliers that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to OPG pursuant to OEB-established payment amounts.

Prior to the FHPA being passed, the amount collected generally over an annual basis by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's current payables to generators and other electricity resource suppliers, subject to certain periodic true-ups, fees and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered prices primarily for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months by the OEB based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in previous periods. RPP prices are now established in accordance with the FHPA. Most

Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from an OEB-licensed retailer pursuant to a retail contract that provides a rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the FHPA. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[3] less than the rate that would otherwise have been determined by the OEB for that period absent Ontario's Fair Hydro Plan (such adjustment, together with the further adjustments described below in this section, the "**Fair Adjustment**").

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

[3] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, the amounts charged to the IESO by the Issuer in respect of the Carrying Costs of the Issuer, when applicable, and certain other amounts in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from Specified Consumers before May 1, 2021. The IESO may, in accordance with the FHPA, Transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that gives rise to the Regulatory Asset and, as an owner of the Investment Interest, will be entitled to recover its Finance Amount (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest by accepting a Transfer of the corresponding specified portion of a Regulatory Asset, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the Transfer of a specified portion of the Regulatory Asset from the IESO, such Transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of Financing Entities that own an Investment Interest (among other things):

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment,

including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest; and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers to cover the cost of financing the shortfall that gives rise to the Regulatory Asset. The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer , or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that are payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a Funding Obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) amounts received during the period in respect of Carrying Costs;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

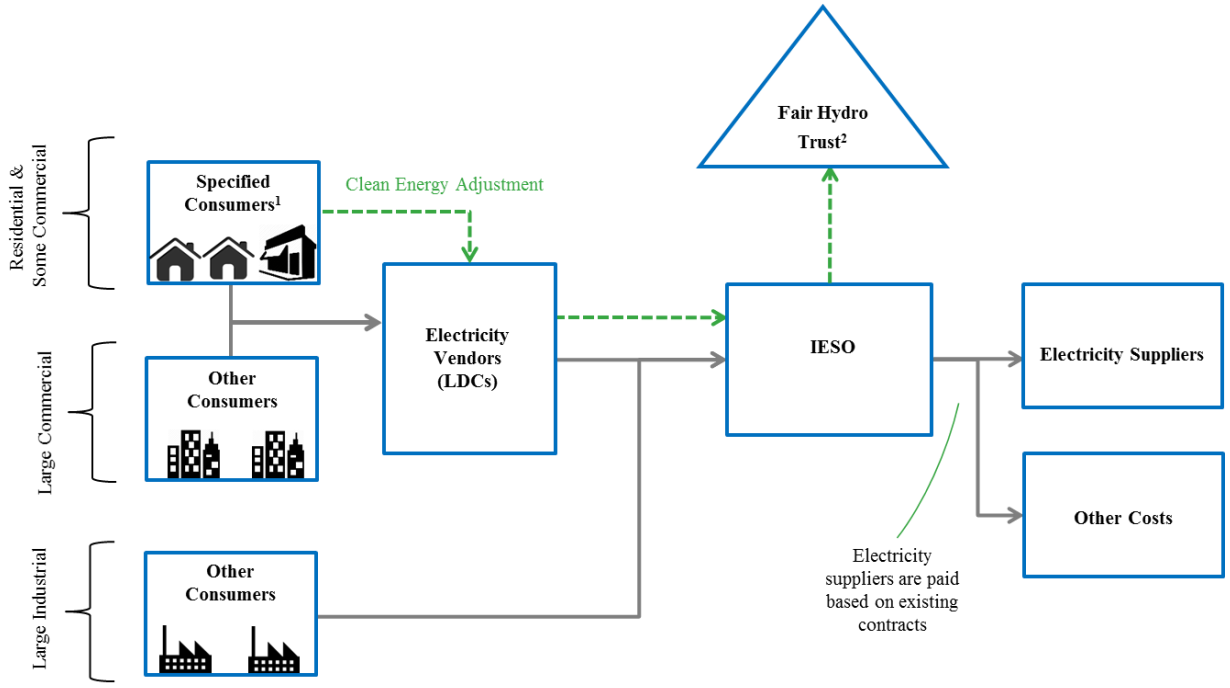
In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. The True-up Amount is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount will also reflect any historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period based on forecast information provided by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the Financing Entities (of which the Issuer is currently the only one), amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the Financing Entities (of which the Issuer is currently the only one) until remitted

to the IESO for the benefit of the Financing Entities (of which the Issuer is currently the only one). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay to the Issuer under the Regulations during such period. See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, once applicable, directly to the IESO.

[2] Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer for a corresponding purchase price. Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset following payment by the Issuer of the corresponding purchase price, the Issuer will acquire an Investment Interest.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers. Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA, provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation that is issued is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Payment of Carrying Costs until July 31, 2021

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes). The amounts paid by the IESO to the Issuer to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest pursuant to the FHPA.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer. Furthermore, as security for the performance of its obligations under the Regulations to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account. The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period, divided by the number of months in such Reference Period. See *"Capital Markets Platform — Acceleration and Remedies — Limitation on Available Amounts on Acceleration"* for a description of the amounts that would be available to be paid under the Master Trust Indenture in such circumstances.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Senior Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the Act or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the Act or any portion thereof, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued, provided that for purposes of determining voting rights with respect to Notes, Notes in which the Province of Ontario has an interest will be deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

It will be a condition to any Offering of Senior Notes that such Senior Notes constitute Approved Obligations under the Change of Law Protection Agreement.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

A "**Certified Primary Obligation**" means a Primary Obligation: (i) incurred by or on behalf of the Issuer to fund its ownership of an Investment Interest, including any Refinancing, other than a Post-Suspension Refinancing or a Pre-Approved Refinancing (each as defined below), of such a Primary Obligation (for greater certainty, including, in the case of any Certified Primary Obligation permitting funding transactions pursuant to a Funding Obligation Agreement applicable to the Certified Primary Obligation, each individual borrowing or funding utilization thereunder), (ii) incurred by or on behalf of the Issuer upon the Issuer entering into a derivative agreement, in which case the Certified Primary Obligation therefor shall be the Master Agreement applicable to such derivative agreement and not any individual trade confirmation other than a trade confirmation that modifies or purports to override the express terms or conditions of the related Master Agreement, or (iii) incurred by or on behalf of the Issuer upon entering into a contract that has a term of more than three (3) years which is not terminable by the Issuer giving three (3) years' notice or less and expected (as determined by the Manager, acting reasonably) aggregate payments by the

Issuer thereunder during the term of such contract are or would be in excess of $5,000,000 (that, for greater certainty, is not otherwise captured in clauses (i) and (ii) above).

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including the Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document to which the Limited Guarantee applies and which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Issuer Trustee is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

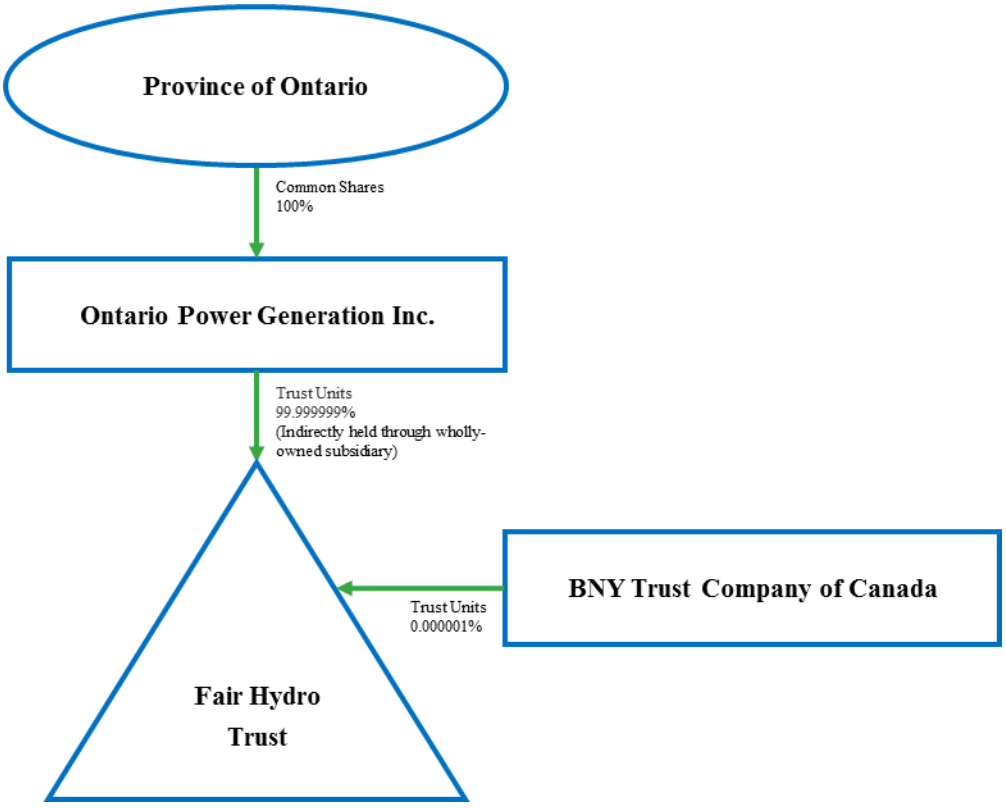
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, the Manager (on behalf of the Issuer) shall review, or cause to be reviewed,

on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors — Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager."*

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross

negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

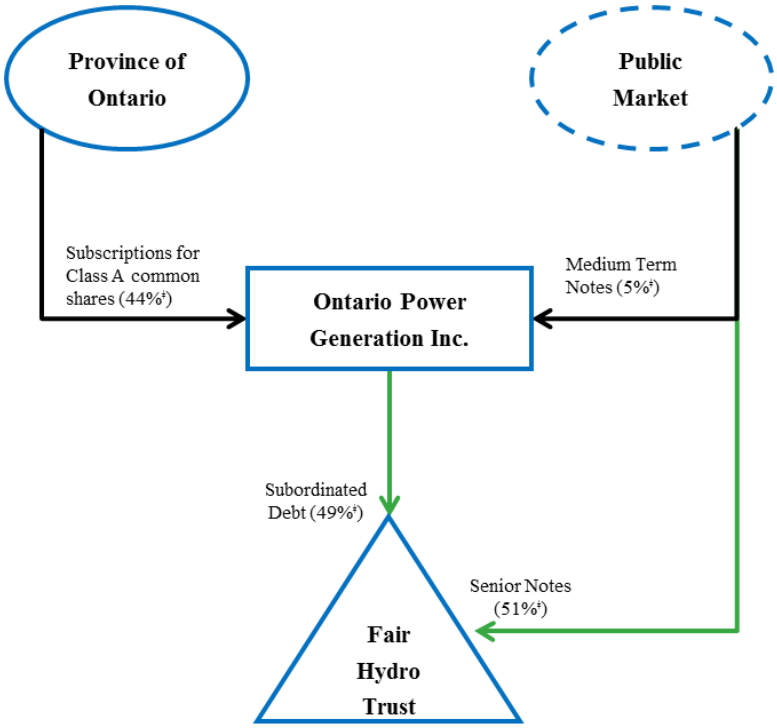
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximately 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



ǂ OPG is expected to acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(a) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(b) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(c) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest on December 21, 2017.

THE TRANSFEROR AND SERVICER

Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to Transfer to the Issuer a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of receiving the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts received in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on the 18th business day of each month, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) providing forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period.

The IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions. The Master Transfer and Servicing Agreement provides for various limitations on the duties and responsibilities of the IESO including that: (i) the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, (ii) the IESO is under no responsibility or obligation to the Issuer with respect to the nature or extent of the Investment Interest, the collectability of the Clean Energy Adjustment or that Clean Energy Adjustment amounts received will be sufficient to satisfy the Issuer's Funding Obligations, (iii) the IESO shall have no liability or responsibility to any person in respect of any forecasts or other information provided, provided only that such forecasts or other information has been prepared and provided in good faith and (iv) the IESO is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from Specified Consumers or not remitted by Electricity Vendors to the IESO. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"* and *"Ontario's Fair Hydro Plan — Other Statutory Protections"* with respect to the manner in which the risks associated with incorrect forecasts by the IESO, and shortfalls in Clean Energy Adjustments as a result of amounts not being collected by Electricity Vendors or remitted by Electricity Vendors, are mitigated.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA, including its obligation to pay the Carrying Costs to the Issuer.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations

of the Issuer, including repayment of principal on the Senior Notes. Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer.

As security for the performance of its obligation to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for Transfer to the Issuer in a subsequent period. Upon completion of such Transfer, the Issuer will acquire an Investment Interest pursuant to the FHPA.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors or such other number as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program

Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement or the FHPA (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to

the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);
- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and
- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "— *Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "— *Payment Waterfalls Prior to Acceleration — Collection Account*", "— *Payment Waterfalls Prior to Acceleration — Protection Account*" and "— *Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material

conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and

deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the Internal Revenue Code, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a

specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all

amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall. Amounts in the Program Cash Reserve Account will be available to pay interest and principal on the Senior Notes.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible

Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "— *Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "— *Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference

to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying

its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "— *Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel, each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized,

executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;

- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;

- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;

- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;

- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;

- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;

- facilitate the issuance of foreign currency Issuer Funding Obligations;

- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;

- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or

- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined based on the extent, if any, to which the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"Capital Markets Platform"*.

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF SENIOR NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this *"Description of Senior Notes"* section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;

- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s), if any, and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;
- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;
- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;
- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;
- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and
- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer) or of the IESO. The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will

also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Payment Dates on which such amounts are to be accumulated for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than an expected Principal Payment Date if an optional redemption occurs and may receive principal payments later than an expected Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on an expected Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit were successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA should no longer be law in Ontario or that the FHPA should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See *"Change of Law Protection Agreement"*. However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA referenced in the previous paragraph were amended or repealed through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Crown, nor may an order for execution or attachment be made against the Crown, although the remedy of damages is available. Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior

Notes, and the Issuer must rely for payment of all of its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs to the Issuer. The amounts paid by the IESO with respect to Carrying Costs cannot be applied on account of principal on the Senior Notes. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Carrying Costs to the Issuer. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring September 30, 2022, which can be used to pay the Carrying Costs to the Issuer. There can be no assurance that the IESO will continue to have sufficient funds available to pay the Carrying Costs to the Issuer during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay the Carrying Costs to the Issuer and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior Notes, and the Issuer must rely on the IESO for the funds necessary to pay its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs to the Issuer. Amounts paid by the IESO are not available to pay principal on the Senior Notes. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and

- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt or general obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA, rights to enforcement of the FHPA and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the

Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform -- Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring Investment Interests. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the Transfer by the IESO of specified portions of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, the Investment Asset will be co-owned by all Financing Entities (including the Issuer) and consequently Clean Energy Adjustment amounts collected by or for the benefit of the Financing Entities will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA and the Master Transfer and Servicing Agreement impose new duties and obligations on the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Master Transfer and Servicing Agreement. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or providing forecast information, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or

reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.

The FHPA imposes new duties and obligations on OPG, as Financial Services Manager, and the Program Agreements impose new duties and obligations on OPG, as Manager. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA, including determining the Clean Energy Adjustment (inclusive of the True-up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated based upon a forecast of Specified Consumer usage to be newly developed based on forecast information provided by the IESO. Under the Regulations, the IESO is required to provide forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period. The amount of the Clean Energy Adjustment collected in any period will depend in part on actual electricity usage by Specified Consumers and the amount of collections and write-offs for Specified Consumers. If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. The FHPA does not require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in FHPA. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment. The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-up Amount. Until such adjustments are made or, if those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to provide indemnification, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20° Celsius. Winters include snow and icy conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization,

if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.

Ordinarily, the interests of the Issuer as acquirer of an Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time the corresponding Regulatory Asset was Transferred to the Issuer. This could reduce the amounts that may be available to the Issuer in respect of the Investment Interest and, consequently, the holders of Senior Notes. Section 27(3) of the Act provides that at the time of the Transfer of the Regulatory Asset to a Financing Entity, such Transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the Act provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the Transfer and the property rights and interests acquired by the Transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the Act in such circumstances is untested. The Transfers of the Regulatory Asset to the Issuer will be made in accordance with section 26 of the Act. Section 27(1) of the Act provides that a Transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Transferee. Therefore, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Regulatory Asset. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO or such Electricity Vendor may be significantly impaired or delayed.

Under the Master Transfer and Servicing Agreement, collections received by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior

Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities

laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Capital Markets Platform — Covenants of the Issuer — Financial Statements; Statement as to Compliance"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of

an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Financial and Consumer Affairs Authority of Saskatchewan.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

(i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum (which shall for the purposes hereof be considered to include any document or record incorporated or deemed to be incorporated by reference herein), together with any amendments hereto (which shall for the purposes hereof be considered to include any document or record incorporated or deemed to be incorporated by reference therein), or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "misrepresentation"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action may be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any

misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference herein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference herein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference herein, not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the *Securities Act* (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer or the selling security holder on whose behalf the distribution is made. "Misrepresentation" means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer and selling security holder will be liable if the person proves that:

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

  (ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

  (iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that:

    (A) there had been a misrepresentation; or

    (B) the relevant part of the confidential shelf offering memorandum:

      a. did not fairly represent the report, statement or opinion of the expert, or

      b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) while still an owner of the Senior Notes, a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Alberta, British Columbia, Newfoundland and Labrador and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia, Newfoundland and Labrador and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, with respect to a Funding Obligation, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Act**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Change of Law Protection Agreement**" means the change of law protection agreement dated as of December 21, 2017 among the Province, the Issuer and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Ontario government related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**Crown**" means Her Majesty the Queen in Right of Ontario.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" means the declaration of trust made as of December 20, 2017 under which the Issuer was established, as amended, supplemented, restated or otherwise modified from time to time.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.

"**FHPA**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Entity**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligations**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations,

exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on page (iii) of this confidential shelf offering memorandum.

"**Issuer**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement".*

"**Management Agreement**" means the management agreement dated as of December 20, 2017 between the Manager and the Issuer, and acknowledged by the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Manitoba"*.

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**NI 31-103**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**NI 45-106**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their

capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Offering Jurisdiction**" has the meaning set out under *"Representations and Agreements of Purchasers".*

"**OPA**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO*.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month or, if such day is not a business day, the next business day.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

  (i) every six-month period following the period mentioned in (a);

  (ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Saskatchewan"*.

"**Section 130.1**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Ontario"*.

"**Section 150**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in New Brunswick"*.

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**Transfer**" has the meaning specified in the *Ontario Fair Hydro Plan Act, 2017*, and "**Transferred**" and "**Transferee**" shall have corresponding meanings.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" has the meaning set out under *"The Issuer"*.

"**U.S. Securities Act**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

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SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

From:	John Psinas
To:	Anna Strathy
Cc:	Ronald Kwan; Usman Zahid; Mike Manning
Subject:	Fwd: Corrections re: April 21st Article: “Bad books”
Date:	Tuesday, May 01, 2018 9:30:00 PM
Attachments:	ATT00001.htm GM Follow up Questions and Responses.docx ATT00002.htm

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Anna,
I was pondering how to respond to the Special Purpose Trust question, but OPCD came back and did a fair response on it. “Trust” is used loosely by people and it could mean many things. OPCD’s response for #1 and #3 may be too technical and convoluted for non-accountants to understand to be honest, but I don’t see how to avoid it.

Our only action item appears to be highlighted in yellow in #5 about what is our standard response on guarantees to investors wrt the FH. I’ll have to check with Mike first thing tomorrow morning if there is a prior blurb given to the public or a standard Q&A about guarantees in general.

Thanks.

John

Sent from my iPhone

Begin forwarded message:

> **From:** Anna Strathy <Anna.Strathy@ofina.on.ca>
> **Date:** May 1, 2018 at 9:05:05 PM EDT
> **To:** John Psinas <John.Psinas@ofina.on.ca>, George Sakura <George.Sakura@ofina.on.ca>, Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>
> **Subject: Fwd: Corrections re: April 21st Article: “Bad books”**
>
> As per my previous email.
>
> --
> Anna Strathy
> Special Policy Advisor to the CEO
> Ontario Financing Authority
> 416.325.8032
>
> Begin forwarded message:

From: "Hosick, Sarah (TBS)" <Sarah.Hosick@ontario.ca>
Date: May 1, 2018 at 5:28:49 PM EDT
To: "Strathy, Anna (OFA)" <Anna.Strathy@ofina.on.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books"

Here is the document with a draft response for Q.6 per Cindy and Gadi's conversation.
As stated below, if we could get this back asap in the morning would be appreciated!
Thanks
Sarah

From: Hosick, Sarah (TBS)
Sent: May 1, 2018 5:01 PM
To: 'Anna Strathy'
Subject: RE: Corrections re: April 21st Article: "Bad books"
Hi Anna
Lots of moving pieces on this –thanks for your patience! Gadi and Cindy just spoke at a meeting they were both at about the question that is currently blank. Cindy is drafting a response and I'll send a revised version shortly.
At the meeting, the deputy mentioned that they want to get back to the reporter tomorrow now so if possible can we expedite and say 10am tomorrow latest (earlier if possible) for responses.
Will send you updated version shortly.

From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: May 1, 2018 4:18 PM
To: Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books"
Thanks Sarah. Will do.

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Tuesday, May 01, 2018 4:14 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books"
Darn, just missed him!
Attached is a very rough draft of how the answers are shaping. Can you please have his team review and provide edits/comments by noon tomorrow?
Mark Donaldson is also still adding comment/edits as well, so feel free to have your team reach out to him if they want to discuss anything
Thanks
Sarah

From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: May 1, 2018 4:00 PM

To: Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books"

Thanks Sarah. Unfortunately, I think Ken is already headed to the airport, but thank you for the head's up. His team will be able to review and provide input in his absence.

Anna

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Tuesday, May 01, 2018 3:47 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi Anna,

The reporter from the Globe and Mail has some follow-up technical questions in response to our request that clarifications and corrections were needed on some pieces of his April 21 article. [na01.safelinks.protection.outlook.com]

See below – for several questions we'll need OFA input. We're taking a first cut at the responses and will send your way for review/input likely this evening.

I understand Ken Kandeepan is on vacation starting tomorrow, so I'm sending this as a heads up in case he wants to weigh in with any points to consider before we are ready to send the draft responses.

Happy to discuss

Thanks

Sarah

From: Tharani, Alisha (TBS)
Sent: May 1, 2018 12:40 PM
To: Ue, Allison (TBS); Nelson, Dane (TBS); Skoberne, Vivienne (TBS); Hosick, Sarah (TBS)
Cc: Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS); Laughton, Patrick (TBS)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi DMO & OPCD colleagues,

I have received follow-up questions from Matt McClearn in follow-up to the table of corrections that was shared with him last week. See below:

"Just working through your document. Some of the issues you raise are quite technical in nature. I have a few questions and requests arising from them:

- Where does the borrowing of the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
- How does the borrowing of the

Fair Hydro Trust affect the Province of Ontario's reported net debt?

<!--[if !supportLists]-->● <!--[endif]-->How does OPG's borrowing related to the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?

<!--[if !supportLists]-->● <!--[endif]-->How does OPG's borrowing related to the Fair Hydro Plan affect the Province of Ontario's reported net debt?

<!--[if !supportLists]-->● <!--[endif]-->The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.

<!--[if !supportLists]-->● <!--[endif]-->When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.

<!--[if !supportLists]-->● <!--[endif]-->When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"

We will work with OPCD to develop responses to the above.

Best,

Alisha

From: Tharani, Alisha (TBS)
Sent: April 25, 2018 1:25 PM
To: Skoberne, Vivienne (TBS); Ue, Allison (TBS); Nelson, Dane (TBS); Veinot, Cindy (TBS); Hosick, Sarah (TBS); Laughton, Patrick (TBS); Hadisi, Lawvin (TBS); Rubin, Jack (TBS)
Cc: Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi all,

Please see below for Matt McClearn's response.

Best,

Alisha

From: McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
Sent: April 25, 2018 1:18 PM
To: Tharani, Alisha (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books"

Alisha:
Thanks for these. We'll review this document and involve our public editor as necessary. Regards,
Matt.

Matthew McClearn I Data journalist, Enterprise Team
p: 416.585.5487 I m: 416.705.6047 I e: mmcclearn@globeandmail.com

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From: Tharani, Alisha (TBS) [mailto:Alisha.Tharani@ontario.ca]
Sent: Wednesday, April 25, 2018 12:17 PM
To: McClearn, Matthew
Subject: Corrections re: April 21st Article: “Bad books”

Hi Matt,

In response to your article, “Bad books: How Ontario’s new hydro accounting could cost taxpayers billions” published on April 21, 2018, we would like to address a few points that require correction and clarification.

Please see attached for a summary of corrections that we respectfully request that you acknowledge in your story.

We are happy to answer any questions you may have.

Thanks,

Alisha

Alisha Tharani
Treasury Board Secretariat

416-327-3803 | Alisha.Tharani@ontario.ca

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

1. Where does the borrowing of the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
2. How does the borrowing of the Fair Hydro Trust affect the Province of Ontario's reported net debt?
3. How does OPG's borrowing related to the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
4. How does OPG's borrowing related to the Fair Hydro Plan affect the Province of Ontario's reported net debt?
5. The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.
6. When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.
7. When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"

1. Where does the borrowing of the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position? 3. How does OPG's borrowing related to the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?	As you noted in your article, the borrowing for the Global Adjustment Refinancing aspect of Fair Hydro Plan comes from more than one source. There is borrowing taken on by the Province, OPG and the Fair Hydro Trust (which is fully consolidated with the financial statements of OPG.) The borrowing for the Global Adjustment Refinancing aspect of the Fair Hydro Plan commenced in July 2017, and will be reported as part of the 2017-18 Public Accounts for the year ended March 31, 2017. There was no debt related to the Global Adjustment Refinancing of the Fair Hydro Plan as of the end of the last fiscal year – March 31, 2017. The comments below relate to the plan for disclosure in the Province's consolidated financial statements for the year-ended March 31, 2018. Those financial statements are in the process of being prepared now, and the Auditor General generally issues her opinion on those financial statements in mid-August (last year the date of her opinion was August 18). The borrowing that the Province takes on directly, which is invested in OPG, will be included in the line item, labeled Debt within the Liabilities section of the Statement of Consolidated Financial Statement. The borrowing that the OPG and the Fair Hydro Trust issue will be included in the line item labeled Investment in Government Business Enterprises, within the Financial Assets Section. The details of the Investment in Government Business Enterprises line is provided in

	Schedule 9 to the financial statements. This Schedule shows the detailed balances of each asset and liability category for each Government Business Enterprise. The debt of OPG and the Fair Hydro Trust related to the Global Adjustment Refinancing of the Fair Hydro Plan will be included in the line labeled Long-Term Debt, within the Liabilities section, and under the column for OPG. This accounting is consistent with the PSAS standards for Government Business Enterprises. The debt of those entities is presented within the Investment in Government Business Enterprises line. As of March 31, 2017, the combined Long-Term Debt of Ontario's Government Business Enterprises was $16.7 Billion. The impact of adding the Long-Term debt of OPG and the Fair Hydro Trust as of March 31, 2018 will be an increase of approximately $1.x Billion. We are also planning to include additional details with respect to the assets and liabilities for the Fair Hydro Trust within schedule 9 to the financial statements, ensuring that the activities of the Trust are fully transparent to the readers of the financial statements. In addition, the stand-alone financial statements of both OPG and the Fair Hydro Trust will be included in Volume 2 of the Public Accounts.
2. How does the borrowing of the Fair Hydro Trust affect the Province of Ontario's reported net debt? 4. How does OPG's borrowing related to the Fair Hydro Plan affect the Province of Ontario's reported net debt?	Public Sector Accounting Standards discuss the computation and meaning of net debt as follows in Section 1100: ***Net debt*** *is measured as the difference between a government's liabilities and financial assets. This difference bears directly on the government's future revenue requirements and on its ability to finance its activities and meet its liabilities and contractual obligations.* ***Net debt*** *provides a measure of the future revenues required to pay for past transactions and events. The extent of a government's* ***net debt*** *and the financial ability of the government to service that debt is an important test of the sustainability of that government. When a government's financial assets exceed its liabilities, this indicator of a government's financial position would be called "net financial assets" and it would provide a measure of the net financial assets on hand that can provide financial resources to finance future operations.* The borrowing of OPG and the Fair Hydro Trust for the Global Adjustment Refinancing aspect of the Fair Hydro Plan will not increase net debt of the Province. As explained in the response to your first question, the debt of OPG and the Fair Hydro Trust is recorded as part of the Province's investment in OPG and that investment is included in the line item labeled Investment in Government Business Enterprise. This outcome is consistent with the meaning of net debt. As PSAS

	notes, "***Net debt*** *provides a measure of the future revenues required to pay for past transactions and events.*" Future revenues of government (e.g. taxation revenue) will not be used to pay for the reduction in electricity prices provided to ratepayers. The Fair Hydro Plan provides for collection from the ratepayers, including the cost of borrowing.
5. The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.	[What is our standard response that is used for these types of requests?] Note 19 of OPG's consolidated financial statements (available on OPG's website at: https://www.opg.com/about/finance/Documents/20180308CombinedNewsReleaseMDAOPGQ42017FINAL.pdf) includes the following disclosure of the guarantee provided by the Province. > The Province has provided a limited guarantee to specified creditors of the Fair Hydro Trust. The limited guarantee would be triggered in the event that the Trust's ability to receive amounts in respect of its Investment Interest to pay for certain funding obligations is adversely affected due to one or more of the following: the Province changes the Fair Hydro Act or any other legislation or regulation; a significant change in Ontario's electricity market undertaken by the Province; or a court declares that the Act is invalid or unconstitutional. Disclosure of the guarantee will also be included in the consolidated financial statements of the Province for the year-ended March 31, 2018, which will be released as part of the Public
6. When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.	The consolidated financial statements of the government of Ontario records debt issued by a number of different controlled and consolidated entities. The form of the entity that issues the debt, whether it is a corporation, a trust or something else is not relevant to the accounting for the debt on the financial statements of the Province. The issuer of the debt depends on the nature of the debt and what source of income will be used to service the interest and debt. The debt recorded on the consolidated financial statements of the Province includes: • Debt issued directly by the Province for both provincial purposes and for the Ontario Electricity Financial Corporation – at March 31, 2017, the outstanding balance of this debt was $333 billion (see Note 2 to the 2016-17 consolidated financial statements)

	• Debt issued by broader public sector organizations such as hospitals. At March 31, 2017, the outstanding balance of debt issued by broader public sector organizations was $5 billion (see Note 4 to the 2016-17 consolidated financial statements) • Debt relating to Alternative Financing and Procurement structures (AFPs), which can be for broader public sector organizations and the government directly. At March 31, 2017, the outstanding AFP debt was $8.7 Billion (see Note 4 to 2016-17 consolidated financial statements) • Debt of the government business enterprises (the accounting for which is discussed in the response to questions 1 and 3). At March 31, 2017, the debt of the government business enterprises was $16.7 Billion. See schedule 9 of the 2016-17 consolidated financial statements. Link to 2016-17 consolidated financial statements of the Province -- http://www.ontla.on.ca/library/repository/ser/15767/2016-2017/Consolidatedfinancialstatements.pdf
7. When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"	The term "gross" debt was used to differentiate it from net debt, and is reported as noted above in question 1 regarding the debt issued directly by the Province.

From:	Ronald Kwan
To:	Mike Manning; Ken Kandeepan
Subject:	Fwd: Draft Fair Hydro Investor Presentation.
Date:	Tuesday, January 02, 2018 4:37:42 PM
Attachments:	Fair Hydro Investor Presentation Comments - ENERGY - 20171229.docx ATT00001.htm

---

Hi Mike, Ken,

Do you have any comments? I'll take a look at it tonight.

Ron

Begin forwarded message:

> **From:** "Christie, Tim (ENERGY)" <Tim.Christie@ontario.ca>
> **Date:** January 2, 2018 at 3:39:26 PM EST
> **To:** "Kwan, Ronald (OFA)" <Ronald.Kwan@ofina.on.ca>
> **Subject: FW: Draft Fair Hydro Investor Presentation.**
>
> Ron, here are the comments we have sent on the presentation. Do you know when/if Finance will be sending theirs? OPG was asking.
> Tim
>
> **From:** Christie, Tim (ENERGY)
> **Sent:** January-02-18 3:39 PM
> **To:** 'LEE John -TREASURY'
> **Cc:** Cayley, Daniel (ENERGY); 'LAURETA LAPIRA May -TREASURY'
> **Subject:** RE: Draft Fair Hydro Investor Presentation.
> With the attachment.
>
> **From:** Christie, Tim (ENERGY)
> **Sent:** January-02-18 3:38 PM
> **To:** 'LEE John -TREASURY'
> **Cc:** Cayley, Daniel (ENERGY); LAURETA LAPIRA May -TREASURY
> **Subject:** RE: Draft Fair Hydro Investor Presentation.
> John, here are the comments on the investor presentation.
> Tim
>
> **From:** LEE John -TREASURY [mailto:john.s.lee@opg.com]
> **Sent:** December-21-17 5:33 PM
> **To:** Christie, Tim (ENERGY)
> **Cc:** Manning, Mike (OFA); Kandeepan, Ken (OFA); LAURETA LAPIRA May -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Talwar, Shruti (ENERGY); HAHN PARKER Janet -TREASURY
> **Subject:** Draft Fair Hydro Investor Presentation.
> Tim:
> As discussed attached is the most current draft of the Investor Presentation. If you or the MOE or OFA have any comments please let us know.
> The plan is to have another turn of the document in the 1st week in January. May will have the "pen" from our side.
> Have a Merry Christmas.
> John

John Lee | Vice President Treasurer |
Ontario Power Generation | 700 University Avenue, H18 A6, Toronto, Ontario M5G 1X6 |
416.592.6392 | john.s.lee@opg.com

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Fair Hydro Investor Presentation Comments

Slide #	Reference	Comment
Slide 4	Images	Consider removing the nuclear and large hydro images as the plan only covers costs form renewables procurements, gas and conservation.
Slide 6	First bullet	Suggest using "proxy consumer" instead of "average" in this context, which would be more accurate and consistent with legislation as covered later in the presentation.
Slide 6	Second bullet	Suggest changing “8% rebate in the provincial portion…” to “ 8% rebate equivalent to the provincial portion…”.
Slide 6	Third bullet	Language suggest that bills will increase back to status quo in 2021 – suggest adding language regarding increases back up to and past the status quo over time.
Slide 7	First bullet	Consider replacing the phrase starting from “in an amount…” with “in such an amount that the total OPG-held subordinated debt does not exceed 49% of all outstanding debt”, for clarity.
Slide 14	Second bullet	Consider replacing “previously established regulated rate” with “regulated rate established in the first year of the Rate Reduction Period”.
Slide 14	Last bullet	Similar to comment on Slide 6 above, suggest referencing increases back up to and beyond status quo over time.
Slide 15	Third bullet	Consider adding in the words “in favour of the Trust” at the end of the bullet [IESO Security Agreement]. Also, can we clarify whether the $2 billion credit facility is provided by the OFA or the OEFC? Who is the actual lender?
Slide 16	Second bullet	Consider rephrasing to align better with the offering memorandum and legislation.
Slide 16	Third bullet	Consider adding in the word “mainly” before “in respect of …” [see O.Reg. 206/17 section 5].
Slide 16	Bill image	Consider removing as text description should be sufficient.
Slide 17	Second bullet	Consider replacing the words “dealt with” with “mitigated” to avoid suggesting that the risk is eliminated.
Slide 17	Number 2 in the process chart	Consider adding in the word “amount” at the end [O.Reg. 206/17 section 8(2)].
Slide 17	Number 6 in the process chart	Consider replacing the words “in a trust” with “in trust” [FHPA section 16(3)].
Slide 18	Chart	Consider adding explanation of readjustment amount.
Slide 20	OEB’s relationship with OPG in the diagram	Consider replacing “review of OPG Fees” with “review and approval of OPG Fees” to better align with the language in O. Reg. 206/17. Consider replacing “Management Agreement” with “Regulation”.
Slide 20	IESO’s relationship with	Note that the Acknowledgement and Indemnity Agreement is made to the Indenture Trustee. Consider editing to avoid confusion.

	the Fair Hydro Trust	
Slide 21	"Suspension Notice"	May wish to consider noting in the sentence that post-suspension refinancing is covered by the guarantee. As this was something Torys made a point of including in the agreement for financeability, suggest including for investors.
Slide 23	Key Terms – Moratorium Period (bullet 3)	Consider replacing "(until May 1, 2021)" to "(until April 30, 2021) and up to July 31, 2021" [see section 21(4) of FHPA and section 9.1 of O. Reg. 206/17]. Consider removing "which will be offered, as regulatory assets, for transfer to the Trust in a subsequent period", since this is not expressly provided in the MTSA [also see section 16 of O. Reg. 206/17].
Slide 28	Third bullet	Consider replacing "fit under the fair allocation curve" with "ensure reasonable alignment with fair allocation amounts". [see paragraph 1 of section 21(3) of FHPA].
Slide 31	Chart	The post-FHP bill should not follow the status quo trajectory between 2025 and 2028 – bill should be above status quo including rebates as the FAA is positive for those years (Fair Adjustment would be used to offset the majority of the CEA but the amount of the FAA would remain).
Slide 36	First bullet	Consider removing references to "statutorily mandated". Remittances from IESO are mandated under s. 9.1 of O. Reg. 206/17.
Slide 38	Political Risk	Consider reviewing the characterization of the risk to align with the risk as described in the Agreements.
Slide 38	Third bullet	Please note reference to ability to disconnect service for non-payment by LDCs isn't fully reflective of the requirement, consider revising to be more reflective of the actual mechanism.

From:	Gadi Mayman
To:	Mike Manning; Ronald Kwan; Ken Kandeepan
Cc:	Anna Strathy; Usman Zahid
Subject:	Fwd: FHP Trust Offering
Date:	Friday, February 09, 2018 8:11:41 PM

Begin forwarded message:

> **From:** "Imbrogno, Serge (ENERGY)" <Serge.Imbrogno@ontario.ca>
> **Date:** February 9, 2018 at 7:14:05 PM EST
> **To:** "Orsini, Steve (CAB)" <Steve.Orsini@ontario.ca>
> **Cc:** "Davidson, Steven (CAB)" <Steven.Davidson@ontario.ca>, "Thompson, Scott (MOF)" <Scott.Thompson@ontario.ca>, "Mayman, Gadi (OFA)" <Gadi.Mayman@ofina.on.ca>, "Kwamena, Boafoa (CAB)" <Boafoa.Kwamena@ontario.ca>, "Schlaepfer, Martin (ENERGY)" <Martin.Schlaepfer@ontario.ca>
> **Subject: Re: FHP Trust Offering**
>
> Steve,
>
> Today OPG advised that the remainder of the debt is split between $382 million of “subordinated” debt at an interest rate of 3.637% and $98 million of “junior subordinated” debt at 3.957%.
>
> The effective interest rate of 3.526% is the weighted average of these three series of debt (i.e., senior, subordinated and junior subordinated).
>
> Sent from my iPad
>
> On Feb 7, 2018, at 6:22 PM, Orsini, Steve (CAB) <Steve.Orsini@ontario.ca<mailto:Steve.Orsini@ontario.ca>> wrote:
>
> Serge,
>
> Thanks. Please let us know the outcome of your analysis.
>
> From: Imbrogno, Serge (ENERGY)
> Sent: February 7, 2018 6:21 PM
> To: Orsini, Steve (CAB)
> Cc: Davidson, Steven (CAB); Kwamena, Boafoa (CAB)
> Subject: Re: FHP Trust Offering
>
> Steve,

A number of inputs will vary over the thirty-year life of the GA refinancing program and will continue to be revised to reflect changing conditions (e.g., changes in interest rates).

The Ministry analysis underpinning the 2017 Fair Allocation Amount (FAA) included a 5.0% average interest rate over the life of the GA refinancing program (i.e., 30 years). Note: Navigant's modelling of GA refinancing assumed an interest rate of 4.5%. In the development of the 2017 FAA the interest rate assumptions were revised to 5% based on consultations with OPG.

The announcement yesterday that OPG was able to secure an interest rate of 3.357% for the senior debt on its first issuance has a 15 year term and a value of $500 million.

OPG advises that the remainder of the debt is split between "subordinated" and "junior subordinated" debt. The effective interest rate will be the weighted average of these three series of debt (i.e., senior, subordinated and junior subordinated). OPG is expected to finalize the pricing for the subordinated and junior subordinated debt within the next 48 hours. The pricing will be based in part on the pricing of the senior series.

Sent from my iPad

On Feb 6, 2018, at 10:29 PM, Orsini, Steve (CAB) <Steve.Orsini@ontario.ca<mailto:Steve.Orsini@ontario.ca>> wrote:
Thanks Serge.

How does this compare to the costs assumed in the modelling?

From: Imbrogno, Serge (ENERGY)
Sent: February 6, 2018 2:36 PM
To: Orsini, Steve (CAB); Davidson, Steven (CAB)
Cc: Kwamena, Boafoa (CAB)
Subject: FHP Trust Offering

Hi Steve,

Not sure if you received an update already, but below is the result of the OPG Trust financing this afternoon for the OFHP:

- OPG has informed us that pricing has been confirmed at 3.357% and they financed $500m.

- This is 92 bps over GOC, so it is still the lowest cost.

- The OFA has confirmed that the issue was 23 bps over the Ontario curve.

OPG is providing a technical briefing for the media at 3:00.

From:	Anna Strathy
To:	Gadi Mayman; Ronald Kwan; Mike Manning; Ken Kandeepan
Cc:	Usman Zahid
Subject:	Fwd: Globe and Mail story on Fair Hydro Plan
Date:	Saturday, April 21, 2018 5:14:00 PM

FYI in case you didn't see this in the Globe this morning.

--
Anna Strathy
Special Policy Advisor to the CEO
Ontario Financing Authority
416.325.8032

Begin forwarded message:

From: "Spadoni, Peter (MOF)" <Peter.Spadoni@ontario.ca>
Date: April 21, 2018 at 10:15:21 AM EDT
To: "Koukoulas, Sophia (MOF)" <Sophia.Koukoulas@ontario.ca>, "Moore, Brynne (MOF)" <Brynne.Moore@ontario.ca>, "Giroux Namian, Orli (MOF)" <Orli.GirouxNamian@ontario.ca>, "Martin, Jessica (MOF)" <Jessica.Martin@ontario.ca>
Cc: "Marc Pichette (MOF)" <Marc.Pichette@ontario.ca>, "Judith Hipolito (MOF)" <Judith.Hipolito@ontario.ca>, "Natale Milana (MOF)" <Natale.Milana@ontario.ca>, "Shewaramani, Deepika (MOF)" <Deepika.Shewaramani@ontario.ca>, "Scott Blodgett (MOF)" <Scott.Blodgett@ontario.ca>, "Martha Maloney (MOL)" <Martha.Maloney@ontario.ca>, "Matthew Sylvain (MOF)" <Matthew.Sylvain@ontario.ca>, "Jenna LeBlanc (MCSS)" <Jenna.LeBlanc@ontario.ca>, "David McLean (MOF)" <David.McLean@ontario.ca>, "Humaira Mohammad (MAH)" <Humaira.Mohammad@ontario.ca>, Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: Globe and Mail story on Fair Hydro Plan

Bad books: How Ontario's new hydro accounting could cost taxpayers billions; As Ontarians head to the polls in June, voters have to make sense of two competing versions of their province's bottom line: The Auditor-General's and the Kathleen Wynne government's. Matthew McClearn investigates how creative accounting in hydro revenue made their math so different

Matthew McLearn

April 21, 2018

In March last year, Kim Marshall called and left a message for Bonnie Lysyk, Ontario's Auditor-General. Ms. Marshall was the chief financial officer of the Independent Electricity System Operator (IESO), the agency

that manages the province's electrical system and acts as an intermediary between power generators and consumers. The IESO had just made a big change to its accounting practices, and Ms. Marshall said she wanted to give the Auditor-General a "heads up."

Ms. Lysyk was already well aware of the change. She and her staff had found the IESO's latest financial statements online. Poring over them in their downtown Toronto office, they found a terse footnote describing the new accounting policy.

"And my staff go, 'What the heck is this?' " Ms. Lysyk told The Globe and Mail. "You're not supposed to do this."

Ms. Lysyk believed the IESO's new practice - a method known as rate-regulated accounting - violated government accounting standards. What she didn't know was that it represented a radical departure in how the government of Premier Kathleen Wynne - not just the IESO - planned to disclose its future borrowing activities to the public.

Earlier that month, the government had announced significant reductions in electricity rates, what it dubbed the Fair Hydro Plan. A decade of investing in greener power sources, such as wind and solar, and the shuttering of cheaper but dirtier coal-fired power plants had resulted in soaring hydro bills - a serious political liability for Ms. Wynne, who had accepted personal responsibility for fixing the problem.

But charging Ontarians less for electricity than it cost to produce meant the province would have to borrow billions of dollars to cover the shortfall.

"In order for that to not show up on the bottom line, they created creative accounting to take it off the government's statements," Ms. Lysyk said.

Using that new accounting, the government declared it had balanced the province's books for the fiscal year ended Mar. 31, 2018, just months before a general election. But Ms. Lysyk said that was not true. And the Financial Accountability Office, the body responsible for providing the legislative assembly with independent analysis and advice on Ontario's finances, agreed: In December, it forecast that the province would

actually rack up a deficit of $4-billion - a discrepancy that will grow markedly as the government's off-balance-sheet borrowing continues.

Ms. Lysyk said she's worried that the Wynne government's success in concealing its borrowing will encourage more aggressive bookkeeping, both in Ontario and in other provinces.

"If you get away with doing something that's inappropriate accounting, the next time you'll do it again and you'll do it again," she said. "Pretty soon they won't have any numbers that will have any integrity behind them."

Ontario had been racking up large deficits every year since the 2008-09 recession and already owed more than $300-billion - almost $22,000 for every person in the province. Bond rating agencies had downgraded its credit rating. That, too, had become a serious political liability.

Even before Ms. Wynne became Premier in 2013, Ontario's Liberals promised a return to balanced budgets. In his April, 2017, budget speech, Finance Minister Charles Sousa boasted that her government had finally done it. "And next year and the year after we're projecting it to be balanced, too," he declared. "And the people of Ontario can count on it."

It was made possible by a team led by the Ministry of Energy that also included senior officials from the Ministry of Finance, Treasury Board Secretariat, the Provincial Controller, Ontario Power Generation and the IESO. Between December, 2016, and May, 2017, they devised a novel approach that would allow the government to have its cake and eat it, too.

'The government is making up its own accounting rules'

As with most businesses, utilities record consumers' outstanding balances as assets, typically as "accounts receivable." The IESO's new practice, rate-regulated accounting, is akin to accounts receivable on steroids. The underlying idea is that heavily regulated industries, such as power generation, which are unable to set their own prices, should have a means of deferring costs, such as building a new power plant. Rate-regulated

accounting allows utilities to place such costs in special accounts to carry them forward into future years, provided their regulator gives them the right to recover those costs through future bills. Such rights can be recorded as assets - even though no electricity has been generated, used or billed for.

The main criticism of the practice is that it can produce books bearing little resemblance to reality. When BC Hydro adopted it, that province's auditor-general objected strongly, warning in a special report that "if overused, rate-regulated deferrals can mask the true costs of doing business, distort the financial condition of an enterprise and place undue burdens on future taxpayers."

And what happens if the utility can't collect? "On a number of occasions," explained Michael Ferguson, the Auditor-General of Canada, "there has [later] come a realization that, in fact, the organization will not be able to charge those rates. And, therefore, there have been fairly large amounts of some regulatory assets that have been written off."

Recording expenses as assets is perfectly legal in certain contexts, but the practice has been controversial in the private sector. In their book Easy Prey Investors, forensic accountants Al Rosen and Mark Rosen write that recording "fake assets" on corporate balance sheets is one of the "most common financial scams of the past 50 years."

If the accounting concept is elusive, the IESO's motives for adopting it are even murkier.

In fact, the IESO decided against adopting rate-regulated accounting when it was formed in 2015 - a decision supported by its auditor, KPMG. And earlier this year, Ms. Marshall told the province's public accounts committee that in February, 2017, she presented financial statements prepared in the usual way to her audit committee.

The following month, though, she produced a fresh set of financial statements using rate-regulated accounting.

The official explanation is that in mid-January, 2017, at one of the earliest

meetings to discuss the Fair Hydro Plan, Ontario Controller Cindy Veinot ordered Ms. Marshall to “take a closer look” at adopting rate-regulated accounting because she didn’t think the IESO’s existing policies were appropriate.

The government has repeatedly stated that Ms. Veinot’s request was completely unrelated to the Fair Hydro Plan. Deputy energy minister Serge Imbrogno asserted that “the important thing is that the changes that the IESO made reflected its existing business” and not the Fair Hydro Plan, which had not been announced yet. Peter Gregg, who was appointed IESO president and CEO in April, 2017, said the management team simply asked itself: “Is this the right thing to do?”

Since Canada’s public sector accounting standards make no mention of rate-regulated accounting, the IESO turned to private-sector standards in the United States known as generally accepted accounting principles, which permit the practice.

The official story overlooks two crucial details. First, while the IESO was changing its accounting policy, Mr. Imbrogno, Ms. Marshall, Ms. Veinot and other senior officials were already part of the team devising the Fair Hydro Plan. Enacted last June, the Fair Hydro Plan Act put IESO’s new policy to immediate use, instructing the IESO to create a “regulatory asset” on its books. This “asset” reflected the agency’s right to recover the costs it was about to incur paying for hydro discounts from future consumers, over a 30-year period.

Tim Beauchamp, a member of the auditor-general’s advisory panel and a former director of the Public Sector Accounting Board, said the entire accounting structure of the Fair Hydro Plan depended on the IESO’s ability to call this right an asset. “Without [the IESO], it doesn’t work,” he said.

The second detail is that, as an agency of the Province of Ontario, the IESO’s finances are consolidated into the province’s public accounts. With the provincial controller’s encouragement, the agency’s management had effectively adopted a new accounting policy on behalf of the entire province.

With those new rules in place, the Fair Hydro Plan could proceed. Here's how it works:

Ontario Power Generation, which operates the province's fleet of nuclear and hydroelectric stations, has assigned four of its employees to manage the Fair Hydro Trust, a special-purpose entity created in December. OPG's financial results will actually get a boost because it will earn interest and management fees from the trust. And OPG doesn't need to worry if the trust blows up financially, because the trust "is structured to be bankruptcy remote and ring fenced from OPG."

Even so, OPG appears to be the only arm of government that has expressed reservations about its role in the Fair Hydro Plan. "OPG's reputation could potentially be adversely impacted through its involvement as the Financial Services Manager under the Fair Hydro Act," the company warned in its 2017 annual report.

The Fair Hydro Plan's complexity comes at a cost. Had the province borrowed directly, the interest costs likely would total tens of billions of dollars over the plan's duration. But using information and assumptions supplied by the government, the Financial Accountability Office (FAO) calculated the additional interest costs at $4-billion over 30 years. Said Ms. Lysyk: "We're talking $4-billion more than needed, to get an accounting result."

Alexandre Laurin, the C.D. Howe Institute's research director, said he'd never before encountered such a convoluted arrangement in the public sphere. To him, the use of related party transactions between multiple entities resembles tax-avoidance schemes in the private sector.

"The same accountants that are advising the government are advising the private sector to build other types of complex accounting structures," he told The Globe. "How crazy is this, really?"

FAO officials had immediate concerns. "It looked like there was at least a very novel new approach being taken to a large amount of planned borrowing and repayment," chief financial analyst Jeffrey Novak said.

Meanwhile, the auditor-general's office scrambled to find out what had happened. Ms. Lysyk demanded tens of thousands of pages of briefings and e-mails created by the FairHydro Plan's architects. She began meeting with the senior officials responsible and their advisers, including KPMG.

Months later, she concluded that the IESO's accounting change was no mere coincidence: The government had instructed the Fair Hydro Plan's architects that the rate reductions must not cause a reported increase in the province's deficit and net debt. Other options were rejected on that basis.

Energy Minister Glenn Thibeault categorically denied accusations that the Fair Hydro Plan was an election ploy. And he justified the new accounting practice that made it possible by telling the provinces's estimates committee last October that because electricity ratepayers, not taxpayers, would be required to repay the debt and interest costs associated with the Fair Hydro Plan, the associated costs did not belong on the province's books.

In order to weigh the Auditor-General's allegations against the government's position, The Globe sought the same documents Ms. Lysyk used in preparing her reports. Her office is not subject to the province's Freedom of Information and Protection of Privacy Act, so The Globe requested them from the departments that originally produced them.

In responses to the requests, all the departments anticipated that large volumes of records would fall under exemptions in the act. The Treasury Board Secretariat, for example, said that of the 1,500 or so relevant pages in the possession of its deputy minister, just 169 would be released. Citing the large number of records involved, the Ministry of Energy estimated The Globe would be charged $112,000 in fees, half of that up front.

So The Globe issued narrower requests and also asked that the Information and Privacy Commission mediate some of them. At publication time, The Globe had received no documents.

'Don't tell the Auditor-General what we're doing'

What is clear is that, in devising the Fair Hydro Plan, the government relied heavily on consultants, including three of the world's "Big Four" accounting firms: KPMG, Deloitte and Ernst & Young. It also hired Blakes, a law firm. According to the Auditor-General, the government paid these advisers a total of $2-million for their services. In a statement, the Treasury Board Secretariat emphasized that work was part of the government's efforts to "ensure due diligence was completed."

Their opinions and advice carried the day. Sophie Kiwala, a Liberal MPP and member of the estimates committee, said on Oct. 24: "Our plan has been approved by the peers of the Auditor-General at some of Canada's top accounting firms, including Ernst & Young, KPMG and Deloitte."

KPMG's team, composed of more than half a dozen of the firm's partners, was led by Michel Picard. In one 32-page document www.theglobeandmail.com provided to The Globe by the government, KPMG itemized and refuted the Auditor-General's objections to the new accounting practice. "The concerns expressed by the AGO result from a difference of opinion in the application of professional judgment," KPMG spokesperson Lisa Papas told The Globe in a statement. As the auditor of IESO's books, the firm also signed off on the application of these new accounting standards, just as it had under the IESO's previous accounting methods. "We would like to emphasize that the standards provide a choice," the firm said in a statement. "There has always been the ability to choose between two alternatives."

In the past three years, KPMG earned between $86,000 and $92,000 in annual fees for auditing IESO's books. Last year, it earned $652,000 for its advice on the new accounting policy.

Did KPMG's dual role as auditor and consultant represent a conflict of interest? "You might say that their ability to be impartial and effective auditors had become compromised," said Randy Hillier, a Conservative MPP who sits on the public accounts committee. "Why would you not [sign off] when you're getting such a significant bundle of cash?"

Ms. Lysyk told the same committee that firms should not be advocating for particular accounting treatments on a client's behalf while auditing the

client's books.

Forensic accountant Al Rosen said that, generally speaking, it's not difficult to hire consultants to provide favourable accounting opinions in Canada, in part because standards are so elastic. "You can go to any of the public accounting firms and get them to render an opinion on whatever you want," he said. "The ethics have gone all to hell."

KPMG and the IESO denied any impropriety. "It is very common for auditors to provide advisory services to help their clients understand the application of complex accounting matters," KPMG said in a statement.

Should the Auditor-General have been consulted?

On Jan. 11, 2017, as Ms. Lysyk's office prepared to audit Ontario's public accounts, it sent a letter to KPMG asking if there would be any accounting policy changes at the IESO. KPMG did not respond. There was a follow-up phone call, but KPMG did not call back. In Ms. Lysyk's opinion, KPMG had a professional obligation to respond.

She also felt that the Ministry of Finance and the Treasury Board should have told her earlier. "You do assume when you're the external auditor for anybody that you're kept in the loop," she said. "That's the relationship, it should be open and transparent."

She said the e-mails reviewed by her office confirm that the architects of the Fair Hydro Plan expected her office to object to the IESO's proposed accounting changes - and that their silence had been deliberate. "All the stuff said, 'Don't tell the Auditor-General what we're doing.' "

Helen Angus, the deputy minister of the Treasury Board Secretariat, resisted that allegation before the public accounts committee. "I don't think we second-guessed the Auditor-General on her opinion," she said.

KPMG agreed that it had a professional obligation to respond to the Auditor-General's requests, but it said it discharged that duty by answering her inquiries in the months after the publication of the IESO's statements.

And the IESO's senior management saw no need whatsoever to consult the Auditor-General. Mr. Gregg, the CEO, said his obligation was to satisfy his own board of directors and its audit committee. And Ms. Marshall told MPPs in February: "We would speak to the Auditor-General once we had come to a conclusion on our own."

So what did those "approvals" from the big accounting firms actually mean? In a statement to The Globe, KPMG emphasized it had no formal role in selecting or approving Ontario's accounting policies. Nor did Deloitte. Ernst & Young declined to answer questions about its work.

The Auditor General's office, on the other hand, is the only body responsible by law for opining on whether the province's financial statements have been prepared according to appropriate accounting standards. And if the government did not stand down, Ms. Lysyk warned, she would issue a qualified opinion on Ontario's books.

Other auditors-general confirmed that is not something they do lightly.

"It's one of the most serious things we can do … to say we don't believe this set of financial statements has been fairly stated," said Mr. Ferguson, Canada's Auditor-General.

Ms. Lysyk said she received letters from all the other auditors-general in Canada supporting her position. Although she declined to release those letters to The Globe, Mr. Ferguson confirmed that wrote such a letter.

So did Carol Bellringer, B.C.'s Auditor-General. "It's inconsistent with the framework that is in place for the public sector," she said. "If British Columbia decided to set up a regulatory account within its provincial accounts, we would say, 'No, you can't do that.' "

Others also rallied to Ms. Lysyk's defence. In a report www.fao-on.org published in December, the FAO adopted her recommended accounting policy and warned that the government's approach "reduced the transparency and reliability of Ontario's fiscal plan."

But Ms. Wynne's government seemed untroubled by Ms. Lysyk's warnings. She had already issued a qualified opinion on a separate issue - the government's accounting for the assets of two pension funds, a matter of billions of dollars - but the government shrugged that off, too.

Deputy finance minister Scott Thompson signed the statement of responsibility on last year's public accounts, with which the government accepts responsibility for the statements' integrity and avows that they conform with public sector accounting standards. So did Ms. Veinot, the controller, and Ms. Angus, deputy minister of the Treasury Board. In theory, these signatures conferred substantial obligations upon these officials - even as the Auditor-General was warning them that the province was using improper accounting. (None of them granted The Globe an interview.)

The last line of defence was the legislature. The public accounts committee is charged with reviewing the Auditor-General's reports and making recommendations to the Legislative Assembly. When it convened in February to discuss the Auditor-General's concerns, Mr. Hillier, the Tory MPP, flagged the issue as unusual. "This committee has a track record of being non-partisan to a large extent," he said - suggesting, though, that neutrality might be difficult when it came to the politically charged Fair Hydro Plan.

Indeed, the committee's questioning split along party lines. Mr. Hillier and NDP MPP John Vanthof hammered the officials involved in creating the financial and accounting structure, demanding justification for the additional interest costs.

Liberal MPP Liz Sandals, by contrast, asked no questions about the Fair Hydro Plan. Instead, she voiced her support for rate-regulated accounting and defended the IESO's decision to not consult the Auditor-General. She used much of her allotted time to ask Mr. Thompson to comment on the balanced budget. He responded that the government was "in a very solid position to balance this fiscal year."

An era of bad books?

Last month, the government published the 2018 Pre-Election Report on the state of the province's finances. The requirement to produce that report was first introduced in 2004, by the government of Dalton McGuinty. Published in the lead-up to the 2007 election, then-finance minister Greg Sorbara presented it as an antidote to the Conservatives' alleged accounting shenanigans.

"The previous government's approach to balancing the budget was to count on phantom revenues like asset sales which they knew would not materialize," Mr. Sorbara said in a statement. "It is essential that the real state of the province's finances be known before and not after an election."

With Ontarians heading to the polls on June 7, they are confronted by two conflictingaccounts about the state of their province's current and future indebtedness.

At press time, the Auditor-General's office was rushing to prepare her opinion on the Pre-Election Report. She is likely to issue another qualified opinion.

The Fair Hydro Plan triggered a breakdown of trust. Previously, the Auditor-General relied on KPMG to audit the IESO's books. Not any more: This year, she conducted her own special audit. "We couldn't risk that something else is going to pop up on this," Ms. Lysyk said.

It did not go well. Ms. Lysyk said she was "professionally unable" to provide an audit opinion because management refused to sign certain documents.

"They basically treated, I think, my audit team like we were subservient to KPMG," she told the public accounts committee. "When a board or management in any other province recognizes that an AG's office has issues with their accounting, they would have handled it differently."

Both the IESO and KPMG said they co-operated fully at all times.

Ms. Marshall will step down as the IESO's CFO at the end of this month.

(No replacement has been named.) But the battle over the integrity of Ontario's financial statements rages on. In March, Ms. Lysyk warned the public accounts committee that the government risked receiving its first-ever "adverse" opinion - essentially a disclaimer that the financial statements should not be trusted.

One year after the unveiling of the Fair Hydro Plan, the irony is that the alleged raison d'être for the accounting practice that made it possible has suddenly vanished: Mr. Sousa, the finance minister, has revealed that Ontarians can no longer count on balanced budgets; he has forecast deficits of more than $6-billion for each of the following three years as the government ramps up spending on health care, child care, social assistance and postsecondary education.

The government now forecasts its next balanced budget won't arrive until 2024-25. In a recent report examining Ontario's finances, the C.D. Howe Institute concluded: "While the government may claim to have balanced the budget for 2017/18, the medium- and long-term fiscal outlook for Ontario is dire."

Follow this link to view this story on globeandmail.com: Bad books: How Ontario's new hydro accounting could cost taxpayers billions
www.theglobeandmail.com

From:	Ken Kandeepan
To:	Carlos Yep
Cc:	James Devine; Mike Manning
Subject:	Fwd: OPG Equity Injection - Closing April 20, 2018
Date:	Monday, April 16, 2018 2:04:32 PM
Attachments:	2018-04-16 - Signed Share Subscription Form.pdf ATT00001.htm 2018-04-16 - Signed FAA Certificate.pdf ATT00002.htm 2018-04-16 - Signed Payment Memo.pdf ATT00003.htm

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FYI

Thanks

Ken k

Begin forwarded message:

From: "Ogunrinde, Deni (ENERGY)" <Deni.Ogunrinde@ontario.ca>
Date: April 16, 2018 at 2:02:17 PM EDT
To: "Kandeepan, Ken (OFA)" <Ken.Kandeepan@ofina.on.ca>, "Kim, John (OFA)" <John.Kim@ofina.on.ca>, "john.psinas@ofina.on.ca" <john.psinas@ofina.on.ca>, "settlement@ofina.on.ca" <settlement@ofina.on.ca>, "cashP@ofina.on.ca" <cashP@ofina.on.ca>
Cc: "Talwar, Shruti (ENERGY)" <Shruti.Talwar@ontario.ca>, "Sud, Manu (ENERGY)" <Manu.Sud@ontario.ca>, "Young, Graham (ENERGY)" <Graham.Young@ontario.ca>, "Yee, Jose (MEDG/MRIS)" <Jose.Yee@ontario.ca>, "Sadasivan, Asokan (MEDG/MRIS)" <Asokan.Sadasivan@ontario.ca>, "Sawwaf, Khareem (ENERGY)" <Khareem.Sawwaf@ontario.ca>, "Thouin, Alena (ENERGY)" <Alena.Thouin@ontario.ca>, "Yordi, Samer (ENERGY)" <Samer.Yordi@ontario.ca>
Subject: OPG Equity Injection - Closing April 20, 2018

Hello Everyone,

OPG made a formal request to the Ministry of Energy on April 12th for the third equity injection closing on April 20th. As per our MOU with the OFA, attached are the following signed documents:

1. Share Subscription Form
2. FAA Certificate
3. Memo authorizing release of funds to OPG

OFA should have what it needs from ENERGY to make the payment to OPG.

Please let me know by today if there are any questions or issues.

Thank you,

Deni Ogunrinde

Policy Advisor
Strategic Policy and Analytics Branch
Ministry of Energy
Deni.Ogunrinde@Ontario.ca | 416-212-3309

SUBSCRIPTION FOR SHARES

TO: **ONTARIO POWER GENERATION INC.** (the "**Corporation**")

The undersigned hereby subscribes for 1,498,856 Class A Shares of the Corporation at the price of $43.74 per share and tenders payment in full of the purchase price. The undersigned represents and warrants to the Corporation that the undersigned is purchasing such shares as principal and is a "security holder of the Corporation" within the meaning referred to in subsection (2) of section 2.4 of National Instrument 45-106 of the Canadian Securities Administrators.

Please register the shares in the name of the undersigned. The undersigned will advise the Corporation if the undersigned ceases to be the sole beneficial owner of the share.

Distribution date: April 20, 2018

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

By: _____
Name:
Title:

CERTIFICATE

Ministry of Energy Subscription for Class A Shares of Ontario Power Generation Inc.

Ontario Power Generation Inc. ("OPG ") has delivered to the Ministry of Energy (the "Ministry") a share subscription dated **April 20, 2018** (the "Share Subscription") pursuant to the Master Share Subscription Agreement between the Ministry and OPG dated November 22, 2017.

The Share Subscription requests payment by the Ministry to OPG in the amount of **$65,560,000** as consideration for the subscription for **1,498,856** Class A shares of OPG (the "Subscription Payment").

The Ministry is required to pay the Subscription Payment out of amounts appropriated by the Legislature for that purpose for the fiscal year in which the payment is made (the "Appropriated Amount").

Section 11.4 (1)(c) of the *Financial Administration Act* provides that the Subscription Payment shall not be made unless a person authorized under that section certifies that OPG is eligible for or entitled to the Subscription Payment.

I Carolyn Calwell, Assistant Deputy Minister, as delegated by the Minister of Energy, hereby certify that

i) There is a sufficient Appropriated Amount from which to make the Subscription Payment, and
ii) OPG is entitled to the Subscription Payment.

Dated: 16 April 2018

Carolyn Calwell
Assistant Deputy Minister
Strategic, Network and Agency Policy

Ministry of Energy

77 Grenville Street
6th Floor
Toronto ON M7A 2C1

Tel: (416) 326-5572

Ministère de l'Énergie

77, rue Grenville
6e étage
Toronto ON M7A 2C1

Tél: (416) 326-5572

Ontario

April 16, 2018

MEMORANDUM TO: Alfonso Soriano, Manager, Cash Management
Finance and Treasury Division, OFA

FROM: Carolyn Calwell, Assistant Deputy Minister
Strategic, Network and Agency Policy

SUBJECT: Authorizing the Release of Funds to Ontario Power Generation Inc.

I am hereby authorizing a payment (through wire transfer) in the amount of **$65,560,000** to Ontario Power Generation Inc. (OPG) on April 20, 2018 as consideration for the subscription for **1,498,856** Class A shares Shares of OPG.

The bank account information of OPG is provided below:

Bank: Bank of Nova Scotia
Address: 44 King Street West Toronto, Ontario MSH 1H1
SWIFT Code: NOSCCATT
Branch Transit: 47696
Bank Code: 002
Account Number: 476960302716

Ontario Power Generation Inc.
Treasury
700 University Avenue
Toronto, Ontario
M5G 1X6

The IFIS account code string to be used to record the above transaction is:

029-290505-0000-981671-141085-0000-0000-0000

Sincerely,

Carolyn Calwell, Assistant Deputy Minister
Strategic, Network and Agency Policy

From:	John Psinas
To:	Anna Strathy
Cc:	Mike Manning; Ronald Kwan; Usman Zahid
Subject:	GM Follow up Questions and Responses (002).docx
Date:	Wednesday, May 02, 2018 9:37:24 AM
Attachments:	GM Follow up Questions and Responses (002).docx

Anna,

My minor edits as discussed.

Thanks.

John

1. Where does the borrowing of the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
2. How does the borrowing of the Fair Hydro Trust affect the Province of Ontario's reported net debt?
3. How does OPG's borrowing related to the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
4. How does OPG's borrowing related to the Fair Hydro Plan affect the Province of Ontario's reported net debt?
5. The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.
6. When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.
7. When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"

1. Where does the borrowing of the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position? 3. How does OPG's borrowing related to the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?	As you noted in your article, the borrowing for the Global Adjustment Refinancing aspect of Fair Hydro Plan comes from more than one source. There is borrowing taken on by the Province, OPG and the Fair Hydro Trust (which is fully consolidated with the financial statements of OPG.) The borrowing for the Global Adjustment Refinancing aspect of the Fair Hydro Plan commenced in July 2017, and will be reported as part of the 2017-18 Public Accounts for the year ended March 31, 2017. There was no debt related to the Global Adjustment Refinancing of the Fair Hydro Plan as of the end of the last fiscal year – March 31, 2017. The comments below relate to the plan for disclosure in the Province's consolidated financial statements for the year-ended March 31, 2018. Those financial statements are in the process of being prepared now, and the Auditor General generally issues her opinion on those financial statements in mid-August (last year the date of her opinion was August 18). The borrowing that the Province takes on directly, which is invested in OPG, will be included in the line item, labeled Debt within the Liabilities section of the Statement of Consolidated Financial Statement. The borrowing that the OPG and the Fair Hydro Trust issue will be included in the line item labeled Investment in Government Business Enterprises, within the Financial Assets Section. The details of the Investment in Government Business Enterprises line is provided in

	Schedule 9 to the financial statements. This Schedule shows the detailed balances of each asset and liability category for each Government Business Enterprise. The debt of OPG and the Fair Hydro Trust related to the Global Adjustment Refinancing of the Fair Hydro Plan will be included in the line labeled Long-Term Debt, within the Liabilities section, and under the column for OPG. This accounting is consistent with the PSAS standards for Government Business Enterprises. The debt of those entities is presented within the Investment in Government Business Enterprises line. As of March 31, 2017, the combined Long-Term Debt of Ontario's Government Business Enterprises was $16.7 Billion. The impact of adding the Long-Term debt of OPG and the Fair Hydro Trust as of March 31, 2018 will be an increase of approximately $1.x Billion. We are also planning to include additional details with respect to the assets and liabilities for the Fair Hydro Trust within schedule 9 to the financial statements, ensuring that the activities of the Trust are fully transparent to the readers of the financial statements. In addition, the stand-alone financial statements of both OPG and the Fair Hydro Trust will be included in Volume 2 of the Public Accounts.
2. How does the borrowing of the Fair Hydro Trust affect the Province of Ontario's reported net debt? 4. How does OPG's borrowing related to the Fair Hydro Plan affect the Province of Ontario's reported net debt?	Public Sector Accounting Standards discuss the computation and meaning of net debt as follows in Section 1100: ***Net debt*** *is measured as the difference between a government's liabilities and financial assets. This difference bears directly on the government's future revenue requirements and on its ability to finance its activities and meet its liabilities and contractual obligations.* ***Net debt*** *provides a measure of the future revenues required to pay for past transactions and events. The extent of a government's* ***net debt*** *and the financial ability of the government to service that debt is an important test of the sustainability of that government. When a government's financial assets exceed its liabilities, this indicator of a government's financial position would be called "net financial assets" and it would provide a measure of the net financial assets on hand that can provide financial resources to finance future operations.* The borrowing of OPG and the Fair Hydro Trust for the Global Adjustment Refinancing aspect of the Fair Hydro Plan will not increase net debt of the Province. As explained in the response to your first question, the debt of OPG and the Fair Hydro Trust is recorded as part of the Province's investment in OPG and that investment is included in the line item labeled Investment in Government Business Enterprise. This outcome is consistent with the meaning of net debt. As PSAS

	notes, "***Net debt*** *provides a measure of the future revenues required to pay for past transactions and events.*" Future revenues of government (e.g. taxation revenue) will not be used to pay for the reduction in electricity prices provided to ratepayers. The Fair Hydro Plan provides for collection from the ratepayers, including the cost of borrowing.
5. The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.	[~~What is our standard response that is used for these types of requests?~~] Note 19 of OPG's consolidated financial statements (available on OPG's website at: https://www.opg.com/about/finance/Documents/20180308CombinedNewsReleaseMDAOPGQ42017FINAL.pdf) includes the following disclosure of the guarantee provided by the Province. > The Province has provided a limited guarantee to specified creditors of the Fair Hydro Trust. The limited guarantee would be triggered in the event that the Trust's ability to receive amounts in respect of its Investment Interest to pay for certain funding obligations is adversely affected due to one or more of the following: the Province changes the Fair Hydro Act or any other legislation or regulation; a significant change in Ontario's electricity market undertaken by the Province; or a court declares that the Act is invalid or unconstitutional. Disclosure of the guarantee will also be included in the consolidated financial statements of the Province for the year-ended March 31, 2018, which will be released as part of the Public
6. When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.	The consolidated financial statements of the government of Ontario records debt issued by a number of different controlled and consolidated entities. The form of the entity that issues the debt, whether it is a corporation, a trust or something else is not relevant to the accounting for the debt on the financial statements of the Province. The issuer of the debt depends on the nature of the debt and what source of income will be used to service the interest and debt. The debt recorded on the consolidated financial statements of the Province includes: • Debt issued directly by the Province for both provincial purposes and for the Ontario Electricity Financial Corporation – at March 31, 2017, the outstanding balance of this debt was $333 billion (see Note 2 to the 2016-17 consolidated financial statements)

	• Debt issued by broader public sector organizations such as hospitals. At March 31, 2017, the outstanding balance of debt issued by broader public sector organizations was $5 billion (see Note 4 to the 2016-17 consolidated financial statements) • Debt relating to Alternative Financing and Procurement structures (AFPs), which can be for broader public sector organizations and the government directly. At March 31, 2017, the outstanding AFP debt was $8.7 Billion (see Note 4 to 2016-17 consolidated financial statements) • Debt of the government business enterprises (the accounting for which is discussed in the response to questions 1 and 3). At March 31, 2017, the debt of the government business enterprises was $16.7 Billion. See schedule 9 of the 2016-17 consolidated financial statements. Link to 2016-17 consolidated financial statements of the Province -- http://www.ontla.on.ca/library/repository/ser/15767/2016-2017/Consolidatedfinancialstatements.pdf
7. When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"	The term "gross" debt was used to differentiate it from net debt, and is reported as noted above in question 1 regarding the debt issued directly by the Province. Where Net Debt is calculated as all liabilities less financial assets, Gross Debt does not have such a subtraction. It is called Debt in the Consolidated Statement of Financial Position in Public Accounts (page 93 of the 2016-17 Public Accounts).

From:	Olga Whiteley
To:	Mike Manning
Cc:	Anthony Martinello
Subject:	IESO Financial Information Pursuant to Note Payable - Q1 2018
Date:	Tuesday, May 29, 2018 2:34:48 PM
Attachments:	Financial Statements Q1 2018.pdf

Dear Mr. Manning,

As required by the April 1, 1999, as amended, Note Agreement between IESO and OEFC, please find attached a copy of IESO's Q1 2018 unaudited financial statements.

Please let us know if you have any questions or concerns,

Best regards.

Olga Whiteley, CFA | Treasury and Pension Operations

Independent Electricity System Operator (IESO) | T: (905) 403-6917 | F: (905) 403-6913

Station A, Box 4474, Toronto, ON M5W 4E5

Web: www.ieso.ca[ieso.ca] | Email: olga.whiteley@ieso.ca

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Independent Electricity System Operator
Statement of Financial Position
Unaudited

As at (in thousands of Canadian dollars)	March 31, 2018	December 31, 2017
	$	$
FINANCIAL ASSETS		
Cash	53,706	64,214
Accounts receivable	68,852	41,429
Regulated assets	38,551	39,529
Long-term investments	45,180	45,276
Market accounts - assets (Note 2)	1,694,906	2,005,167
TOTAL FINANCIAL ASSETS	**1,901,195**	**2,195,615**
LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	48,463	37,264
Accrued interest on debt	530	-
Rebates due to market participants (Note 4)	1,422	1,422
Debt (Note 5)	120,000	120,000
Accrued pension liability	28,166	29,229
Accrued liability for employee future benefits other than pension	97,618	96,216
Market accounts - liabilities (Note 2)	1,694,906	2,005,167
TOTAL LIABILITIES	**1,991,105**	**2,289,298**
NET DEBT	**(89,910)**	**(93,683)**
NON-FINANCIAL ASSETS		
Net tangible capital assets	106,182	100,794
Prepaid expenses	6,712	6,809
TOTAL NON-FINANCIAL ASSETS	**112,894**	**107,603**
ACCUMULATED SURPLUS		
Accumulated surplus from operations	12,284	3,436
Accumulated remeasurement gains	10,700	10,484
ACCUMULATED SURPLUS	**22,984**	**13,920**

Independent Electricity System Operator
Statement of Operations and Accumulated Surplus
Unaudited

For the quarter ended March 31 (in thousands of Canadian dollars)	2018 Budget	2018 Actual	2017 Actual
IESO CORE OPERATIONS	**$**	**$**	**$**
System fees	50,111	48,691	44,875
Other revenue	954	1,315	1,295
Interest and investment income	140	384	203
Core operation revenues	**51,205**	**50,390**	**46,373**
Core operation expenses (Note 6)	**(48,425)**	**(47,193)**	**(45,236)**
Core operations surplus	**2,780**	**3,197**	**1,137**
OTHER GOVERNMENT PROGRAMS			
Government transfer	24,435	26,251	-
Government transfer expenses (Note 6)	(24,435)	(26,251)	-
Government transfer surplus	**-**	**-**	**-**
SMART METERING ENTITY			
Smart metering charge	8,635	11,938	6,137
Smart metering expenses (Note 6)	(6,985)	(6,295)	(6,137)
Smart metering entity surplus	**1,650**	**5,643**	**-**
MARKET SANCTIONS AND PAYMENT ADJUSTMENTS			
Market sanctions and payment adjustments	1,736	1,139	664
Customer education and market enforcement expenses (Note 6)	(1,807)	(1,131)	(702)
Market sanctions and payment adjustments surplus/(deficit)	**(71)**	**8**	**(38)**
(DEFICIT)/SURPLUS	**4,359**	**8,848**	**1,099**
ACCUMULATED SURPLUS FROM OPERATIONS, BEGINNING OF PERIOD	3,436	3,436	6,582
ACCUMULATED SURPLUS FROM OPERATIONS, END OF PERIOD	**7,795**	**12,284**	**7,681**

Independent Electricity System Operator
Statement of Remeasurement Gains and Losses
Unaudited

For the quarter ended March 31 (in thousands of Canadian dollars)	2018 Actual	2017 Actual
	$	$
ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF PERIOD	**10,484**	**7,906**
UNREALIZED GAINS ATTRIBUTABLE TO:		
Foreign exchange - derivatives	386	-
Foreign exchange - other	517	767
Portfolio investments	(231)	1,333
AMOUNTS RECLASSIFIED TO THE STATEMENT OF OPERATIONS:		
Foreign exchange - other	(456)	(763)
NET REMEASUREMENT GAINS FOR THE PERIOD	**216**	**1,337**
ACCUMULATED REMEASUREMENT GAINS, END OF PERIOD	**10,700**	**9,243**

Independent Electricity System Operator
Statement of Change in Net Debt
Unaudited

For the quarter ended March 31 (in thousands of Canadian dollars)	2018 Budget	2018 Actual	2017 Actual
	$	$	$
SURPLUS	**4,359**	**8,848**	**1,099**
CHANGE IN NON-FINANCIAL ASSETS			
Acquisition of tangible capital assets	(11,450)	(10,764)	(2,759)
Amortization of tangible capital assets	5,294	5,376	5,503
Change in prepaid expenses	-	97	1,654
TOTAL CHANGE IN NON-FINANCIAL ASSETS	**(6,156)**	**(5,291)**	**4,398**
NET REMEASUREMENT GAINS FOR THE PERIOD	-	216	1,337
CHANGE IN NET DEBT	**(1,797)**	**3,773**	**6,834**
NET DEBT, BEGINNING OF PERIOD	(93,683)	(93,683)	(97,173)
NET DEBT, END OF PERIOD	**(95,480)**	**(89,910)**	**(90,339)**

Independent Electricity System Operator
Statement of Cash Flows
Unaudited

For the quarter ended March 31 (in thousands of Canadian dollars)	2018	2017
	$	$
OPERATING TRANSACTIONS		
Change in accumulated surplus		
Surplus	8,848	1,099
	8,848	1,099
Changes in non-cash items:		
Amortization	5,376	5,503
Pension expense	2,613	2,051
Other employee future benefits expense	2,255	2,221
	10,244	9,775
Changes in non-cash balances related to operations:		
Change in accounts payable and accrued liabilities	12,074	(1,118)
Change in accounts receivable	(27,423)	(7,028)
Change in regulated assets	978	6,662
Change in prepaid expenses	97	1,654
	(14,274)	170
Other:		
Contributions to pension fund	(3,676)	(4,957)
Payment of employee future benefits	(853)	(635)
	(4,529)	(5,592)
Cash provided by operating transactions	**289**	**5,452**
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(10,764)	(2,759)
Change in accounts payable and accrued liabilities	(345)	(635)
Cash applied to capital transactions	**(11,109)**	**(3,394)**
INVESTING TRANSACTIONS		
Purchase of long-term investments	(135)	(130)
Cash applied to investing transactions	**(135)**	**(130)**
FINANCING TRANSACTIONS		
Issuance of debt	-	-
Cash provided by financing transactions	**-**	**-**
(DECREASE) / INCREASE IN CASH	**(10,955)**	**1,928**
CASH - BEGINNING OF PERIOD	64,214	33,005
Unrealized foreign exchange gains for the period	447	4
CASH - END OF PERIOD	**53,706**	**34,937**

1) INTERIM FINANCIAL STATEMENTS

The interim financial statements follow the same accounting policies and methods of their application as the 2017 IESO annual financial statements.

The interim financial statements have been prepared on a going concern basis and should be read in conjunction with the 2017 IESO annual financial statements.

2) MARKET ACCOUNTS

As of January 1, 2016 the IESO changed its accounting policy regarding the recognition of market accounts assets and liabilities on the statement of financial position. The IESO-administered markets is a balancing system and includes amounts due from market participants (e.g. LDCs) and amounts due to market participants (e.g. generators). The net position of market accounts will settle to a $nil balance.

In 2017, the Government of Ontario announced its Fair Hydro Plan (FHP). Under this Plan, the IESO continues to settle the transactions between generators and distributors, but collects only a portion of the Global Adjustment from eligible customers, identified in the Ontario Fair Hydro Plan Act.

The FHP also shifted the cost of the Ontario Electricity Support Program (OESP) and most of the Rural or Remote Rate Protection (RRRP) program costs from ratepayers to taxpayer-funded programs.

The cumulative amount recorded in the Deferred Global Adjustment Variance account to the end of March 2018 was $1,788,841 thousand. To date a total of $1,639,000 thousand has been transferred to the Fair Hydro Trust. As a result, as at March 31, the Deferred Global Adjustment Variance account balance was $149,841 thousand, including interest and carrying charges.

In consideration of the implementation of the FHP, the OEB rescinded the OESP charge and determined to fund the program through the credit balance in the Ontario Electricity Support Program Variance account. As of March 31, the OESP variance account had been fully depleted.

On July 1, 2017 the OEB set a new rate for the RRRP program that has resulted in the IESO paying eligible markets participants more than rate collection permits. The balance in the RRRP variance account to March 31, 2018, was $14,107 thousand net of interest.

Components of the market accounts are as follows:	As at March 31, 2018	As at December 31, 2017
Cash, restricted for market accounts	190,250	454,174
Amounts due from market participants	1,260,429	1,253,417
Interest receivable	223	217
Regulatory assets/liabilities	163,948	187,203
HST receivable	80,056	110,156
Market debt	(13,766)	(13,252)
Amounts due to market participants	(1,479,690)	(1,855,206)
Other net liabilities	(201,450)	(136,709)
Closing balance	**-**	**-**

Regulatory assets/liabilities consist of the following:	As at March 31, 2018	As at December 31, 2017
Deferred Global Adjustment Variance	149,841	199,475
Ontario Electricity Support Program Variance	-	(24,892)
Rural or Remote Rate Protection Variance	14,107	12,620
Closing balance	**163,948**	**187,203**

3) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands of Canadian dollars)	As at March 31, 2018	As at December 31, 2017
Relating to operations	47,259	35,743
Relating to tangible capital assets	1,204	1,521
Closing balance	**48,463**	**37,264**

4) REBATES DUE TO MARKET PARTICIPANTS AND ACCUMULATED SURPLUS

As at March 31, 2018 and December 31, 2017, the components of the IESO's Accumulated Surplus were as follows:

Accumulated Surplus

(in thousands of Canadian dollars)	As at March 31, 2018	As at December 31, 2017
Approved regulatory deferral account	9,197	6,000
Smart Metering Entity	6,582	939
Accumulated market sanctions and payment adjustments	649	641
Remeasurement gains	6,556	6,340
Accumulated surplus – end of period	**22,984**	**13,920**

Regulatory Deferral Account

(in thousands of Canadian dollars)	As at March 31, 2018	As at December 31, 2017
Accumulated surplus – December 31, 2017	6,000	10,000
OEB decision and order	-	(4,000)
Revenues (before rebates due to market participants)	50,390	186,559
Rebates due to market participants	-	(1,422)
IESO operation expenses	(47,193)	(185,137)
Accumulated surplus – end of period	**9,197**	**6,000**

Smart Metering Entity - Accumulated Surplus

(in thousands of Canadian dollars)	As at March 31, 2018	As at December 31, 2017
Accumulated surplus – December 31, 2017	939	0
Smart Metering Entity Revenues	11,938	25,655
Smart Metering Entity Expenses	(6,295)	(24,716)
Accumulated surplus – end of period	**6,582**	**939**

Accumulated Market Sanctions and Payment Adjustments

(in thousands of Canadian dollars)	As at March 31, 2018	As at December 31, 2017
Accumulated surplus – December 31, 2017	641	726
Market sanctions and payment adjustments	1,139	3,176
Customer education and market enforcement expenses	(1,131)	(3,261)
Accumulated surplus – end of period	**649**	**641**

5) DEBT

Note Payable to Ontario Electricity Finance Corporation (OEFC)

In April 2017, the IESO entered into a note payable with the OEFC. The note payable is unsecured, bears interest at a fixed rate of 1.767% per annum and is repayable in full on June 30, 2020. Interest accrues daily and is payable in arrears semi-annually in June and December of each year. As at March 31, 2018, the note payable to the OEFC was $120 million (December 31, 2017 - $120 million).

Credit Facility

The IESO has an unsecured credit facility agreement with the OEFC, which will make available to the IESO an amount up to $160.0 million. Advances under the credit facility are payable at a variable interest rate equal to the Province of Ontario's cost of borrowing for a 30 day term plus 0.50% per annum, with draws, repayments and interest payments due monthly. The credit facility expires June 30, 2020. As at March 31, 2018, no funds were drawn on the credit facility (December 31, 2017 - $nil).

6) SEGMENT DISCLOSURES

Expenses by object for the quarter ended March 31, 2018 comprised of the following:

(in thousands of Canadian dollars)	**IESO operations**	**Customer education and market enforcement expenses**	**Smart metering entity**	**Other Government Programs**	Totals
	$	$	$	$	$
Compensation & benefits	30,190	722	600	507	32,019
Professional & consulting	3,876	240	3,454	25,619	33,189
Operating & administration	9,203	169	1,369	125	10,866
Amortization	4,515	-	861	-	5,376
Interest	507		11	-	517
Less: Recoveries	(1,098)	-	-	-	(1,098)
Total Expense	**47,193**	**1,131**	**6,295**	**26,251**	**80,870**

Expenses by object for the quarter ended March 31, 2017 comprised of the following:

(in thousands of Canadian dollars)	**IESO operations**	**Customer education and market enforcement expenses**	**Smart metering entity**	**Other Government Programs**	Totals
	$	$	$	$	$
Compensation & benefits	28,675	465	615	-	29,755
Professional & consulting	3,006	65	3,534	-	6,605
Operating & administration	8,988	172	909	-	10,069
Amortization	4,519	-	984	-	5,503
Interest	397	-	95	-	492
Less: Recoveries	(349)	-	-	-	(349)
Total Expense	**45,236**	**702**	**6,137**	**0**	**52,075**

From:	Olga Whiteley
To:	Mike Manning
Cc:	Anthony Martinello
Subject:	IESO Financial Information Pursuant to Note Payable - 2017
Date:	Thursday, March 29, 2018 10:29:06 AM
Attachments:	2017 Statutory Statements and Notes Audited.pdf

Dear Mike,

As required by the April 1, 1999 Note Agreement between IESO and OEFC, please find attached a copy of IESO's 2017 audited financial statements.

Please let us know if you have any questions or concerns.

Best regards,

Olga Whiteley, CFA | Treasury and Pension Operations

Independent Electricity System Operator (IESO) | T: (905) 403-6917 | F: (905) 403-6913

Station A, Box 4474, Toronto, ON M5W 4E5

Web: www.ieso.ca[ieso.ca] | Email: olga.whiteley@ieso.ca

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INDEPENDENT ELECTRICTY SYSTEM OPERATOR

2017 Annual Report

ieso
Connecting Today.
Powering Tomorrow.

2017: Ontario's Electricity Sector at a Glance

Generation

36,853 MW
Installed generation capacity (transmission-connected)

3,800 MW
Installed generation capacity (distribution-connected)

Demand

132.1 TWh
Total demand

21,786 MW
Highest recorded 2017 peak demand, on September 25

Imports/Exports

6,627 GWh
Total imports

19,098 GWh
Total exports

Customers

524
Total number of market participants

5 million
Residential and small business customers served by 67 local distribution companies

Price

1.58¢/kWh
Weighted average wholesale price of electricity (Hourly Ontario Energy Price)

9.97¢/kWh
Average Global Adjustment Class B rate

Market Transactions

$17 billion
Financial transactions settled by the IESO wholesale market*

Conservation

950,000 MWh**
Net energy savings from conservation programs delivered by local distribution companies and the IESO

* Includes a combination of commodity charges (Hourly Ontario Energy Price and Global Adjustment), wholesale market service charges, wholesale transmission charges and other associated charges
** Unverified incremental first year

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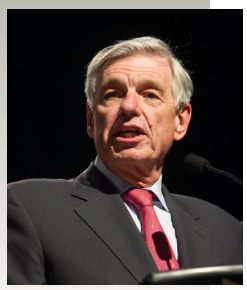
Note from the President & CEO and the Chair



Peter Gregg



Tim O'Neill

The transformation in the energy sector is reshaping the landscape, not only in Ontario but beyond our borders too. System planners and operators in Canada, the United States and other jurisdictions around the globe are adapting to new supply mixes and new operating environments. The rapid growth in distributed energy resources has resulted in power flows between the distribution and transmission systems that are becoming more variable and less predictable. At the same time, new relationships are emerging between electricity consumers and the grid that supplies their homes, businesses and institutions.

The pace of change continues to accelerate as well. To support reliability despite the changing environment, the IESO is seeking ways to find – and deliver – continuous improvement. Whether externally focused, like the Market Renewal Program or the Conservation First Framework Mid-Term Review, or internally focused, like the corporate reorganization initiated in 2017, the IESO is taking steps to enhance the way it does business.

The IESO continues to examine its systems and processes to assess how effectively they are meeting current needs – and the extent to which they will support future ones. We're seeking new ways to find efficiencies, contain costs, optimize outcomes and results, and deliver value.

This focus on improvement is not happening in isolation. Throughout 2017, the IESO worked closely with market participants, stakeholders, communities, the public and government to identify innovative, optimal solutions to the challenges that face the organization – and the sector. In this way, all parties affected by the IESO's policies, programs and processes can help define the path forward.

This path will see the IESO working with existing partners as well as new ones. In 2017, for example, the IESO launched a public engagement related to the smart meter data held within the Meter Data Management/Repository (MDM/R). With nearly five million smart meters sending hourly data to the MDM/R, and more than 60 local distribution companies integrated into the system, Ontario's MDM/R is one of the largest shared systems in the world. By including new voices in the conversation, the IESO will ensure the full value of Ontario's energy consumption data can be leveraged while respecting privacy obligations.

The integrated nature of North America's power system means that operationally, what happens in Ontario has ripple effects in other parts of the continent – and vice versa. Cyber threats are growing in volume, velocity and variety, and the impact goes beyond just Ontario. To an increasing extent, they are intended to exploit the complexity and connectivity of critical infrastructure systems on which Ontario and its neighbours depend. As online systems are exposed to more frequent and more sophisticated attacks, there's a growing need for a robust, integrated and flexible approach to cybersecurity management. As a result, the IESO is working with partners inside and outside the electricity industry to identify new cybersecurity risks and develop shared strategies to mitigate their impact.

Amidst all these changes, the IESO's relationships – with stakeholders, customers, Indigenous and other communities, government and other system operators – are also evolving. We are building on these relationships and on the engagements that inform our decision making to ensure they continue to provide a solid foundation for the organization. We will leverage them both to meet our corporate objectives and maintain the operation of a reliable, sustainable and cost-effective electricity system.



Peter Gregg
President & CEO



Tim O'Neill
Chair, Board of Directors

2017 Year in Review

Building on a Solid Foundation: Future-Proofing Ontario's Power System and Wholesale Electricity Markets through Collaboration, Innovation and Vision

A decade and a half after Ontario's wholesale electricity markets opened in May 2002, the landscape today looks very different. Coal-fired generation has been replaced by renewable resources like wind and solar, natural gas and refurbished nuclear. Conservation and demand response are playing a growing role in meeting Ontario's energy needs. Consumers are taking a more active role in monitoring and managing their consumption. Generation is becoming increasingly decentralized. And policy changes and emerging technologies, including energy storage, are transforming the way the electricity sector impacts individuals and organizations – including the IESO.

For all that has changed, one thing hasn't: the IESO's focus on reliability. In an increasingly connected world, where power-consuming devices are found in virtually every home and workplace across the province, customers expect a reliable supply of electricity.

As a result, the IESO is accelerating its efforts to support reliability in a changing world. In practical terms, that work requires the organization to manage what exists today and plan for what needs to exist tomorrow.

Delivering Reliability in a Changing Environment

When it comes to managing a highly complex network like a power system, new resources, policies and technologies call for new systems, processes and tools on the part of the system operator. While the IESO's commitment to maintaining reliability remains unchanged over the past 15 years, the manner in which it achieves this outcome continues to evolve.

The composition of Ontario's resource mix is changing. The increasing amount of variable generation, the integration of distributed energy resources (DERs), and the growing sophistication and interconnectedness of the grid are creating new challenges. There are now more than 4,300 MW of DERs in service and under development. The IESO needs to ensure it has visibility of their operation, is able to forecast their output over different timeframes, can study their impact on the system and can coordinate their operation to ensure reliability.

DERs offer greater customer choice and present opportunities to optimize overall system investments and provide grid reliability services. The IESO is assessing these opportunities, working with stakeholders to understand the impact on the transmission/distribution interface and exploring areas for further collaboration and data sharing.

Market Renewal

Underpinning the IESO's efforts to plan and prepare for the future is the Market Renewal project, which was formally launched in 2017. The market design that was appropriate for 2002 is showing its age, necessitating improvements that will enable it to better meet the needs of today and tomorrow. Fundamental changes are required to address known inefficiencies and lay the foundations for a robust, flexible and efficient market that will serve Ontarians well.

The province is currently enjoying a strong, stable supply position, though planned nuclear refurbishments and the retirement of the Pickering nuclear facility will create needs in the early to mid-2020s. This period of stability is an ideal time for the IESO to push ahead with the most significant changes to the structure of Ontario's wholesale electricity markets since their creation nearly 16 years ago.

At a high level, Market Renewal is intended to refine the way in which the IESO procures, schedules, dispatches and compensates providers of energy, capacity and other essential grid services, which will reduce overall system costs. When fully implemented, Market Renewal is expected to result in up to $5.2 billion in efficiency improvements over a 10-year period.

Engagement activities for Market Renewal are well underway. Stakeholder groups reviewing the first two Market Renewal initiatives – conversion of the current two-schedule market to a single-schedule market and implementation of an incremental capacity auction – met often throughout 2017. High-level design work is underway and will conclude in 2018, while detailed design and implementation will begin later in the year.

Engagement

Engagement with stakeholders and communities is a priority for all aspects of the IESO's business. It can take many forms. Historically, the IESO's engagement has focused on traditional sector partners like generators, transmitters, distributors and large-volume consumers. Today, however, it frequently involves Indigenous communities and organizations, municipalities, tech companies and app developers, as well as academic institutions and research networks.

The IESO has a number of formal and informal channels through which to seek input. These include established groups like the Stakeholder Advisory Committee and the Technical Panel, as well as other content- and audience-specific working groups, committees and forums. By seeking input prior to making decisions, and by acting on the feedback that's provided, the IESO makes sound decisions in a way that considers all parties' needs and interests.

The IESO's approach to engagement broadened in 2017, bringing a fresh set of ideas and opinions into consideration. New in-person engagement mechanisms – including, for example, five regional forums and an Indigenous Community Energy Symposium co-hosted with the Ministry of Energy – complemented existing mechanisms and initiative-specific engagements. On the digital front, the corporate website, www.ieso.ca, underwent a complete redesign and now includes a new section for content related to energy innovation known as "Powering Tomorrow."

Seeking Cost Efficiencies

The IESO is leading efforts to create a more competitive and cost-efficient electricity system through Market Renewal, consumer opportunities and new approaches to transmission development. A more competitive and cost-efficient system will drive down costs for Ontario ratepayers, create opportunities for stakeholders and stimulate innovation. Increased efficiency is a priority for the organization and can take many forms. For example, the 2017 demand response (DR) auction completed in December resulted in increased consumer participation and lower prices. Thirty-five organizations were registered as auction participants, more than double the number of participants in the first DR auction, which was held in 2015. The average annual clearing price set through the 2017 auction was 16.6 percent lower than in 2015.

In addition to changes on the demand side, the Feed-in Tariff (FIT) and microFIT procurements of renewable generation came to an end in 2017. These programs have contributed thousands of megawatts to the province's supply of clean, renewable generation, but the conclusion of these procurements is an important milestone in the evolution of the IESO's resource acquisition model.

New competition in the IESO's reliability services markets is also helping to drive costs down. In November 2017, the IESO announced that two new energy storage facilities had been selected through a competitive process to help support the reliability, flexibility and efficiency of the province's electricity grid. The successful parties will provide a combined 55 megawatts of regulation service, an important grid-balancing function that corrects for short-term changes in electricity use that might affect the reliability of the power system. These projects represent one of the largest reductions in per-unit regulation costs since Ontario's electricity market opened.

Enabling Conservation

Ontario continues to make steady progress towards its 2020 conservation target of 8.7 terawatt-hours (TWh) of energy savings through the Conservation First Framework (CFF) programs and the Industrial Accelerator Program (IAP). The CFF is on target and under budget at the halfway mark, having achieved 3.85 TWh (55% of the CFF target[1]) of energy savings in the first half of the framework. When combined with an additional 0.640 TWh achieved through the IAP, a total of about 4.5 TWh of energy savings has been achieved – the equivalent of powering close to half a million homes for a year. While 2017 conservation numbers are still preliminary, total demand from grid-connected resources was about nine percent lower in 2016 than it was 10 years earlier – due in large part to conservation programs, innovation, new technologies and ongoing changes in energy-use behaviour.

Conservation remains the most cost-effective supply resource available, at just over two cents per kWh, providing value to the broader system while helping consumers to manage their costs. The conservation efforts of the last 10 years have helped avoid investments in more expensive electricity infrastructure and new generation. A priority in 2017 was the mid-term review of the current Conservation First Framework, which began in 2016 and will be completed in 2018. The focus of the review is the cost-effective delivery of both local distribution company (LDC) and transmission-connected customer conservation programs, and assurance that LDC and directly connected customer program progress is in line to achieve the 2020 energy-savings targets.

The IESO's expertise in developing and delivering customer-focused electricity conservation programs is well established. The company is now collaborating with the Ministry of the Environment and Climate Change to support the design and delivery of Green Ontario Fund (GreenON) programs. GreenON's focus is on developing greenhouse gas saving programs and initiatives. Through a collaboration agreement, GreenON and the IESO are working to design and deliver new programs that complement and build on the success of existing energy-efficiency programs.

Organizational Alignment

Policy and innovation can open up new opportunities for consumers and stakeholders, drive down costs and lead to a more efficient and effective electricity grid. Together with its stakeholders, the IESO informs and implements policy while creating an environment where innovation can thrive.

To support its efforts in this area, the IESO underwent an organizational realignment in the fourth quarter of 2017. The new Policy, Engagement and Innovation group aligns the various IESO resources to more effectively develop policy that reflects the broader objectives of the IESO and Ontario's electricity sector, including the need to foster innovation. This group is also responsible for leading the IESO's engagement efforts with customers and stakeholders, the energy regulator, the government and others to ensure their input is actively sought and considered as new initiatives are advanced.

The new Planning, Acquisition and Operations group brings together functions that are responsible for a reliable and efficient province-wide power system both today and in the future. This includes planning, Market Renewal, resource and transmission procurement, and real-time operations and engineering.

Other changes to the IESO's structure include a new standalone business unit and senior executive leading the Human Resources function and a group called Legal Resources and Corporate Governance that includes contract management. The new vice-president of Information & Technology Services will also serve as Chief Information Officer and lead the company's efforts in the area of cybersecurity. As part of its efforts to increase efficiency, provide better service to internal and external customers, and deliver greater value to ratepayers, the IESO is adopting an enterprise-wide view of its operations. Consistent with that shift, a centralized team responsible for the prioritization, governance and delivery of enterprise change at the IESO has been created and reports through the Vice-President of Corporate Services and Chief Financial Officer. This new organizational structure sets a clear corporate direction that will enable the IESO to deliver on its mandate while managing the changes that are reshaping Ontario's energy sector.

1. Preliminary unverified results for the first half of the framework (2015-2017), which includes verified results for 2015 and 2016 in the amount of 2.81 TWh for CFF.

Looking Ahead

Although activities to support the ongoing sector-wide changes are underway across the organization, some initiatives are more visible than others. Consulting with stakeholders to establish the processes and safeguards required to leverage the full value of Ontario's smart meter data was another priority in 2017. The province has nearly five million smart meters sending vast amounts of data to the IESO's Meter Data Management/ Repository. This central hub processes, stores and protects the electricity consumption data of residential and small business customers used for consumer billing by Ontario's LDCs.

The IESO has begun to work with stakeholders to define the rules for how third parties can gain access to that data while protecting privacy and confidentiality. This work includes the creation of a Data Strategy Advisory Council with representatives from various sectors to help design the Third-Party Access Implementation Plan and help realize the potential of big data.

In today's increasingly connected world, protecting online assets is essential. Cybersecurity is a fundamental component of the IESO's role in maintaining the safe and sustainable operation of Ontario's power grid. The IESO ensures it is compliant with North American industry standards and invests in new technology, techniques and training to ensure that the organization is equipped with the best resources to combat cyber threats. The organization also incorporates a "cybersecurity by design" approach into IT program development.

In 2017, the IESO continued to play a leadership role in the field of cybersecurity by leading collaborative forums to share best practices and by hosting executive level cybersecurity briefings to share lessons from experts around the world. The IESO implemented new detection technology in 2017 to further protect confidential information and is currently expanding its cybersecurity governance framework over the next two to three years to meet the National Institute of Standards and Technology Cybersecurity Framework, which will establish effective security governance around external vendors.

Drawing heavily on the models, data and analysis contained within the IESO's *Ontario Planning Outlook*, published in 2016, the Minister of Energy released the government's *Long-Term Energy Plan* (LTEP) in October 2017. The IESO has since worked with stakeholders and communities to develop an implementation plan – *Putting Ontario's Long-Term Energy Plan Into Action* – that supports many of the initiatives identified in the LTEP, which touch on many of the IESO's core functions. The work described in this plan will take place over several years, requiring regular engagement and collaboration by the IESO and its partners.

Management Report

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Independent Electricity System Operator are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards. The significant accounting policies followed by the Independent Electricity System Operator are described in the Summary of Significant Accounting Policies contained in Note 2 in the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The financial statements have been prepared within reasonable limits of materiality and in light of information available up to March 27, 2018.

Management maintained a system of internal controls designed to provide reasonable assurance that the assets were safeguarded and that reliable information was available on a timely basis. The system included formal policies and procedures and an organizational structure that provided for the appropriate delegation of authority and segregation of responsibilities.

These financial statements have been examined by KPMG LLP, a firm of independent external auditors appointed by the Board of Directors. The external auditors' responsibility is to express their opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles in Canada. The Auditors' Report, which follows, outlines the scope of their examination and their opinion.

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

On behalf of management,





Peter Gregg
President and Chief Executive Officer
Toronto, Canada
March 27, 2018

Kimberly Marshall
Vice-President, Corporate Services
and Chief Financial Officer
Toronto, Canada
March 27, 2018

Independent Auditors' Report

To the Board of Directors of the Independent Electricity System Operator (IESO)

We have audited the accompanying financial statements of IESO, which comprise the statement of financial position as at December 31, 2017, the statements of operations and accumulated surplus, remeasurement gains and losses, change in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of IESO as at December 31, 2017, and its results of operations and the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

March 27, 2018
Waterloo, Canada

Statement of Financial Position

As at (in thousands of Canadian dollars)	December 31, 2017	December 31, 2016
	$	$
FINANCIAL ASSETS		
Cash	64,214	38,914
Accounts receivable	41,429	25,194
Regulated assets **(Note 3)**	39,529	65,064
Long-term investments **(Note 4)**	45,276	40,355
Market accounts – assets **(Note 5)**	2,005,167	1,692,752
TOTAL FINANCIAL ASSETS	**2,195,615**	**1,862,279**
LIABILITIES		
Accounts payable and accrued liabilities **(Note 6)**	37,264	38,963
Accrued interest on debt	–	315
Rebates due to market participants **(Note 7)**	1,422	12,551
Debt **(Note 8)**	120,000	90,000
Accrued pension liability **(Note 9)**	29,229	34,620
Accrued liability for employee future benefits other than pension **(Note 9)**	96,216	90,251
Market accounts – liabilities **(Note 5)**	2,005,167	1,692,752
TOTAL LIABILITIES	**2,289,298**	**1,959,452**
NET DEBT	(93,683)	(97,173)
NON-FINANCIAL ASSETS		
Net tangible capital assets **(Note 10)**	100,794	105,047
Prepaid expenses	6,809	6,614
TOTAL NON-FINANCIAL ASSETS	**107,603**	**111,661**
ACCUMULATED SURPLUS		
Accumulated surplus from operations	3,436	6,582
Accumulated remeasurement gains	10,484	7,906
ACCUMULATED SURPLUS (Note 7)	**13,920**	**14,488**

Contingencies **(Note 16)**

See accompanying notes to financial statements

On behalf of the Board:





Tim O'Neill
Chair
Toronto, Canada

Carole Workman
Director
Toronto, Canada

Statement of Operations and Accumulated Surplus

For the year ended December 31 (in thousands of Canadian dollars)	2017 Budget $	2017 Actual $	2016 Actual $
IESO CORE OPERATIONS			
System fees	190,790	180,102	185,531
Other revenue **(Note 11)**	574	4,145	2,531
Interest and investment income	2,100	2,312	2,157
Core operation revenues	**193,464**	**186,559**	**190,219**
Core operating expenses **(Note 12)**	(193,464)	(185,137)	(177,668)
Core operations surplus/(deficit) before rebates	**–**	**1,422**	**12,551**
Rebates due to market participants	–	(**5,422**)	(12,551)
Core operations deficit	**–**	**(4,000)**	**–**
OTHER GOVERNMENT PROGRAMS			
Government transfer **(Note 12)**	–	2,696	–
Government transfer expenses **(Note 12)**	–	(2,696)	–
Government transfer surplus	**–**	**–**	**–**
SMART METERING ENTITY			
Smart metering charge	31,536	25,655	27,426
Smart metering expenses **(Note 12)**	(31,536)	(24,716)	(27,426)
Smart metering entity surplus	**–**	**939**	**–**
MARKET SANCTIONS AND PAYMENT ADJUSTMENTS			
Market sanctions and payment adjustments	4,219	3,176	3,889
Customer education and market enforcement expenses **(Note 12)**	(4,513)	(3,261)	(3,655)
Market sanctions and payment adjustments surplus/(deficit)	**(294)**	**(85)**	**234**
(DEFICIT)/SURPLUS	**(294)**	**(3,146)**	**234**
ACCUMULATED SURPLUS FROM OPERATIONS, BEGINNING OF PERIOD	6,582	6,582	6,348
ACCUMULATED SURPLUS FROM OPERATIONS, END OF PERIOD	**6,288**	**3,436**	**6,582**

See accompanying notes to financial statements

Statement of Remeasurement Gains and Losses

For the year ended December 31 (in thousands of Canadian dollars)	2017	2016
	Actual $	Actual $
ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF PERIOD	**7,906**	**7,658**
UNREALIZED GAINS ATTRIBUTABLE TO:		
Foreign exchange – other	456	477
Portfolio investments **(Note 4)**	2,599	286
AMOUNTS RECLASSIFIED TO THE STATEMENT OF OPERATIONS:		
Foreign exchange – other	(477)	(515)
NET REMEASUREMENT GAINS FOR THE PERIOD	**2,578**	**248**
ACCUMULATED REMEASUREMENT GAINS, END OF PERIOD	**10,484**	**7,906**

See accompanying notes to financial statements

Statement of Change in Net Debt

For the year ended December 31 (in thousands of Canadian dollars)	2017 Budget $	2017 Actual $	2016 Actual $
SURPLUS/(DEFICIT)	**(294)**	**(3,146)**	**234**
CHANGE IN NON-FINANCIAL ASSETS			
Acquisition of tangible capital assets	(27,500)	(16,774)	(24,769)
Amortization of tangible capital assets	23,126	21,027	23,438
Change in prepaid expenses	–	(195)	(417)
TOTAL CHANGE IN NON-FINANCIAL ASSETS	**(4,374)**	**4,058**	**(1,748)**
NET REMEASUREMENT GAINS FOR THE PERIOD	–	2,578	248
CHANGE IN NET DEBT	**(4,668)**	**3,490**	**(1,266)**
NET DEBT, BEGINNING OF PERIOD	(97,173)	(97,173)	(95,907)
NET DEBT, END OF PERIOD	**(101,841)**	**(93,683)**	**(97,173)**

See accompanying notes to financial statements

Statement of Cash Flows

For the year ended December 31 (in thousands of Canadian dollars)	2017	2016
	$	$
OPERATING TRANSACTIONS		
Change in accumulated surplus/(deficit):		
(Deficit)/surplus	(3,146)	234
	(3,146)	234
Changes in non-cash items:		
Amortization	21,027	23,438
Pension expense	8,111	11,610
Other employee future benefits expense	8,601	8,127
	37,739	43,175
Changes in non-cash balances related to operations:		
Change in accounts payable and accrued liabilities	(202)	(7,495)
Change in accounts receivable	(16,235)	8,005
Change in rebates due to market participants	(11,129)	2,956
Change in regulated assets	25,535	23,138
Change in prepaid expenses	(195)	(417)
	(2,226)	26,187
Other:		
Contribution to pension fund	(13,502)	(13,052)
Payment of employee future benefits	(2,636)	(2,377)
	(16,138)	(15,429)
Cash provided by operating transactions	**16,229**	**54,167**
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(16,774)	(24,769)
Change in accounts payable and accrued liabilities	(1,812)	(2,410)
Cash applied to capital transactions	**(18,586)**	**(27,179)**
INVESTING TRANSACTIONS		
Purchase of long-term investments	(2,322)	(2,751)
Cash applied to investing transactions	**(2,322)**	**(2,751)**
FINANCING TRANSACTIONS		
Issuance of debt	30,000	–
Cash provided by financing transactions	**30,000**	**–**
INCREASE IN CASH	**25,321**	**24,237**
CASH – BEGINNING OF PERIOD	38,914	14,715
Unrealized foreign exchange (losses) for the period	(21)	(38)
CASH – END OF PERIOD	**64,214**	**38,914**

See accompanying notes to financial statements

Notes to Financial Statements

1. NATURE OF OPERATIONS

a) The Independent Electricity System Operator (IESO) is a not-for-profit, non-taxable corporation established pursuant to Part II of the *Electricity Act, 1998*. The predecessor IESO and the Ontario Power Authority (OPA) were amalgamated by statute effective January 1, 2015, and continues as the Independent Electricity System Operator. As set out in the *Electricity Act, 1998*, the IESO operates pursuant to a licence granted by the Ontario Energy Board (OEB). The amalgamation was effected pursuant to Bill 14, *Building Opportunity and Securing Our Future Act (Budget Measures), 2014*, which received Royal Assent on July 24, 2014. IESO's services and the market IESO operates are subject to regulation by the OEB, under the authority granted by the *Ontario Energy Board Act, 1998*. The OEB has regulatory oversight of electricity matters in Ontario. The objects of the IESO as contained in the *Electricity Act, 1998*, and Ontario Regulation 288/14 are as follows:

- to exercise the powers and perform the duties assigned to it under this Act, the regulations, directions, the market rules and its licence
- to enter into agreements with transmitters to give it authority to direct the operation of their transmission systems
- to direct the operation and maintain the reliability of the IESO-controlled grid to promote the purposes of this Act
- to participate in the development by any standards authority of criteria and standards relating to the reliability of the integrated power system
- to establish and enforce criteria and standards relating to the reliability of the integrated power system
- to work with the responsible authorities outside of Ontario to co-ordinate the IESO's activities with the activities of those authorities
- to operate the IESO-administered markets (IAM) to promote the purposes of this Act
- to engage in activities related to contracting for the procurement of electricity supply, electricity capacity and conservation resources
- to engage in activities related to settlements, payments under a contract entered into under the authority of this Act and payments provided for under this Act or the *Ontario Energy Board Act, 1998*
- to engage in activities in support of the goal of ensuring adequate, reliable and secure electricity supply and resources in Ontario
- to forecast electricity demand and the adequacy and reliability of electricity resources for Ontario for the short term, medium term and long term
- to conduct independent planning for electricity generation, demand management, conservation and transmission
- to engage in activities to facilitate the diversification of sources of electricity supply by promoting the use of cleaner energy sources and technologies, including alternative energy sources and renewable energy sources
- to engage in activities in support of system-wide goals for the amount of electricity to be produced from different energy sources
- to engage in activities that facilitate load management
- to engage in activities that promote electricity conservation and the efficient use of electricity
- to assist the Board by facilitating stability in rates for certain types of consumers
- to collect and make public information relating to the short-term, medium-term and long-term electricity needs of Ontario and the adequacy and reliability of the integrated power system to meet those needs
- to engage in such other objects as may be prescribed by the regulations.

b) The IESO was designated the Smart Metering Entity (SME) by Ontario Regulation 393/07 under the *Electricity Act, 1998*, on March 28, 2007. The regulation came into effect on July 26, 2007.

The objects of the SME, as contained in the *Electricity Act, 1998*, are as follows:

- to plan and implement and, on an ongoing basis, oversee, administer and deliver any part of the smart metering initiative as required by regulation under this or any Act or directive made pursuant to sections 28.3 or 28.4 of the *Ontario Energy Board Act, 1998*, and, if so authorized, to have the exclusive authority to conduct these activities
- to collect and manage and to facilitate the collection and management of information and data and to store the information and data related to the metering of consumers' consumption or use of electricity in Ontario, including data collected from distributors and, if so authorized, to have the exclusive authority to collect, manage and store the data
- to establish, to own or lease and to operate one or more databases to facilitate collecting, managing, storing and retrieving smart metering data
- to provide and promote non-discriminatory access, on appropriate terms and subject to any conditions in its licence relating to the protection of privacy, by distributors, retailers and other persons,
    i. to the information and data referred to above, and
    ii. to the telecommunication system that permits the SME to transfer data about the consumption or use of electricity to and from its databases, including access to its telecommunication equipment, systems and technology and associated equipment, systems and technologies.
- to own or to lease and to operate equipment, systems and technology, including telecommunication equipment, systems and technology that permit the SME to transfer data about the consumption or use of electricity to and from its databases, including owning, leasing or operating such equipment, systems and technology and associated equipment, systems and technologies, directly or indirectly, including through one or more subsidiaries, if the SME is a corporation
- to engage in such competitive procurement activities as are necessary to fulfill its objects or business activities
- to procure, as and when necessary, meters, metering equipment, systems and technology and any associated equipment, systems and technologies on behalf of distributors, as an agent or otherwise, directly or indirectly, including through one or more subsidiaries, if the SME is a corporation
- to recover, through just and reasonable rates, the costs and an appropriate return approved by the OEB associated with the conduct of its activities
- to undertake any other objects that are prescribed by associated regulation.

c) The IESO is required to exercise the powers and rights and to perform the duties and obligations assigned to it under the *Ontario Fair Hydro Plan Act, 2017* (FHP) and to engage in activities to facilitate the implementation of FHP, including,

i. entering into agreements or arrangements with any person for the purposes of the FHP
ii. engaging in activities related to making payments to and receiving payments as contemplated under the FHP and related settlement activities
iii. engaging in activities related to the transfer and administration of the regulatory asset created under the FHP, which activities may include:
    a) incurring liabilities in relation to the regulatory asset
    b) transferring the regulatory asset under section 26 of the FHP for consideration
    c) acting as a recovery agent under the FHP.

d) The IESO is required to submit its proposed expenditures, revenue requirements and fees for the coming year to the OEB for review and approval. The submission may be made only with the approval or deemed approval of the IESO business plan by the Minister of Energy (Minister).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of financial statement preparation

The accompanying financial statements have been prepared on a going-concern basis and in accordance with Canadian public sector accounting standards (PSAB) and reflect the following significant accounting policies.

b) Revenue recognition

System fees earned by the IESO are based on approved rates for each megawatt of electricity withdrawn from the IESO-controlled grid (including scheduled exports) and embedded generation. System fees are recognized as revenue at the time the electricity is withdrawn. Rebates are recognized in the year in which the regulatory deferral account, before such rebates, exceeds regulated limits.

The Smart Metering Charge that is earned by the IESO is based on a rate approved by the OEB for each installed smart meter in the province. Revenue is recognized in the year as it is earned.

These financial statements reflect the revenue and expenses of the financial transactions of market participants within the IAM on a net basis.

Other revenue represents amounts that accrue to the IESO relating to investment income on funds passing through market settlement accounts, as well as application fees. Such revenue is recognized as it is earned.

Interest and investment income represents realized interest income and investment gains or losses on cash, cash equivalents, short-term investments and long-term investments.

Government transfers are recognized as revenues in the financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

Market sanctions represent funds received to offset payments disbursed related to penalties, damages, fines and payment adjustments arising from resolved settlement disputes. Such revenue is recognized as it is earned.

c) Financial instruments

The IESO records cash and cash equivalents, long-term investments and foreign currency exchange forward contracts at fair value. The cumulative change in fair value of these financial instruments is recorded in accumulated surplus as remeasurement gains and losses and is included in the value of the respective financial instrument shown in the statement of financial position and the statement of remeasurement gains and losses. Upon disposition of the financial instruments, the cumulative remeasurement gains and losses are reclassified to the statement of operations, and all other gains and losses associated with the disposition of the financial instrument are recorded in the statement of operations. Transaction costs are charged to operations as incurred.

Cash and cash equivalents comprise cash, term deposits and other short-term, highly rated investments with original maturity dates of less than 90 days.

The IESO records accounts receivable amounts due to and from market participants, accounts payable and debt at amortized cost.

d) Regulated assets and liabilities

As a rate-regulated entity, the IESO, in appropriate circumstances, establishes regulated assets or liabilities and thereby defers the impact on the statement of operations of certain expenses or revenues because they are probable to be collected or refunded to market participants through future billings. The IESO has applied guidance from United States Generally Accepted Accounting Principles (US GAAP) Topic 980, *Regulated Operations*, in this policy.

e) Market accounts – assets and liabilities

The IESO records the market accounts, assets, liabilities and amounts due to and from market participants held on behalf of the IAM in its statements of financial position. The IESO-administered markets are a balancing system and, as such, the net position of market accounts will settle to a $nil balance in accordance with market rules.

f) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts directly attributable to the acquisition, construction, development or betterment of the asset. The IESO capitalizes applicable interest as part of the cost of tangible capital assets.

g) Assets under construction

Assets under construction generally relates to the costs of physical facilities, hardware and software, and includes costs paid to vendors, internal and external labour, consultants and interest related to funds borrowed to finance the project. Costs relating to assets under construction are transferred to tangible capital assets when the asset under construction is deemed to be ready for use.

h) Amortization

The capital cost of tangible capital assets in service is amortized on a straight-line basis over their estimated service lives.

The estimated service lives, in years, from the date the assets were acquired are:

Class	Estimated Average Service Life 2017	Estimated Average Service Life 2016
Facilities	5 to 50	5 to 50
Market systems and applications	4 to 12	4 to 12
Infrastructure and other assets	4 to 10	4 to 10
Meter data management/repository	10	10

Gains and losses on sales or premature retirements of tangible capital assets are charged to operations.

The estimated service lives of tangible capital assets are subject to periodic review. The effects of changes in the estimated lives are amortized on a prospective basis. The most recent review was completed in fiscal 2017.

i) Pension, other post-employment benefits and compensated absences

The IESO's post-employment benefit programs include pension, group life insurance, health care, long-term disability and workers' compensation benefits.

The IESO accrues obligations under pension and other post-employment benefit (OPEB) plans and the related costs, net of plan assets. Pension and OPEB expenses and obligations are determined annually by independent actuaries using the projected benefit method and management's best estimate of expected return on plan assets, salary escalation, retirement ages of employees, mortality and expected health-care costs. The discount rate used to value liabilities is based on the expected rate of return on plan assets as at the measurement date of September 30.

The expected return on plan assets is based on management's long-term best estimate using a market-related value of plan assets. The market-related value of plan assets is determined using the average value of assets over three years as at the measurement date of September 30.

Pension and OPEB expenses are recorded during the year in which employees render services. Pension and OPEB expenses consist of current service costs, interest expense on liabilities, expected return on plan assets and the cost of plan amendments in the period. Actuarial gains/(losses) arise from, among other things, the difference between the actual rate of return on plan assets for a period and the expected long-term rate of return on plan assets for that period or from changes in actuarial assumptions used to determine the accrued benefit obligations.

Actuarial gains/(losses) are amortized over the expected average remaining service life of the employees covered by the plan. The expected average remaining service life of employees covered by the pension plans is 15 years (2016 – 15 years) and OPEB plan is 16.2 years (2016 – 16.2 years).

The IESO sick pay benefits accumulate but do not vest. The IESO accrues sick pay benefits based on the expectation of future utilization and records the accrual within accounts payable and accrued liabilities.

j) Foreign currency exchange

Transactions denominated in foreign currencies are converted into Canadian dollars at the rate of exchange prevailing on the date of the transaction. Items on the statement of financial position denominated in foreign currency are converted to Canadian dollars at the rate of exchange as of the date of the financial statements. The cumulative unrealized foreign currency exchange gains and losses of items continuing to be recognized on the statement of financial position are recorded in accumulated surplus as remeasurement gains and losses and shown in the statement of financial position and the statement of remeasurement gains and losses. Upon settlement of the item denominated in a foreign currency, the cumulative remeasurement gains and losses are reclassified to the statement of operations, and all other gains and losses associated with the disposition of the financial instrument are recorded in the statement of operations.

k) Use of estimates

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent assets and liabilities as at the date of the financial statements. The IESO's accounts that involve a greater degree of uncertainty include the carrying values of tangible capital assets, accrued pension liability and accrual for employee future benefits other than pensions. Actual results could differ from those estimates.

3. REGULATED ASSETS

The IESO recognizes two regulated assets: 1) unrecovered smart metering expenses and 2) unrecovered PSAB transition items.

The smart metering expenses result from the IESO's role as the SME. As such, the IESO funds its SME operating costs and capital investment in the meter data management/repository (MDM/R) through fees from users of smart meters in Ontario. The OEB approves the SME Charge, which is intended to cover the costs of developing and operating the MDM/R.

In 2017, the smart metering expenses were fully recovered, resulting in a $nil balance in the regulated asset account.

The unrecovered PSAB transition items result from the IESO's adoption of Canadian public sector accounting standards effective January 1, 2011. The adoption of PSAB was accounted for by retroactive application with restatement of prior periods subject to the requirements in Section PS 2125, *First-time Adoption by Government Organizations*. The corresponding change to pension and other post-employment benefits resulted in previously unrecognized actuarial losses and past service costs of $80,617 thousand at the date of transition.

Regulated assets consist of the following:

As of December 31 (in thousands of Canadian dollars)	2017	2016
	$	$
Unrecovered smart metering expenses	–	21,623
Unrecovered PSAB transition items	39,529	43,441
Closing balance	**39,529**	**65,064**

The IESO also records regulated assets/liabilities within its market accounts (Note 5).

4. LONG-TERM INVESTMENTS

Long-term investments in a balanced portfolio of pooled funds are valued by the pooled funds manager based on published price quotations and amount to $44,811 thousand (2016 – $39,972 thousand). As at December 31, the market value allocation of these long-term investments was 62.8% equity securities and 37.2% debt securities (2016 – 62.3% and 37.7%, respectively).

Balanced portfolio of pooled funds

As at December 31 (in thousands of Canadian dollars)	2017	2016
	$	$
Opening balance	39,972	37,019
Net purchase of investments	2,240	2,667
Change in fair value	2,599	286
Closing balance	**44,811**	**39,972**

In addition to the balanced portfolio of pooled funds, the IESO has a long-term deposit with Canada Revenue Agency in the amount of $465 thousand (2016 – $383 thousand) pertaining to the Retirement Compensation Arrangements Trust (Note 8).

5. MARKET ACCOUNTS

a) In 2017, the Government of Ontario announced its Fair Hydro Plan (FHP), which was implemented through the *Fair Hydro Act, 2017*. Under the FHP, the IESO continues to settle the market and recover Global Adjustment from customers, but as a result of the fair hydro adjustment applicable to specified consumers (defined in the Ontario *Fair Hydro Plan Act, 2017*), the IESO collects less than the full amount of the Global Adjustment. The IESO records the shortfall together with the costs of financing the shortfall, the amounts charged to the IESO by the Fair Hydro Trust in respect of the carrying costs of the Fair Hydro Trust, when applicable, and certain other amounts in a Deferred Global Adjustment Variance account. The Regulated Price Plan Variance account balance as of July 1, 2017, was included in the Deferred Global Adjustment Variance. The FHP also shifted the cost of the Ontario Electricity Support Program (OESP) and most of the Rural or Remote Rate Protection (RRRP) program costs from ratepayer- to taxpayer-funded programs. These accounts comprise the market-regulated assets.

The cumulative amount recorded in the Deferred Global Adjustment Variance account to the end of December 2017 was $1,378,000 thousand. On December 21, 2017, a regulatory asset in the amount of $1,179,000 thousand was transferred to the Fair Hydro Trust. As a result, as at December 31, the Deferred Global Adjustment Variance account balance was $199,475 thousand, including interest and carrying charges.

In consideration of the implementation of the FHP, on May 1, 2017, the OEB rescinded the OESP charge and determined to fund the program through the credit balance in the Ontario Electricity Support Program Variance account. Therefore only payments to OESP-eligible customers are currently being made, and the balance in the Ontario Electricity Support Program Variance account at December 31, 2017, was in a credit position of $24,892 thousand, net of interest.

A new rate for the RRRP program under the FHP was effective July 1, 2017. The balance in the RRRP variance account to June 30, 2017, was $6,626 thousand. The new rate has resulted in a further under-collection of $5,994 thousand (net of interest) in the second half of the year, resulting in a cumulative balance in the variance of $12,620 thousand as at December 31, 2017.

Components of the market accounts are as follows:

As of December 31 (in thousands of Canadian dollars)	2017	2016
	$	$
Cash, restricted for market activities	454,174	244,755
Amounts due from market participants	1,253,417	1,384,407
Interest receivable	217	186
HST receivable	110,156	25,531
Regulated assets/liabilities	187,203	37,873
Total Market Assets	**2,005,167**	**1,692,752**
Market debt	(13,252)	(150,501)
Amounts due to market participants	(1,855,206)	(1,385,790)
Other net liabilities	(136,709)	(156,461)
Total Market Liabilities	**(2,005,167)**	**(1,692,752)**
Closing balance	**–**	**–**

Regulated assets/liabilities consist of the following:

As of December 31 (in thousands of Canadian dollars)	2017	2016
	$	$
Deferred Global Adjustment Variance	199,475	–
Regulated Price Plan Variance	–	134,988
Ontario Electricity Support Program Variance	(24,892)	(92,443)
Rural or Remote Rate Protection Variance	12,620	(4,672)
Closing balance	**187,203**	**37,873**

b) Market Debt

$475 Million Credit Facility with OFA

The IESO has an unsecured credit facility agreement with the Ontario Financing Authority (OFA), which will make available to the IESO an amount up to $475,000 thousand. Advances are payable at a variable interest rate equal to the Province of Ontario's cost of borrowing plus 0.25% per annum. The credit facility expires December 31, 2019. As at December 31, 2017, $12,281 thousand was outstanding (2016 – $150,501 thousand).

$2 Billion Credit Facility with OFA

During 2017, the IESO entered into a new unsecured credit facility agreement with the OFA, which will make available to the IESO an amount up to $2,000,000 thousand for the purpose of supporting the IESO's role in the Ontario FHP. Advances are payable at a variable interest rate equal to the Province of Ontario's cost of borrowing plus 0.25% per annum. The credit facility expires September 30, 2022. As at December 31, 2017, $971 thousand was outstanding.

$150 Million Credit Facility with TD Bank

The IESO has an unsecured credit facility agreement with TD Bank, which will make available to the IESO an amount up to $150,000 thousand. Advances are payable at a variable interest rate equal to that of banker's acceptance plus a margin per annum. The credit facility expires April 30, 2020. As at December 31, 2017, no amount was drawn on the credit facility (2016 – $nil).

c) Related Party Transactions

The IESO records the market accounts, assets, liabilities and amounts due to and from market participants held on behalf of the IAM in its statement of financial position. Included in these accounts are amounts due to and from related parties.

The Province of Ontario is a related party as it is the controlling entity of the IESO. The Ontario Electricity Financial Corporation (OEFC), OEB, Hydro One, Ontario Power Generation Inc. (OPG), Fair Hydro Trust and Ministry of Energy are related parties of the IESO, through the common control of the Province of Ontario. Transactions between these parties and the IAM were as follows:

As of December 31, 2017, the IAM had a payable balance due to the OEFC for $31,025 thousand (2016 – $65,711 thousand).

As of December 31, 2017, the IAM had a payable balance with the OEB for $57 thousand (2016 – $ nil).

As of December 31, 2017, the IAM had a receivable balance with Hydro One of $25,018 thousand (2016 – $75,610 thousand).

As of December 31, 2017, the IAM had a payable balance with OPG for $356,611 thousand (2016 – $430,432 thousand).

In 2017 the Fair Hydro Trust paid $1,179,000 thousand and received $6,000 thousand. As at December 31, 2017, the IAM had a payable balance of $3,620 thousand (2016 – $nil).

As of December 31, 2017, the IAM had a receivable balance with Ministry of Energy for $93,854 thousand (2016 – $153 thousand).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at December 31 (in thousands of Canadian dollars)	2017	2016
	$	$
Relating to operations	35,743	35,630
Relating to tangible capital assets	1,521	3,333
Closing balance	**37,264**	**38,963**

7. REBATES DUE TO MARKET PARTICIPANTS AND ACCUMULATED SURPLUS

In 2017, the IESO recognized $5,422 thousand in rebates due to market participants of system fees (2016 – $12,551 thousand). As at December 31, 2017, rebates due to market participants were $1,422 thousand (2016 – $12,551 thousand).

The IESO's approved regulatory deferral account balance has been historically maintained at a maximum of $10,000 thousand. However, in 2017 the IESO received a decision and order by the OEB to reduce the regulatory deferral account to $6,000 thousand. The 2017 approved regulatory deferral account balance at $6,000 thousand was approved by the OEB on October 31, 2017. In December 2017, the IESO rebated $4,000 thousand to market participants.

Prior to 2014, unrealized gains and losses from portfolio investments and foreign exchange were included in the balance of the regulatory deferral account (life-to-date total: $4,144 thousand). As of January 1, 2014, only realized gains and losses are included in this balance.

As at December 31, the components of the accumulated surplus were as follows:

Accumulated Surplus

As at December 31 (in thousands of Canadian dollars)	2017	2016
	$	$
Regulatory deferral account (a)	6,000	10,000
Smart Metering Entity (b)	939	–
Accumulated market sanctions and payment adjustments (c)	641	726
Remeasurement gains	6,340	3,762
Accumulated surplus – end of year	**13,920**	**14,488**

a) Regulatory Deferral Account

As at December 31 (in thousands of Canadian dollars)	2017	2016
	$	$
Accumulated surplus – beginning of year	10,000	10,000
OEB decision and order	(4,000)	–
Revenues (before rebates due to market participants)	186,559	190,219
Rebates due to market participants	(1,422)	(12,551)
Core operation expenses	(185,137)	(177,668)
Accumulated surplus – end of year	**6,000**	**10,000**

b) Smart Metering Entity – Accumulated Surplus

As at December 31 (in thousands of Canadian dollars)	2017	2016
	$	$
Accumulated surplus – beginning of year	–	–
Smart metering charge	25,655	–
Smart metering expenses	(24,716)	–
Accumulated surplus – end of year	**939**	**–**

c) Accumulated Market Sanctions and Payment Adjustments

As at December 31 (in thousands of Canadian dollars)	2017	2016
	$	$
Accumulated surplus – beginning of year	726	492
Market sanctions and payment adjustments	3,176	3,889
Customer education and market enforcement expenses	(3,261)	(3,655)
Accumulated surplus – end of year	**641**	**726**

8. DEBT

Note payable to Ontario Electricity Financial Corporation (OEFC)

In April 2017, the IESO entered into a note payable with the OEFC. The note payable is unsecured, bears interest at a fixed rate of 1.767% per annum and is repayable in full on June 30, 2020. Interest accrues daily and is payable in arrears semi-annually in June and December of each year. As at December 31, 2017, the note payable to the OEFC was $120,000 thousand (2016 – $90,000 thousand).

For the year ended December 31, 2017, the interest expense on the note payable was $2,018 thousand (2016 – $1,841 thousand).

Credit facility with OEFC

The IESO has an unsecured credit facility agreement with the OEFC, which will make available to the IESO an amount up to $160,000 thousand. Advances are payable at a variable interest rate equal to the Province of Ontario's cost of borrowing for a 30-day term plus 0.50% per annum, with draws, repayments and interest payments due monthly. The credit facility expires June 30, 2020. As at December 31, 2017, no amount was drawn on the credit facility (December 31, 2016 – $nil).

For the year ended December 31, 2017, the interest expense on the credit facility was $nil (2016 – $nil).

Retirement Compensation Arrangements Trust

In July 2013, the IESO established a Retirement Compensation Arrangements (RCA) Trust to provide security for the IESO's obligations under the terms of the supplemental employee retirement plan for its employees. As at December 31, 2017, the IESO has provided the RCA trustee with a bank letter of credit of $33,141 thousand (2016 – $30,466 thousand) the trustee can draw upon if the IESO is in default under the terms of this plan.

9. POST-EMPLOYMENT BENEFIT PLANS

The IESO provides pension and other employee post-employment benefits, comprising group life insurance, long-term disability and group medical and dental plans, for the benefit of current and retired employees.

Pension plans

The IESO provides a contributory defined benefit, indexed, registered pension plan. In addition to the funded, registered pension plan, the IESO provides certain non-registered defined benefit pensions through an unfunded, indexed, non-registered plan.

Other employee future benefits

The group life insurance, long-term disability and group medical and dental benefits are provided through unfunded, non-registered defined benefit plans.

Summary of accrued benefit obligations and plan assets

(in thousands of Canadian dollars)	2017 Pension Benefits	2016 Pension Benefits	2017 Other Benefits	2016 Other Benefits
	$	$	$	$
Accrued benefit obligation	547,410	507,724	97,358	91,014
Fair value of plan assets	545,400	523,756	–	–
Funded status as of measurement date	(2,010)	16,032	(97,358)	(91,014)
Employer contribution/other benefits payments after measurement date	2,418	2,416	753	588
Unrecognized actuarial (gain)/loss	(29,637)	(53,068)	389	175
Accrued liability recognized in the statement of financial position	**(29,229)**	**(34,620)**	**(96,216)**	**(90,251)**
Market-related value of plan assets (as at September 30, 2017)	537,587	506,791	–	–

Registered pension plan assets

As at the measurement date of September 30, the proportion of the fair value of registered pension plan assets held in each asset class was as follows:

	2017	2016
Canadian equity securities	20.6%	20.2%
Foreign equity securities	38.0%	39.9%
Canadian debt securities	34.7%	39.8%
Global infrastructure	4.8%	0.0%
Canadian real estate	1.3%	0.0%
Cash equivalents	0.1%	0.4%
Forward foreign exchange contracts	0.5%	(0.3%)
	100.0%	**100.0%**

Principal assumptions used to calculate benefit obligations at the end of the year are determined at that time and are as follows:

	2017 Pension Benefits	2016 Pension Benefits	2017 Other Benefits	2016 Other Benefits
Discount rate at the end of the period	5.50%	5.75%	5.50%	5.75%
Rate of compensation increase	3.50%	3.50%	3.50%	3.50%
Rate of indexing	2.00%	2.00%	2.00%	2.00%

The assumed prescription drug inflation was 8.00% for 2016, grading down to an ultimate rate 4.50% per year in 2030. Dental costs are assumed to increase by 4.00% per year.

Benefit costs and plan contributions for pension and other plans are summarized as follows:

(in thousands of Canadian dollars)	2017 Pension Benefits	2016 Pension Benefits	2017 Other Benefits	2016 Other Benefits
	$	$	$	$
Current service cost (employer)	10,089	11,117	3,247	3,107
Interest cost	29,487	29,292	5,343	5,120
Expected return on plan assets	(29,058)	(27,626)	–	–
Amortization of net actuarial loss/(gain)	(2,407)	(1,173)	11	(100)
Benefit cost	**8,111**	**11,610**	**8,601**	**8,127**

(in thousands of Canadian dollars)	2017 Pension Benefits	2016 Pension Benefits	2017 Other Benefits	2015 Other Benefits
	$	$	$	$
Employer contribution/other benefit payments	13,502	13,052	2,636	2,377
Plan participants' contributions	6,253	5,811	–	–
Benefits paid	25,457	23,317	2,636	2,377

The most recent actuarial valuation of the registered pension plan for accounting purposes was at September 30, 2017.

Principal assumptions used to calculate benefit costs for the year are determined at the beginning of the period and are as follows:

	2017 Pension Benefits	2016 Pension Benefits	2017 Other Benefits	2016 Other Benefits
Discount rate at the beginning of the period	5.75%	6.00%	5.75%	6.00%
Rate of compensation increase	3.50%	3.75%	3.50%	3.75%
Rate of indexing	2.00%	2.25%	2.00%	2.25%

10. TANGIBLE CAPITAL ASSETS

Net tangible capital assets consist of the following:

Cost of Tangible Capital Assets

(in thousands of Canadian dollars)	As at December 31, 2016	Additions	Disposals	As at December 31, 2017
	$	$	$	$
Facilities	55,973	631	(39)	56,565
Market systems and applications	306,993	3,825	–	310,818
Infrastructure and other assets	63,355	1,294	(32)	64,617
Meter data management/repository	36,911	906	–	37,817
Total cost	**463,232**	**6,656**	**(71)**	**469,817**

Accumulated Amortization

(in thousands of Canadian dollars)	As at December 31, 2016	Amortization Expense	Disposals	As at December 31, 2017
	$	$	$	$
Facilities	(24,301)	(1,694)	39	(25,956)
Market systems and applications	(263,546)	(12,134)	–	(275,680)
Infrastructure and other assets	(52,772)	(4,375)	32	(57,115)
Meter data management/repository	(29,190)	(2,824)	–	(32,014)
Total accumulated amortization	**(369,809)**	**(21,027)**	**71**	**(390,765)**

Net Book Value

(in thousands of Canadian dollars)	As at December 31, 2016	As at December 31, 2017
	$	$
Facilities	31,672	30,609
Market systems and applications	43,447	35,138
Infrastructure and other assets	10,583	7,502
Meter data management/repository	7,721	5,803
Total net book value	**93,423**	**79,052**
Assets under construction	11,624	21,742
Net tangible capital assets	**105,047**	**100,794**

In 2017, there were no adjustments to management's estimates of remaining asset service lives (2016 – $nil). Interest capitalized to assets under construction during 2017 was $170 thousand (2016 – $260 thousand).

11. OTHER REVENUE

In its administration of the IAM, the IESO directs the investment of market funds in highly rated, short-term investments throughout the settlement cycle. The IESO is entitled to receive the investment interest and investment gains, net of investment losses earned on funds passing through the real-time market settlement accounts. The IESO is not entitled to the principal on real-time market investments.

The IESO recognized investment income earned in the market settlement accounts of $3,441 thousand in 2017 (2016 – $ 2,508 thousand).

12. SEGMENT EXPENSES

Expenses by object for 2017 are comprised of the following:

(in thousands of Canadian dollars)	2017 Core Operations	2017 Other Government Programs	2017 Smart Metering Entity	2017 Market Sanctions & Payment Adjustments	2017 Total
	$	$	$	$	$
Compensation & benefits	114,502	212	2,803	2,151	119,668
Professional & consulting	19,516	2,445	14,209	407	36,577
Operating & administration	34,890	39	4,641	703	40,273
Amortization	18,204	–	2,825	–	21,029
Interest	1,801	–	238	–	2,039
Less: Recoveries	(3,776)	–	–	–	(3,776)
Total Expenses	**185,137**	**2,696**	**24,716**	**3,261**	**215,810**

In 2017, the IESO signed an agreement with the Minister of the Environment and Climate Change (MOECC) to deliver conservation and energy-efficiency programs. The IESO recognized government transfers revenue of $2,696 thousand in 2017 (2016 – $nil).

Expenses by object for 2016 are comprised of the following:

(in thousands of Canadian dollars)	2016 Core Operations	2016 Other Government Programs	2016 Smart Metering Entity	2016 Market Sanctions & Payment Adjustments	2016 Total
	$	$	$	$	$
Compensation & benefits	107,402	–	2,661	2,180	112,243
Professional & consulting	18,810	–	14,659	770	34,239
Operating & administration	34,386	–	5,705	705	40,796
Amortization	19,577	–	3,861	–	23,438
Interest	1,341	–	540	–	1,881
Less: Recoveries	(3,848)	–	–	–	(3,848)
Total Expenses	**177,668**	**–**	**27,426**	**3,655**	**208,749**

13. RELATED PARTY TRANSACTIONS

The Province of Ontario is a related party as it is the controlling entity of the IESO. The OEFC, OEB, Hydro One, OPG and the MOECC are related parties of the IESO, through the common control of the Province of Ontario. Transactions between these parties and the IESO were as follows:

The IESO holds a note payable and an unsecured credit facility agreement with the OEFC (Note 8). Interest payments made by the IESO in 2017 for the note payable were $2,018 thousand (2016 – $1,841 thousand) and for the credit facility were $nil (2016 – $nil). As of December 31, 2017, the IESO had an accrued interest payable balance with the OEFC of $nil (2016 – $315 thousand).

Under the *Ontario Energy Board Act, 1998*, the IESO incurs registration and license fees. The total of the transactions with the OEB was $3,146 thousand in 2017 (2016 – $1,747 thousand).

The IESO performed connection and bulk electric system exception assessments for Hydro One in 2017. In 2017, the IESO invoiced Hydro One $694 thousand (2016 – $610 thousand).

The IESO procures short circuit studies and protection impact assessments as part of connection assessments, approvals and meter services on IESO-owned interconnected revenue meters from Hydro One. In 2017, the IESO incurred costs of $184 thousand (2016 – $188 thousand) for these services. As of December 31, 2017, the IESO had a net receivable balance with Hydro One of $137 thousand (2016 – $4 thousand).

The IESO performs connection assessment and approvals for OPG, delivers telecommunication services to market participants to connect to the real-time market systems and provides market-related training courses. In 2017, OPG was invoiced $92 thousand (2016 – $124 thousand). As of December 31, 2017, the IESO had a net receivable balance with OPG of $61 thousand (2016 – $5 thousand).

For 2017, the IESO invoiced MOECC $2,257 thousand (2016 – $nil). As of December 31, 2017, the IESO had a net receivable balance with MOECC of $4,101 thousand (2016 – $nil).

14. FINANCIAL RISK MANAGEMENT

The IESO is exposed to financial risks in the normal course of its business operations, including market risks resulting from volatilities in equity, debt and foreign currency exchange markets, as well as credit risk and liquidity risk. The nature of the financial risks and the IESO's strategy for managing these risks has not changed significantly from the prior year.

a) Market Risk

Market risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate to cause changes in market prices. The IESO is primarily exposed to three types of market risk: currency risk, interest rate risk and equity risk. The IESO monitors its exposure to market risk fluctuations and may use financial instruments to manage these risks as it considers appropriate. The IESO does not use derivative instruments for trading or speculative purposes.

i) Currency Risk

The IESO conducts certain transactions in U.S. dollars, primarily related to vendors' payments, and maintains a U.S. dollar-denominated bank account. From time to time, the IESO may utilize forward purchase contracts to purchase U.S. dollars for delivery at a specified date in the future at a fixed exchange rate. In addition, the IESO utilizes U.S. dollar spot rate purchases in order to satisfy any current accounts. As at December 31, 2017, the IESO did not have any outstanding forward purchase contracts.

ii) Interest Rate Risk

The IESO is exposed to movements or changes in interest rates primarily through its short-term variable rate credit facility, cash equivalents' securities and long-term investments. Long-term investments include investments in a pooled Canadian bond fund. The potential impact to the securities' value had the prevailing interest rates changed by 25 basis points, assuming a parallel shift in the yield curve with all other variables held constant, is estimated at $659 thousand as at December 31, 2017 (2016 – $602 thousand).

iii) Equity Risk

The IESO is exposed to changes in equity prices through its long-term investments. Long-term investments include investments in pooled equity funds. A 30% change in the valuation of equities as at December 31, 2017, would have resulted in a change for the year of approximately $8,440 thousand (2016 – $7,468 thousand). The fair values of all financial instruments measured at fair value are derived from quoted prices (unadjusted) in active markets for identical assets.

b) Credit Risk

Credit risk refers to the risk that one party to a financial instrument may cause a financial loss for the other party by failing to meet its obligations under the terms of the financial instrument. The IESO is exposed directly to credit risk related to cash equivalents' securities and accounts receivable, and indirectly through its exposure to the long-term investments in a Canadian bond pooled fund. The IESO manages credit risk associated with cash equivalents' securities through an approved management policy that limits investments to primarily investment-grade investments with counterparty-specific limits. The accounts receivable balance as at December 31, 2017, included no material items past due and substantially all of the balance was collected within 30 days from December 31, 2017. The long-term Canadian bond pooled fund is comprised of primarily investment-grade securities.

Market participants are required to provide non-voluntary pre-payments to reduce their electricity financial exposures as determined by the IESO. If collateral is not sufficient to remedy a default amount, the IESO undertakes a default allocation process that recovers the default amount from all remaining non-defaulting market participants.

c) Liquidity Risk

Liquidity risk refers to the risk that the IESO will encounter financial difficulty in meeting obligations associated with its financial liabilities when due. The IESO manages liquidity risk by forecasting cash flows to identify cash flows and financing requirements. Cash flows from operations, short-term investments, long-term investments and maintaining appropriate credit facilities help to reduce liquidity risk. The IESO's long-term investments are normally able to be redeemed within two business days; however, the investment manager of the pooled funds has the authority to require a redemption in-kind rather than cash and has the ability to suspend redemptions if deemed necessary.

i) Market Settlements

In cases where a market participant fails to pay, the IESO will utilize credit facilities to settle the market. If the IESO has exhausted the availability of its credit facilities, then the IESO will pay market creditors on a pro rata basis in proportion to the amounts owed to each market creditor.

ii) Fair Hydro – regulatory asset

In accordance with the *Ontario Fair Hydro Plan Act, 2017*,

- the IESO will establish a regulatory asset as it continues to settle the market and recover Global Adjustment from customers, but as a result of the fair hydro adjustment applicable to specified consumers the IESO collects less than the full amount of the Global Adjustment. The IESO records the shortfall together with the costs of financing the shortfall, the amounts charged to the IESO by the Fair Hydro Trust in respect of the carrying costs of the Fair Hydro Trust, when applicable, and certain other amounts, in a Deferred Global Adjustment Variance account (such amount a regulatory asset)
- the IESO utilizes its credit facilities to fund the amounts recorded in the Deferred Global Adjustment variance account, and
- the IESO is permitted to: a) transfer all or a portion of the regulatory asset to a financing entity, and b) after May 2021 fully recover any non-transferred asset from specified consumers.

As a result of the Fair Hydro Plan, the IESO will be required to borrow the amounts to be recorded in the Deferred Global Adjustment Variance Account (see the bulletin above). The IESO has a current $2 billion line of credit with the OFA (see Debt Note 5) with a maturity date of September 30, 2022, to fund these amounts. The IESO expects to continue to transfer the regulatory asset to the financing entity and use the funds of such transfer to reduce the amounts borrowed. However, the financing entity is not obligated to purchase any transfer(s) offered by the IESO, and therefore the IESO is potentially subject to liquidity risk.

Pursuant to regulation the IESO will pay carrying costs to the Fair Hydro Trust monthly during the period beginning on December 1, 2017 and ending on July 31, 2021.

The IESO has provided security for the IESO's current monthly obligation to pay these carrying costs. The security provides the Fair Hydro Trust first priority over IESO receivables due from LDCs and electricity retailers.

15. COMMITMENTS

Operating commitments

The obligations of the IESO with respect to non-cancellable operating leases over the next five years are as follows:

As at December 31 (thousands of Canadian dollars)	
	$
2018	5,942
2019	4,972
2020	4,202
2021	718
2022	649

16. CONTINGENCIES

The IESO is subject to various claims, legal actions and investigations that arise in the normal course of business. While the final outcome of such matters cannot be predicted with certainty, management believes that the resolution of such claims, actions and investigations will not have a material impact on the IESO's financial position or results of operations.

17. COMPARATIVE FIGURES

Certain of the comparative figures have been amended to reflect adjustments made in the current year. As a result, cash has increased and accounts receivable has decreased by $5,909 thousand. There was no impact to the annual surplus for the year ended December 31, 2016, or the net liabilities and accumulated deficit at December 31, 2016. Other figures have been reclassified to conform with the current year's presentation.

Executive Compensation at the IESO

Program Objectives

The IESO compensation program for executives was designed to attract, retain and motivate the calibre of executives required to support the achievement of the IESO's statutory mandate, business objectives and corporate vision. Accordingly, the compensation philosophy and programs were built on the following objectives:

- to focus executives on meeting the IESO's business objectives
- to attract and retain qualified employees needed to carry out the IESO's mandate
- to have the flexibility to reward results and demonstrated competencies
- to have compensation levels that are reasonable, responsible and in compliance with provincial regulations.

The philosophy underlying these objectives is that total compensation for executives should be adequate enough to attract and retain the skills and competencies necessary to carry out the IESO's mandate.

Program Governance

The IESO Board establishes the compensation objectives for the following year's program. It delegates the responsibility to thoroughly review the compensation objectives, policies and programs to the Human Resources and Governance Committee of the Board (HRGC), which makes recommendations to the full Board for approval.

The Board is comprised of 10 independent, external Directors, appointed by the Minister of Energy, with broad experience in the electricity industry and public sector organizations, and the President and Chief Executive Officer of the IESO. Their experience includes many years of dealing with human resource matters including the setting and implementation of compensation policies and programs.

In carrying out their mandate the Board members have access to the Management's analysis and recommendations as well as those of expert consultants in the compensation field. These programs are reviewed annually with regard to business needs, program objectives and design, industry compensation trends, internal compensation relativities and external market relativities.

The Board also assesses risks associated with the establishment and implementation of compensation policies and programs. Annually the Board presides over and approves the IESO's Business Plan. An important component of this process is consideration of, and the implementation of mitigating actions associated with, Enterprise Risk Management. This latter overarching process includes the assessment of all significant risks to the IESO, including risks associated with its compensation policies and programs.

In addition to the formal governance and oversight structure in place for compensation matters, the IESO discloses compensation levels annually for staff earning $100,000 or more as part of its public sector salary disclosure. For the IESO, a further level of public review and assurance is provided through a statutorily required annual review of the IESO's expenditures, revenue requirements and fees. Information related to compensation matters, including Executive/Management compensation and market relativities, is subject to the Ontario Energy Board review. A range of small and large consumers, assisted by their legal and professional advisors, are represented in these public proceedings.

Market Comparisons

The IESO reviews the competitiveness of the executive compensation levels in relation to a peer group of Canadian organizations and general industry companies every other year at a minimum. The objective is to compare IESO executive compensation levels to those in the marketplace particularly in relation to the median of the market.

Prior to the amalgamation of the IESO with the OPA, the Ministry of Energy had retained the Korn Ferry Hay Group, a global management consulting firm, to evaluate and market price the CEO position for the new organization. Subsequent to the CEO's appointment on January 1, 2015, the decision was made to adopt a similar approach to evaluate and market price all other executive roles using the Hay point system.

As part of this process, the comparator group was redefined consistent with the recommendations of the Agency Review Panel (the Arnett report) and is currently comprised of 13 public sector and 11 private sector organizations, with the comparator data weighted on a 50/50 public/private sector basis. The comparator group represents a range of industries, core business activities and roles that are similar to IESO: electricity, energy, asset management, financial services, infrastructure procurement, engineering and large-scale, complex IT functions. The list of organizations can be viewed in the 2015 Annual Report. As part of the 2016 Executive Compensation Framework Regulation, the IESO completed a review of its executive compensation against public sector organizations. The document is available on the IESO website and will replace the current compensation plan for executives in 2018.

The job evaluation was independently conducted by the Hay Group using its point system and the following executive positions were covered by this review:

- President & CEO;
- VP Corporate Services & CFO;
- VP Market & Resource Development;
- VP Market & System Operations & COO;
- VP Conservation & Corporate Relations;
- VP Information and Technology Services and CIO;
- VP Planning, Legal, Indigenous Relations and Regulatory Affairs.

The Hay Group evaluated the Vice-President positions based on the job documents and additional information gathered from the CEO. Based on the evaluation points, a new salary structure was developed. The executive positions were then mapped into the new structure based upon their evaluated points.

Using the market information from the above peer group, the mid-point of the range of points for each executive salary grade was determined as the market price point for comparison purposes.

The mid-points of the new salary ranges were defined as the total direct cash compensation (annual base salaries plus annual short-term and long-term target incentive awards) of the hybrid market's price point at the 50th percentile for each salary grade.

The minimums and maximums of each salary range were calculated using typical salary range spreads at executive levels. In accordance with the *Broader Public Sector Accountability Act (2010)*, executive compensation rates have remained the same in 2017 and will be reviewed with the Executive Compensation Framework legislated effective 2018.

Program Description

The IESO program includes fixed and variable compensation, core and flex benefit plans, and pension provisions. IESO Human Resources staff participates in and reviews results from various compensation surveys and monitors economic trends such as inflation and unemployment rates, which impact on compensation, as well as internal compensation relativities. Based on this data and the IESO business priorities, Human Resources staff develops recommendations on compensation programs. External specialized compensation, benefit and pension consultants are utilized to ensure accurate, representative market compensation data is obtained, that current industry compensation trends are being utilized, as well as provide insight and recommended adjustments to current programs.

Program Description – Fixed Compensation

Within the IESO salary ranges, individuals are assessed relative to an established competency model. This model consists of behavioural competencies such as strategic agility, building effective teams, command skills, sizing up people, political savvy and managing vision and purpose. Assessments are based upon demonstrated competency. Each individual is awarded a fixed compensation level within his or her band based upon his or her assessed competency.

Program Description – Variable Compensation

In order to promote a results orientation in the executive team, the variable pay plan forms part of the total compensation of executives. The IESO Board annually establishes a robust set of performance measures that are evaluated each year.

The IESO Board assesses the corporate performance results and the CEO's individual performance results. Under the plan, having assessed the results against target, the Board does have the ability to use some discretion in determining the final performance rating – however in the past, the Board has relied upon the directly assessed results to award variable compensation.

The variable compensation award for the CEO and Vice-Presidents is capped at 10% of fixed compensation. The plan provides for awards below the capped amount depending on the performance results achieved. The 2017 annual award was paid on December 29, 2017.

Program Description – Group Benefits

The group benefit plan provides a core level of health and dental benefits, life insurance, disability coverage and vacation, which can be adjusted by individual employees through a flexible component within the plan. The flexible element provides all non-represented employees including executives the option of adjusting their benefits to meet their individual/family needs including vacation above core amounts, levels of life insurance, health coverage and other components.

Program Description – Pension Plan

A defined benefit pension plan provides annual retirement income calculated as 2% of pensionable earnings during the highest paid 60 consecutive months of service multiplied by years of service (36 months for the pension earned prior to January 1, 2017, by the former IESO executives), to a maximum of 35 years. The pension formula is integrated with the Canada Pension Plan (CPP) to provide a level income stream before and after age 65, when the IESO pension is reduced to reflect benefits from CPP. The plan also has early retirement provisions as well as commuted value, pension deferral and reciprocal transfer options.

The plan provides a maximum benefit of 70% of highest paid, pre-retirement pensionable earnings. As the Canadian Revenue Agency limits the amount of pension payable from a registered plan, the IESO has a secured supplemental employee retirement plan to provide required pension income to meet the commitments of the plan above that payable from the registered plan.

The plan also provides several options including member's life only or joint and survivor pensions, as well as pre-retirement death benefits to provide benefits to surviving spouses or beneficiaries.

Performance Measures & Impact on Compensation

The IESO annually establishes corporate performance measures relating to its business priorities during the business planning process. These are approved, monitored and assessed by the IESO Board of Directors each year. Individual performance measures supporting one or more corporate performance measures are also developed for each executive. As outlined above the corporate results achieved each year impact on each executive's variable pay.

For 2017, the Board assessed the corporate results and determined that the IESO substantially met expectations. In addition to the corporate measures, each executive also had an individual set of measures and targets for the year that aligned with the corporate performance objectives and IESO's business priorities, and these were similarly assessed. The Board assessed the results of the CEO's performance and the CEO assessed the performance of the Vice-Presidents, which were also reviewed with the Board.

Other Considerations

Compensation decisions may at times be impacted by market factors – such as the recruitment of an executive with specialized skills/competencies or possessing unique talents within the industry. To this end individual arrangements are sometimes established relating to terms of employment and the possibility of future termination.

Bruce Campbell, the CEO, retired in 2017 and was replaced by an external candidate after an extensive search was completed. Peter Gregg, the new CEO, began his tenure with the IESO on June 20, 2017.

Compensation Restraints

The IESO executive compensation has been significantly impacted by the compensation restraint legislation in Ontario since 2010. The *Broader Public Sector Accountability Act* (BPSAA) imposes a general freeze on designated executives' salary, variable pay, benefits and perquisites subject to very limited exceptions.

Following the amalgamation of the two former organizations (IESO and OPA) on January 1, 2015, the total 2015 variable performance pay amount awarded to all employees and office holders became the cap for total variable performance pay to be paid out in future years as long as the BPSAA remains in effect. The total variable compensation paid in 2017 was within this maximum.

Executive Compensation Structure Alignment

With the appointment on January 1, 2015 of Mr. Campbell as the CEO of the merged organization, the IESO aligned the compensation plan for its Vice-Presidents with the structure established for the new CEO. Accordingly, in both cases, the variable pay component was capped at 10% of fixed compensation with no deferral. There were no salary adjustments for executives in 2017.

The figures reported as 2017 "Salary Paid" in the 2017 Public Sector Salary Disclosure for the executives include the 2017 earned variable compensation that was paid on December 29, 2017.

Executive Compensation Statement

The table below details the annual compensation for the year ended December 29, 2017, for the executives listed.

2017 Summary Compensation Table

Name & Position	Base Salary	Variable Pay[2]	Other Annual Compensation[3]	Total Cash Compensation[4]
Bruce Campbell [1]				
Retired President & CEO	$438,890	$279,734	$31,239	$749,863
Peter Gregg[5]				
New President & CEO	$319,846	$33,233	$5,389	$358,468
Kimberly Marshall				
VP Corporate Services & CFO	$268,460	$18,792	$433	$287,685
Terence Young				
VP Conservation & Corporate Relations	$307,037	$27,633	$19,783	$354,454
Leonard Kula				
VP Market & System Operations & COO	$313,705	$31,288	$7,315	$352,307
Michael Lyle				
VP Planning, Legal, Indigenous Relations & Regulatory Affairs	$269,562	$21,565	$5,830	$296,957

1. Bruce Campbell retired in September 2017. Base salary and variable pay have been pro-rated to reflect time in job. Variable pay also includes a final payment in January 2017 from a closed deferred compensation plan.
2. 2017 earned variable compensation is calculated on annualized base pay and was paid in December 2017 (excluding the deferred payment described in (1)).
3. Represents remaining flex credits paid out at year end as taxable income.
4. These amounts will be reported as "Salary Paid" under the Annual Public Sector Salary Disclosure.
5. Peter Gregg hired June 20, 2017, as new CEO. Base salary and variable pay have been pro-rated to reflect time in job.

Executive Leadership Team, Board of Directors and Advisory Committees to the Board*

Executive Leadership Team

Peter Gregg
President and Chief Executive Officer

Sorana Ionescu
Acting Vice-President, Information and Technology Services

Leonard Kula
Vice-President, Planning, Acquisition and Operations, and Chief Operating Officer

Michael Lyle
Vice-President, Legal Resources and Corporate Governance

Kimberly Marshall
Vice-President, Corporate Services, and Chief Financial Officer

Terry Young
Vice-President, Policy, Engagement and Innovation

Board of Directors

Timothy O'Neill
Chairman of the Board
Retired from BMO Financial Group, where he served as Executive Vice-President and Chief Economist; President of O'Neill Strategic Economics

Peter Gregg
President and Chief Executive Officer, Independent Electricity System Operator

Cynthia Chaplin
Director
Former Vice-Chair of the Ontario Energy Board

Murray Elston
Director
Former Chair of the Electricity Distribution Panel; former President of the Canadian Nuclear Association; former Ontario Minister of Health

Susanna Han
Director
Chief Financial Officer, LiUNA Local 183

Christopher Henderson
Director
President of Lumos Clean Energy Advisors; Executive Director of the Indigenous Clean Energy (ICE) Social Enterprise; author of Aboriginal Power *(2013)*

Margaret Kelch
Director and Chair, Human Resources and Governance Committee
Director of the Board, DST Engineering Group, Chair of the Human Resources and Governance Committee; former Board member Nature Conservancy of Canada, Chair of the Conservation Committee; former Board member Electrical Safety Authority, Chair of the Regulatory and Human Resources and Governance Committees; former Board member Guelph Hydro; other various board assignments

Glenn Rainbird
Director
Member, Board of Governors of the Royal Military College of Canada and the Board of Directors of VIA Rail Canada Inc.; RCAF Honorary Colonel; Officer of the Order of Canada; recipient of the Queen Elizabeth II Diamond Jubilee Medal

Ersilia Serafini
Director
President and CEO of Summerhill; former Executive Director of the Clean Air Foundation; former Vice-Chair of the IESO's Stakeholder Advisory Committee

Deborah S. Whale
Director
Vice-President, Clovermead Farms Inc.; Past Vice-President, Ontario Farm Products Marketing Commission; Vice-President, Grand River Raceway; Livestock Research and Innovation Corporation, Emerging and Critical Issues Committee

Carole Workman
Director and Chair, Audit Committee
Former Chair of the Ottawa Hospital Board of Directors; Board member of Allstate Insurance of Canada; former Director of Hydro Ottawa and several other organizations

* As of December 31, 2017

Stakeholder Advisory Committee

Brian Bentz (Chair)
President & Chief Executive Officer
Alectra
Representing: Distributors & Transmitters

Steve Baker
President
Union Gas Limited
Representing: Energy-related Businesses and Services

John Beaucage
Principal
Counsel Public Affairs Inc.
Representing: Ontario Communities

Darlene Bradley
Vice-President, Planning
Hydro One Networks Inc.
Representing: Distributors & Transmitters

David Butters
President & Chief Executive Officer
Association of Power Producers of Ontario
Representing: Generators

Brandy Giannetta
Regional Director
The Canadian Wind Energy Association
Representing: Generators

Julie Girvan
Consumers Council of Canada
Representing: Consumers

Jim Hogan
President & Chief Executive Officer
Entegrus
Representing: Distributors and Transmitters

Rachel Ingram
Vice-President & General Counsel
Rodan Energy Solutions
Representing: Energy Related Businesses and Services

Frank Kallonen
President & Chief Executive Officer
Greater Sudbury Hydro
Representing: Transmitters and Distributors

Ted Leonard
Vice-President & Chief Financial Officer
NRStor Inc.
Representing: Energy-related Businesses and Services

Paul Norris
President
Ontario Waterpower Association
Representing: Generators

Mark Passi
Manager, Energy
Glencore
Representing: Consumers

Mark Schembri
Vice-President
Supermarket Systems & Store Maintenance
Loblaw Properties Limited
Representing: Consumers

James Scongack (Vice-Chair)
Vice-President, Corporate Affairs
Bruce Power
Representing: Generators

John Sherin
Representing: Ontario Communities

Terry Young
Vice-President, Policy, Engagement and Innovation
Independent Electricity System Operator
Representing: IESO

Technical Panel

Chuck Farmer (Chair)
Director, Stakeholder & Public Affairs
Independent Electricity System Operator

Robert Bieler
Representing: Consumers

Ron Collins
President & Chief Executive Officer
Sinopa Energy Inc.
Representing: Energy-related Businesses and Services

David Dent
Manager, Strategic and Power Markets
Union Gas Limited
Representing: Natural Gas

Barbara Ellard
Director, Markets
Independent Electricity System Operator
Representing: IESO

Sarah Griffiths
Director, Regulatory Affairs
EnerNOC Ltd.
Representing: Other Market Participants

Robert Lake
Representing: Residential Consumers

Phil Lasek
Shell Canada Products
Representing: Market Participant Consumers

Sushil Samant
Director, Gas and Electricity Marketing
Northland Power
Representing: Market Participant Generators

Joe Saunders
Vice-President, Regulatory Compliance & Asset Management
Burlington Hydro
Representing: Distributors

Bill Wilbur
Director, Generation and Revenue Planning
Ontario Power Generation
Representing: Generators

Julien Wu
Manager, Regulatory Affairs, Quebec-Ontario
Brookfield Energy Marketing
Representing: Wholesalers

Bing Young
Director, System Planning and Transmission System Development
Hydro One Networks Inc.
Representing: Transmitters

Technical Panel Secretariat

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FSC logo

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Connecting Today.
Powering Tomorrow.

From:	Olga Whiteley
To:	Mike Manning
Cc:	Anthony Martinello
Subject:	IESO Financial Information Pursuant to Note Payable - Q2 2018
Date:	Wednesday, August 29, 2018 5:13:40 PM
Attachments:	Financial Statements Q2 2018.pdf

Dear Mr. Manning,

As required by the April 1, 1999, as amended, Note Agreement between IESO and OEFC, please find attached a copy of IESO's Q2 2018 unaudited financial statements.

Please let us know if you have any questions or concerns,

Best regards.

Olga Whiteley, CFA | Treasury and Pension Operations

Independent Electricity System Operator (IESO) | T: (905) 403-6917 | F: (905) 403-6913

Station A, Box 4474, Toronto, ON M5W 4E5

Web: www.ieso.ca [ieso.ca] | Email: olga.whiteley@ieso.ca

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Independent Electricity System Operator
Statement of Financial Position
Unaudited

As at (in thousands of Canadian dollars)	June 30, 2018	December 31, 2017
	$	$
FINANCIAL ASSETS		
Cash	30,938	64,214
Accounts receivable	77,998	41,429
Regulated assets	37,573	39,529
Long-term investments	45,819	45,276
Market accounts - assets (Note 2)	2,225,214	2,005,167
TOTAL FINANCIAL ASSETS	**2,417,542**	**2,195,615**
LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	35,920	37,264
Accrued interest on debt	1,060	-
Rebates due to market participants (Note 4)	1,422	1,422
Debt (Note 5)	120,000	120,000
Accrued pension liability	27,401	29,229
Accrued liability for employee future benefits other than pension	99,371	96,216
Market accounts - liabilities (Note 2)	2,225,214	2,005,167
TOTAL LIABILITIES	**2,510,388**	**2,289,298**
NET DEBT	**(92,846)**	**(93,683)**
NON-FINANCIAL ASSETS		
Net tangible capital assets	105,190	100,794
Prepaid expenses	8,336	6,809
TOTAL NON-FINANCIAL ASSETS	**113,526**	**107,603**
ACCUMULATED SURPLUS		
Accumulated surplus from operations	9,140	3,436
Accumulated remeasurement gains	11,540	10,484
ACCUMULATED SURPLUS	**20,680**	**13,920**

Independent Electricity System Operator
Statement of Operations and Accumulated Surplus
Unaudited

For the quarter ended June 30 (in thousands of Canadian dollars)	2018 Budget	2018 Actual	2017 Actual
IESO CORE OPERATIONS	**$**	**$**	**$**
System fees	95,492	92,786	84,994
Other revenue	1,908	2,302	2,043
Interest and investment income	280	1,376	467
Core operation revenues	**97,680**	**96,464**	**87,504**
Core operation expenses (Note 6)	**(96,674)**	**(94,255)**	**(89,721)**
Core operations surplus/(deficit) before rebates	1,006	**2,209**	**(2,217)**
Rebates due to market participants	-	-	-
Core operations surplus	**1,006**	**2,209**	**(2,217)**
OTHER GOVERNMENT PROGRAMS			
Government transfer	**71,539**	61,739	-
Government transfer expenses (Note 6)	(71,539)	(61,739)	-
Government transfer surplus	**-**	**-**	**-**
SMART METERING ENTITY			
Smart metering charge	17,271	17,271	12,756
Smart metering expenses (Note 6)	(14,584)	(13,709)	(12,756)
Smart metering entity surplus	**2,687**	**3,562**	**-**
MARKET SANCTIONS AND PAYMENT ADJUSTMENTS			
Market sanctions and payment adjustments	3,709	2,600	1,504
Customer education and market enforcement expenses (Note 6)	(3,858)	(2,667)	(1,586)
Market sanctions and payment adjustments surplus/(deficit)	**(149)**	**(67)**	**(82)**
SURPLUS/(DEFICIT)	**3,544**	**5,704**	**(2,299)**
ACCUMULATED SURPLUS FROM OPERATIONS, BEGINNING OF PERIOD	3,436	3,436	6,582
ACCUMULATED SURPLUS FROM OPERATIONS, END OF PERIOD	**6,980**	**9,140**	**4,283**

Independent Electricity System Operator
Statement of Remeasurement Gains and Losses
Unaudited

For the quarter ended June 30 (in thousands of Canadian dollars)	2018 Actual	2017 Actual
	$	$
ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF PERIOD	**10,484**	**7,906**
UNREALIZED GAINS ATTRIBUTABLE TO:		
Foreign exchange - derivatives	380	-
Foreign exchange - other	688	738
Portfolio investments	(129)	1,971
AMOUNTS RECLASSIFIED TO THE STATEMENT OF OPERATIONS:		
Foreign exchange - other	(456)	(763)
Portfolio investments	573	-
NET REMEASUREMENT GAINS FOR THE PERIOD	**1,056**	**1,946**
ACCUMULATED REMEASUREMENT GAINS, END OF PERIOD	**11,540**	**9,852**

Independent Electricity System Operator
Statement of Change in Net Debt
Unaudited

For the quarter ended June 30 (in thousands of Canadian dollars)	2018 Budget	2018 Actual	2017 Actual
	$	$	$
SURPLUS/(DEFICIT)	**3,544**	**5,704**	**(2,299)**
CHANGE IN NON-FINANCIAL ASSETS			
Acquisition of tangible capital assets	(19,688)	(16,119)	(9,737)
Amortization of tangible capital assets	10,873	11,723	11,130
Change in prepaid expenses	-	(1,527)	(689)
TOTAL CHANGE IN NON-FINANCIAL ASSETS	**(8,815)**	**(5,923)**	**704**
NET REMEASUREMENT GAINS FOR THE PERIOD	-	1,056	1,946
CHANGE IN NET DEBT	**(5,271)**	**837**	**351**
NET DEBT, BEGINNING OF PERIOD	(93,683)	(93,683)	(97,173)
NET DEBT, END OF PERIOD	**(98,954)**	**(92,846)**	**(96,822)**

Independent Electricity System Operator
Statement of Cash Flows
Unaudited

For the quarter ended June 30 (in thousands of Canadian dollars)	2018	2017
	$	$
OPERATING TRANSACTIONS		
Change in accumulated surplus		
Surplus/(Deficit)	5,704	(2,299)
	5,704	(2,299)
Changes in non-cash items:		
Amortization	11,723	11,130
Pension expense	5,227	4,055
Other employee future benefits expense	4,511	4,300
	21,461	19,485
Changes in non-cash balances related to operations:		
Change in accounts payable and accrued liabilities	(360)	(4,991)
Change in accounts receivable	(36,569)	(6,910)
Change in rebates due to market participants	-	-
Change in regulated assets	1,956	12,840
Change in prepaid expenses	(1,527)	(689)
	(36,500)	250
Other:		
Contributions to pension fund	(7,055)	(8,752)
Payment of employee future benefits	(1,356)	(1,252)
	(8,411)	(10,004)
Cash applied/provided by operating transactions	**(17,746)**	**7,432**
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(16,119)	(9,737)
Change in accounts payable and accrued liabilities	76	378
Cash applied to capital transactions	**(16,043)**	**(9,359)**
INVESTING TRANSACTIONS		
Purchase of long-term investments	(99)	(668)
Cash applied to investing transactions	**(99)**	**(668)**
FINANCING TRANSACTIONS		
Issuance of debt	-	30,000
Cash provided by financing transactions	**-**	**30,000**
(DECREASE) / INCREASE IN CASH	**(33,888)**	**27,405**
CASH - BEGINNING OF PERIOD	64,214	33,005
Unrealized foreign exchange gains/(losses) for the period	612	(25)
CASH - END OF PERIOD	**30,938**	**60,385**

Independent Electricity System Operator
Notes to Financial Statements (unaudited)

June 30, 2018

1) INTERIM FINANCIAL STATEMENTS

The interim financial statements follow the same accounting policies and methods of their application as the 2017 IESO annual financial
The interim financial statements have been prepared on a going concern basis and should be read in conjunction with the 2017 IESO annual financial statements.

2) MARKET ACCOUNTS

As of January 1, 2016 the IESO changed its accounting policy regarding the recognition of market accounts assets and liabilities on the statement of financial position. The IESO-administered markets is a balancing system and includes amounts due from market participants (e.g. LDCs) and amounts due to market participants (e.g. generators). The net position of market accounts will settle to a $nil balance.
In 2017, the Government of Ontario announced its Fair Hydro Plan (FHP). Under this Plan, the IESO continues to settle the transactions between generators and distributors, but collects only a portion of the Global Adjustment from eligible customers, identified in the Ontario Fair Hydro
The FHP also shifted the cost of the Ontario Electricity Support Program (OESP) and most of the Rural or Remote Rate Protection (RRRP) program costs from ratepayers to taxpayer-funded programs.
The cumulative amount recorded in the Deferred Global Adjustment Variance account to the end of June 2018 was $2,557,769 thousand. To date a total of $1,788,000 thousand has been transferred to the Fair Hydro Trust. As a result, as at June 30, the Deferred Global Adjustment Variance account balance was $769,769 thousand, including interest and carrying charges.
In consideration of the implementation of the FHP, the OEB rescinded the OESP charge and determined to fund the program through the credit balance in the Ontario Electricity Support Program Variance account. As of June 30, the OESP variance account had been fully depleted.
On July 1, 2017 the OEB set a new rate for the RRRP program that has resulted in the IESO paying eligible markets participants more than rate collection permits. The balance in the RRRP variance account to June 30, 2018, was $16,579 thousand net of interest.

Components of the market accounts are as follows:	As at June 30, 2018	As at December 31, 2017
Cash, restricted for market accounts	(2,699)	454,174
Amounts due from market participants	1,292,752	1,253,417
Interest receivable	132	217
Regulatory assets/liabilities	786,348	187,203
HST receivable	148,681	110,156
Market debt	(582,378)	(13,252)
Amounts due to market participants	(1,486,976)	(1,855,206)
Other net liabilities	(155,860)	(136,709)
Closing balance	**-**	**-**

Regulatory assets/liabilities consist of the following:	As at June 30, 2018	As at December 31, 2017
Deferred Global Adjustment Variance	769,769	199,475
Ontario Electricity Support Program Variance	-	(24,892)
Rural or Remote Rate Protection Variance	16,579	12,620
Closing balance	**786,348**	**187,203**

Market Debt

$475,000 Thousand Credit Facility with OFA

The IESO has an unsecured credit facility agreement with the Ontario Financing Authority (OFA), which will make available to the IESO an amount up to $475,000 thousand. Advances are payable at a variable interest rate equal to the Province of Ontario's cost of borrowing plus 0.25% per annum. The credit facility expires December 31, 2019. As at June 30, 2018, $15,843 thousand was outstanding (December 31, 2017 - $12,281 thousand).

$2,000,000 Thousand Credit Facility with OFA

During 2017, the IESO entered into a new unsecured credit facility agreement with the OFA, which will make available to the IESO an amount up to $2,000,000 thousand for the purpose of supporting the IESO's role in the Ontario FHP. Advances are payable at a variable interest rate equal to the Province of Ontario's cost of borrowing plus 0.25% per annum. The credit facility expires September 30, 2022. As at June 30, 2018, $566,535 thousand was outstanding (December 31, 2017 - $971 thousand).

$150,000 Thousand Credit Facility with TD Bank

The IESO has an unsecured credit facility agreement with TD Bank, which will make available to the IESO an amount up to $150,000 thousand. Advances are payable at a variable interest rate equal to that of banker's acceptance plus a margin per annum. The credit facility expires April 30, 2020. As at June 30, 2018, no amount was drawn on the credit facility (December 31,2017 - $nil).

3) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands of Canadian dollars)	As at June 30, 2018	As at December 31, 2017
Relating to operations	34,294	35,743
Relating to tangible capital assets	1,626	1,521
Closing balance	**35,920**	**37,264**

4) REBATES DUE TO MARKET PARTICIPANTS AND ACCUMULATED SURPLUS

As at June 30, 2018 and December 31, 2017, the components of the IESO's Accumulated Surplus were as follows:

Accumulated Surplus

(in thousands of Canadian dollars)	As at June 30, 2018	As at December 31, 2017
Approved regulatory deferral account	8,209	6,000
Smart Metering Entity	4,501	939
Accumulated market sanctions and payment adjustments	574	641
Remeasurement gains	7,396	6,340
Accumulated surplus – end of period	**20,680**	**13,920**

Regulatory Deferral Account

(in thousands of Canadian dollars)	As at June 30, 2018	As at December 31, 2017
Accumulated surplus – December 31, 2017	6,000	10,000
OEB decision and order	-	(4,000)
Revenues (before rebates due to market participants)	96,464	186,559
Rebates due to market participants	-	(1,422)
IESO operation expenses	(94,255)	(185,137)
Accumulated surplus – end of period	**8,209**	**6,000**

Smart Metering Entity - Accumulated Surplus

(in thousands of Canadian dollars)	As at June 30, 2018	As at December 31, 2017
Accumulated surplus – December 31, 2017	939	0
Smart Metering Entity Revenues	17,271	25,655
Smart Metering Entity Expenses	(13,709)	(24,716)
Accumulated surplus – end of period	**4,501**	**939**

Accumulated Market Sanctions and Payment Adjustments

(in thousands of Canadian dollars)	As at June 30, 2018	As at December 31, 2017
Accumulated surplus – December 31, 2017	641	726
Market sanctions and payment adjustments	2,600	3,176
Customer education and market enforcement expenses	(2,667)	(3,261)
Accumulated surplus – end of period	**574**	**641**

5) DEBT

Note Payable to Ontario Electricity Finance Corporation (OEFC)

In April 2017, the IESO entered into a note payable with the OEFC. The note payable is unsecured, bears interest at a fixed rate of 1.767% per annum and is repayable in full on June 30, 2020. Interest accrues daily and is payable in arrears semi-annually in June and December of each year. As at June 30, 2018, the note payable to the OEFC was $120,000 thousand (December 31, 2017 - $120,000 thousand).

Credit Facility

The IESO has an unsecured credit facility agreement with the OEFC, which will make available to the IESO an amount up to $160,000 thousand. Advances under the credit facility are payable at a variable interest rate equal to the Province of Ontario's cost of borrowing for a 30 day term plus 0.50% per annum, with draws, repayments and interest payments due monthly. The credit facility expires June 30, 2020. As at June 30, 2018, no funds were drawn on the credit facility (December 31, 2017 - $nil).

6) SEGMENT DISCLOSURES

Expenses by object for the quarter ended June 30, 2018 comprised of the following:

(in thousands of Canadian dollars)	**IESO operations**	**Customer education and market enforcement expenses**	**Smart metering entity**	**Other Government Programs**	Totals
	$	$	$	$	$
Compensation & benefits	61,088	1,853	1,384	1,095	65,420
Professional & consulting	6,486	409	7,593	60,376	74,864
Operating & administration	18,599	405	2,704	268	21,976
Amortization	9,722	-	2,001	-	11,723
Interest	1,110		27	-	1,137
Less: Recoveries	(2,751)	-	-	-	(2,751)
Total Expense	**94,255**	**2,667**	**13,709**	**61,739**	**172,370**

Expenses by object for the quarter ended June 30, 2017 comprised of the following:

(in thousands of Canadian dollars)	**IESO operations**	**Customer education and market enforcement expenses**	**Smart metering entity**	**Other Government Programs**	Totals
	$	$	$	$	$
Compensation & benefits	56,428	1,113	1,368	-	58,909
Professional & consulting	6,606	119	6,997	-	13,722
Operating & administration	17,905	354	2,202	-	20,461
Amortization	9,117	-	2,013	-	11,130
Interest	851	-	176	-	1,027
Less: Recoveries	(1,186)	-	-	-	(1,186)
Total Expense	**89,721**	**1,586**	**12,756**	**-**	**104,063**

From: Ricky Lai
To: Mike Manning
Cc: James Devine; Carlos Yep
Subject: IESO Line of credits
Date: Thursday, August 30, 2018 8:50:53 AM
Attachments: IESO LOCs.xlsx

Hi Mike, just FYI I have attached a spreadsheet on an overview of the IESO line of credits.
R

IESO Line of Credits

Client	Entity	Total allocation	Available Amt	Outstanding	End Date	Rate and spread
OFA	Ontario Fair Hydro Plan	$ 2,000,000,000.00	$ 1,000,107,071.47	$ 999,892,928.53	9/30/2022	Ont_Tbill_1M + 25 bps
OFA	Rural or Remote Electricity Rate Protection Variance	$ 475,000,000.00	$ 458,174,921.67	$ 16,825,078.33	12/31/2019	Ont_Tbill_1M + 25 bps
OEFC	IESO Revolving	$ 160,000,000.00	$ 100,000,000.00	$ 60,000,000.00	6/30/2020	Ont_Tbill_1M + 50 bps
				$ 1,076,718,006.86		

From:	Donnelly, Ryan
To:	Mike Manning; James Devine; Carlos Yep; Elizabeth Wallace
Cc:	Bartlett, Doug - Debt Capital Markets; Janetos, Ben - Debt Capital Markets
Subject:	INDEX CONFIRMATION: Fair Hydro Trust, 2018-1 Senior Notes, due 15 May 2033
Date:	Friday, February 02, 2018 11:34:25 AM
Attachments:	image001.png

Mike / Jim / Carlos / Elizabeth… Further to the note below, FTSE TMX has confirmed that Fair Hydro Trust will be classified as Corporate Securitized ABS for the purposes of Index Consideration.
Ryan

From: PC-Bond Index Team [mailto:pcbond@FTSERussell.com]
Sent: Friday, February 02, 2018 11:07 AM
To: PC-Bond Index Team
Subject: Fair Hydro Trust, 2018-1 Senior Notes, due 15 May 2033

Dear FTSE TMX Client,

A new issuer is being brought to market – Fair Hydro Trust, 2018-1 Senior Notes, due 15 May 2033

Based on review of information available thus far, FTSE Russell would expect to classify this security as **Corporate Securitized ABS,** given the structure of the issuer and in particular its bankruptcy remote nature**,** for the purposes of Index Consideration.

For further information please contact FTSE Russell at ftsebond@ftserussell.com or call 416.572.7979

Regards,

PC-Bond Index Team

FTSE TMX Global Debt Capital Markets Inc.

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FTSE
Russell

From:	LIU Sheen -TREASURY
To:	Mike Manning
Cc:	RYFA Ken -TREASURY; LEE John -TREASURY; LADAK Lubna -TREASURY
Subject:	Indicative Spreads
Date:	Thursday, February 08, 2018 4:43:44 PM
Attachments:	Summary Spreads Feb 8 2018.xlsx

Mike –

Attached for your reference please find the excel version of the Indicative Spreads calculation.

Please let us know if you have further questions.

Please also note that the sub debt coupon is set up as 3.637% as the credit spread was rounded.

Thanks

Sheen

FHP 15 Yr Issuance Rates

New Issue Spreads - Senior Notes (AAA/Aa2)	Senior	Sub Indicative	Jr. Sub Indicative
*Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-33	01-Jun-33
Benchmark Yield	2.438%	2.438%	2.438%
Curve Adjustment (bp)	-0.1	-0.1	-0.1
Spread to GoC Curve (bp)	92.0	119.5	153.4
Re-Offered Yield	3.357%	3.632%	3.971%
Commission (bp)	3.3	3.3	3.4
All-in Spread to GoC Curve (bp)	**95.3**	**122.8**	**156.8**
Spread difference vs Senior (bp)		**27.5**	**60.0**
Coupon rate	**3.357%**	**3.632%**	**3.957%**
All-in Rate		**3.665%**	**3.990%**

Notes:
*Benchmark bond has a maturity date of June 1, 2033 and coupon of 5.75%
1. Senior debt priced on Feb 6, 2018
2. For Sub and Jr. Sub Debt, benchmark yield & curve adjustment are based on senior debt pricing on Feb 6, 2018
3. For Sub and Jr. Sub Debt, spread and commission are calculated as the average of dealers quotes, excluding high and low
4. For Jr. Sub Debt, spread is adjusted 1.425bp down to 60bps for senior debt term sheet disclosure

Dealers Indicative Spreads (bps)	BNS	NB	CIBC	RBC	BMO	TD	GS	average excl high/low
Sub Spread vs Senior	30	24	25	25	39	28	30	27.5
Sub Commission vs Senior Commission	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0
All-In Sub Spread								**27.5**
Jr. Sub Spread vs Senior	60	52	50	45	107	55	90	61.4
Jr. Sub Commission vs Senior Commission	0	0	0	0.1	0.2	0	0	0.0
All-In Jr. Sub Spread								**61.4**

From:	Bryan, Richard
To:	"sheen.liu@opg.com"
Cc:	"LEE John -TREASURY"; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Ricky Lai; "irma.mahmood@opg.com"; Carrique, John; Locas, Yves; Roy, Linda; Kalinauskas, Jonathan
Subject:	Indicative pricing for AA and A tranches for Series 2018-2
Date:	Thursday, April 19, 2018 10:49:54 AM
Attachments:	FHP_NBC_20180419.xlsx

Hi Sheen, given RBC email confirmation of $400mm AAA 20yr @ GOC CRV +107, please find attached indicative spreads for companion AA and A tranches.

Regards

Rick

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Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Bank Name	National Bank of Canada
Date	4/19/2018

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.40%	2.39%	2.35%	2.30%	2.14%	2.02%	0.08%	0.09%	0.11%	0.13%	0.13%	0.09%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	115	107	103	90	67	52	-3	-8	-3	-3	-3	-3
Re-Offered Yield	3.55%	3.46%	3.38%	3.20%	2.81%	2.54%	0.05%	0.01%	0.08%	0.10%	0.10%	0.06%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.58%**	**3.49%**	**3.42%**	**3.25%**	**2.89%**	**2.63%**	**0.05%**	**0.01%**	**0.08%**	**0.10%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	79	76	66.5	44	28	-5	-4	-5.5	-6	-5.5	-4

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	140	134	117	100	80	70	0	0	0	0	0	0
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	123	117	100	85	65	57	0	0	0	0	0	0
Schedule I Bank ABS (Aaa ; AAA ; AAA)	145	138	119	100	80	70	0	0	0	0	0	0
FHT Series 2018-1			100				0	0	-2	0	0	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.40%	2.39%	2.35%	2.30%	2.14%	2.02%	0.08%	0.09%	0.11%	0.13%	0.13%	0.09%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	140	132	126	112	88	73	-3	-8	-3	-3	-3	-3
Re-Offered Yield	3.80%	3.71%	3.61%	3.42%	3.02%	2.75%	0.05%	0.01%	0.08%	0.10%	0.10%	0.06%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.83%**	**3.74%**	**3.65%**	**3.47%**	**3.10%**	**2.84%**	**0.05%**	**0.01%**	**0.08%**	**0.10%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	79	76	67	44	28	-5	-4	-6	-6	-6	-4

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Highway 407 (A, A)	130	123	104	85	65	55	-5	-5	-5	-5	0	0
NAV Canada (AA-, AA low)	100	97	89	80	55	45	-5	-5	-5	-5	-5	-5
GTAA (Aa3, A+)	100	97	89	80	55	45	-5	-5	-5	-5	-5	-5
Hydro One (A3/A/A high)	135	129	112	95	70	60	-5	-5	-5	-5	-5	0

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.40%	2.39%	2.35%	2.30%	2.14%	2.02%	0.08%	0.09%	0.11%	0.13%	0.13%	0.09%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	170	162	156	135	107	92	-3	-8	-3	-3	-3	-3
Re-Offered Yield	4.10%	4.01%	3.91%	3.65%	3.21%	2.94%	0.05%	0.01%	0.08%	0.10%	0.10%	0.06%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**4.13%**	**4.04%**	**3.95%**	**3.70%**	**3.29%**	**3.03%**	**0.05%**	**0.01%**	**0.08%**	**0.10%**	**0.10%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	79	76	67	44	28	-5	-4	-6	-6	-6	-4

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)	155	149	132	115	90	75	-10	-10	-10	-10	-5	-5
Highway 407 (A, A)	130	123	104	85	65	55	-5	-5	-5	-5	0	0
Enbridge Gas Distribution (A-, A)	130	125	110	95	75	60	-5	-5	-5	-5	-5	0
Hydro One (A3/A/A high)	135	129	112	95	70	60	-5	-5	-5	-5	-5	0
Schedule 1 Bank ABS (A)	200	193	174	155	135	120	0	0	0	0	0	0

From: Dorri, Sam
To: Gadi Mayman; Mike Manning; James Devine; Carlos Yep; Elizabeth Wallace
Cc: Caridia, Alex; Martin, Kevin E; Vijay, Shaaj; Van Nest, Richard
Subject: New Issue Announcement - Fair Hydro Trust 2018-1
Date: Monday, January 22, 2018 2:54:56 PM

Dear Ontario Team,

Away from your impending Green transaction, we wanted to forward you some details and a short write-up on the announcement of the Fair Hydro transaction (that I'm sure you're aware of). Pricing is expected the week of Feb 5th – we'll keep you posted on any interesting questions or developments as they come through in the coming weeks.

This afternoon, Fair Hydro Trust (or "the Trust") announced cross-country marketing efforts in anticipation of its inaugural debt offering. The structure consists of three tranches of which only the Senior Notes will be offered and sold to institutional investors, while the Subordinated and Junior Subordinated will be retained. The inaugural offering of the Notes has an expected maturity date of May 15, 2033 (15.25 year term). RBC Capital Markets is acting as Joint Lead and Joint Bookrunner on the transaction. The roadshow schedule consists of luncheons, one-on-ones and a nationwide conference call. The events will be in Montreal on January 29th, in Toronto on January 30th and 31st and in Western Canada on February 1st and 2nd.

The Fair Hydro Trust offering is in connection with the Province of Ontario's Fair Hydro Plan ("FHP") announced on March 2, 2017, which proposed to lower the average electricity bill for eligible customers by 25%. The FHP is an initiative designed to ensure clean energy costs and clean energy benefits associated with Ontario's clean energy initiatives are fairly allocated among present and future residential consumers, small businesses and farms and to provide fairness for the aforementioned electricity users over time. The collateral consists of cost recovery receivables originated to fund the difference between what electricity users pay and what power generators are contractually owed. The Notes will be offered privately in Canada pursuant to an Offering Memorandum.

The Trust is being structured to be bankruptcy remote to Ontario Power Generation, who is acting as Financial Services Manager. The program is estimated to be $20 billion, split ~51% Senior debt, ~39% Subordinated debt, ~10% Junior Subordinated debt, with the financing program anticipated to be ~10-years.

Details of the Offering are as follows:

Issuing Entity:	Fair Hydro Trust ("FHT")
Seller and Servicer:	The Independent Electricity System Operator ("IESO")
Offered Securities:	Fixed Rate Bullet Senior Notes
Amount Offered:	C$●
RBC Role:	Joint Lead Manager / Joint Bookrunner

Class	**Senior Notes**	**Subordinated Notes**	**Junior Subordinated Notes**
Issuance Size:	C$●	C$●	C$●
Spread:	GOC +●	Placed with OPG	Placed with OPG
Expected Ratings (DBRS / Moody's):	AAA(sf)/ Aa2(sf)	AA(sf)/ Aa2(sf)	A(sf)/ Aa2(sf)
Expected Final Payment Date:	May 15, 2033	May 15, 2033	May 15, 2033
Term:	15.25 years	15.25 years	15.25 years
Payment Dates:	May 15th and November 15th	May 15th and November 15th	May 15th and November 15th

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From:	TD DCM
Cc:	Becker, Andrew; Brennan, Emma; Drewitt, Kyle; Ingratta, Robert; Laing, Mark; McDonald, Greg; Mosley, Theresa; Pong, Brian; Scace, Patrick
Subject:	New Issue Launch: FAIR HYDRO TRUST 2018-2
Date:	Thursday, April 19, 2018 9:26:33 AM
Attachments:	New Issue Launch FAIR HYDRO TRUST 2018-2.msg

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To:
CC: Becker, Andrew [Andrew.Becker@tdsecurities.com]; Brennan, Emma [Emma.Brennan@tdsecurities.com]; Drewitt, Kyle [Kyle.Drewitt@tdsecurities.com]; Ingratta, Robert [Robert.Ingratta@tdsecurities.com]; Laing, Mark [Mark.Laing@tdsecurities.com]; McDonald, Greg [Greg.McDonald@tdsecurities.com]; Mosley, Theresa [Theresa.Mosley@tdsecurities.com]; Pong, Brian [Brian.Pong@tdsecurities.com]; Scace, Patrick [Patrick.Scace@tdsecurities.com]
Subject: New Issue Launch: FAIR HYDRO TRUST 2018-2
Date: Thursday, April 19, 2018 09:24:19

CIBC World Markets, Goldman Sachs, and RBC Capital Markets are pleased to announce the 2018-2 debt offering for Fair Hydro Trust ("FHT" or the "Issuer"). The proposed senior notes will be offered by way of private placement in Canada.

Joint Bookrunners: CIBC (str lead), RBC
Joint Lead: GS
Agents: BMO, SCI, NBF, TD, MS, HSBC, LB, DJ, CAS

INDICATIVE DEAL TERMS
Offering Type: CAD Private
Offered Certificates: Senior Notes
Rating Agencies: DBRS/Moody's
(presale reports will be available via Rating Agency websites)

Class Notes	Balance	Term*	Subordt'n	DBRS/Moody's Benchmark	
Senior	Min C$300MM	20	49.00%	AAA(sf)/Aa2(sf) GOC +110 bps(+/-3bps)	
Sub	C$●	20	10.00%	AA(sf)/Aa2(sf)	Not Offered
Jr Sub	C$●	20	0.00%	A(sf)/Aa2(sf)	Not Offered

* Years

Pricing: April 19, 2018
Settlement: April 24, 2018

Minimum Denominations: $150,000 and in multiples of $1,000
Delivery: CDS

Available Information (attached):
- Base Offering Memorandum
- Investor Presentation
- Term Sheet

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From:	TD DCM
Cc:	Becker, Andrew; Brennan, Emma; Drewitt, Kyle; Ingratta, Robert; Laing, Mark; McDonald, Greg; Mosley, Theresa; Pong, Brian; Scace, Patrick
Subject:	New Issue Launch: Fair Hydro Trust
Date:	Tuesday, February 06, 2018 10:44:42 AM
Attachments:	New Issue Launch Fair Hydro Trust.msg

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From: TD DCM [TDDCM@tdsecurities.com]
To:
CC: Becker, Andrew [Andrew.Becker@tdsecurities.com]; Brennan, Emma [Emma.Brennan@tdsecurities.com]; Drewitt, Kyle [Kyle.Drewitt@tdsecurities.com]; Ingratta, Robert [Robert.Ingratta@tdsecurities.com]; Laing, Mark [Mark.Laing@tdsecurities.com]; McDonald, Greg [Greg.McDonald@tdsecurities.com]; Mosley, Theresa [Theresa.Mosley@tdsecurities.com]; Pong, Brian [Brian.Pong@tdsecurities.com]; Scace, Patrick [Patrick.Scace@tdsecurities.com]
Subject: New Issue Launch: Fair Hydro Trust
Date: Tuesday, February 06, 2018 11:43:18

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due May 15, 2033, Series 2018-1 (the "Series 2018-1 Senior Notes").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	Minimum $300,000,000
Initial % of Aggregate Notes:	51%
Launch Date:	February 6, 2018
Pricing Date:	February 6, 2018
Settlement Date:	February 9, 2018 (T+3)
Term:	15.25 years
Expected Maturity Date:	May 15, 2033
Principal Payment Default Date:	May 15, 2035
Par Call Date:	November 15, 2032
Interest Rate:	●% per annum
Issue Spread:	+95 bps (+/-3 bps) versus Government of Canada curve interpolated between CAN 5.75% due June 1, 2029 and CAN 5.75% due June 1, 2033 +● bps (including a ● bps curve adjustment and +● bps delay adjustment), versus the CAN 5.75% due June 1, 2033 (priced at $● to yield ●%)
Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-1 Senior Notes.
Interest Payment Dates:	May 15 and November 15 or next business day
Use of Proceeds:	The proceeds from the Series 2018-1 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or

preference.

CUSIP/ISIN: CUSIP – 30324RAA4
ISIN – CA30324RAA47

Agents: CIBC / RBC (Jt Leads / Jt Bks)
GS (Jt Lead)
BMO, MS, NBF, SCI, TD, HSBC, DESJ, LB, CASG

(Co-Mgrs)

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From:	TD DCM
Cc:	Becker, Andrew; Brennan, Emma; Drewitt, Kyle; Ingratta, Robert; Laing, Mark; McDonald, Greg; Mosley, Theresa; Pong, Brian; Scace, Patrick
Subject:	New Issue Price: Fair Hydro Trust
Date:	Tuesday, February 06, 2018 1:53:50 PM
Attachments:	New Issue Price Fair Hydro Trust.msg

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CC: Becker, Andrew [Andrew.Becker@tdsecurities.com]; Brennan, Emma [Emma.Brennan@tdsecurities.com]; Drewitt, Kyle [Kyle.Drewitt@tdsecurities.com]; Ingratta, Robert [Robert.Ingratta@tdsecurities.com]; Laing, Mark [Mark.Laing@tdsecurities.com]; McDonald, Greg [Greg.McDonald@tdsecurities.com]; Mosley, Theresa [Theresa.Mosley@tdsecurities.com]; Pong, Brian [Brian.Pong@tdsecurities.com]; Scace, Patrick [Patrick.Scace@tdsecurities.com]
Subject: New Issue Price: Fair Hydro Trust
Date: Tuesday, February 06, 2018 14:51:56

Issuer: Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario
Issue: 3.357% Senior Notes due May 15, 2033, Series 2018-1 (the "Series 2018-1 Senior Notes")
Expected Credit Ratings: DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount: $500,000,000
Initial % of Aggregate Notes: 51%
Launch Date: February 6, 2018
Pricing Date: February 6, 2018
Settlement Date: February 9, 2018 (T+3)
Term: 15.25 years
Expected Maturity Date: May 15, 2033
Principal Payment Default Date: May 15, 2035
Par Call Date: November 15, 2032
Interest Rate: 3.357% per annum
Issue Spread: +92 bps vs GoC crv CAN 5.75% 1JUN29 and CAN 5.75% 1JUN33
+91.9 bps (including a 5.0 bps crv adj and
-0.1 bp delay adj), vs CAN 5.75% 1JUN33 (priced at $142.10 to yield 2.438%)
Issue Yield: 3.357%
Issue Price: $100.003
Interest Payment Dates: May 15 and November 15 or next business day
Use of Proceeds: The proceeds from the Series 2018-1 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement
CUSIP/ISIN: 30324RAA4 / CA30324RAA47
Agents: CIBC / RBC (Jt Leads / Jt Bks)
GS (Jt Lead)
BMO, MS, NBF, SCI, TD, HSBC, DESJ, LB, CASG (Co-Mgrs)
Ranking: Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference

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From:	TD DCM
Cc:	Becker, Andrew; Brennan, Emma; Drewitt, Kyle; Ingratta, Robert; Laing, Mark; McDonald, Greg; Mosley, Theresa; Pong, Brian; Scace, Patrick
Subject:	New Issue Priced: Fair Hydro Trust
Date:	Thursday, April 19, 2018 11:49:29 AM

Issuer: Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario
Issue: 3.52% Senior Notes due May 15, 2038, Series 2018-2 (the “Series 2018-2 Senior Notes”)
Expected Credit Ratings: DBRS: AAA(sf) | Moody’s: Aa2(sf)
Principal Amount: $400,000,000
Initial % of Aggregate Notes: 51%
Launch Date: April 19, 2018
Pricing Date: April 19, 2018
Settlement Date: April 24, 2018 (T+3)
Term: 20 years
Expected Maturity Date: May 15, 2038
Principal Payment Default Date: May 15, 2040
Par Call Date: November 15, 2037
Interest Rate: 3.52% per annum
Issue Spread: +107 bps vs GoC crv (CAN 5% 1JUN37/4% 1JUN41) +107.6 bps (incl 0.6 bps crv adj and +0 bps delay adj), vs the CAN 5% due 1JUN37 (priced at $138.83 to yield 2.444%)
Issue Yield: 3.52%
Issue Price: $100.002
Interest Payment Dates: May 15 and November 15 or next business day
Use of Proceeds: The proceeds from the Series 2018-2 Senior Notes Offering will be used to refinance $400,000,000 of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement.
CUSIP/ISIN: CUSIP – 30324RAB2 / ISIN - CA30324RAB20
Agents: CIBC World Markets Inc. (joint lead, joint bookrunner, and str lead) RBC Dominion Securities Inc. (joint lead and joint bookrunner) Goldman Sachs Canada Inc. (joint lead) BMO Nesbitt Burns Inc. Morgan Stanley Canada Limited National Bank Financial Inc. Scotia Capital Inc. TD Securities Inc. HSBC Securities (Canada) Inc. Desjardins Securities Inc. Laurentian Bank Securities Inc. Casgrain & Company Limited.
Ranking: Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-2 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.

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From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new Rollover.
Date: Wednesday, May 16, 2018 2:31:21 PM

Loan has a new rollover that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new Rollover.
Date: Friday, February 16, 2018 10:56:53 AM

Loan has a new rollover that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new Rollover.
Date: Thursday, January 18, 2018 9:25:01 AM

Loan has a new rollover that has been verified by settlements. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new Rollover.
Date: Wednesday, January 17, 2018 3:25:15 PM

Loan has a new rollover that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new Rollover.
Date: Thursday, April 19, 2018 3:19:38 PM

Loan has a new rollover that has been verified by settlements. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new Rollover.
Date: Thursday, April 19, 2018 3:01:27 PM

Loan has a new rollover that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new Rollover.
Date: Tuesday, March 20, 2018 3:28:52 PM

Loan has a new rollover that has been verified by settlements. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new Rollover.
Date: Tuesday, March 20, 2018 3:06:27 PM

Loan has a new rollover that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new Rollover.
Date: Tuesday, March 20, 2018 1:26:31 PM

Loan has a new rollover that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new Rollover.
Date: Friday, March 16, 2018 10:10:14 AM

Loan has a new rollover that has been verified by settlements. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new Rollover.
Date: Friday, March 16, 2018 9:13:02 AM

Loan has a new rollover that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new Rollover.
Date: Friday, February 16, 2018 11:48:48 AM

Loan has a new rollover that has been verified by settlements. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new Rollover.
Date: Wednesday, May 16, 2018 3:00:10 PM

Loan has a new rollover that has been verified by settlements. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Wednesday, May 16, 2018 10:23:33 AM

Loan has a new advance that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan, Advance Number: 7

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Friday, March 16, 2018 8:53:36 AM

Loan has a new advance that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan, Advance Number: 4

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Friday, February 16, 2018 10:51:26 AM

Loan has a new advance that has been verified by settlements. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Friday, February 16, 2018 9:37:52 AM

Loan has a new advance that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan, Advance Number: 3

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Wednesday, January 17, 2018 2:24:54 PM

Loan has a new advance that has been verified by settlements. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Wednesday, January 17, 2018 1:54:30 PM

Loan has a new advance that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan, Advance Number: 2

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Thursday, April 19, 2018 2:58:43 PM

Loan has a new advance that has been verified by settlements. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Thursday, April 19, 2018 1:06:01 PM

Loan has a new advance that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan, Advance Number: 6

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Thursday, April 19, 2018 12:21:42 PM

Loan has a new advance that has been verified by settlements. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Wednesday, April 18, 2018 3:39:45 PM

Loan has a new advance that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan, Advance Number: 5

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Wednesday, April 18, 2018 1:07:31 PM

Loan has a new advance that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan, Advance Number: 6

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Tuesday, March 20, 2018 3:03:35 PM

Loan has a new advance that has been verified by settlements. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Tuesday, March 20, 2018 2:40:39 PM

Loan has a new advance that is now available for viewing. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan, Advance Number: 5

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Friday, March 16, 2018 9:12:00 AM

Loan has a new advance that has been verified by settlements. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan has a new advance.
Date: Wednesday, May 16, 2018 11:18:54 AM

Loan has a new advance that has been verified by settlements. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan

From: olms.ws@ofina.on.ca
To: OFA_Loans
Subject: OLMS: Loan modification approved.
Date: Tuesday, January 02, 2018 10:55:04 AM

Loan modification has been approved. Loan Id:2680, Entity: Independent Electricity System Operator and Project: Ontario Fair Hydro Plan
James Devine:
Mike Manning:
Sujeev Jegatheeswaran:

From:	Wagner, Ryan on behalf of Williams, Grant
To:	Brett Kichiy; ""John Lee"; ""Ken Ryfa"; Linda Smith; Mike Manning; "Sheen.liu@opg.com"; Gadi Mayman; "j.hahnparker@opg.com"; Kevin Shvarts; "ken.hartwick@opg.com"; Ricky Lai
Cc:	Hainsworth, Andrew; Williams, Grant
Subject:	OPG C$ Pricing Update and US IG Market Update
Date:	Monday, May 28, 2018 8:57:42 AM
Attachments:	2018_5_28-OPG C$ Pricing Update and US IG Market Update.pdf 2018_5_25-CAD BMO DCM Weekly Update.pdf 2018_5_25-US BMO DCM Weekly Update.pdf OPG Weekly Indicative Spreads - Send.xlsx

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Overall Commentary:
• Equity markets were mixed last week with European stocks falling alongside uncertainty in Italy, while North American indices were little changed.
o S&P: +0.2%, led by utilities and information technology.
o TSX: -0.4%, with energy and banks lagging.
• Government yields were lower last week, with GoC's and Treasuries falling 7-14bps across the curve.
• The FOMC minutes reinforced expectations that the Fed will likely raise rates at the next meeting on June 13th, with little indications that the Fed is considering accelerating the pace of tightening.
• U.S. existing home sales fell 2.5% in April to 5.46mm units annualized, marking the first decline in three months and the lowest since January.
• Germany GDP matched previous estimates of 0.3% q/q in Q1, though details of the report showed exports fell 1%, the most since 2012.

Benchmarks Last Week:
• Canada Curve (w/w): -7, -11, -14, -11 bps for 2s, 5s, 10s and 30s.
• Treasury Curve (w/w): -7, -12, -12, -11 bps for 2s, 5s, 10s and 30s.
• Canadian Swap Spreads (w/w): -0.13, -0.50, +0.25, -0.62 for 2s, 5s, 10s and 30s.
• Canadian Corporate Bond Cash Spreads: 2-5bps wider.

Corporate Market Last Week:
• Primary issuance picked up in the Canadian market last week with five transactions pricing for $5.1bn.
o New issue supply was dominated by financials, with transactions from CIBC, TD and TMX representing 83% of volumes for the week.
o 2018YTD (ex-MBS) issuance stands at $52.0bn, +8% versus the same time last year.
• Secondary spreads finished the week 2-5bps wider on heavier supply and broad risk-off tone, with utilities outperforming the broader credit universe.
• Primary issuance slowed in the US high grade market slowed ahead of the long weekend, with US$21.7bn pricing across 11 deals / 23 tranches.
o 2018YTD total issuance stands at US$575.2bn from 370 transactions / 694 tranches, down 8% from the same time last year.
• New issue activity is expected to continue this week as issuers may seek to access the market ahead of the June 1st GoC coupon.

Canadian Corporate Supply Last Week:
• OMERS Realty Corporation (-/-/AAL) issued a dual-tranche offering comprised of $250mm 7-year fixed rate notes priced at GoC Curve +93bps and $550mm 12-year fixed rate notes priced at GoC Curve +115bps.
• TMX Group (-/-/AH) priced $200mm of 10-year fixed rate notes at GoC Curve + 132bps.
• Canadian Imperial Bank of Commerce (A1/A+/AA) priced $1.75bn 7-year fixed rate notes at GoC Curve +90bps.
• Source Energy Services (-/B+/BH) priced re-opened its 10.50% fixed rate note due Dec/21 for $50mm at +580.8bps vs. GoC Sep/21's. BMO CM was Lead Left Bookrunner on the transaction
• Toronto-Dominion Bank (Aa2/AA-/AA) priced $2.25bn of 5-year fixed rate notes at GoC Curve + 80bps.

International Canadian Corporate Supply Last Week:
• Federation des Caisses Desjardins du Quebec (Aa2/A+/AA) priced EUR750mm of 5-year fixed rate covered bond (Aaa/-/-) at MS+3bps.

Canadian Government Supply Last Week:
• City of Montreal (Aa2/AA-/AH) priced $250mm of 20-year fixed rate notes at +99bps vs. GoC Jun/37's.
• Province of Saskatchewan (Aaa/AA/AA) re-opened its Jun/48's for $300mm at +76.5bps vs. GoC Dec/48's.
• Province of Ontario (Aa2/A+/AAL) re-opened its Jun/49's for $1bn at +77.5bps vs. GoC Dec/48's.

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ONTARIO POWER GENERATION

BMO Capital Markets

Indicative Pricing as at May 28, 2018

OPG C$ INDICATIVE PRICING TERMS

Term	2 year	5 year	10 year	30 year
New Isssue Spread	**65 bps**	**91 bps**	**116 bps**	**161 bps**
CAD Benchmark Bond	CAN 1.25% 02/20	CAN 1.75% 03/23	CAN 2.00% 06/28	CAN 2.75% 12/48
CAD Benchmark Yield	1.91%	2.17%	2.31%	2.35%
Curve Adjustment	0.06%	0.02%	0.00%	0.00%
CAD Coupon	**2.62%**	**3.10%**	**3.47%**	**3.96%**
CAD Swap Yield	2.27%	2.54%	2.65%	2.71%
Cda Swap Duration	1.944	4.667	8.73	20.45
Spread to 3m BA	34 bps	55 bps	82 bps	125 bps

Spread Changes	**2 year**	**5 year**	**10 year**	**30 year**
Week-over-Week	-1	-1	-1	-3

Comparable Issuers (DBRS/S&P)	**2 year**	**5 year**	**10 year**	**30 year**
Hydro One (AL/BBB+)	48bps	74bps	99bps	136bps
Toronto Hydro (AL/BBB+)	-	63bps	88bps	128bps
TransCanada PipeLines (BBBH/-)	-	90bps	125bps	185bps
NS Power (A/A)	-	83bps	108bps	145bps
EPCOR Utilities (BBBH/BBB+)	-	73bps	98bps	135bps
Bruce Power (A/BBB+)	-	110bps	150bps	205bps

DEBT CAPITAL MARKETS CONTACTS

Toronto (Syndication)			Toronto (Origination)		
Contact	**Telephone**	**Email**	**Contact**	**Telephone**	**Email**
Susan Schauffert-Tam	+1 416 359 6528	Susan.Schauffert@bmo.com	Andrew Hainsworth	+1 416 359 6770	Andrew.Hainsworth@bmo.com

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Note: Indicative credit spreads represent the bid-side of the secondary market by BMO CM's trading desk. New issue credit spreads are determined by a variety of factors. This can result in an issuance spread that may incorporate a new issue premium.

BMO Capital Markets

Canadian Debt Capital Markets

Weekly Update: May 25, 2018

WEEK IN REVIEW

- Primary issuance picked up in the Canadian market last week with five transactions pricing for $5.1bn.
  - New issue supply was dominated by financials, with deposit notes from CIBC, TD and TMX representing 83% of volumes for the week.
  - 2018YTD (ex-MBS) issuance stands at $52.0bn, +8% versus the same time last year.
- Secondary spreads finished the week 2-5bps wider on heavier supply and broad risk-off tone with utilities outperforming the broader credit universe.
- New issue activity is expected to continue this week as issuers may seek to access the market ahead of the June 1st GoC coupon.

C$ NEW ISSUE SUPPLY(1)

	Corporate (C$bn)	Government (C$bn)
Week of May 21, 2018	5.05	1.55
Month-to-date	10.08	11.95
Year-to-date	52.00	43.98
YoY Change	+8%	+1%

KEY UPCOMING ECONOMIC EVENTS

	Canada	US
Monday	-	Memorial Day (markets closed)
Tuesday	3-, 6- & 12-month bill auction	Consumer Confidence Index
Wednesday	BoC Policy Announcement	Real GDP
Thursday	Real GDP	Core PCE Price Index
Friday	Markit Manufacturng PMI	Unemployment Rate - May

RECENT ISSUANCE(1)

Corporate Debt New Issues

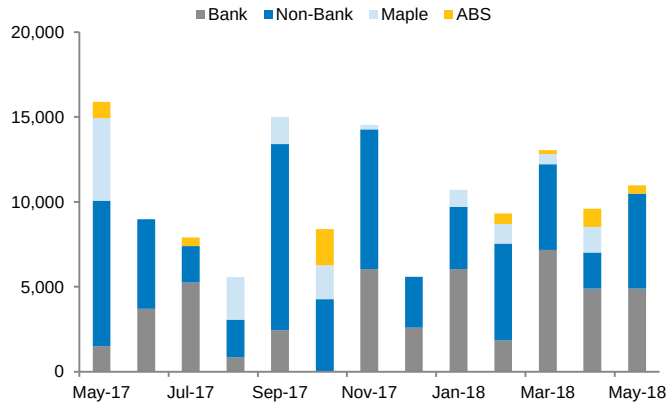
Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. $LIBOR
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
25-May-18	TD Bank	Aa2/AA-/AA	5	2,250	3.005%	30-May-23	GoC Curve	80.0	54.0
24-May-18	Source Energy Services Canada (reopen)	-/B+/BH	3.6	50	10.500%	15-Dec-21	CAN 0.75% 09/21	580.8	588.2
23-May-18	CIBC	A1/A+/AA	7	1,750	3.300%	26-May-25	GoC Curve	90.0	61.0
23-May-18	TMX Group Limited	-/-/AH	10	200	3.779%	5-Jun-28	GoC Curve	132.0	95.7
23-May-18	OMERS Realty Corporation	-/-/AAL	12	550	3.628%	5-Jun-30	GoC Curve	115.0	75.6
23-May-18	OMERS Realty Corporation	-/-/AAL	7	250	3.331%	5-Jun-25	GoC Curve	93.0	64.0

Government/SSA Debt New Issues

Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. 3M BA's
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
25-May-18	Province of Ontario (re-open)	Aa2/A+/AAL	31.0	1,000	2.900%	2-Jun-49	CAN 2.75% 12/48	77.5	39.6
24-May-18	Province of Saskatchewan (re-open)	Aaa/AA/AA	30.0	300	3.300%	2-Jun-48	CAN 2.75% 12/48	76.5	38.6
23-May-18	City of Montreal	Aa2/AA-/AH	20.5	250	3.500%	1-Dec-38	CAN 5.00% 06/37	99.0	57.8

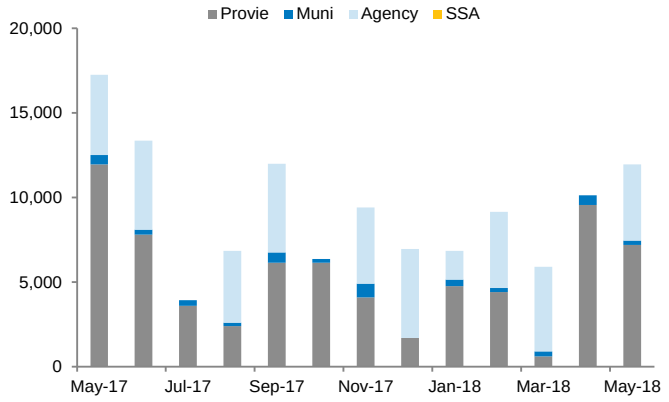
MONTHLY CORPORATE ISSUANCE(1)

C$ millions (LTM)



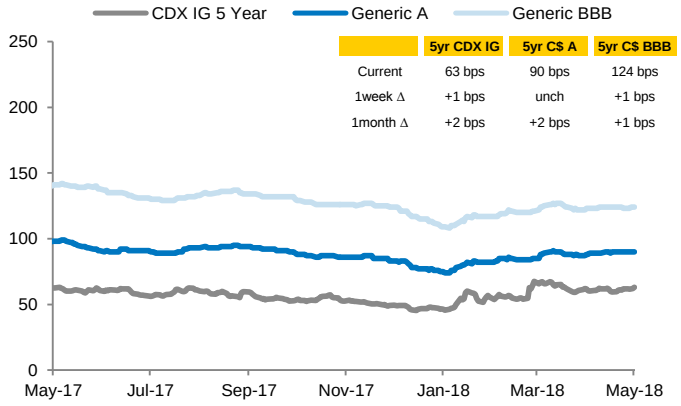
MONTHLY GOVERNMENT ISSUANCE

C$ millions (LTM)



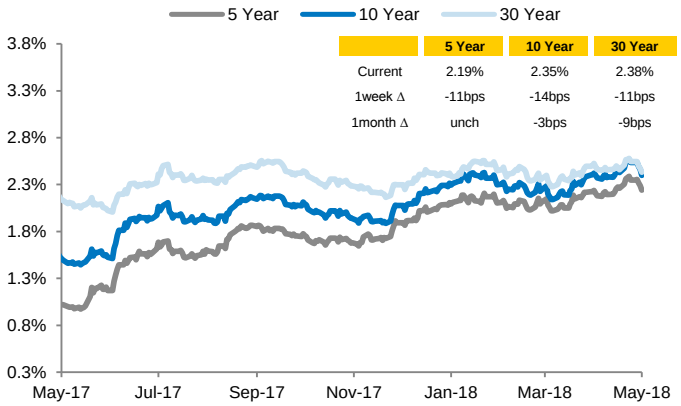
GENERIC 5 YEAR CREDIT SPREADS

LTM (basis points)



GOVERNMENT OF CANADA BOND YIELDS

LTM (%)



DEBT CAPITAL MARKETS TEAM

Richard Sibthorpe	Richard.Sibthorpe@bmo.com	416-359-7019	Andrew Hainsworth	Andrew.Hainsworth@bmo.com	416-359-6770	Michal Cegielski	Michal.Cegielski@bmo.com	416-359-8198
Susan Schauffert-Tam	Susan.Schauffert@bmo.com	416-359-6528	Bob Nguyen	Bob.Nguyen@bmo.com	416-359-5747	Michael Cleary	Michael.Cleary@bmo.com	416-359-7141
Grant Williams	Grant.Williams@bmo.com	416-359-4345	Steve Aubé	Steve.Aube@bmo.com	514-286-7270	Katryne Mann	Katryne.Mann@bmo.com	416-359-5670

(1) Excludes MBS and issues with terms of less than 1.5 years

BMO Capital Markets

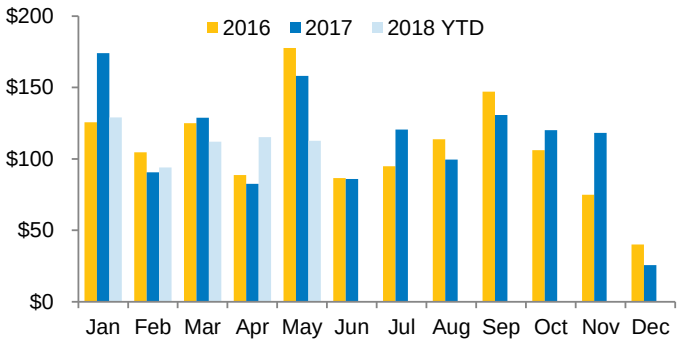
U.S. Investment Grade Debt Capital Markets

Weekly Update: May 28, 2018

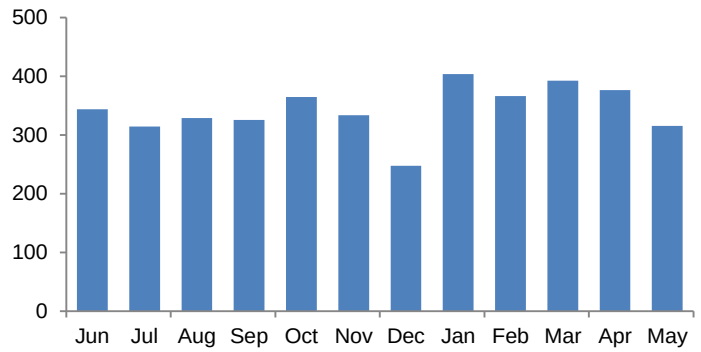
Highlights

- The U.S. Investment Grade primary markets closed out last week with a total of ~$21.7bn (11 deals/ 23 tranches) in new issue supply
  - On average, final pricing tightened 19bps from IPTs (+4bps week-over-week), over-subscription levels were 2.9x (flat week-over-week) and NICs landed at ~10bps (double the prior week's 5bps level driven by M&A related financings and Equifax's deal)
- Investment Grade bond funds registered an 11th straight week of inflows last week (+$2.5bn net inflow), bringing YTD net inflows to ~$43bn
- Wednesday the 23rd was responsible for the lion's share of last week's more subdued pace of issuance as a handful of names tapped the investment grade markets for a combined $17.7bn, ~82% of the week's total. $11.5bn of that was ascribed to the anticipated Vodafone financing of their acquisition of Liberty Global assets and GCP as that issuer brought a 6-tranche deal to market that experienced strong demand evident in their 3.1x average over-subscribed book despite paying ~15bp in concession
- BMO served as a **Joint Bookrunner** on Microchip Technology's (MCHP) debut IG issuance of $2bn senior secured notes split evenly between 3Y and 5Y tranches (Baa3/NR/BBB-). The deal garnered an average 3.6x over-subscribed book with proceeds earmarked to fund their acquisition of Microsemi Corp (MSCC)
- The street is expecting on average a $21bn issuance event for this holiday shortened week as a densely packed schedule of salient economic data including May's employment report and core inflation figures are slated for release

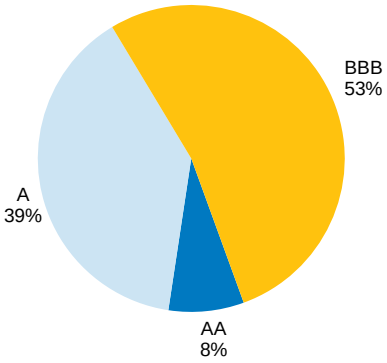
Monthly Investment Grade Issuance ($bn)



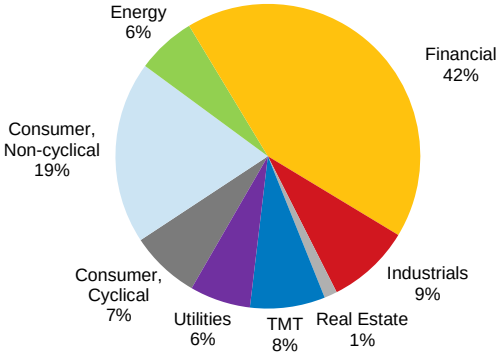
LTM Monthly FINRA TRACE IG Volume ($bn)(1)



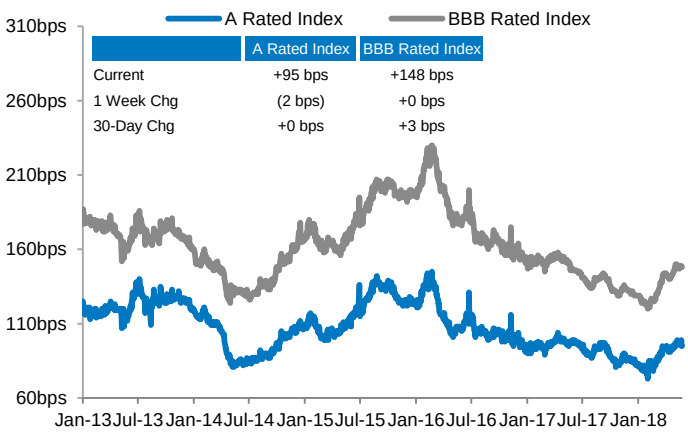
2018 YTD Issuance by Credit Rating



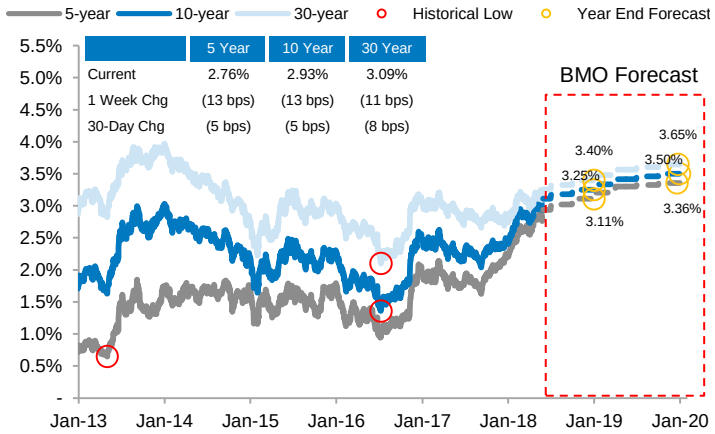
2018 YTD Issuance by Sector



Index Credit Spreads as of 5/25/2018



U.S. Treasury Benchmark Yields as of 5/25/2018



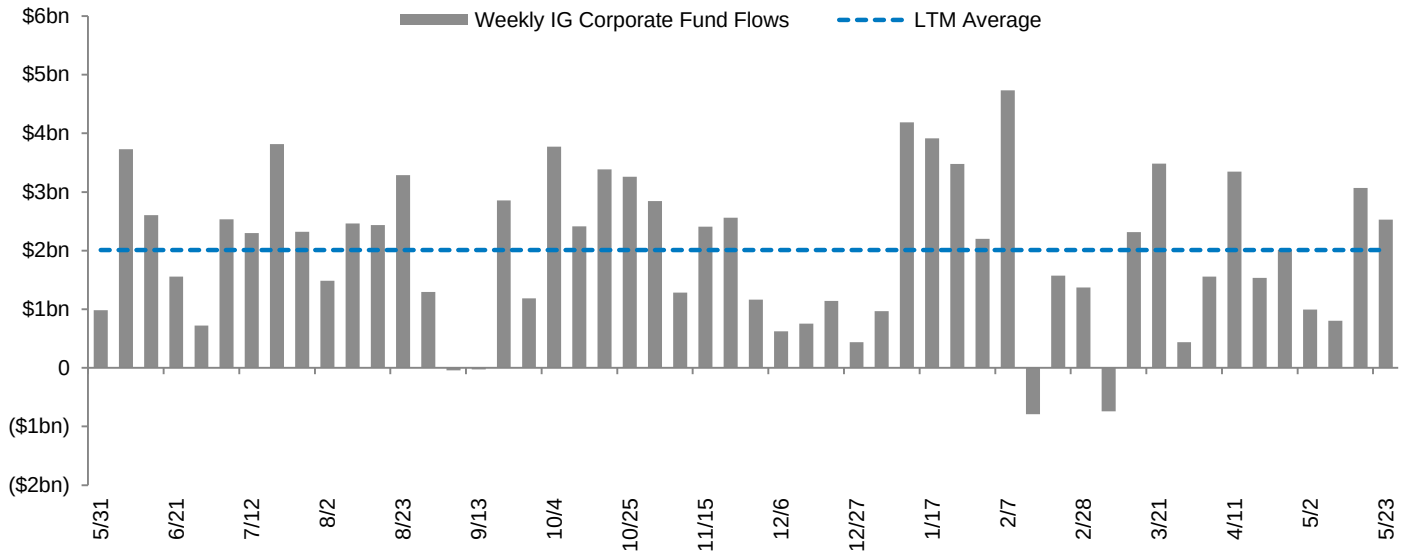
Source: BMO Capital Markets, FINRA TRACE, BondTicker, Bloomberg, Lipper, EPFR, Informa Global Markets.
(1) FINRA Trace Volume represents Investment Grade Corporate bonds.

BMO Capital Markets

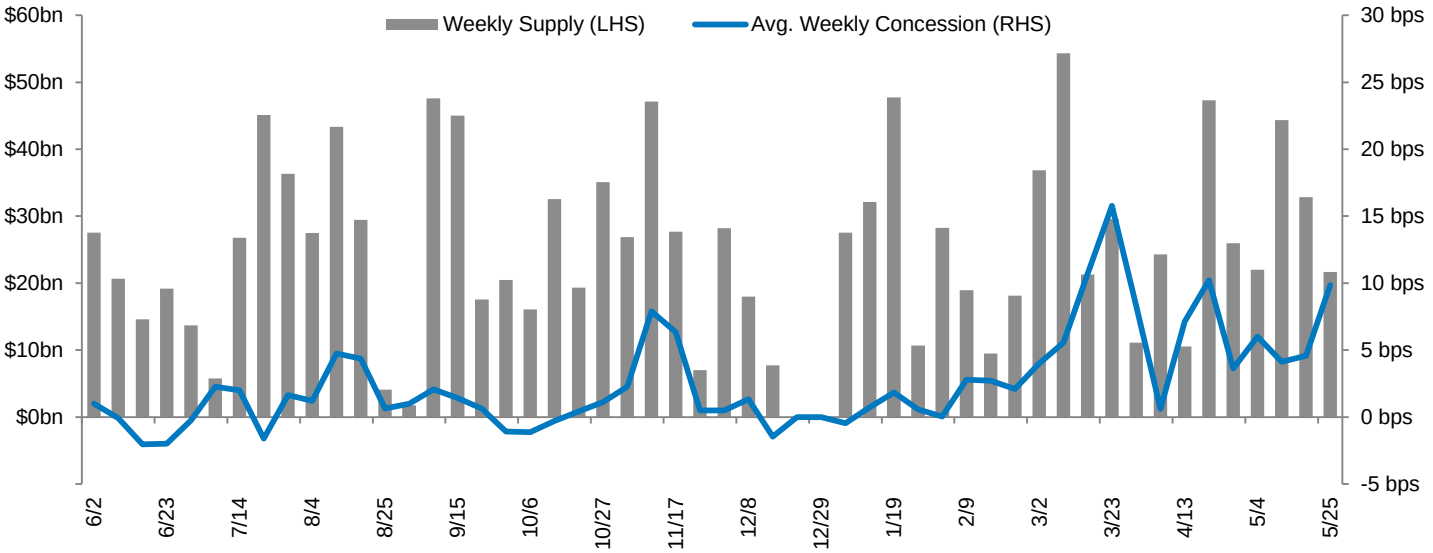
U.S. Investment Grade Debt Capital Markets

Weekly Update: May 28, 2018

U.S. Investment Grade Fund Flows



New Issue Concessions



Key Upcoming U.S. Economic Indicators

Monday	None Scheduled (Memorial Day Holiday)
Tuesday	Case-Shiller Home Price Index, Consumer Confidence Index
Wednesday	ADP Employment, GDP 1Q18 Revision, Advance Trade in Goods, Beige Book
Thursday	Weekly jobless claims, Personal Income, Consumer Spending, Core Inflation, Chicago PMI, Pending Home Sales
Friday	Non-farm Payrolls, Unemployment Rate, Average Hourly Earnings, Markit Manufacturing PMI, ISM Manufacturing Index, Construction Spending

Pre-Issuance Hedging Premiums*

Expected	Underlying Note Tenor			
Issuance Date:	5 Year	7 Year	10 Year	30 Year
3 months	3 bps	3 bps	2 bps	1 bps
6 months	6 bps	5 bps	4 bps	1 bps
9 months	8 bps	7 bps	5 bps	1 bps
12 months	10 bps	9 bps	7 bps	2 bps
18 months	12 bps	11 bps	9 bps	2 bps

* Issuance hedging premiums reflect difference between forward starting swap rate for underlying issue term and the spot starting swap rate. Pricing is mid-market assuming standard transaction conventions and is non-actionable.
Source: BMO Capital Markets / Bloomberg as of 5/25/2018

Source: BMO Capital Markets, Bloomberg, Informa Global Markets.

BMO Capital Markets

U.S. Investment Grade Debt Capital Markets

Weekly Update: May 28, 2018

Recent Investment Grade New Issue Terms

Date	Issuer	Ratings (Moody's / S&P)	Amount (US$ mm)	Coupon	Tenor (yrs)	IPTs (Spd vs. UST)	Guidance (Spd vs. UST)	Final Pricing (Spd vs. UST)	NIC	Over-subscription
24-May-18	Yara International ASA	Baa2/BBB	1,000	4.750%	10	195a	185a +/- 5	T+180bp	3.5bp	1.9x
24-May-18	Hunt Oil Co of Peru LLC Sucursal Del Peru	Ba1/NR/BBB	600	6.375%	10	high 6%	6.50-6.625%	6.50%	-	2.7x
23-May-18	Vodafone Group PLC	Baa1/BBB+	1,000	FRN	6	L equiv	L quiv	3mL+99bp	15bp	3.0x
23-May-18	Vodafone Group PLC	Baa1/BBB+	2,000	3.750%	6	135a	115a +/- 5	T+110bp	15bp	3.1x
23-May-18	Vodafone Group PLC	Baa1/BBB+	1,500	4.125%	7	160a	140a +/- 5	T+135bp	15bp	4.1x
23-May-18	Vodafone Group PLC	Baa1/BBB+	3,000	4.375%	10	175a	160a +/- 5	T+155bp	15bp	2.8x
23-May-18	Vodafone Group PLC	Baa1/BBB+	1,000	5.000%	20	220a	205a +/- 5	T+200bp	15bp	5.0x
23-May-18	Vodafone Group PLC	Baa1/BBB+	3,000	5.250%	30	235a	220a +/- 5	T+215bp	15bp	2.3x
23-May-18	Microchip Technology Inc	Baa3/NR/BBB-	1,000	3.922%	3	150-162.5	130a +/- 5	T+125bp	-	4.3x
23-May-18	Microchip Technology Inc	Baa3/NR/BBB-	1,000	4.333%	5	175-187.5	155a +/- 5	T+150bp	-	2.8x
23-May-18	Santander UK PLC	Aa3/AA	750	FRN	3	L equiv	3mL+62#	3mL+62bp	5bp	2.0x
23-May-18	Santander UK PLC	Aa3/AA	1,000	3.400%	3	95a	80#	T+80bp	5bp	1.5x
23-May-18	Harris Corp	Baa3/BBB-	850	4.400%	10	150-155	140-145	T+140bp	9bp	2.4x
23-May-18	Equifax Inc	Baa1/BBB+	300	FRN	3	L equiv	L equiv	3mL+87bp	20bp	2.3x
23-May-18	Equifax Inc	Baa1/BBB+	300	3.600%	3	120a	110a +/- 5	T+105bp	20bp	4.7x
23-May-18	Equifax Inc	Baa1/BBB+	400	3.950%	5	150a	140a +/- 5	T+135bp	30bp	2.8x
23-May-18	Israel Chemicals Ltd	BBB-/BBB-	600	6.375%	20	6.50% a	-	6.375%	-	1.6x
22-May-18	US Bank NA/Cincinnati OH	A1/AA-	500	FRN	3	L equiv	L equiv	3mL+29bp	2bp	1.4x
22-May-18	US Bank NA/Cincinnati OH	A1/AA-	500	3.104%	3	low 60s.	55a +/- 2	T+53bp	2bp	1.4x
22-May-18	Spirit AeroSystems Inc	Baa3/BBB-	300	FRN	3	3mL+95a	3mL+85a +/- 5	3mL+80bp	-11bp	5.0x
22-May-18	Spirit AeroSystems Inc	Baa3/BBB-	300	3.950%	5	T+130a	110a +/- 5	T+105bp	-4bp	4.0x
22-May-18	Spirit AeroSystems Inc	Baa3/BBB-	700	4.600%	10	T+170a	160a +/- 5	T+155bp	6bp	3.0x

Denotes BMO transactions

Source: BMO Capital Markets, Informa Global Markets.

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All values in this document are in US$ unless otherwise specified.

Bank Name	BMO
Date	28-May-18

Indicative OPG New Issue	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	CAN 2.75% 12/48	CAN 2.00% 06/28	CAN 1.75% 03/23	CAN 1.25% 02/20				
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.25%				
Benchmark Yield	2.35%	2.31%	2.17%	1.91%	-0.14%	-0.18%	-0.13%	-0.09%
Curve Adjustment (bps)	0.0	0.0	1.8	5.6	0.0	0.0	-0.3	0.2
Spread to GoC Curve (bps)	161	116	91	65	-3.0	-1.0	-1.0	-1.0
Re-Offered Yield	3.96%	3.47%	3.10%	2.62%	-0.17%	-0.19%	-0.14%	-0.09%
Commission (bp)	2.8	4.7	7.5	10.2	-	-	-	-
All-in Yield	**3.99%**	**3.52%**	**3.17%**	**2.72%**				

Primary Comparable (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A+)	136.0	99.0	74.0	48.0	0.0	1.0	1.0	1.0

Other Comparables (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Toronto Hydro (A/A)	128.0	88.0	63.0	-	2.0	0.0	0.0	-
TransCanada Pipelines (A(L)/A-)	185.0	125.0	90.0	-	0.0	0.0	0.0	-
Nova Scotia Power (A(L)/BBB+)	145.0	108.0	83.0	-	1.0	2.0	2.0	-
EPCOR Utilities (A(L)/A-)	135.0	98.0	73.0	-	0.0	1.0	1.0	-
Bruce Power (BBB/BBB)	205.0	150.0	110.0	-	0.0	0.0	0.0	-

From:	Wagner, Ryan on behalf of Williams, Grant
To:	Brett Kichiy; ""John Lee"; ""Ken Ryfa"; Linda Smith; Mike Manning; "Sheen.liu@opg.com"; Gadi Mayman; "j.hahnparker@opg.com"; Kevin Shvarts; "ken.hartwick@opg.com"; Ricky Lai
Cc:	Hainsworth, Andrew; Williams, Grant
Subject:	OPG C$ Pricing Update and US IG Market Update
Date:	Monday, May 07, 2018 8:57:37 AM
Attachments:	2018_5_4-OPG C$ Pricing Update and US IG Market Update.pdf OPG Weekly Indicative Spreads - Send.xlsx 2018_5_4-CAD BMO DCM Weekly Update.pdf 2018_5_4-US BMO DCM Weekly Update.pdf

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Overall Commentary:
• Equity markets were mixed last week, with small net moves across most major markets.
o S&P: -0.2%, with telecom services and health care lagging.
o TSX: +0.4%, led by information technology and health care.
• Government yields were mixed last week, with Treasuries outperforming GoC's in the belly of the curve.
• The FOMC left interest rates unchanged on Wednesday, as widely expected.
o The Fed stated that inflation is expected to run near the Committee's 2% objective over the medium term and would no longer be monitoring inflation developments closely, affirming expectations of a June rate hike.
• U.S. nonfarm payrolls rose 164,000 in April, below expectations for a second straight month, though the prior month's advance was revised up to 135,000 from 103,000.
o The jobless rate fell to its second lowest level (3.9%) in the past 48 years, down two tenths of a percent.
• Canadian GDP rose 0.4% in February, following an unrevised 0.1% drop in the prior month. The result was a tick above consensus, and is the best reading in nine months.

Benchmarks Last Week:
• Canada Curve (w/w): +1, +1, +1, unch bps for 2s, 5s, 10s and 30s.
• Treasury Curve (w/w): +1, -2, -1, unch bps for 2s, 5s, 10s and 30s.
• Canadian Swap Spreads (w/w): +0.63, -0.50, -1.50, -1.63 for 2s, 5s, 10s and 30s.
• Canadian Corporate Bond Cash Spreads: 0-2 wider.

Corporate Market Last Week:
• Primary issuance continued in the Canadian market last week with four transactions pricing for $2.8bn.
o April issuance totaled $9.5bn, up 44% versus April 2017.
o 2018YTD (ex-MBS) issuance stands at $43.9bn, +28% versus the same time last year.
• Secondary spreads finished the week 0-2bps wider alongside a slightly softer market tone.
• Primary issuance was relatively modest in the US high grade market last week with US$22.0bn pricing across 19 deals / 35 tranches.
o April issuance totaled US$116.3bn from 69 deals / 134 tranches, 5% above the previous record of US$110.0 established in 2008.
o 2018YTD total issuance stands at US$476.3bn from 312 transactions / 579 tranches, down 7.7% from the same time last year.
• New issue activity is expected to continue this week as corporate issuers continue to emerge from earnings blackout.

Canadian Corporate Supply Last Week:
• BMW Canada Auto Trust (Aaa/-/AAA) priced $500mm of a three tranche lease ABS at various spreads.
• Canadian Imperial Bank of Commerce (A1/A+/AA) priced $900mm of 1-year floating rate notes at 1mBAs +12bps.
• Ford Credit Canada Co. (Baa2/BBB/BBB) issued a dual-tranche offering comprised of a $400mm re-opening of its Dec/20 FRN at 3mBA +75bps and $850mm of a 5-year fixed rate note priced at GoC Curve +155bps. BMO CM was a bookrunner on the transaction.
• Mosaic Transit Partners GP (Baa2/-/-) issued a dual tranche offering comprised of ~$61mm 13.58-year WAL sinkable notes at +176.6bps vs. GoC Jun/29's and ~$120mm 27.76-year WAL sinkable notes at +205.8bps vs. GoC Dec/48's.

International Canadian Corporate Supply Last Week:
• TransCanada Pipelines (A3/BBB+/AL) issued a US$2.5bn three-tranche offering comprised of US$1bn 10-year fixed rate notes priced at T+135bps, US$500mm 20-year fixed rate notes priced at T+165bps and US$1bn 30-year fixed rate notes priced at T+180bps.
• GFL Environmental Inc (B3/B/-) priced US$400mm of 8NC3 fixed rate notes at a coupon of 7.00%. BMO CM was a bookrunner on the transaction.

Canadian Government Supply Last Week:
• Province of Manitoba (Aa2/A+/AH) re-opened its Jun/28's for $450mm (including a $150mm carve-out) at +75.5bps vs. GoC Jun/28's.
• Province of Ontario (Aa2/A+/AAL) re-opened its 30-year benchmark for $1bn (including at $400mm carve-out) at +79bps vs. GoC Dec/48's.
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ONTARIO POWER GENERATION

BMO Capital Markets

Indicative Pricing as at May 4, 2018

OPG C$ INDICATIVE PRICING TERMS

Term	2 year	5 year	10 year	30 year
New Isssue Spread	**70 bps**	**93 bps**	**118 bps**	**165 bps**
CAD Benchmark Bond	CAN 1.25% 02/20	CAN 1.75% 03/23	CAN 2.00% 06/28	CAN 2.75% 12/48
CAD Benchmark Yield	1.87%	2.15%	2.33%	2.41%
Curve Adjustment	0.05%	0.02%	0.00%	0.00%
CAD Coupon	**2.62%**	**3.10%**	**3.51%**	**4.06%**
CAD Swap Yield	2.26%	2.53%	2.68%	2.76%
Cda Swap Duration	1.945	4.669	8.72	20.31
Spread to 3m BA	35 bps	57 bps	82 bps	130 bps

Spread Changes	**2 year**	**5 year**	**10 year**	**30 year**
Week-over-Week	3	1	-1	-1

Comparable Issuers (DBRS/S&P)	**2 year**	**5 year**	**10 year**	**30 year**
Hydro One (AL/BBB+)	50bps	73bps	98bps	136bps
Toronto Hydro (AL/BBB+)	-	64bps	89bps	127bps
TransCanada PipeLines (BBBH/-)	-	95bps	125bps	195bps
NS Power (A/A)	-	82bps	107bps	145bps
EPCOR Utilities (BBBH/BBB+)	-	71bps	96bps	134bps
Bruce Power (A/BBB+)	-	110bps	155bps	210bps

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Note: Indicative credit spreads represent the bid-side of the secondary market by BMO CM's trading desk. New issue credit spreads are determined by a variety of factors. This can result in an issuance spread that may incorporate a new issue premium.

Bank Name	BMO
Date	7-May-18

Indicative OPG New Issue	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	CAN 2.75% 12/48	CAN 2.00% 06/28	CAN 1.75% 03/23	CAN 1.25% 02/20				
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.25%				
Benchmark Yield	2.41%	2.33%	2.15%	1.87%	0.00%	0.01%	0.01%	0.01%
Curve Adjustment (bps)	0.0	-0.1	1.9	4.9	0.0	-0.1	1.8	4.3
Spread to GoC Curve (bps)	165	118	93	70	-1.0	-1.0	1.0	3.0
Re-Offered Yield	4.06%	3.51%	3.10%	2.62%	-0.01%	0.00%	0.04%	0.09%
Commission (bp)	2.8	4.7	7.5	10.2	-	-	-	-
All-in Yield	**4.09%**	**3.55%**	**3.17%**	**2.72%**				

Primary Comparable (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A+)	136.0	98.0	73.0	50.0	0.0	0.0	0.0	2.0

Other Comparables (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Toronto Hydro (A/A)	127.0	89.0	64.0	-	1.0	1.0	1.0	-
TransCanada Pipelines (A(L)/A-)	195.0	125.0	95.0	-	15.0	5.0	10.0	-
Nova Scotia Power (A(L)/BBB+)	145.0	107.0	82.0	-	2.0	2.0	2.0	-
EPCOR Utilities (A(L)/A-)	134.0	96.0	71.0	-	1.0	1.0	1.0	-
Bruce Power (BBB/BBB)	210.0	155.0	110.0	-	-3.0	2.0	2.0	-

BMO Capital Markets

Canadian Debt Capital Markets

Weekly Update: May 4, 2018

WEEK IN REVIEW

- Primary issuance continued in the Canadian market last week with four transactions pricing for $2.8bn ($1.9bn excluding the CIBC's issuance of a 1-yr FRN).
  - April issuance totaled $9.5bn, up 44% versus April 2017.
  - 2018YTD (ex-MBS) issuance stands at $43.9bn, +28% versus the same time last year.
- Secondary spreads finished the week 0-2bps wider alongside a slightly softer market tone.
- New issue activity is expected to continue this week as corporate issuers continue to emerge from earnings blackout.

C$ NEW ISSUE SUPPLY(1)

	Corporate (C$bn)	Government (C$bn)
Week of April 30, 2018	1.93	1.45
Month-to-date	1.93	1.45
Year-to-date	43.85	33.48
YoY Change	+28%	+18%

KEY UPCOMING ECONOMIC EVENTS

	Canada	US
Monday	BoC Deputy Governor Panel	NAFTA Trade Ministers Meeting
Tuesday	Housing Starts	Job Openings & Labor Turnover
Wednesday	Building Permits	PPI
Thursday	New Housing Price Index	Initial Claims
Friday	Unemployment Rate	Import Prices

RECENT ISSUANCE(1)

Corporate Debt New Issues

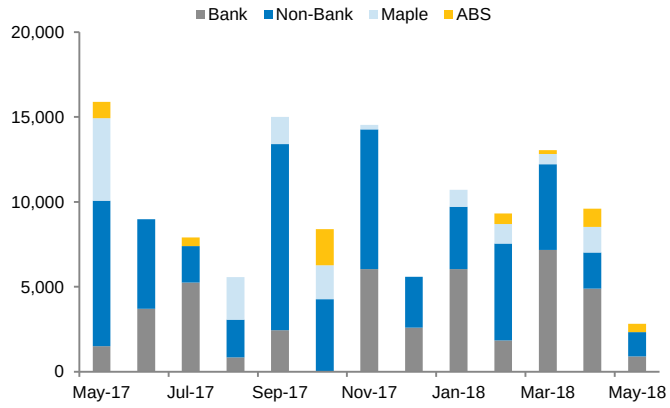
Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. $LIBOR
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
3-May-18	Mosaic Transit Partners GP	Baa2/-/-	13.58 (WAL)	61	4.111%	28-Feb-38	GoC Curve	174.8	136.2
3-May-18	Mosaic Transit Partners GP	Baa2/-/-	27.76 (WAL)	120	4.470%	28-Feb-53	CAN 2.75% 12/48	205.8	172.1
1-May-18	Ford Credit Canada Ltd. (re-open)	Baa2/BBB/BBB	2.58	400	FRN	1-Dec-20	3M CDOR	75.0	72.8
1-May-18	Ford Credit Canada Ltd.	Baa2/BBB/BBB	5	850	3.742%	8-May-23	GoC Curve	155.0	125.7
1-May-18	CIBC	A1/A+/AA	1	900	FRN	8-May-19	3M CDOR	12.0	8.7
1-May-18	BMW Canada Auto Trust	Aaa/-/AAA	0.86-2.77 (WAL)	500	various	various	various	various	various

Government/SSA Debt New Issues

Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. 3M BA's
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
3-May-18	Province of Ontario (re-open)	Aa2/A+/AAL	31.1	1,000	2.900%	2-Jun-49	CAN 2.75% 12/48	79.0	41.1
2-May-18	Province of Manitoba (re-open)	Aa2/A+/AH	10.1	450	3.000%	2-Jun-28	CAN 2.00% 06/28	75.5	38.1

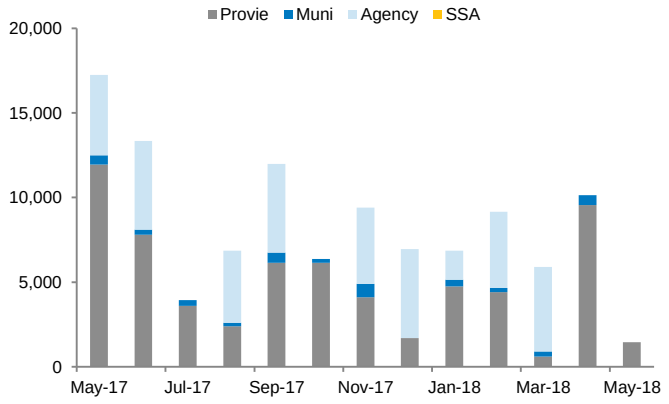
MONTHLY CORPORATE ISSUANCE(1)

C$ millions (LTM)



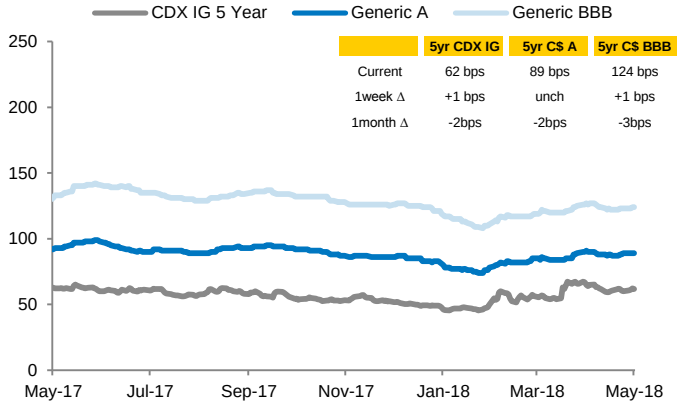
MONTHLY GOVERNMENT ISSUANCE

C$ millions (LTM)



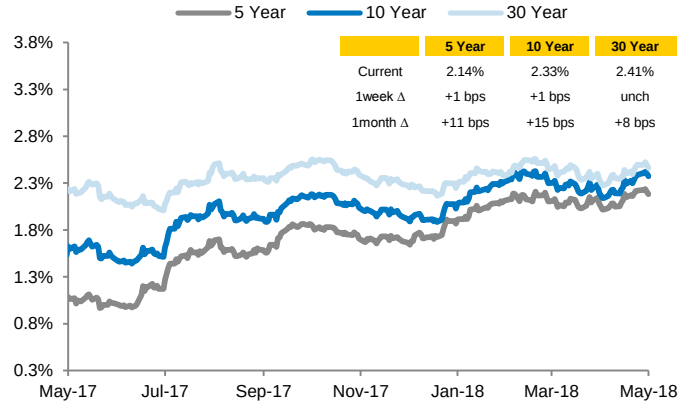
GENERIC 5 YEAR CREDIT SPREADS

LTM (basis points)



GOVERNMENT OF CANADA BOND YIELDS

LTM (%)



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(1) Excludes MBS and issues with terms of less than 1.5 years

BMO Capital Markets

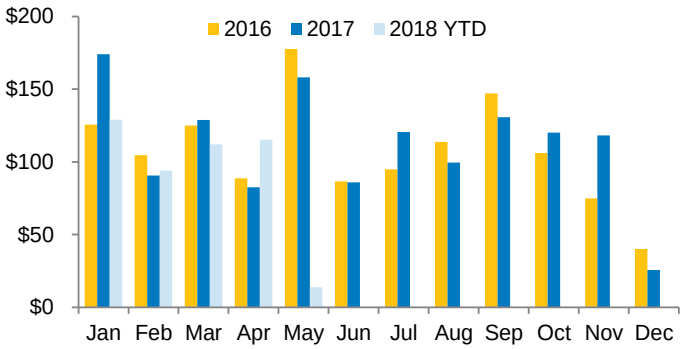
U.S. Investment Grade Debt Capital Markets

Weekly Update: May 7, 2018

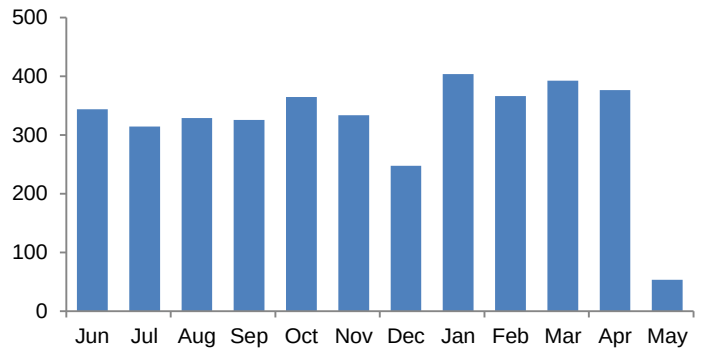
Highlights

- The U.S. Investment Grade primary markets finished last week with a new issue volume of $22.0bn (13 deals / 22 tranches), representing a drop of 15% from the previous week. Despite earnings imposed blackout, April 2018 came in at a record $116.3bn. Large M&A transactions continue to have an overhang on the broader Investment Grade bond market
  - On average, final pricing tightened 12bps from IPTs (-2bps week-over-week), over-subscription levels were 2.2x (-0.4x week-over-week) and NICs landed at 6bps
  - The broad IG Market closed out 4bps wider ending the week at 112bps (18bps wider YTD), with industrials widening most
- Lipper reported a ~$1.0bn net inflow to Investment Grade funds last week, pushing YTD net inflows to ~$36.6bn and following seven consecutive weeks of positive net inflows
- Last week's notable transactions include Mondelez's (Baa1/BBB) $2.5bn 4-part with an average over-subscription of 1.9x and average NICs of 6bps. Secondary performance has been mixed, short dated 2- and 5-year notes are trading 2-5bps tighter while the 10- and 30-year tranches have widened by up to 4bps
- The average estimate for this week's Investment Grade volume is ~$32bn. Several issuers are conducting or have wrapped up investor calls recently, including M&A related financings from General Dynamics (A2/A+) to fund the acquisition of CSRA, Keurig Green Mountain to fund the acquisition of Dr Pepper Snapple Group (combined entity expected to be rated IG) and Bayer (A3/A-) to fund its acquisition of Monsanto

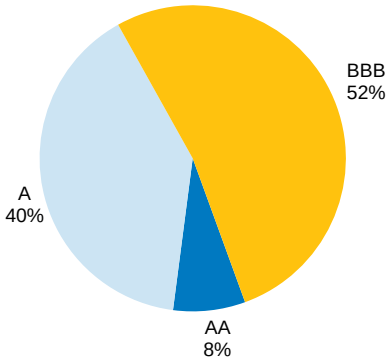
Monthly Investment Grade Issuance ($bn)



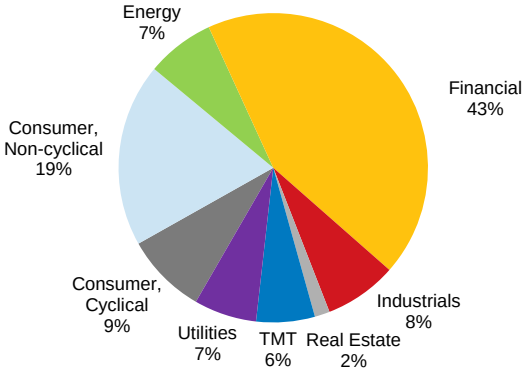
LTM Monthly FINRA TRACE IG Volume ($bn)(1)



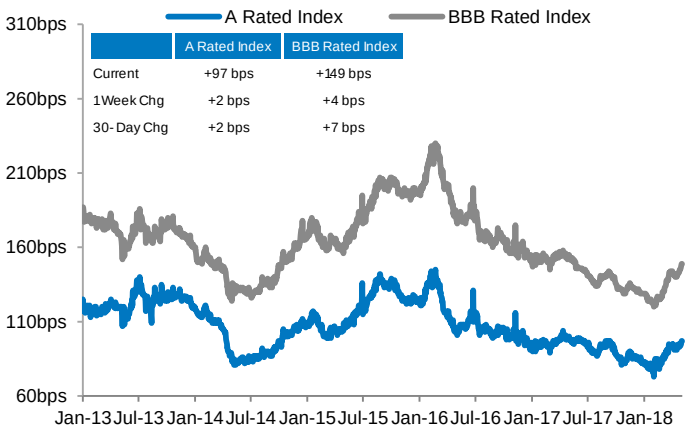
2018 YTD Issuance by Credit Rating



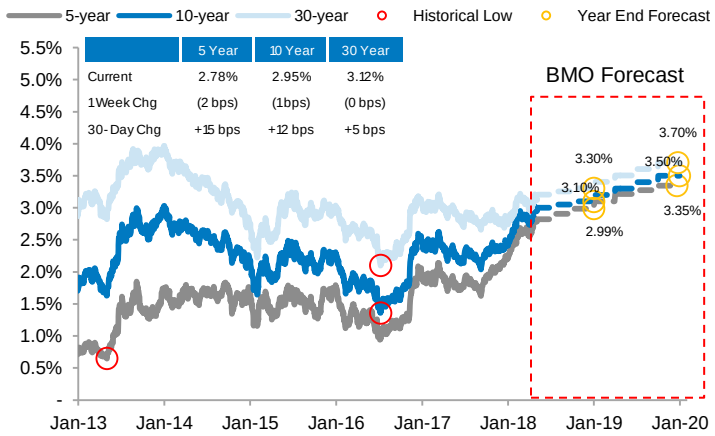
2018 YTD Issuance by Sector



Index Credit Spreads as of 5/4/2018



U.S. Treasury Benchmark Yields as of 5/4/2018



Source: BMO Capital Markets, FINRA TRACE, BondTicker, Bloomberg, Lipper, EPFR, Informa Global Markets.

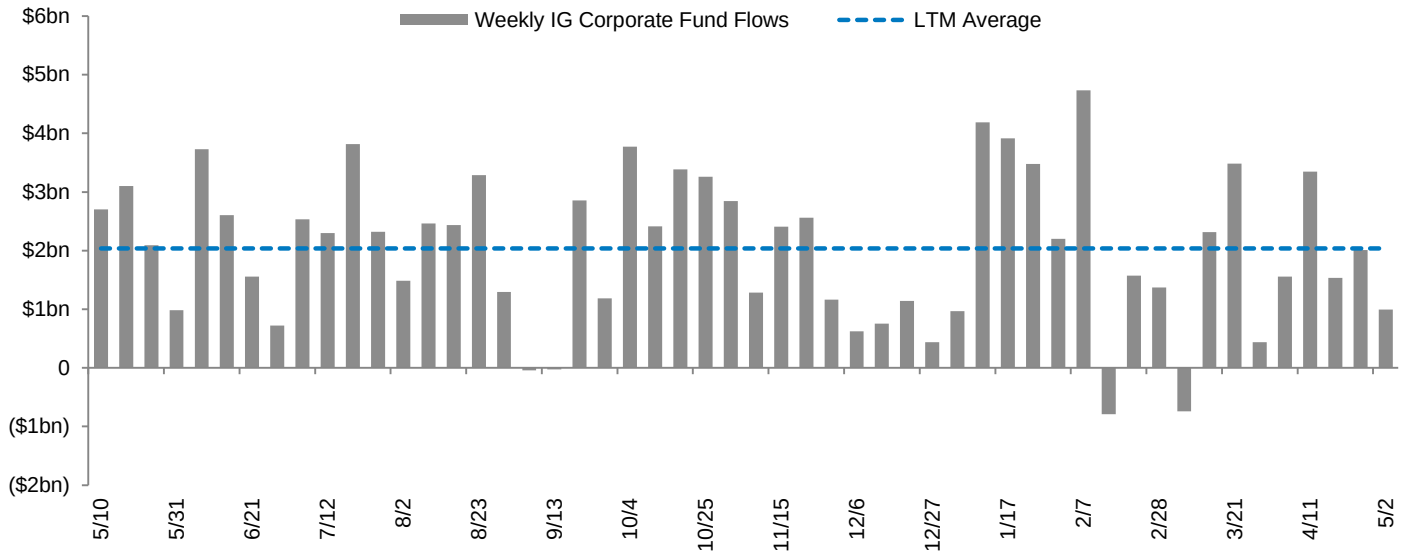
(1) FINRA Trace Volume represents Investment Grade Corporate bonds.

BMO Capital Markets

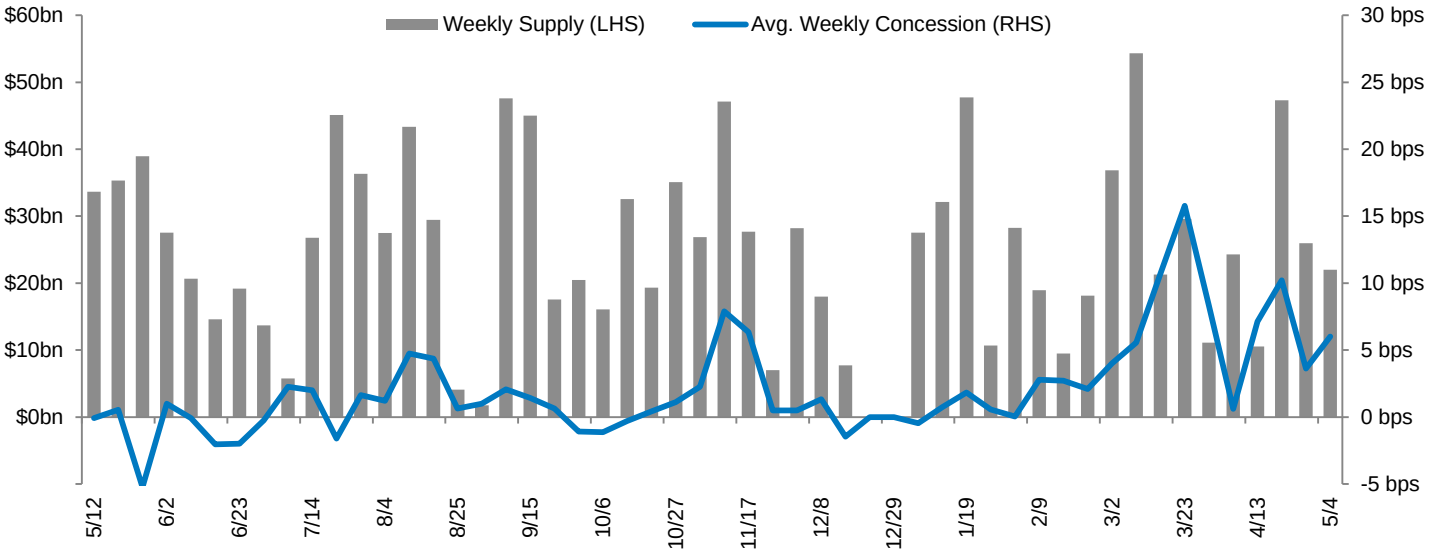
U.S. Investment Grade Debt Capital Markets

Weekly Update: May 7, 2018

U.S. Investment Grade Fund Flows



New Issue Concessions



Key Upcoming U.S. Economic Indicators

Monday	Consumer Credit
Tuesday	NFIB small business index, Job openings
Wednesday	Producer price index, Wholesale inventories
Thursday	Weekly jobless claims, Consumer price index, Core CPI, Federal budget
Friday	Import price index, Consumer sentiment

Pre-Issuance Hedging Premiums*

Expected Issuance Date:	Underlying Note Tenor			
	5 Year	7 Year	10 Year	30 Year
3 months	3 bps	2 bps	2 bps	1 bps
6 months	6 bps	5 bps	4 bps	1 bps
9 months	8 bps	6 bps	5 bps	2 bps
12 months	9 bps	7 bps	6 bps	2 bps
18 months	11 bps	9 bps	8 bps	2 bps

* Issuance hedging premiums reflect difference between forward starting swap rate for underlying issue term and the spot starting swap rate. Pricing is mid-market assuming standard transaction conventions and is non-actionable.
Source: BMO Capital Markets / Bloomberg as of 5/4/2018

Source: BMO Capital Markets, Bloomberg, Informa Global Markets.

BMO Capital Markets

U.S. Investment Grade Debt Capital Markets

Weekly Update: May 7, 2018

Recent Investment Grade New Issue Terms

Date	Issuer	Ratings (Moody's / S&P)	Amount (US$ mm)	Coupon	Tenor (yrs)	IPTs (Spd vs. UST)	Guidance (Spd vs. UST)	Final Pricing (Spd vs. UST)	NIC	Over-subscription
3-May-18	Mondelez International Inc	Baa1/BBB	750	3.000%	2	75a	65a +/- 5	T+60bp	-4bp	2.1x
3-May-18	Mondelez International Inc	Baa1/BBB	750	3.625%	5	100-105	95a +/- 5	T+90bp	6bp	2.0x
3-May-18	Mondelez International Inc	Baa1/BBB	700	4.125%	10	130-135	130#	T+130bp	11bp	1.9x
3-May-18	Mondelez International Inc	Baa1/BBB	300	4.625%	30	155-160	160#	T+160bp	11bp	1.7x
3-May-18	TransCanada PipeLines Ltd	A3/BBB+	1,000	4.250%	10	140a	135#	T+135bp	15bp	1.8x
3-May-18	TransCanada PipeLines Ltd	A3/BBB+	500	4.750%	20	170a	165#	T+165bp	20bp	2.0x
3-May-18	TransCanada PipeLines Ltd	A3/BBB+	1,000	4.875%	30	185a	180#	T+180bp	20bp	1.4x
3-May-18	Hershey Co/The	A1/A	350	2.900%	2	55-60	45-50	T+45bp	5bp	2.6x
3-May-18	Hershey Co/The	A1/A	350	3.100%	3	60-65	50-55	T+50bp	5bp	2.7x
3-May-18	Hershey Co/The	A1/A	500	3.375%	5	75a	60-65	T+60bp	5bp	3.0x
3-May-18	Republic Services Inc	Baa3/BBB+	800	3.950%	10	130-135	120a +/- 2	T+118bp	3bp	1.8x
3-May-18	Florida Power & Light Co	Aa2/A	500	4.125%	30	110a	100#	T+100bp	5bp	1.6x
3-May-18	S&P Global Inc	Baa1/BBB+	500	4.500%	30	155a	145#	T+145bp	8bp	2.0x
3-May-18	Oshkosh Corp	Ba1/BBB	300	4.600%	10	187.5a	175a +/- 5	T+170bp	-	3.0x
3-May-18	GATX Corp	Baa2/BBB	300	4.550%	11	170a	-	T+160bp	8bp	2.3x
3-May-18	Aeropuerto Internacional de Tocumen SA	BBB/BBB	225	6.000%	31	lo 6%	-	6%	-	-
2-May-18	Public Service Electric & Gas Co	Aa3/A	375	3.700%	10	90-95	80a +/- 3	T+77bp	2bp	3.5x
2-May-18	Public Service Electric & Gas Co	Aa3/A	325	4.050%	30	105-110	97a +/- 2	T+95bp	4bp	2.5x
1-May-18	Lloyds Bank PLC	Aa3/A	1,000	FRN	3	L equiv	L equiv	3mL+49bp	3.5bp	2.0x
1-May-18	Lloyds Bank PLC	Aa3/A	1,250	3.300%	3	85a	70#	T+70bp	3.5bp	1.6x
1-May-18	Lloyds Banking Group PLC	A3/BBB+	1,500	4.450%	7	160-165	155a +/- 2	T+153bp	8.5bp	2.2x
1-May-18	Consumers Energy Co	Aa3/A	550	4.050%	30	110a	100a +/- 3	T+97bp	7bp	1.7x

Source: BMO Capital Markets, Informa Global Markets.

Denotes BMO transactions

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Cc:	Hainsworth, Andrew; Williams, Grant
Subject:	OPG C$ Pricing Update and US IG Market Update
Date:	Monday, April 30, 2018 8:42:58 AM
Attachments:	2018_4_30-OPG C$ Pricing Update and US IG Market Update.pdf OPG Weekly Indicative Spreads - Send.xlsx 2018_4_30-CAD BMO DCM Weekly Update.pdf 2018_4_30-USD BMO DCM Weekly Update.pdf

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Overall Commentary:
• Equity markets recovered from earlier declines to end the week little changed from last week's close.
o S&P: unch, led by utilities and health care.
o TSX: +1.2%, led by consumer staples and industrials.
• Government yields were mixed last week, with GoC's outperforming Treasuries across the curve.
• U.S. existing home sales rose 1.1% in March to 5.6 million units, just modestly beating expectations and the highest since November.
• U.S. new home sales rose to a four month high of 4.0% in March, surpassing expectations of 1.9%.
• U.S. GDP moderated to 2.3% (annualized) in Q1 down from 2.9% in Q4, and above expectations of 2.0%.
• The European Central Bank left rates unchanged on Thursday, with guidance on rates and asset remaining unchanged.
Benchmarks Last Week:
• Canada Curve (w/w): -2, -3, unch, -1 bps for 2s, 5s, 10s and 30s.
• Treasury Curve (w/w): +3, unch, unch, -2 bps for 2s, 5s, 10s and 30s.
• Canadian Swap Spreads (w/w): +0.25, +0.50, -0.75, -0.06 for 2s, 5s, 10s and 30s.
• Canadian Corporate Bond Cash Spreads: unch.

Corporate Market Last Week:
• Primary issuance continued in the Canadian market last week with five transactions pricing for $2.8bn.
o 2018YTD (ex-MBS) issuance stands at $41.9bn, +26% versus the same time last year.
• Secondary spreads finished the week relatively unchanged, with the airport sector underperforming the broader corporate complex.
• Primary issuance was lighter in the US high grade market last week with US$26.0bn pricing across 19 deals / 33 tranches.
o 2018YTD total issuance stands at US$454.3bn from 293 transactions / 544 tranches, down 4.6% from the same time last year.
• New issue activity is expected to continue this week as corporate issuers may look to access the market as they exit earnings blackout.

Canadian Corporate Supply Last Week:
• Canadian Western Bank (-/-/AL) re-opened its Sep/21's for $250mm at +99.1bps vs. GoC Sep/21's. BMO CM was a bookrunner on the transaction.
• WTH Car Rental ULC (-/-/AAA) priced $150mm of a 5.01-year WAL ABS at GoC Curve +110bps. BMO CM was a bookrunner on the transaction.
• Chartwell Retirement Residences (-/-/BBBL) priced $150mm of 7-year fixed rate notes at GoC Curve +190bps. BMO CM was a bookrunner on the transaction.
• Coast Capital Savings Credit Union (-/-/BBBH) priced $200mm of 10NC5 subordinated notes (-/-/BBB) at a coupon of 5.00% (GoC Curve +282bps).
• Royal Bank of Canada (A1/AA-/AA) priced $2.0bn of 5-year fixed rate deposit notes at GoC Curve +77bps.

International Canadian Bank Supply Last Week:
• Royal Bank of Canada (A1/AA-/AA) issued a dual-tranche offering comprised of US$1.5bn 3-year floating rate notes priced at 3mL+39bps and US$1.5bn 3-year fixed rate notes priced at T+60bps.

Canadian Government Supply Last Week:

• Province of New Brunswick (Aa2/A+/AH) priced $300mm ($100mm carve-out) of a 10-year fixed rate note at +77bps vs. GoC Jun/28’s.
• Province of Quebec (A2/AA-/AH) re-opened its Sep/28’s for $500mm at +63bps vs. GoC Jun/28’s. BMO CM was a lead on the transaction.

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ONTARIO POWER GENERATION

BMO Capital Markets

Indicative Pricing as at April 30, 2018

OPG C$ INDICATIVE PRICING TERMS

Term	2 year	5 year	10 year	30 year
New Isssue Spread	**67 bps**	**92 bps**	**119 bps**	**166 bps**
CAD Benchmark Bond	CAN 1.25% 02/20	CAN 1.75% 03/23	CAN 2.00% 06/28	CAN 2.75% 12/48
CAD Benchmark Yield	1.86%	2.14%	2.33%	2.41%
Curve Adjustment	0.04%	0.02%	0.00%	0.00%
CAD Coupon	**2.57%**	**3.07%**	**3.52%**	**4.07%**
CAD Swap Yield	2.25%	2.53%	2.69%	2.78%
Cda Swap Duration	1.945	4.669	8.72	20.27
Spread to 3m BA	32 bps	55 bps	83 bps	130 bps

Spread Changes	**2 year**	**5 year**	**10 year**	**30 year**
Week-over-Week	1	1	3	3

Comparable Issuers (DBRS/S&P)	**2 year**	**5 year**	**10 year**	**30 year**
Hydro One (AL/BBB+)	48bps	73bps	98bps	136bps
Toronto Hydro (AL/BBB+)	-	63bps	88bps	126bps
TransCanada PipeLines (BBBH/-)	-	85bps	120bps	180bps
NS Power (A/A)	-	80bps	105bps	143bps
EPCOR Utilities (BBBH/BBB+)	-	70bps	95bps	133bps
Bruce Power (A/BBB+)	-	108bps	153bps	213bps

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Note: Indicative credit spreads represent the bid-side of the secondary market by BMO CM's trading desk. New issue credit spreads are determined by a variety of factors. This can result in an issuance spread that may incorporate a new issue premium.

Bank Name	BMO
Date	30-Apr-18

Indicative OPG New Issue	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	CAN 2.75% 12/48	CAN 2.00% 06/28	CAN 1.75% 03/23	CAN 1.25% 02/20				
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.25%				
Benchmark Yield	2.41%	2.33%	2.14%	1.86%	-0.03%	-0.02%	-0.04%	-0.02%
Curve Adjustment (bps)	0.0	-0.1	1.8	4.3	0.0	-2.0	1.2	2.1
Spread to GoC Curve (bps)	166	119	92	67	3.0	3.0	1.0	1.0
Re-Offered Yield	4.07%	3.52%	3.07%	2.57%	0.00%	-0.02%	-0.02%	0.01%
Commission (bp)	2.8	4.7	7.5	10.2	-	-	-	-
All-in Yield	**4.10%**	**3.56%**	**3.15%**	**2.68%**				

Primary Comparable (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A+)	136.0	98.0	73.0	48.0	1.0	1.0	1.0	1.0

Other Comparables (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Toronto Hydro (A/A)	126.0	88.0	63.0	-	1.0	1.0	1.0	-
TransCanada Pipelines (A(L)/A-)	180.0	120.0	85.0	-	0.0	0.0	0.0	-
Nova Scotia Power (A(L)/BBB+)	143.0	105.0	80.0	-	1.0	1.0	1.0	-
EPCOR Utilities (A(L)/A-)	133.0	95.0	70.0	-	1.0	1.0	1.0	-
Bruce Power (BBB/BBB)	213.0	153.0	108.0	-	1.0	1.0	1.0	-

BMO Capital Markets

Canadian Debt Capital Markets

Weekly Update: April 27, 2018

WEEK IN REVIEW

- Primary issuance continued in the Canadian market last week with five transactions pricing for $2.8bn.
  - 2018YTD (ex-MBS) issuance stands at $41.9bn, +26% versus the same time last year.
- Secondary spreads finished the week relatively unchanged, with the airport sector underperforming the broader corporate complex.
- New issue activity is expected to continue this week as corporate issuers may look to access the market as they exit earnings blackout.

C$ NEW ISSUE SUPPLY(1)

	Corporate (C$bn)	Government (C$bn)
Week of April 23, 2018	2.75	0.80
Month-to-date	9.50	10.13
Year-to-date	41.92	32.03
YoY Change	+26%	+17%

KEY UPCOMING ECONOMIC EVENTS

	Canada	US
Monday	Industrial Product Price Index	Personal Spending
Tuesday	Markit Manufacturing PMI	FOMC meeting begins
Wednesday	-	FOMC announcement
Thursday	Merchandise Trade Deficit	Factory Orders
Friday	Ivet Purchasing Managers' Index	Unemployment Rate

RECENT ISSUANCE(1)

Corporate Debt New Issues

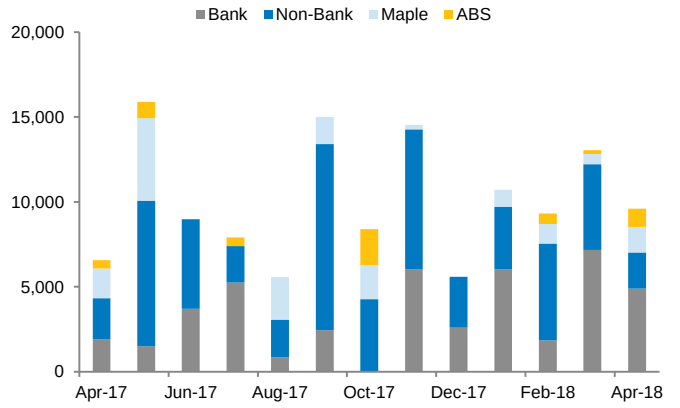
Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. $LIBOR
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
26-Apr-18	Royal Bank of Canada	A1/AA-/AA	5	2,000	2.949%	1-May-23	GoC Curve	77.0	47.8
26-Apr-18	Coast Capital Savings Credit Union	-/-/BBB	5+5	200	5.000%	3-May-28	GoC Curve	282.0	252.0
25-Apr-18	Chartwell Retirement Residences	-/-/BBBL	7	150	4.211%	28-Apr-25	GoC Curve	190.0	159.7
24-Apr-18	WTH Car Rental ULC	-/-/AAA	5.01 (WAL)	150	3.279%	4-May-23	GoC Curve	110.0	80.3
23-Apr-18	Canadian Western Bank (re-open)	-/-/AL	3.4	250	2.788%	13-Sep-21	CAN 0.75% 09/21	99.1	74.9

Government/SSA Debt New Issues

Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. 3M BA's
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
26-Apr-18	Province of Quebec (re-open)	Aa2/AA-/AH	10.3	500	2.750%	1-Sep-28	CAN 2.00% 06/28	63.0	23.6
23-Apr-18	Province of New Brunswick	Aa2/A+/AH	10.3	300	3.100%	14-Aug-28	CAN 2.00% 06/28	77.0	37.4

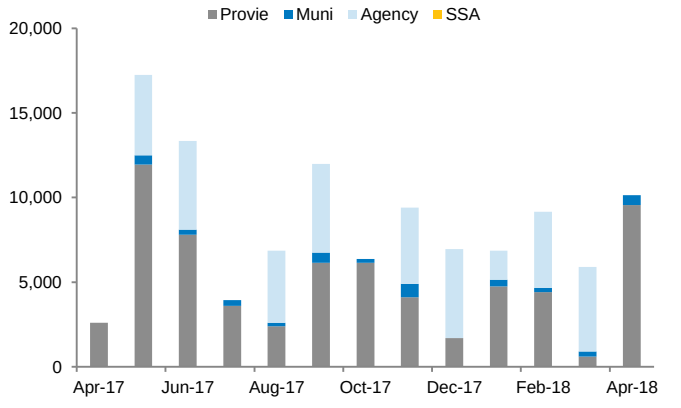
MONTHLY CORPORATE ISSUANCE(1)

C$ millions (LTM)



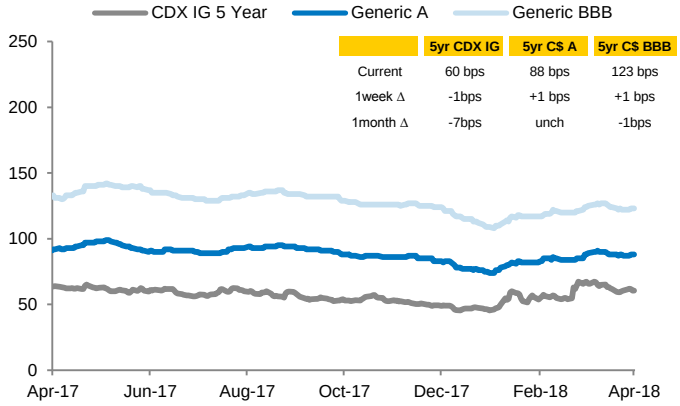
MONTHLY GOVERNMENT ISSUANCE

C$ millions (LTM)



GENERIC 5 YEAR CREDIT SPREADS

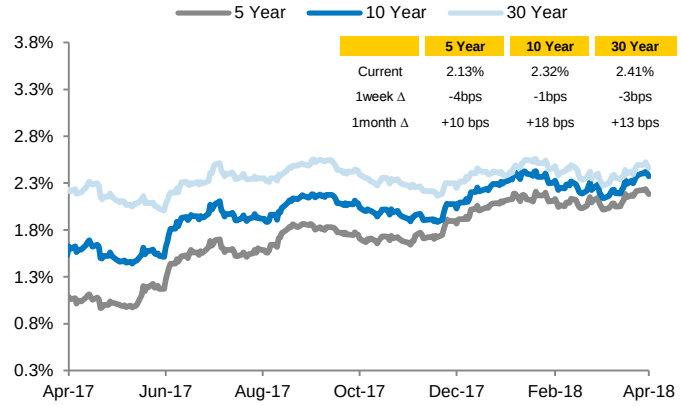
LTM (basis points)



	5yr CDX IG	5yr C$ A	5yr C$ BBB
Current	60 bps	88 bps	123 bps
1week Δ	-1bps	+1 bps	+1 bps
1month Δ	-7bps	unch	-1bps

GOVERNMENT OF CANADA BOND YIELDS

LTM (%)



	5 Year	10 Year	30 Year
Current	2.13%	2.32%	2.41%
1week Δ	-4bps	-1bps	-3bps
1month Δ	+10 bps	+18 bps	+13 bps

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(1) Excludes MBS and issues with terms of less than 1.5 years

BMO Capital Markets

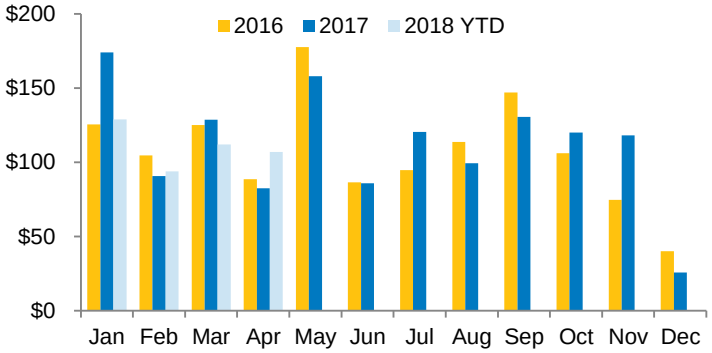
U.S. Investment Grade Debt Capital Markets

Weekly Update: April 30, 2018

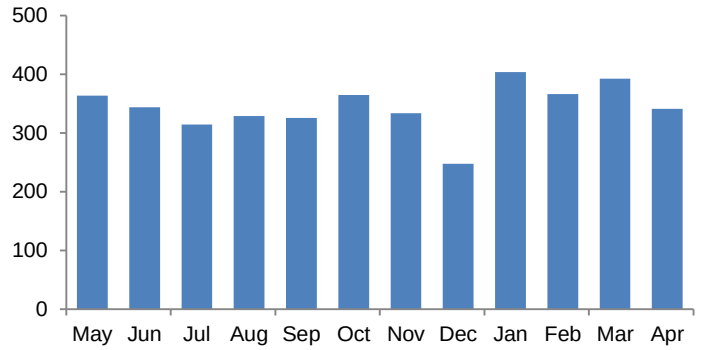
Highlights

- The U.S. Investment Grade primary markets finished last week with a new issue volume of $26.0bn (19 deals / 33 tranches), a drop of 45% from the previous week but still bringing in April 2018 to $108.1bn, well above the street's expectation and just below current April record holder, $110.0bn from 2008. 2018 YTD Investment Grade issuance is at $454.3bn, 4.6% behind 2017 YTD
- On average, final pricing tightened 14bps from IPT (-8bps week-over-week), over-subscription levels were 2.5x (-0.95x week-over-week) and NICs landed at 4bps
- Lipper reported a ~$2.0bn net inflow to Investment Grade funds last week, pushing YTD net inflows to ~$35.6bn and following six consecutive weeks of positive flows
- Past weeks transactions include Bacardi's (Ba1/BBB-) $2.6bn 4-part (7s/10s/20s/30s) to finance its acquisition of Patron Spirits International. Three of the four tranches launched at IPTs with an average NIC of 2-7bps and a 2.0x over-subscribed orderbook. The three notch rating downgrade from Moody's might have prevented Bacardi from benefitting of pricing leverage. All tranches have traded 2-10bps wider in secondaries since issuance
- The average estimate for this week's high grade volume is at ~$26bn which appears to be achievable due to robust short term new issue pipeline and M&A trades that could potentially emerge

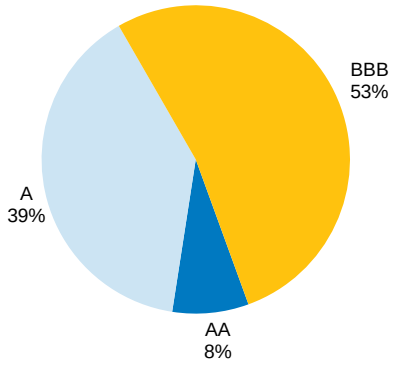
Monthly Investment Grade Issuance ($bn)



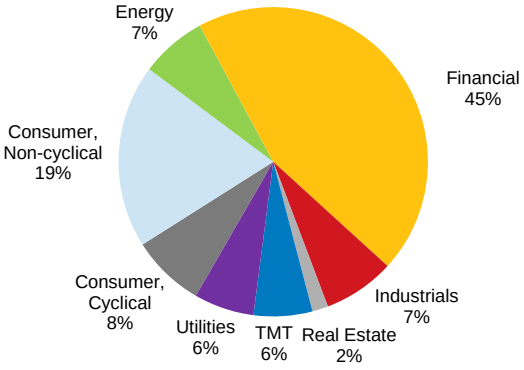
LTM Monthly FINRA TRACE IG Volume ($bn)[1]



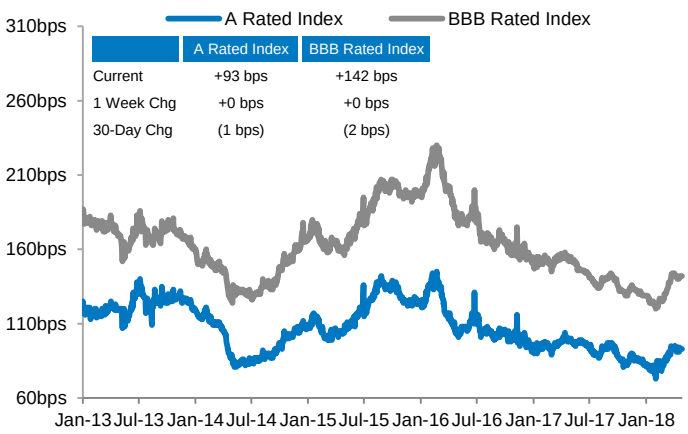
2018 YTD Issuance by Credit Rating



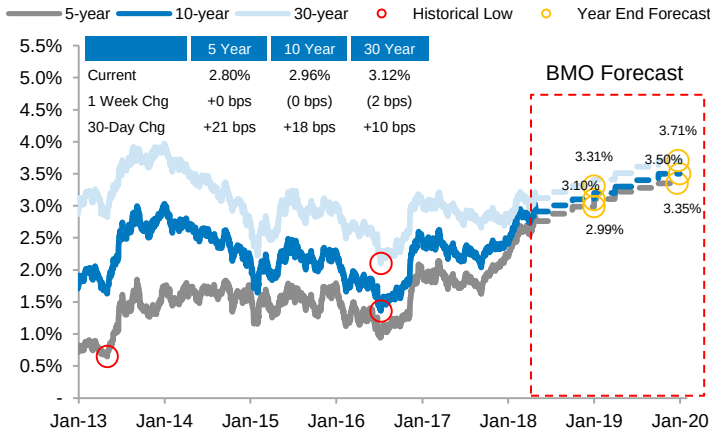
2018 YTD Issuance by Sector



Index Credit Spreads as of 4/27/2018



U.S. Treasury Benchmark Yields as of 4/27/2018



Source: BMO Capital Markets, FINRA TRACE, BondTicker, Bloomberg, Lipper, EPFR, Informa Global Markets.

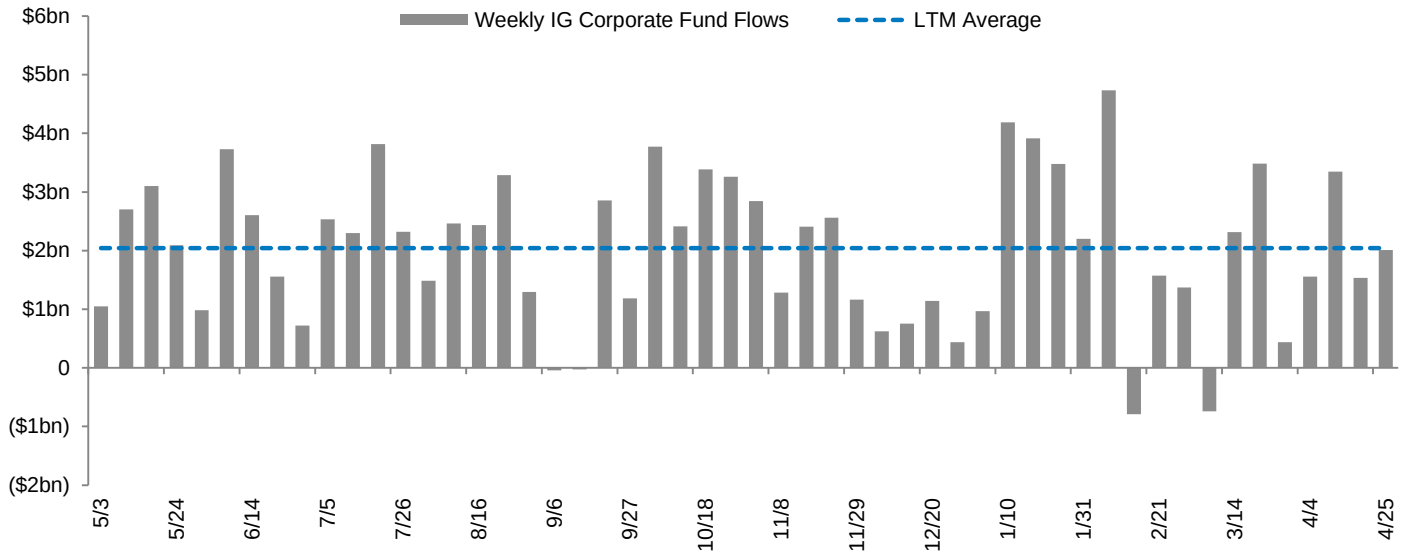
(1) FINRA Trace Volume represents Investment Grade Corporate bonds.

BMO Capital Markets

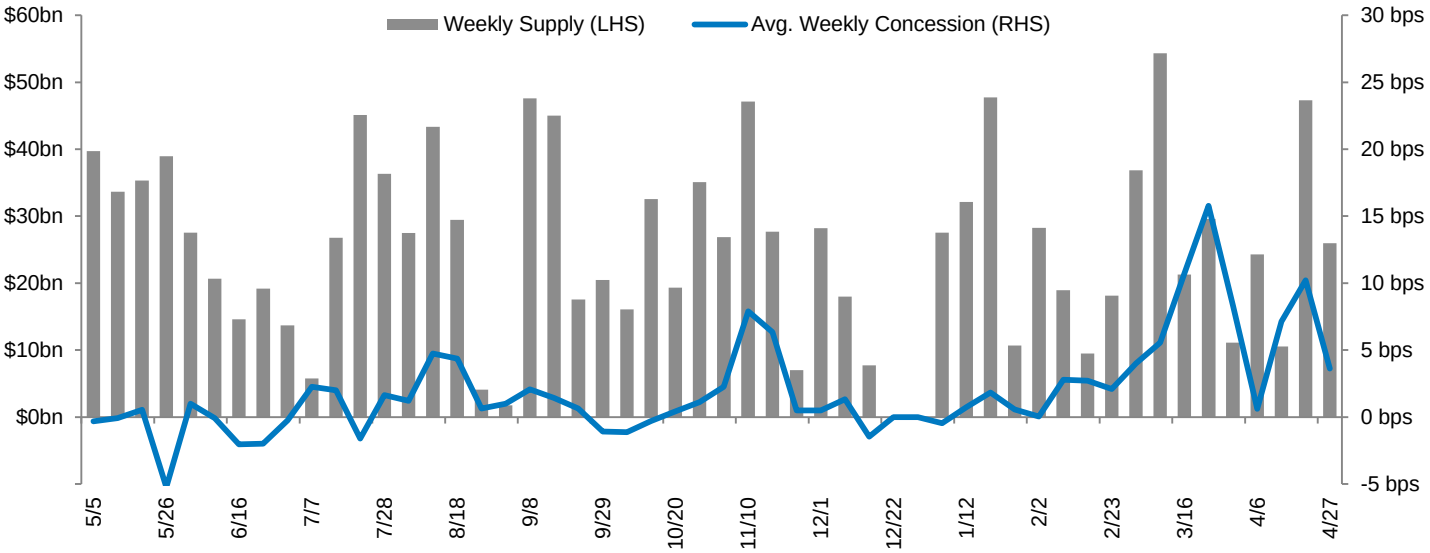
U.S. Investment Grade Debt Capital Markets

Weekly Update: April 30, 2018

U.S. Investment Grade Fund Flows



New Issue Concessions(1)



Key Upcoming U.S. Economic Indicators

Monday	Personal Income, Consumer spending, Core inflation, Chicago PMI
Tuesday	Markit manufacturing MPI, ISM manufacturing index, Construction spending, Motor vehicle sales
Wednesday	ADP employment, FOMC statement
Thursday	Weekly jobless claims, Trade deficit, Productivity, Unit labor costs, Markit services PMI, ISM nonmanufacturing index, Factory orders
Friday	Nonfarm payrolls, Unemployment rate, Average hourly earnings

Pre-Issuance Hedging Premiums*

Expected	Underlying Note Tenor			
Issuance Date:	5 Year	7 Year	10 Year	30 Year
3 months	3 bps	3 bps	2 bps	1 bps
6 months	6 bps	5 bps	4 bps	1 bps
9 months	9 bps	7 bps	6 bps	2 bps
12 months	11 bps	8 bps	7 bps	2 bps
18 months	12 bps	10 bps	8 bps	2 bps

* Issuance hedging premiums reflect difference between forward starting swap rate for underlying issue term and the spot starting swap rate. Pricing is mid-market assuming standard transaction conventions and is non-actionable.
Source: BMO Capital Markets / Bloomberg as of 4/27/2018

Source: BMO Capital Markets, Bloomberg, Informa Global Markets.
(1) Average Weekly Concessions excludes the ~41bps new issue concession from CBL's $225m add-on on August 29, 2017 and ~52bps NIC from Enbridge Feb 26, 2018 60NC10 deal.

BMO Capital Markets

U.S. Investment Grade Debt Capital Markets

Weekly Update: April 30, 2018

Recent Investment Grade New Issue Terms

Date	Issuer	Ratings (Moody's / S&P)	Amount (US$ mm)	Coupon	Tenor (yrs)	IPTs (Spd vs. UST)	Guidance (Spd vs. UST)	Final Pricing (Spd vs. UST)	NIC	Over-subscription
26-Apr-18	Sabal Trail Transmission LLC	Baa1/NR	500	4.246%	10	145a	130a +/ 5	T+125	-	5.0x
26-Apr-18	Sabal Trail Transmission LLC	Baa1/NR	600	4.682%	20	165a	155a +/ 5	T+150	-	3.8x
26-Apr-18	Sabal Trail Transmission LLC	Baa1/NR	400	4.832%	30	180a	170a +/ 5	T+165	-	3.1x
26-Apr-18	Capital One Financial Corp	Baa1/BBB	1,250	3.450%	3	110a	85#	T+85	-3bp	1.6x
26-Apr-18	Capital One Financial Corp	Baa1/BBB	750	4.250%	7	150a	130#	T+130	-3bp	2.0x
25-Apr-18	CNOOC Finance 2015 USA LLC	A1/A+	450	3.750%	5	125a	105-110	T+105bp	-3bp	1.55
25-Apr-18	CNOOC Finance 2015 USA LLC	A1/A+	1,000	4.375%	10	160a	140-145	T+140bp	-5bp	1.4x
24-Apr-18	Bacardi Ltd	Ba1/BBB-	750	4.450%	7	160a	155#	T+155bp	2bp	2.0x
24-Apr-18	Bacardi Ltd	Ba1/BBB-	800	4.700%	10	175a	175#	T+175bp	7bp	1.9x
24-Apr-18	Bacardi Ltd	Ba1/BBB-	350	5.150%	20	200a	200#	T+200bp	7bp	2.3x
24-Apr-18	Bacardi Ltd	Ba1/BBB-	700	5.300%	30	215a	215#	T+215bp	7bp	1.7x
24-Apr-18	US Bank NA/Cincinnati OH	A1/AA-	1,000	FRN	3	L equiv	L equiv	3mL+32bp	1.5bp	1.3x
24-Apr-18	US Bank NA/Cincinnati OH	A1/AA-	1,000	3.150%	3	mid- hi 60s	55a +/- 2	T+53bp	1.5bp	1.4x
24-Apr-18	US Bancorp	A1/A+	850	3.900%	10	105-110	95#	T+95bp	4bp	1.4x
24-Apr-18	SunTrust Banks Inc	Baa1/BBB+	850	4.000%	7	120-125	110a +/- 2	T+108bp	-	1.8x
24-Apr-18	Royal Bank of Canada	A1/AA-	1,500	FRN	3	L equiv	L equiv	3mL+39bp	-	1.5x
24-Apr-18	Royal Bank of Canada	A1/AA-	1,500	3.200%	3	low 70s area	62a +/- 2	T+60bp	-	1.7x
24-Apr-18	Aviation Capital Group LLC	A-/BBB	650	3.875%	5	120-125	115#	T+115bp	9bp	1.3x
24-Apr-18	State Grid Overseas Investment 2016 Ltd	A1/A+	950	3.750%	5	125a	100a +/- 2.5	T+97.5	-5.5bp	2.7x
24-Apr-18	State Grid Overseas Investment 2016 Ltd	A1/A+	800	4.250%	10	155a	135a +/- 5	T+130bp	6bp	2.7x
24-Apr-18	Harvest Operations Corp	Aa2/AA	398	4.200%	5	165a	140#	T+140bp	5bp	8.1x
24-Apr-18	Growthpoint Properties International Pty Ltd	Baa3/	425	5.872%	5	6%a	6% +/- 12.5	5.875%	-	-

Source: BMO Capital Markets, Informa Global Markets.

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All values in this document are in US$ unless otherwise specified.

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Cc:	Hainsworth, Andrew; Williams, Grant
Subject:	OPG C$ Pricing Update and US IG Market Update
Date:	Monday, April 23, 2018 8:48:34 AM
Attachments:	2018_4_23-OPG C$ Pricing Update and US IG Market Update.pdf OPG Weekly Indicative Spreads - Send.xlsx 2018_4_23-BMO USD DCM Weekly Update.pdf 2018_4_23-BMO CAD DCM Weekly Update.pdf

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Overall Commentary:
• Equity markets started on a higher note last week, but ended in a late-week downturn as earnings from large tech companies disappointed investors.
o S&P: +0.5%, led by energy and industrials.
o TSX: +1.4%, led by information technology and industrials.
• Government yields were higher in Canada and the U.S. last week, rising 7-13bps across the curve.
• The Bank of Canada held rates steady at 1.25% on Wednesday, as widely anticipated, with the tone of the statement generally upbeat.
o Projected GDP growth rates for 2018 and 2019 were revised to 2.0% (down from 2.2%) and 2.1% (up from 1.6%), respectively, and 2020 was introduced at 1.8%.
o The projected CPI growth rate for 2018 was revised to 2.3% (up from 2.0%) while 2019 remained unchanged. 2020 was introduced at a projected 2.1%.
• Canadian CPI was slightly lower than expectations, rising 0.3% from the prior month (+0.1% in seasonally adjusted terms) lifting the headline inflation rate a tick to 2.3%.
• U.S. housing starts rose 1.9% in March alongside upward revisions to the prior two months and marks the 2nd highest increase in 1.5 years (+10.9% y/y).
• Chinese GDP rose 6.8% in Q1 year-over-year, or +1.4% on a quarter-to-quarter basis.
• Japanese CPI fell to 1.1% y/y from 1.5% the prior month, in-line with expectations.

Benchmarks Last Week:
• Canada Curve (w/w): +7, +7, +9, +9 bps for 2s, 5s, 10s and 30s.
• Treasury Curve (w/w): +10, +13, +13, +12 bps for 2s, 5s, 10s and 30s.
• Canadian Swap Spreads (w/w): -2.25, +0.13, +0.13, +0.94 for 2s, 5s, 10s and 30s.
• Canadian Corporate Bond Cash Spreads: 1-2bps tighter.

Corporate Market Last Week:
• Primary issuance continued in the Canadian market last week with five transactions pricing for $2.9bn.
o 2018YTD (ex-MBS) issuance stands at $39.2bn, +29% versus the same time last year.
• Secondary spreads finished the week 1-2bps tighter alongside strong performance of new issues and a strengthening backdrop.
• Primary issuance picked up in the US high grade market last week with US$47.3bn pricing across 23 deals / 45 tranches.
o 2018YTD total issuance stands at US$428.3bn from 274 transactions / 511 tranches, down 4.9% from the same time last year.
• New issue activity is expected to continue this week with a number of marketing initiatives concluding last week. Corporate issuance will likely be modest with many issuers in earnings blackout.

Canadian Corporate Supply Last Week:
• CNH Capital Canada Receivables Trust (Aaa/-/AAA) issued ~$399mm of a three tranche equipment-backed ABS transaction at various spreads. BMO CM was structuring lead and a joint bookrunner on the transaction.
• Bank of America (A3/A-/A) issued a dual-tranche offering comprised of $500mm 4NC3 floating rate notes priced at 3mBA +52bps and $1bn 6NC5 fixed-to-floating rate notes priced at GoC Curve +117bps. BMO CM was a bookrunner on the transaction.
• Kruger Products LP (-/-/BBL) priced $125mm of 7NC3 fixed rate notes at a coupon of 6.00%.
• MBARC Credit Canada Inc (Aaa/-/AAA) priced ~$523mm of a three-tranche auto lease ABS offering at various

spreads.
• Fair Hydro Trust (Aa2/-/AAA) priced $400mm of 20-year fixed rate notes at GoC Curve +107bps.

International Canadian Bank Supply Last Week:
• Bank of Nova Scotia (A1/A+/AA) issued a dual-tranche offering comprised of US$700mm 3-year floating rate notes priced at 3mLIBOR +44bps and US$1.3bn 3-year fixed rate notes priced at T+67bps.

Canadian Government Supply Last Week:
• Province of Alberta (Aa1/A+/AA) re-opened its Jun/27's for $600mm ($200mm carve-out) at +67.5bps vs. GoC Jun/27's.
• Province of Ontario (Aa2/A+/AAL) re-opened its Jun/28's for $1.35bn ($600mm carve-out) at +64bps vs. GoC Jun/28's.
• Province of Saskatchewan (Aaa/AA/AA) re-opened its Jun/48's for $300mm at +79.5bps vs. GoC Dec/48's. BMO CM was lead on the transaction.
• Province of Ontario (Aa2/A+/AAL) re-opened its Sep/23's for $1.5bn at +44bps vs. GoC Jun/23's.

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ONTARIO POWER GENERATION

BMO Capital Markets

Indicative Pricing as at April 23, 2018

OPG C$ INDICATIVE PRICING TERMS

Term	2 year	5 year	10 year	30 year
New Isssue Spread	**66 bps**	**91 bps**	**116 bps**	**163 bps**
CAD Benchmark Bond	CAN 1.25% 02/20	CAN 1.75% 03/23	CAN 1.00% 06/27	CAN 2.75% 12/48
CAD Benchmark Yield	1.90%	2.18%	2.36%	2.47%
Curve Adjustment	0.03%	0.02%	0.01%	0.00%
CAD Coupon	**2.58%**	**3.11%**	**3.53%**	**4.10%**
CAD Swap Yield	2.27%	2.57%	2.73%	2.83%
Cda Swap Duration	1.945	4.664	8.70	20.14
Spread to 3m BA	32 bps	54 bps	80 bps	127 bps

Spread Changes	**2 year**	**5 year**	**10 year**	**30 year**
Week-over-Week	-5	-3	-3	-3

Comparable Issuers (DBRS/S&P)	**2 year**	**5 year**	**10 year**	**30 year**
Hydro One (AL/BBB+)	47bps	72bps	97bps	135bps
Toronto Hydro (AL/BBB+)	-	62bps	87bps	125bps
TransCanada PipeLines (BBBH/-)	-	85bps	120bps	180bps
NS Power (A/A)	-	79bps	104bps	142bps
EPCOR Utilities (BBBH/BBB+)	-	69bps	94bps	132bps
Bruce Power (A/BBB+)	-	107bps	152bps	212bps

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Note: Indicative credit spreads represent the bid-side of the secondary market by BMO CM's trading desk. New issue credit spreads are determined by a variety of factors. This can result in an issuance spread that may incorporate a new issue premium.

Bank Name	BMO
Date	23-Apr-18

Indicative OPG New Issue	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	CAN 2.75% 12/48	CAN 1.00% 06/27	CAN 1.75% 03/23	CAN 1.25% 02/20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.47%	2.36%	2.18%	1.90%	0.09%	0.09%	0.06%	0.05%
Curve Adjustment (bps)	0.0	0.0	0.0	0.0	0.0	-1.9	-0.7	-2.2
Spread to GoC Curve (bps)	163	116	91	66	-3.0	-3.0	-3.0	-5.0
Re-Offered Yield	4.10%	3.52%	3.09%	2.56%	0.06%	0.04%	0.03%	-0.02%
Commission (bp)	2.9	4.7	7.5	10.2	-	-	-	-
All-in Yield	**4.12%**	**3.57%**	**3.16%**	**2.66%**				

Primary Comparable (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A+)	135.0	97.0	72.0	47.0	-2.0	-3.0	-3.0	-5.0

Other Comparables (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Toronto Hydro (A/A)	125.0	87.0	62.0	-	-3.0	-4.0	-4.0	-
TransCanada Pipelines (A(L)/A-)	180.0	120.0	85.0	-	-5.0	0.0	0.0	-
Nova Scotia Power (A(L)/BBB+)	142.0	104.0	79.0	-	-6.0	-7.0	-7.0	-
EPCOR Utilities (A(L)/A-)	132.0	94.0	69.0	-	-2.0	-3.0	-3.0	-
Bruce Power (BBB/BBB)	212.0	152.0	107.0	-	-3.0	-3.0	-3.0	-

BMO Capital Markets

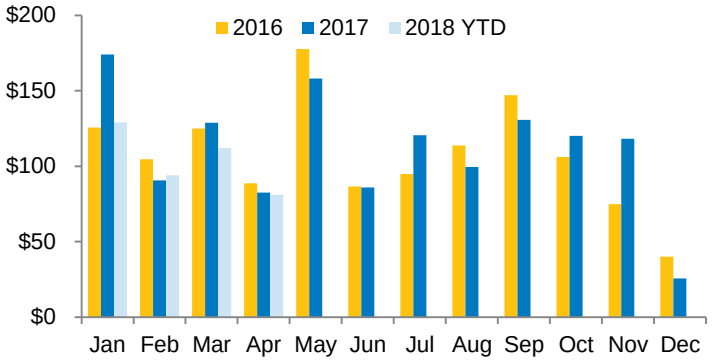
U.S. Investment Grade Debt Capital Markets

Weekly Update: April 23, 2018

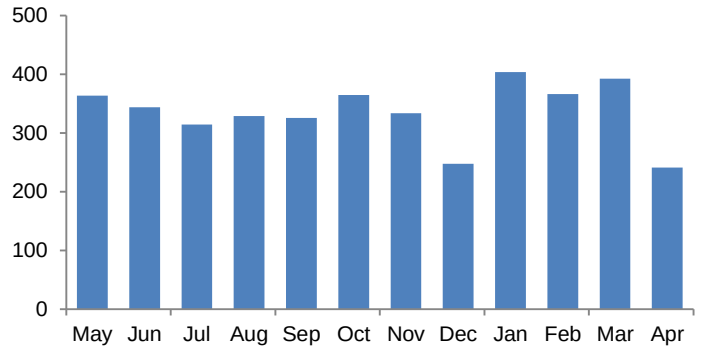
Highlights

- The U.S. Investment Grade primary markets saw the third busiest week so far this year with issuance activity reaching $47.3bn (23 deals / 45 tranches) last week as volume was driven primarily by bank issuers exiting earnings
  - On average, final pricing tightened 23bps from IPT (+7 week-over-week), over-subscription levels were 3.5x (+0.40x week-over-week) and NICs landed at 10bps
- Lipper reported a ~$1.5bn net inflow to Investment Grade funds last week, pushing YTD net inflows to ~$33.6bn
- Last week's blistering pace of issuance was driven by self-funders (including JPM, MS, GS) coming to market with jumbo transactions as overall bank related volume represented 40% of total volume. Outside of bank issuers, Syngenta Finance came to market with a $4.8bn offering to refinance their earlier loan related to the ChemChina acquisition, driving the overall weekly NICs average as the deal came with an average concession of 23bps across all tranches
- The market gleaned a bit of insight from bullish economic data releases last week with stronger than expected headline and in-line control group Retail Sales on Monday. The rest of the week brought additional good news in the form of a robust Industrial Production print and Fed Beige Book business district constituents who expressed measured optimism in their growth outlook due to Tariff concerns
- Now that Q1 2018 earnings season is ramping up, we expect to see frequent issuers continue to bring deals to market as they release financial results and exit issuance blackout; the street expects an average ~$25bn of high grade issuance this week which puts the IG market on track to establish an April record

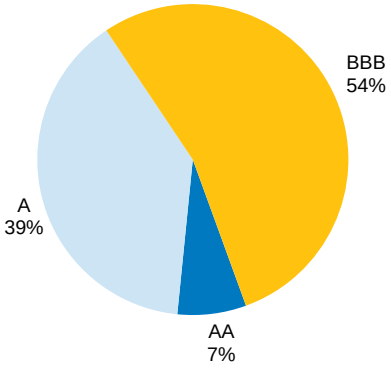
Monthly Investment Grade Issuance ($bn)



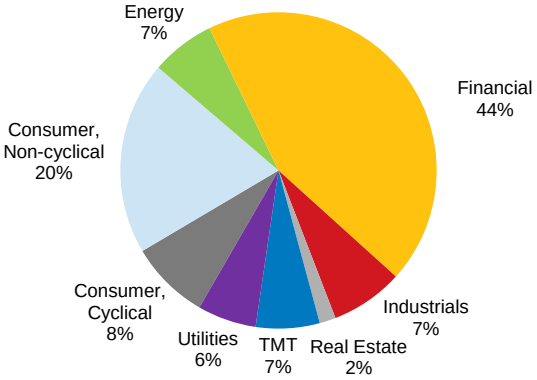
LTM Monthly FINRA TRACE IG Volume ($bn)(1)



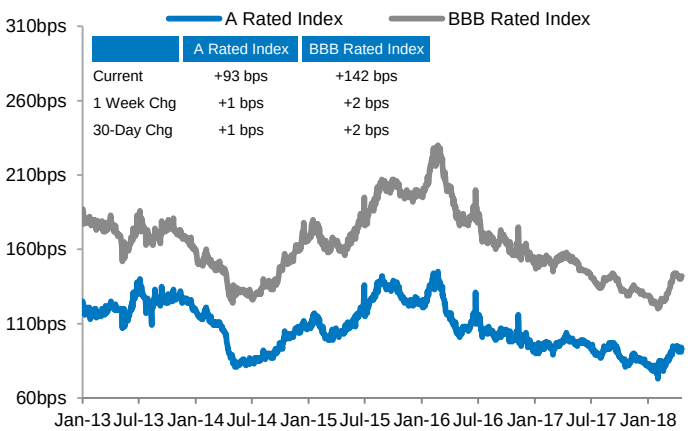
2018 YTD Issuance by Credit Rating



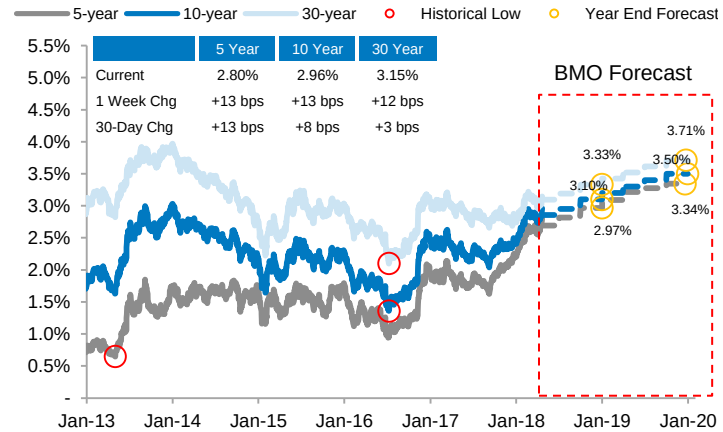
2018 YTD Issuance by Sector



Index Credit Spreads as of 4/20/2018



U.S. Treasury Benchmark Yields as of 4/20/2018



Source: BMO Capital Markets, FINRA TRACE, BondTicker, Bloomberg, Lipper, EPFR, and Informa Global Markets

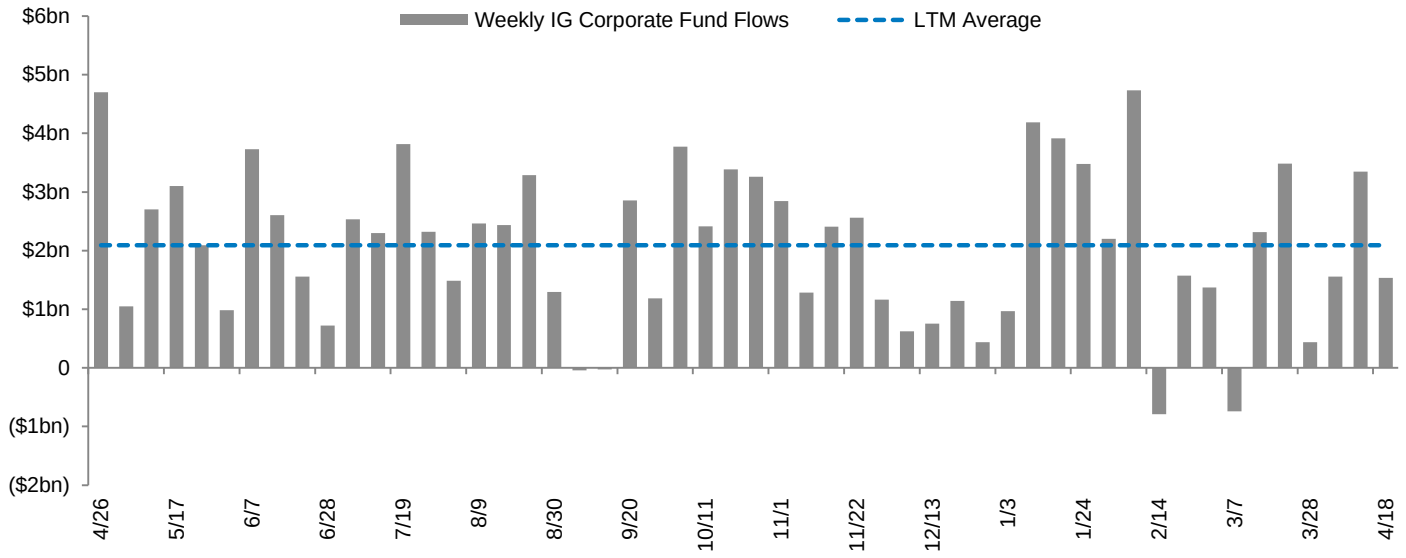
(1) FINRA Trace Volume represents Investment Grade Corporate bonds.

BMO Capital Markets

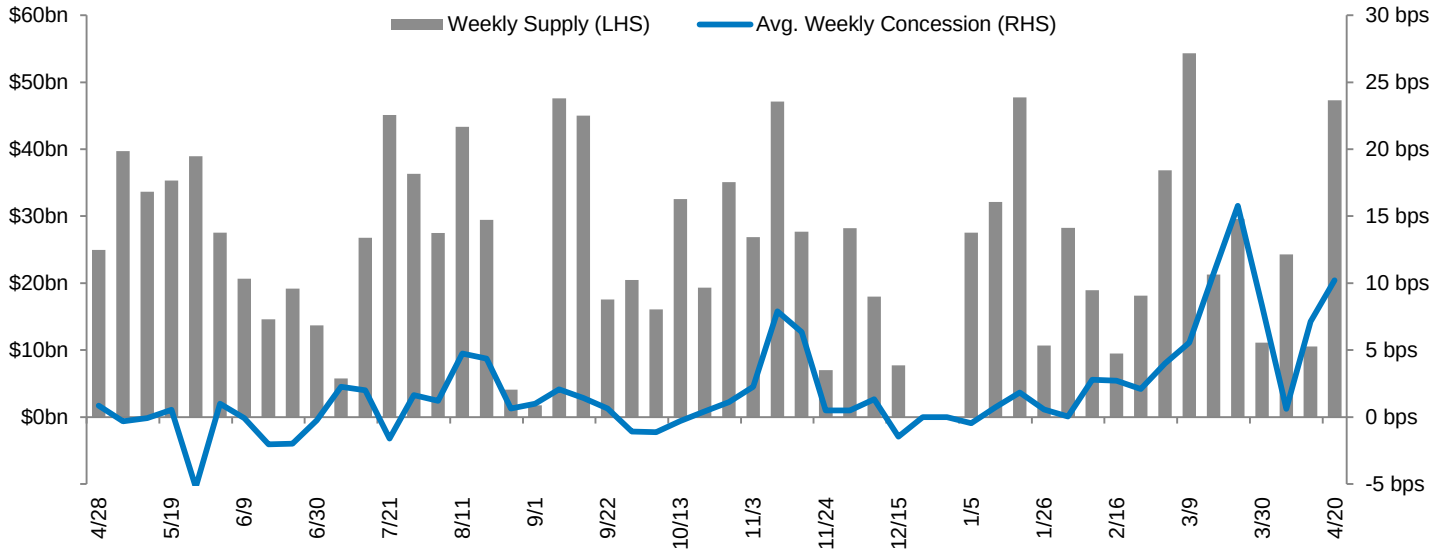
U.S. Investment Grade Debt Capital Markets

Weekly Update: April 23, 2018

U.S. Investment Grade Fund Flows



New Issue Concessions[(1)]



Key Upcoming U.S. Economic Indicators

Monday	Chicago Fed national activity index, Markit manufacturing PMI (flash), Markit services PMI (flash), Existing home sales
Tuesday	Case-Shiller home prices, Consumer confidence index, New home sales
Wednesday	None scheduled
Thursday	Weekly jobless claims, Durable goods orders, Core capital equipment orders, Advance trade in goods, Housing vacancies
Friday	Gross domestic product, Employment cost index, Consumer sentiment index

Pre-Issuance Hedging Premiums*

Expected	Underlying Note Tenor			
Issuance Date:	5 Year	7 Year	10 Year	30 Year
3 months	3 bps	3 bps	2 bps	1 bps
6 months	6 bps	5 bps	4 bps	1 bps
9 months	9 bps	7 bps	6 bps	2 bps
12 months	11 bps	8 bps	7 bps	2 bps
18 months	12 bps	10 bps	8 bps	2 bps

* Issuance hedging premiums reflect difference between forward starting swap rate for underlying issue term and the spot starting swap rate. Pricing is mid-market assuming standard transaction conventions and is non-actionable.
Source: BMO Capital Markets / Bloomberg as of 4/20/2018

Source: BMO Capital Markets, Bloomberg and Informa Global Markets
(1) Average Weekly Concessions excludes the ~41bps new issue concession from CBL's $225m add-on on August 29, 2017 and ~52bps NIC from Enbridge Feb 26, 2018 60NC10 deal

BMO Capital Markets

U.S. Investment Grade Debt Capital Markets

Weekly Update: April 23, 2018

Recent Investment Grade New Issue Terms

Date	Issuer	Ratings (Moody's / S&P)	Amount (US$ mm)	Coupon	Tenor (yrs)	IPTs (Spd vs. UST)	Guidance (Spd vs. UST)	Final Pricing (Spd vs. UST)	NIC	Over-subscription
19-Apr-18	Morgan Stanley	A3/BBB+	2,750	3.737%	6	110a	100a +/- 2	T+98bp	2bp	1.9x
19-Apr-18	Morgan Stanley	A3/BBB+	1,000	4.457%	21	140a	135a +/- 2	T+135bp	7bp	1.9x
19-Apr-18	JPMorgan Chase Bank NA	Aa3/A+	1,300	FRN	3	-	-	3mL+34	4bp	-
19-Apr-18	JPMorgan Chase Bank NA	Aa3/A+	2,200	3.086%	3	70a	65#	T+65bp	4bp	-
19-Apr-18	Cooperatieve Rabobank UA/NY	Aa3/A+	750	FRN	3	L equiv	L equiv	3mL+43bp	3bp	3.0x
19-Apr-18	Cooperatieve Rabobank UA/NY	Aa3/A+	1,000	3.125%	3	hi 70s	65#	T+65bp	3bp	2.7x
19-Apr-18	Meiji Yasuda Life Insurance Co	A3/BBB+	1,000	5.100%	30	5.25%a	5.10%#	5.10%	18bp	2.4x
19-Apr-18	Cometa Energia SA de CV	Baa3/BBB	860	6.375%	17	lo-mid 6%	-	6.375%	-	-
19-Apr-18	Hackensack Meridian Health Inc	AA-/AA-	300	4.211%	30	115a	-	T+110bp	-	-
19-Apr-18	BMW US Capital LLC	A1/A+	500	FRN	Tap of '20	-	-	3mL+30	-	-
18-Apr-18	Goldman Sachs Group Inc/The	A3/BBB+	3,500	4.223%	11	145a	135#	T+135bp	6bp	1.7x
18-Apr-18	Goldman Sachs Group Inc/The	A3/BBB+	1,500	4.411%	21	145a	135#	T+135bp	9bp	2.1x
18-Apr-18	Guardian Life Global Funding	Aa2/AA+	300	3.400%	5	low-mid 80s	70-72	T+70bp	-3bp	2.9x
17-Apr-18	Syngenta Finance NV	Ba2/BBB-	750	3.698%	2	187.5a RVSD 175a	135a +/- 5	T+130bp	22.5bp	4.8x
17-Apr-18	Syngenta Finance NV	Ba2/BBB-	750	3.933%	3	200a; RVSD 187.5a	145a +/- 5	T+140bp	22.5bp	5.2x
17-Apr-18	Syngenta Finance NV	Ba2/BBB-	1,000	4.441%	5	237.5a RVSD 225a	180a +/- 5	T+175bp	22.5bp	6.0x
17-Apr-18	Syngenta Finance NV	Ba2/BBB-	750	4.892%	7	262.5a RVSD 250a	215a +/- 5	T+210bp	22.5bp	5.9x
17-Apr-18	Syngenta Finance NV	Ba2/BBB-	1,000	5.182%	10	287.5a; RVSD 275a	240a +/- 5	T+235bp	22.5bp	7.0x
17-Apr-18	Syngenta Finance NV	Ba2/BBB-	500	5.676%	30	325a; RVSD 312.5a	270a +/- 5	T+265bp	22.5bp	8.8x
17-Apr-18	AXA Equitable Holdings Inc	Baa2/BBB+	800	3.900%	5	155a	130a +/- 5	T+125bp	-	6.3x
17-Apr-18	AXA Equitable Holdings Inc	Baa2/BBB+	1,500	4.350%	10	185a	160a +/-5	T+155bp	-	2.7x
17-Apr-18	AXA Equitable Holdings Inc	Baa2/BBB+	1,500	5.000%	30	225a	205a +/- 5	T+200bp	-	3.1x
17-Apr-18	Credit Agricole SA/London	Baa2/BBB+	500	FRN	5	L equiv	L equiv	3mL+102bp	4bp	2.9x

Denotes BMO transactions

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All values in this document are in US$ unless otherwise specified.

BMO Capital Markets

Canadian Debt Capital Markets

Weekly Update: April 20, 2018

WEEK IN REVIEW

- Primary issuance continued in the Canadian market last week with five transactions pricing for $2.9bn.
  - 2018YTD (ex-MBS) issuance stands at $39.2bn, +29% versus the same time last year.
- Secondary spreads finished the week 1-2bps tighter alongside strong performance of new issues and a strengthening backdrop.
- New issue activity is expected to continue this week with a number of marketing initiatives concluding last week. Corporate issuance will likely be modest with many issuers in earnings blackout.

C$ NEW ISSUE SUPPLY(1)

	Corporate (C$bn)	Government (C$bn)
Week of April 16, 2018	2.95	3.75
Month-to-date	6.75	9.33
Year-to-date	39.17	31.23
YoY Change	+29%	+18%

KEY UPCOMING ECONOMIC EVENTS

	Canada	US
Monday	Wholesale Trade	Existing Home Sales
Tuesday	-	New Home Sales
Wednesday	-	MBA Mortgage Apps
Thursday	Employment Survey	Goods Trade Deficit
Friday	-	GDP

RECENT ISSUANCE(1)

Corporate Debt New Issues

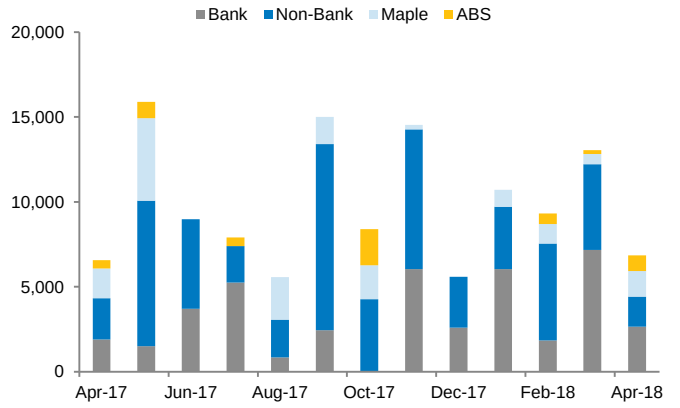
Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. $LIBOR
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
19-Apr-18	Fair Hydro Trust	Aa2/-/AAA	20	400	3.520%	15-May-38	GoC Curve	107.0	63.9
17-Apr-18	MBARC Credit Canada Inc	Aaa/-/AAA	0.60-2.33 (WAL)	523	various	various	various	various	various
17-Apr-18	CNH Capital Canada Receivables Trust	Aaa/-/AAA	0.62-3.98 (WAL)	399	various	various	various	various	various
17-Apr-18	Kruger Products	-/-/BBL	3+4	125	6.000%	24-Apr-25	GoC Curve	379.4	347.0
17-Apr-18	Bank of America Corp.	A3/A-/A	3+1	500	FRN	24-Apr-22	3M CDOR	52.0	66.3
17-Apr-18	Bank of America Corp.	A3/A-/A	5+1	1,000	3.301%	24-Apr-24	GoC Curve	117.0	87.2

Government/SSA Debt New Issues

Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. 3M BA's
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
20-Apr-18	Province of Ontario (re-open)	Aa2/A+/AAL	5.4	1,500	2.600%	8-Sep-23	CAN 1.50% 06/23	44.0	3.3
19-Apr-18	Province of Saskatchewan (re-open)	Aaa/AA/AA	30.1	300	3.300%	2-Jun-48	CAN 2.75% 12/48	79.5	40.8
19-Apr-18	Province of Ontario (re-open)	Aa2/A+/AAL	10.1	1,350	2.900%	2-Jun-28	CAN 2.00% 06/28	64.0	26.3
16-Apr-18	Province of Alberta (re-open)	Aa1/A+/AA	9.1	600	2.550%	1-Jun-27	CAN 1.00% 06/27	67.5	29.6

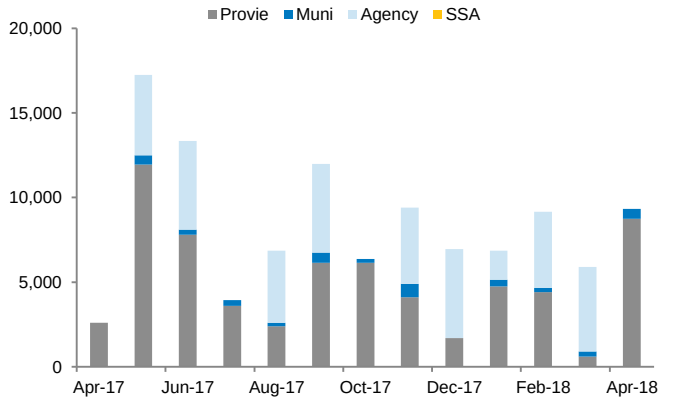
MONTHLY CORPORATE ISSUANCE(1)

C$ millions (LTM)



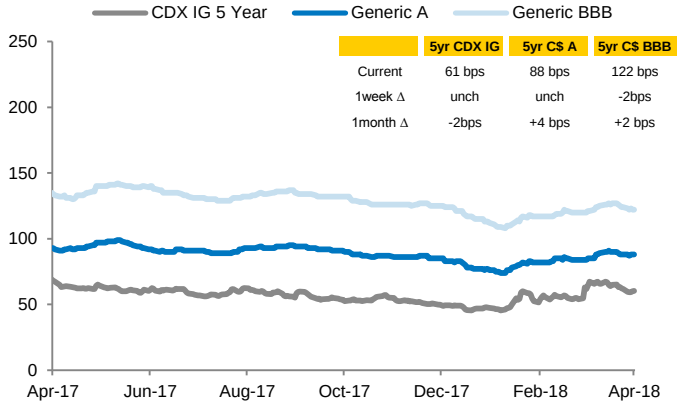
MONTHLY GOVERNMENT ISSUANCE

C$ millions (LTM)



GENERIC 5 YEAR CREDIT SPREADS

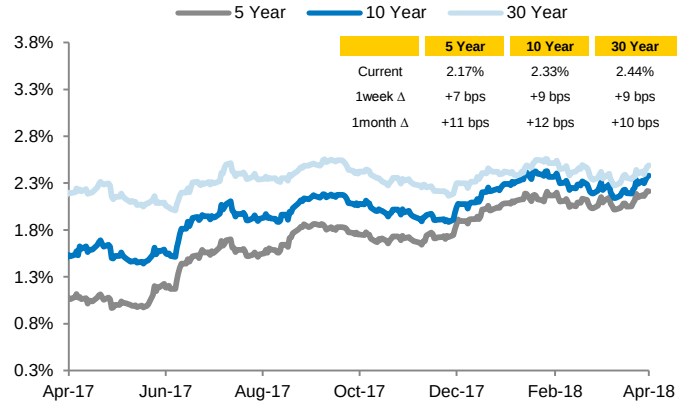
LTM (basis points)



	5yr CDX IG	5yr C$ A	5yr C$ BBB
Current	61 bps	88 bps	122 bps
1week Δ	unch	unch	-2bps
1month Δ	-2bps	+4 bps	+2 bps

GOVERNMENT OF CANADA BOND YIELDS

LTM (%)



	5 Year	10 Year	30 Year
Current	2.17%	2.33%	2.44%
1week Δ	+7 bps	+9 bps	+9 bps
1month Δ	+11 bps	+12 bps	+10 bps

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(1) Excludes MBS and issues with terms of less than 1.5 years

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Cc:	Hainsworth, Andrew; Williams, Grant
Subject:	OPG C$ Pricing Update and US IG Market Update
Date:	Monday, April 16, 2018 8:51:07 AM
Attachments:	2018_4_16-OPG C$ Pricing Update and US IG Market Update.pdf 2018_4_13-US BMO DCM Weekly Update.pdf 2018_4_13-CAD BMO DCM Weekly Update.pdf OPG Weekly Indicative Spreads - Send.xlsx

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Overall Commentary:
• Equity markets closed higher last week as trade concerns eased.
o S&P: +2.0%, led by energy and information technology.
o TSX: +0.4%, led by health care and energy.
• Government yields were higher in Canada and the U.S. last week, rising 1-10bps across the curve.
• Canadian housing starts fell to 225,200 annualized units in March, firmer than expected and following an upwardly-revised 231k print in the prior month.
• Canadian existing home sales rose 1.3% in March from the prior month (seasonally adjusted), stemming a cumulative 19% decline in the first two months of the year after the OSFI measures took effect.
• FOMC minutes from the March 20-21 meeting revealed that the Fed is becoming more confident in its forecast that inflation will soon return to target and, consequently, more comfortable continuing the current gradual tack for policy normalization.
• U.S. CPI fell 0.1% in March while core prices rose an expected 0.2% in the month, bringing its yearly rate up three ticks to 2.1%.

Benchmarks Last Week:
• Canada Curve (w/w): +7, +10, +10, +4 bps for 2s, 5s, 10s and 30s.
• Treasury Curve (w/w): +9, +9, +5, +1 bps for 2s, 5s, 10s and 30s.
• Canadian Swap Spreads (w/w): unch, -0.50, -2.69, -0.63 for 2s, 5s, 10s and 30s.
• Canadian Corporate Bond Cash Spreads: 2-4bps tighter.

Corporate Market Last Week:
• Primary issuance continued in the Canadian market last week with three transactions pricing for $3.3bn.
o 2018YTD (ex-MBS) issuance stands at $36.2bn, +28% versus the same time last year.
• Secondary spreads finished the week 2-4bps tighter alongside a more positive market backdrop and better buying in secondary.
• Primary issuance was lighter in the US high grade market last week with US$10.5bn pricing across 9 deals / 14 tranches.
o 2018YTD total issuance stands at US$381.0bn from 251 transactions / 466 tranches, down 10.7% from the same time last year.
• New issue activity is expected to be modest this week with many corporate issuers in quiet period.

Canadian Corporate Supply Last Week:
• Enbridge Inc (Baa3/BBB+/BBBH) priced $750mm of 60NC10 hybrid notes (Ba2/BBB-/BBBL) at a coupon of 6.625%.
• CCL Industries (Baa2/BBB/-) priced $300mm of 10-year fixed rate notes at GoC curve +165bps. BMO CM was Lead-Left Bookrunner on the transaction.
• Bank of Nova Scotia (A1/A+/AA) priced $2.25bn of 5-year fixed rate notes at GoC Curve +84bps.

International Canadian Bank Supply Last Week:
• Bank of Montreal (A1/A+/AA) priced GBP400mm of a 5-year floating rate covered bond (Aaa/-/AAA) at 3m£ +28bps. BMO CM was a bookrunner on the transaction.
• Bank of Montreal (A1/A+/AA) issued a dual-tranche offering comprised of US$750mm 3-year floating rate notes priced at 3mL+46bps and US$1.5bn 3-year fixed rate notes priced at T+70bps. BMO CM was a bookrunner on the transaction.

• Canadian Imperial Bank of Commerce (A1/A+/AA) priced CHF150mm of 7-year covered bonds (Aaa/-/-) at MS-8bps.

International Canadian Corporate Supply Last Week:
• Ontario Teachers' Finance Trust (Aaa/AA+/AAA) priced US$2bn of 3-year fixed rate notes at MS+15bps.
• Fairfax Financial holdings (Baa3/BBB-/BBBH) priced US$600mm of 10-year fixed rate notes at T+205bps.

Canadian Government Supply Last Week:
• Municipal Finance Authority of British Columbia (Aaa/AAA/-) issued a dual-tranche offering comprised of $410mm of a 5-year fixed rate note at +56bps vs. GoC Mar/23's and $170mm of a 10.5-year fixed rate note at +84.5bps vs. GoC Jun/28's. BMO CM was a bookrunner on the transaction.
• Province of Ontario (Aa2/A+/AAL) re-opened its Jun/28's for $750mm at +71bps vs. GoC Jun/28's.
• Province of British Columbia (Aaa/AAA/AAH) re-opened its Jun/48's for $500mm at +70bps vs. GoC Dec/48's.
• Province of Quebec (Aa2/AA-/AH) re-opened its 30-year benchmark due Dec/48 for $500mm at +76.5bps vs. GoC Dec/48's.
• Province of Ontario (Aa2/A+/AAL) re-opened its Jun/49's for $800mm ($500mm carve-out) at +80.5bps vs. GoC Dec/48's. BMO CM was Lead on the transaction.
• Province of Manitoba (Aa2/A+/AH) priced $400mm ($100mm carve-out) at +73.5bps vs. GoC Jun/28's. BMO CM was a co-lead on the transaction.

International Canadian Government Supply Last Week:
• Province of Ontario (Aa2/A+/AAL) priced EUR1.5bn 7-year fixed rate notes at MS+2bps. BMO CM was a lead on the transaction.
• Province of Alberta (Aa1/A+/AA) priced EUR1.5bn 7-year fixed rate notes at MS+5bps.

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ONTARIO POWER GENERATION

BMO Capital Markets

Indicative Pricing as at April 16, 2018

OPG C$ INDICATIVE PRICING TERMS

Term	2 year	5 year	10 year	30 year
New Isssue Spread	**71 bps**	**94 bps**	**119 bps**	**166 bps**
CAD Benchmark Bond	CAN 1.25% 02/20	CAN 1.75% 03/23	CAN 1.00% 06/27	CAN 2.75% 12/48
CAD Benchmark Yield	1.88%	2.14%	2.29%	2.40%
Curve Adjustment	0.02%	0.01%	0.01%	0.00%
CAD Coupon	**2.61%**	**3.09%**	**3.50%**	**4.06%**
CAD Swap Yield	2.26%	2.52%	2.67%	2.74%
Cda Swap Duration	1.945	4.670	8.73	20.37
Spread to 3m BA	35 bps	57 bps	83 bps	132 bps

Spread Changes	**2 year**	**5 year**	**10 year**	**30 year**
Week-over-Week	-2	-6	-6	-6

Comparable Issuers (DBRS/S&P)	**2 year**	**5 year**	**10 year**	**30 year**
Hydro One (AL/BBB+)	52bps	75bps	100bps	137bps
Toronto Hydro (AL/BBB+)	-	66bps	91bps	128bps
TransCanada PipeLines (BBBH/-)	-	85bps	120bps	185bps
NS Power (A/A)	-	86bps	111bps	148bps
EPCOR Utilities (BBBH/BBB+)	-	72bps	97bps	134bps
Bruce Power (A/BBB+)	-	110bps	155bps	215bps

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Note: Indicative credit spreads represent the bid-side of the secondary market by BMO CM's trading desk. New issue credit spreads are determined by a variety of factors. This can result in an issuance spread that may incorporate a new issue premium.

BMO Capital Markets

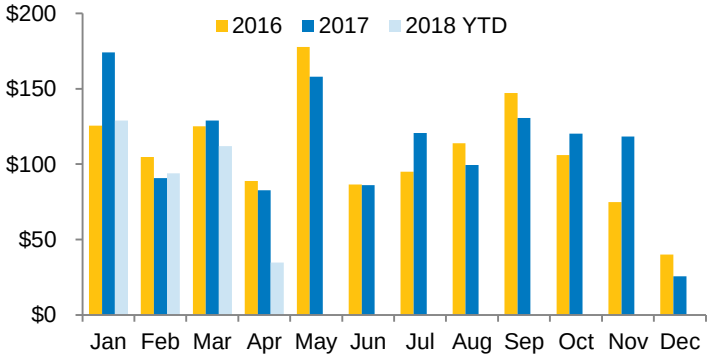
U.S. Investment Grade Debt Capital Markets

Weekly Update: April 16, 2018

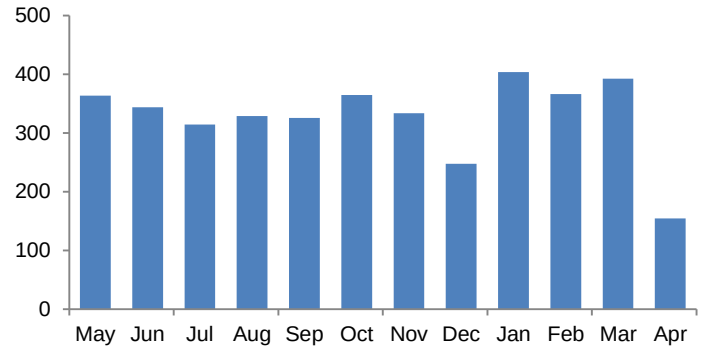
Highlights

- The U.S. Investment Grade primary markets priced a paltry $10.5bn (9 deals / 14 tranches) last week as earnings blackout caused issuers to stay on the sidelines
  - On average, final pricing tightened 16bps from IPT (-5.4 week-over-week), over-subscription levels were 3.09x (-0.98x week-over-week) and NICs landed at 7bp, rebounding from the prior week's near flat concession level
- Lipper reported a $3.4bn net inflow to Investment Grade funds last week, pushing YTD net inflows to ~$32bn. A majority of flows into IG were expressed through short duration funds, helping to confirm the bid for shorter paper we've seen in the past few weeks
- Speaking of front end, Bank of Montreal executed a strong $US offering last week across both fixed and floating 3-year tranches as the bank raised $2.25bn in aggregate. Both pieces received around 2x orders and priced with essentially no concession
- This past week's domestic and geopolitical events again caused oscillation in investor temperament as we went from Chinese President Xi Jinping delivering conciliatory remarks on trade to saber rattling over the highly contentious military situation in Syria between Russia and NATO members
- We also received refreshed inflation data in the form of both PPI and CPI data last week and the releases pointed to generally stronger price pressures albeit at a gradual pace as categories such as shelter costs and airfare helped boost the core figure

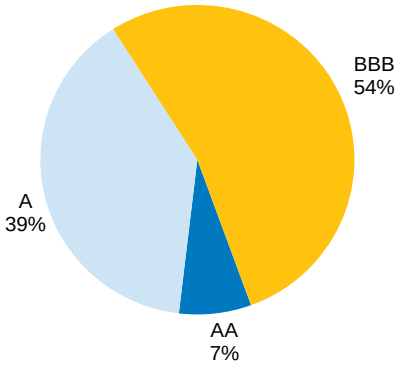
Monthly Investment Grade Issuance ($bn)



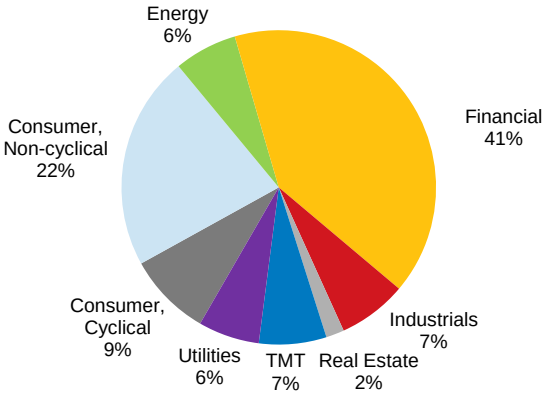
LTM Monthly FINRA TRACE IG Volume ($bn)(1)



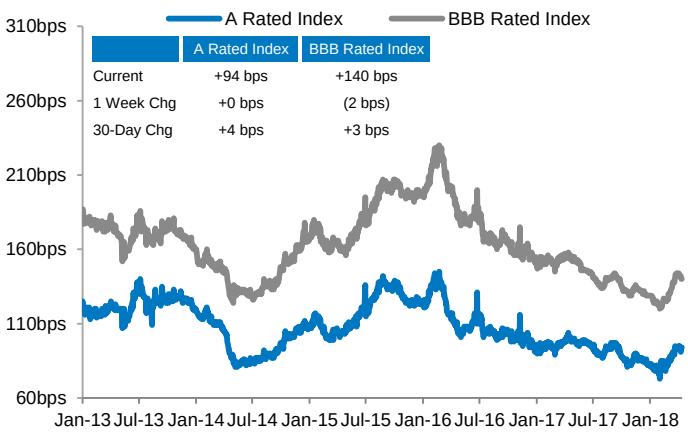
2018 YTD Issuance by Credit Rating



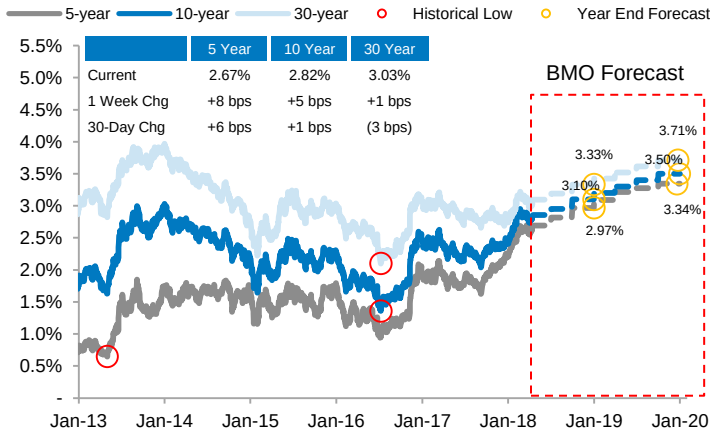
2018 YTD Issuance by Sector



Index Credit Spreads as of 4/13/2018



U.S. Treasury Benchmark Yields as of 4/13/2018



Source: BMO Capital Markets, FINRA TRACE, BondTicker, Bloomberg, Lipper, EPFR, and Informa Global Markets

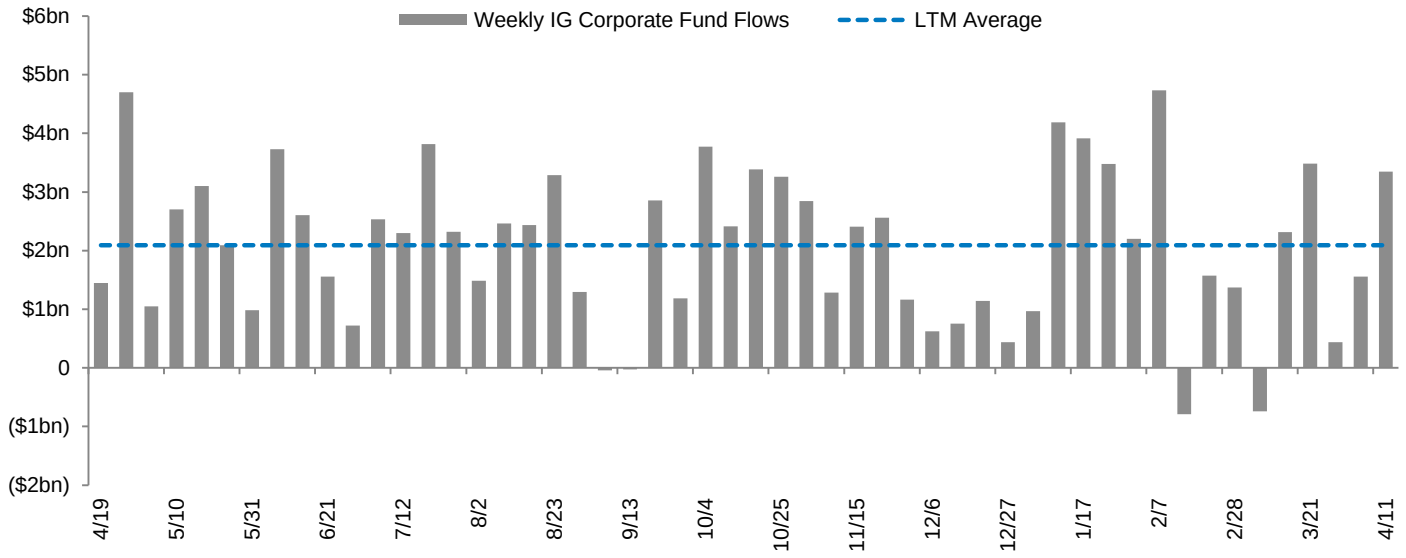
(1) FINRA Trace Volume represents Investment Grade Corporate bonds.

BMO Capital Markets

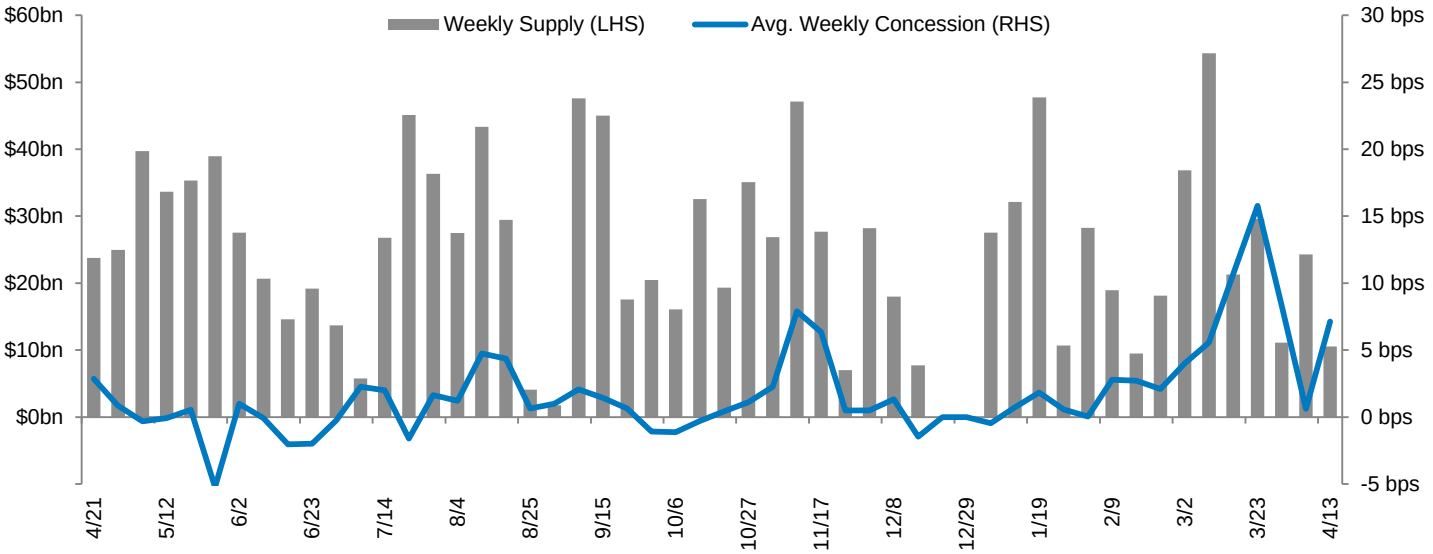
U.S. Investment Grade Debt Capital Markets

Weekly Update: April 16, 2018

U.S. Investment Grade Fund Flows



New Issue Concessions[1]



Key Upcoming U.S. Economic Indicators

Monday	Retail Sales, Home Builders' Index, Empire State Index
Tuesday	Housing starts, Industrial Production, Randal Quarles Testimony
Wednesday	Beige Book
Thursday	Weekly jobless claims, Philly Fed Index, Leading Economic Indicators
Friday	None

Pre-Issuance Hedging Premiums*

Expected	Underlying Note Tenor			
Issuance Date:	5 Year	7 Year	10 Year	30 Year
3 months	2 bps	2 bps	2 bps	1 bps
6 months	5 bps	4 bps	3 bps	1 bps
9 months	7 bps	5 bps	5 bps	1 bps
12 months	8 bps	6 bps	6 bps	2 bps
18 months	9 bps	8 bps	7 bps	2 bps

* Issuance hedging premiums reflect difference between forward starting swap rate for underlying issue term and the spot starting swap rate. Pricing is mid-market assuming standard transaction conventions and is non-actionable.
Source: BMO CM / Bloomberg as of 4/13/2018

Source: BMO Capital Markets, Bloomberg and Informa Global Markets
(1) Average Weekly Concessions excludes the ~41bps new issue concession from CBL's $225m add-on on August 29, 2017 and ~52bps NIC from Enbridge Feb 26, 2018 60NC10 deal

BMO Capital Markets

U.S. Investment Grade Debt Capital Markets

Weekly Update: April 16, 2018

Recent Investment Grade New Issue Terms

Date	Issuer	Ratings (Moody's / S&P)	Amount (US$ mm)	Coupon	Tenor (yrs)	IPTs (Spd vs. UST)	Guidance (Spd vs. UST)	Final Pricing (Spd vs. UST)	NIC	Over-subscription
12-Apr-18	Fairfax Financial Holdings Ltd	Baa3/BBB-	600	4.850%	10	220a	210a +/- 5	T+205bp	8bp	N/A
10-Apr-18	Toyota Motor Credit Corp	Aa3/AA-	750	FRN	3	L equiv	L equiv	3mL+28bp	5bp	2.1x
10-Apr-18	Toyota Motor Credit Corp	Aa3/AA-	1,000	2.950%	3	hi 60s	55a +/- 3	T+52bp	5bp	2.2x
10-Apr-18	Toyota Motor Credit Corp	Aa3/AA-	500	3.400%	7	lo 80s	70#	T+70bp	3bp	2.3x
10-Apr-18	Bank of Montreal	A1/A+	750	FRN	3	L equiv	L equiv	3mL+46bp	-	2.1x
10-Apr-18	Bank of Montreal	A1/A+	1,500	3.100%	3	85a	70#	T+70bp	-	2.0x
9-Apr-18	Banco Santander SA	Baa1/A-	500	FRN	5	L equiv	L equiv	3mL+112bp	10bp	3.6x
9-Apr-18	Banco Santander SA	Baa1/A-	1,250	3.848%	5	140a	125a +/- 2	T+125bp	10bp	3.4x
9-Apr-18	Banco Santander SA	Baa1/A-	1,250	4.379%	10	175a	160a +/- 2	T+160bp	10bp	4.1x
9-Apr-18	CH Robinson Worldwide Inc	Baa2/BBB+	600	4.200%	10	170a	155a +/- 5	T+148bp	-	4.3x
9-Apr-18	SK Telecom Co Ltd	A3/A-	500	3.750%	5	140a	120a +/- 2.5	T+117.5	11.5bp	6.6x
9-Apr-18	Nevada Power Co	A2/A+	575	2.750%	2	60-65	50a +/- 3	T+47bp	-	2.4x
9-Apr-18	EPR Properties	Baa2/BBB-	400	4.950%	10	250a	235a +/- 5	T+230bp	23bp	2.0x
5-Apr-18	Dollar Tree Inc	Baa3/BBB-	750	FRN	2	L+85a	L+75a +/- 5	3mL+70bp	2.5bp	2.9x
5-Apr-18	Dollar Tree Inc	Baa3/BBB-	1,000	3.700%	5	130a	T+115a +/- 5	T+110bp	2.5bp	4.6x
5-Apr-18	Dollar Tree Inc	Baa3/BBB-	1,000	4.000%	7	145a	T+130a +/- 5	T+125bp	2.5bp	2.9x
5-Apr-18	Dollar Tree Inc	Baa3/BBB-	1,250	4.200%	10	160a	T+145a +/- 5	T+140bp	2.5bp	3.0x
5-Apr-18	BMW US Capital LLC	A1/A+	750	FRN	3	L equiv	L equiv	L+41bp	-6bp	2.7x
5-Apr-18	BMW US Capital LLC	A1/A+	1,000	3.100%	3	95a	70a +/- 2	T+68bp	-6bp	3.0x
5-Apr-18	BMW US Capital LLC	A1/A+	1,000	3.450%	5	100a	85a +/- 2	T+83bp	5bp	2.9x
5-Apr-18	BMW US Capital LLC	A1/A+	750	3.750%	10	110a	95a +/- 2	T+93bp	7bp	2.7x
5-Apr-18	General Motors Financial Co Inc	Baa3/BBB	500	FRN	3	L equiv	3mL+85#	3mL+85bp	-	3.0x

Source: BMO Capital Markets and Informa Global Markets

Denotes BMO transactions

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All values in this document are in US$ unless otherwise specified.

BMO Capital Markets

Canadian Debt Capital Markets

Weekly Update: April 13, 2018

WEEK IN REVIEW

- Primary issuance continued in the Canadian market last week with three transactions pricing for $3.3bn.
  - 2018YTD (ex-MBS) issuance stands at $36.2bn, +28% versus the same time last year.
- Secondary spreads finished the week 2-4bps tighter alongside a more positive market backdrop and better buying in secondary.
- New issue activity is expected to be modest this week with many corporate issuers in quiet period.

C$ NEW ISSUE SUPPLY(1)

	Corporate (C$bn)	Government (C$bn)
Week of April 09, 2018	3.30	3.53
Month-to-date	3.80	5.58
Year-to-date	36.23	27.48
YoY Change	+28%	+6%

KEY UPCOMING ECONOMIC EVENTS

	Canada	US
Monday	New Motor Vehicle Sales	Retail Sales
Tuesday	Manufacturing Sales	Housing Starts
Wednesday	BoC Policy Announcement	MBA Mortgage Apps
Thursday	ADP Employment Report	Initial Claims
Friday	CPI	-

RECENT ISSUANCE(1)

Corporate Debt New Issues

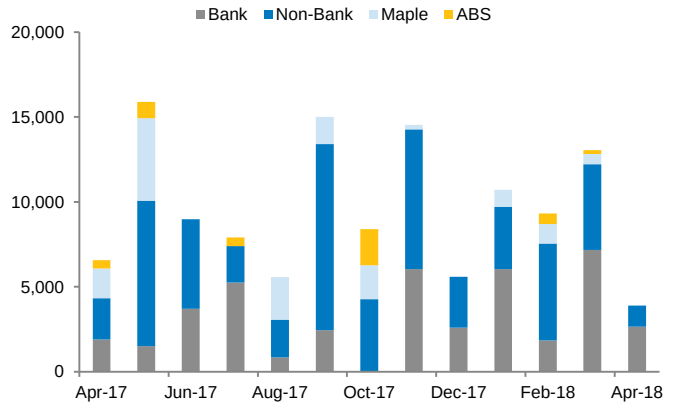
Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. $LIBOR
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
12-Apr-18	Bank of Nova Scotia	A1/A+/AA	5	2,250	2.980%	17-Apr-23	GoC Curve	84.0	55.4
11-Apr-18	CCL Industries Inc.	Baa2/BBB/-	10	300	3.864%	13-Apr-28	GoC Curve	165.0	127.0
9-Apr-18	Enbridge Inc.	Ba2/BBB-/BBBL	10+50	750	6.625%	12-Apr-78	GoC Curve	443.0	404.8

Government/SSA Debt New Issues

Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. 3M BA's
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
13-Apr-18	Province of Manitoba	Aa2/A+/AH	10.1	400	3.000%	2-Jun-28	CAN 2.00% 06/28	73.5	35.7
11-Apr-18	Province of British Columbia (re-open)	Aaa/AAA/AAH	30.2	500	2.800%	18-Jun-48	CAN 2.75% 12/48	70.0	32.0
11-Apr-18	Province of Ontario (re-open)	Aa2/A+/AAL	31.1	800	2.900%	2-Jun-49	CAN 2.75% 12/48	80.5	42.5
11-Apr-18	Province of Quebec (re-open)	Aa2/AA-/AH	30.6	500	3.500%	1-Dec-48	CAN 2.75% 12/48	76.5	38.5
10-Apr-18	British Columbia Municipal Finance Authority	Aaa/AAA/-	10.54	170	3.050%	23-Oct-28	CAN 2.00% 06/28	84.5	45.8
10-Apr-18	British Columbia Municipal Finance Authority	Aaa/AAA/-	5	410	2.600%	23-Apr-23	CAN 1.75% 03/23	56.0	13.9
10-Apr-18	Province of Ontario (re-open)	Aa2/A+/AAL	10	750	2.900%	2-Jun-28	CAN 2.00% 06/28	71.0	33.2

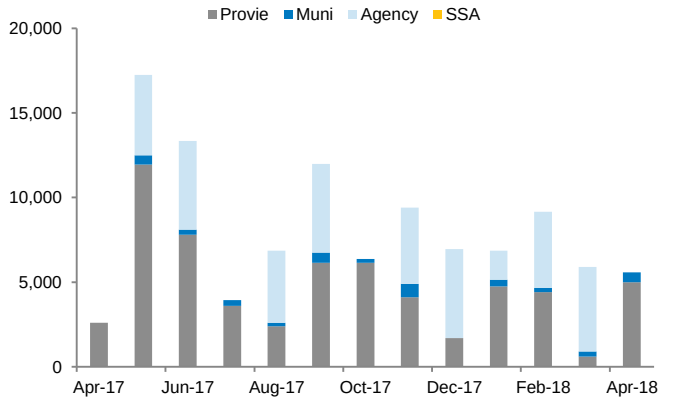
MONTHLY CORPORATE ISSUANCE(1)

C$ millions (LTM)



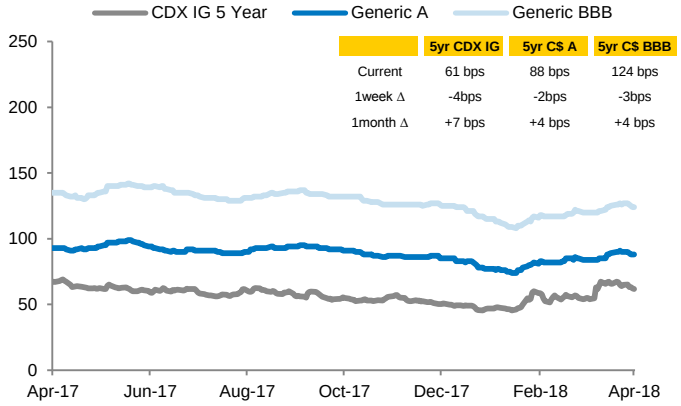
MONTHLY GOVERNMENT ISSUANCE

C$ millions (LTM)



GENERIC 5 YEAR CREDIT SPREADS

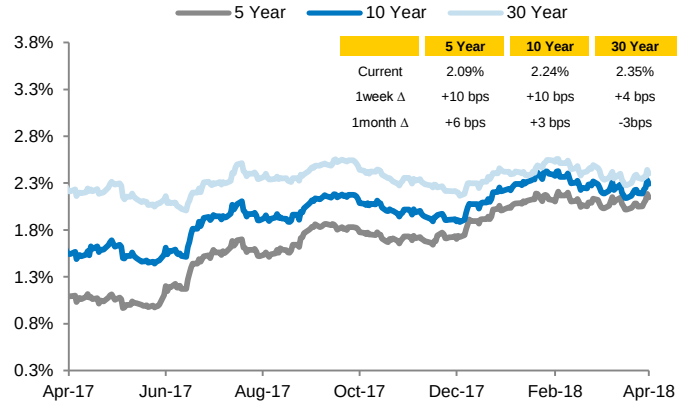
LTM (basis points)



	5yr CDX IG	5yr C$ A	5yr C$ BBB
Current	61 bps	88 bps	124 bps
1week Δ	-4bps	-2bps	-3bps
1month Δ	+7 bps	+4 bps	+4 bps

GOVERNMENT OF CANADA BOND YIELDS

LTM (%)



	5 Year	10 Year	30 Year
Current	2.09%	2.24%	2.35%
1week Δ	+10 bps	+10 bps	+4 bps
1month Δ	+6 bps	+3 bps	-3bps

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(1) Excludes MBS and issues with terms of less than 1.5 years

Bank Name	BMO
Date	16-Apr-18

Indicative OPG New Issue	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	CAN 2.75% 12/48	CAN 1.00% 06/27	CAN 1.75% 03/23	CAN 1.25% 02/20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.40%	2.29%	2.14%	1.88%	0.10%	0.15%	0.14%	0.09%
Curve Adjustment (bps)	0.0	1.9	0.7	2.2	0.0	0.1	0.3	0.3
Spread to GoC Curve (bps)	166	119	94	71	-6.0	-6.0	-6.0	-2.0
Re-Offered Yield	4.06%	3.50%	3.08%	2.61%	0.04%	0.09%	0.08%	0.07%
Commission (bp)	2.8	4.7	7.5	10.2	-	-	-	-
All-in Yield	**4.09%**	**3.55%**	**3.16%**	**2.71%**				

Primary Comparable (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A+)	137.0	100.0	75.0	52.0	-5.0	-5.0	-5.0	-1.0

Other Comparables (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Toronto Hydro (A/A)	128.0	91.0	66.0	-	-7.0	-7.0	-7.0	-
TransCanada Pipelines (A(L)/A-)	185.0	120.0	85.0	-	-5.0	-5.0	-5.0	-
Nova Scotia Power (A(L)/BBB+)	148.0	111.0	86.0	-	-5.0	-5.0	-5.0	-
EPCOR Utilities (A(L)/A-)	134.0	97.0	72.0	-	-5.0	-5.0	-5.0	-
Bruce Power (BBB/BBB)	215.0	155.0	110.0	-	-10.0	-10.0	-10.0	-

From:	Wagner, Ryan on behalf of Williams, Grant
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Cc:	Hainsworth, Andrew; Williams, Grant
Subject:	OPG C$ Pricing Update and US IG Market Update
Date:	Monday, April 09, 2018 8:37:54 AM
Attachments:	2018_4_6-OPG C$ Pricing Update and US IG Market Update.pdf OPG Weekly Indicative Spreads - Send.xlsx 2018_4_06-CAD BMO DCM Weekly Update.pdf 2018_4_06-US BMO DCM Weekly Update.pdf

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Overall Commentary:
• Equity markets remained volatile last week, with economic data and trade concerns weighing on the market.
o S&P: -1.4%, with information technology and industrials lagging.
o TSX: -1.0%, with health care and information technology lagging.
• Government yields were higher in Canada and the U.S. last week, rising 0-8bps across the curve.
• Canadian employment was solid in March, with headline jobs up 32,300 driven by a robust 68,300 increase in full-time jobs.
o The jobless rate held steady, matching the 40+ year low at 5.8%.
• U.S. nonfarm payrolls growth slowed to 103,000 in March, well below market expectations of a 185,000 rise and marking the weakest in six months.
o The unemployment rate held steady at 4.1% for a sixth straight month.
• Euro area CPI rose 1.4% y/y in March, up from 1.1% in February and the fastest pace since the end of 2017.
• Reserve Bank of Australia held policy rates steady for the 18th consecutive meeting on Tuesday, as expected.

Benchmarks Last Week:
• Canada Curve (w/w): +2, +3, +5, +8 bps for 2s, 5s, 10s and 30s.
• Treasury Curve (w/w): unch, +2, +3, +4 bps for 2s, 5s, 10s and 30s.
• Canadian Swap Spreads (w/w): -2.00, -1.63, -0.31, -1.75 for 2s, 5s, 10s and 30s.
• Canadian Corporate Bond Cash Spreads: 2-3bps wider.

Corporate Market Last Week:
• It was a relatively quiet week in the Canadian market last week with three transactions pricing for $600mm.
o 2018YTD (ex-MBS) issuance stands at $32.9bn, +21% versus the same time last year.
• Secondary spreads finished the week 2-3bps wider as investors remain selective alongside ongoing market volatility.
• Primary issuance continued in the US high grade market last week with US$24.3bn pricing across 12 deals / 29 tranches.
o 2018YTD total issuance stands at US$370.5bn from 242 transactions / 452 tranches, down 11% from the same time last year.
• New issue activity is expected to continue this week alongside a busy roadshow calendar.

Canadian Corporate Supply Last Week:
• John Deere Canada Funding (A2/A/A) priced $200mm of 3.5-year fixed rate notes at GoC Curve +73bps.
• Laurentian Bank of Canada (-/BBB/AL) priced $100mm of 1-year floating rate notes at 1mCDOR +25bps.
• Laurentian Bank of Canada (-/BBB/AL) priced $300mm of 2.5-year floating rate notes at 3mCDOR +85bps.

International Canadian Corporate Supply Last Week:
• Enbridge Inc (Baa3/BBB+/BBBH) priced US$600mm of 60NC5 hybrid notes (Ba2/BBB-/-) at a coupon of 6.375%.

Canadian Government Supply Last Week:
• Province of Quebec (Aa2/AA-/AH) priced $500mm of new Sep/28's at +65.5bps vs. GoC Jun/28's.
• Province of Ontario (Aa2/A+/AAL) priced $750mm of 10-year fixed rate notes at +73.5bps vs. GoC Jun/28's. BMO CM was a Co-lead on the transaction.
• Province of Quebec (Aa2/AA-/AH) re-opened its Sep/28's for $500mm at +67bps vs. GoC Jun/28's.

• Province of Manitoba (Aa2/A+/AH) re-opened its Jun/27’s for $300mm at +76bps vs. GoC Jun/27’s.

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ONTARIO POWER GENERATION

BMO Capital Markets

Indicative Pricing as at April 6, 2018

OPG C$ INDICATIVE PRICING TERMS

Term	2 year	5 year	10 year	30 year
New Isssue Spread	**73 bps**	**100 bps**	**125 bps**	**172 bps**
CAD Benchmark Bond	CAN 1.25% 02/20	CAN 1.75% 03/23	CAN 1.00% 06/27	CAN 2.75% 12/48
CAD Benchmark Yield	1.79%	2.00%	2.14%	2.31%
Curve Adjustment	0.02%	0.01%	0.02%	0.00%
CAD Coupon	**2.54%**	**3.01%**	**3.41%**	**4.03%**
CAD Swap Yield	2.16%	2.39%	2.53%	2.68%
Cda Swap Duration	1.947	4.687	8.79	20.53
Spread to 3m BA	38 bps	62 bps	88 bps	135 bps

Spread Changes	**2 year**	**5 year**	**10 year**	**30 year**
Week-over-Week	0	2	2	2

Comparable Issuers (DBRS/S&P)	**2 year**	**5 year**	**10 year**	**30 year**
Hydro One (AL/BBB+)	53bps	80bps	105bps	142bps
Toronto Hydro (AL/BBB+)	-	73bps	98bps	135bps
TransCanada PipeLines (BBBH/-)	-	90bps	125bps	190bps
NS Power (A/A)	-	91bps	116bps	153bps
EPCOR Utilities (BBBH/BBB+)	-	77bps	102bps	139bps
Bruce Power (A/BBB+)	-	120bps	165bps	225bps

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Note: Indicative credit spreads represent the bid-side of the secondary market by BMO CM's trading desk. New issue credit spreads are determined by a variety of factors. This can result in an issuance spread that may incorporate a new issue premium.

Bank Name	BMO
Date	6-Apr-18

Indicative OPG New Issue	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	CAN 2.75% 12/48	CAN 1.00% 06/27	CAN 1.75% 03/23	CAN 1.25% 02/20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.31%	2.14%	2.00%	1.79%	0.08%	0.05%	0.03%	0.02%
Curve Adjustment (bps)	0.0	1.9	0.7	2.2	0.0	0.1	0.3	0.3
Spread to GoC Curve (bps)	172	125	100	73	2.0	2.0	2.0	0.0
Re-Offered Yield	4.03%	3.41%	3.01%	2.54%	0.10%	0.07%	0.05%	0.02%
Commission (bp)	2.8	4.7	7.5	10.2	-	-	-	-
All-in Yield	**4.06%**	**3.46%**	**3.08%**	**2.64%**				

Primary Comparable (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A+)	142.0	105.0	80.0	53.0	4.0	5.0	5.0	3.0

Other Comparables (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Toronto Hydro (A/A)	135.0	98.0	73.0	-	3.0	4.0	4.0	-
TransCanada Pipelines (A(L)/A-)	190.0	125.0	90.0	-	5.0	5.0	0.0	-
Nova Scotia Power (A(L)/BBB+)	153.0	116.0	91.0	-	4.0	5.0	5.0	-
EPCOR Utilities (A(L)/A-)	139.0	102.0	77.0	-	4.0	5.0	5.0	-
Bruce Power (BBB/BBB)	225.0	165.0	120.0	-	5.0	5.0	5.0	-

BMO Capital Markets

Canadian Debt Capital Markets

Weekly Update: April 6, 2018

WEEK IN REVIEW

- It was a relatively quiet week in the Canadian market last week with three transactions pricing for $600mm (includes 1-year FRN).
  - 2018YTD (ex-MBS) issuance stands at $32.9bn, +21% versus the same time last year.
- Secondary spreads finished the week 2-3bps wider as investors remain selective alongside ongoing market volatility.
- New issue activity is expected to continue this week alongside a busy roadshow calendar.

C$ NEW ISSUE SUPPLY(1)

	Corporate (C$bn)	Government (C$bn)
Week of April 02, 2018	0.50	2.05
Month-to-date	0.50	2.05
Year-to-date	32.93	23.95
YoY Change	+21%	-4%

KEY UPCOMING ECONOMIC EVENTS

	Canada	US
Monday	-	-
Tuesday	Housing Starts	Wholesale Inventories
Wednesday	-	CPI
Thursday	New Housing Price Index	Initial Claims
Friday	Existing Home Sales	U of M Consumer Sentiment

RECENT ISSUANCE(1)

Corporate Debt New Issues

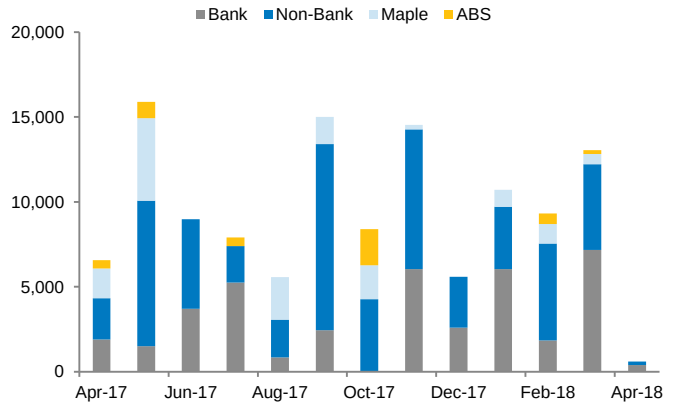
Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. $LIBOR
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
6-Apr-18	Laurentian Bank of Canada	-/BBB/AL	2.5	300	FRN	13-Oct-20	3M CDOR	85.0	100.3
5-Apr-18	John Deere Canada Funding	A2/A/A	3.5	200	2.700%	12-Oct-21	GoC Curve	73.0	50.4

Government/SSA Debt New Issues

Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. 3M BA's
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
5-Apr-18	Province of Quebec (re-open)	Aa2/AA-/AH	10.4	500	2.750%	1-Sep-28	CAN 2.00% 06/28	67.0	26.8
5-Apr-18	Province of Manitoba (re-open)	Aa2/A+/AH	9.2	300	2.600%	2-Jun-27	CAN 1.00% 06/27	76.0	39.3
4-Apr-18	Province of Ontario	Aa2/A+/AAL	10.2	750	2.900%	2-Jun-28	CAN 2.00% 06/28	73.5	34.5
3-Apr-18	Province of Quebec	Aa2/AA-/AH	10.4	500	2.750%	1-Sep-28	CAN 2.00% 06/28	65.5	25.8

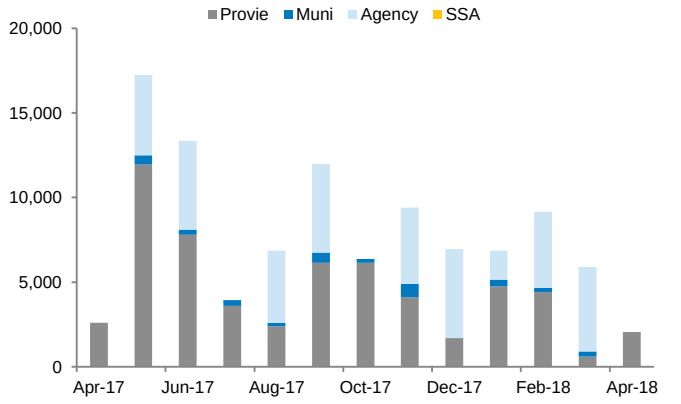
MONTHLY CORPORATE ISSUANCE(1)

C$ millions (LTM)



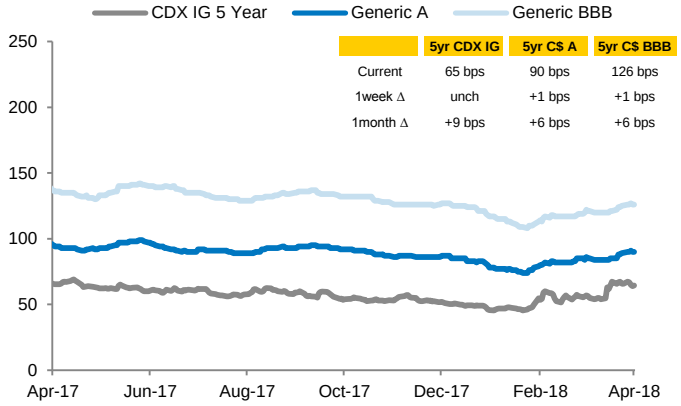
MONTHLY GOVERNMENT ISSUANCE

C$ millions (LTM)



GENERIC 5 YEAR CREDIT SPREADS

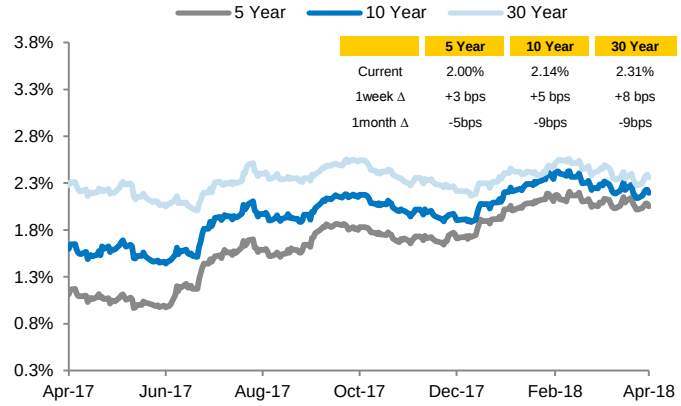
LTM (basis points)



	5yr CDX IG	5yr C$ A	5yr C$ BBB
Current	65 bps	90 bps	126 bps
1week Δ	unch	+1 bps	+1 bps
1month Δ	+9 bps	+6 bps	+6 bps

GOVERNMENT OF CANADA BOND YIELDS

LTM (%)



	5 Year	10 Year	30 Year
Current	2.00%	2.14%	2.31%
1week Δ	+3 bps	+5 bps	+8 bps
1month Δ	-5bps	-9bps	-9bps

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(1) Excludes MBS and issues with terms of less than 1.5 years

BMO Capital Markets

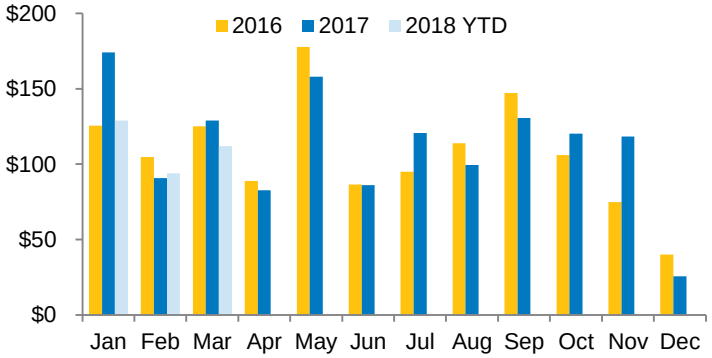
U.S. Investment Grade Debt Capital Markets

Weekly Update: April 2, 2018

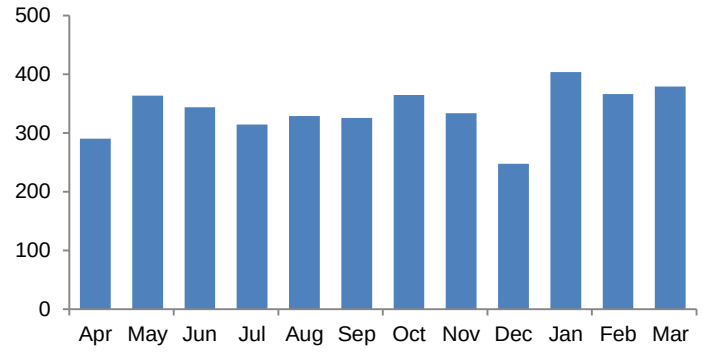
Highlights

- The U.S. investment grade primary markets priced $11.1bn (14 deals / 22 tranches) last week as a combination of market volatility at the start of the week coupled with the long weekend tempered primary market activity
  - On average, final pricing tightened 12bps from IPT, over-subscription levels were 2.5x and NICs backed off from recently elevated levels, averaging 8bps which is 50% less than last week's figure
- March 2018 closed out the month at $119bn, pushing Q1 2018 totals to $346bn and coming in as the 8th largest quarter on record. 2018 total volume is now down 12% YoY
- $92bn is the current street estimates for April 2018 volume, which is slightly below the 3 year April average, as participants continue to monitor NICs and any potential headwinds that may result in market volatility
- Lipper reported a $0.4bn net inflow to Investment Grade funds last week, pushing YTD net inflows to $27.1bn
- Market volatility continues to be a key theme since February 2018 as issuers and investors are cautious given uncertainty from rising interest rates and the pace of rate hikes, the Trump administration's stance on trade, as well as understanding the full effects of cash repatriation
- Despite broader market volatility at the start of last week, investment grade corporate credit spreads actually ended the week 0.6bps tighter, driven by industrials related credit

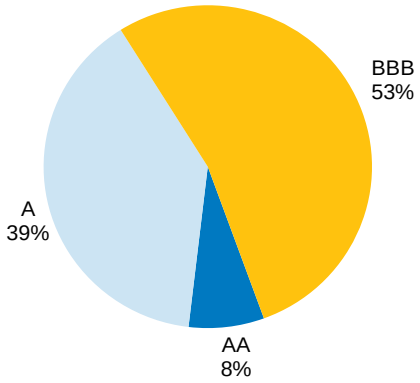
Monthly Investment Grade Issuance ($bn)



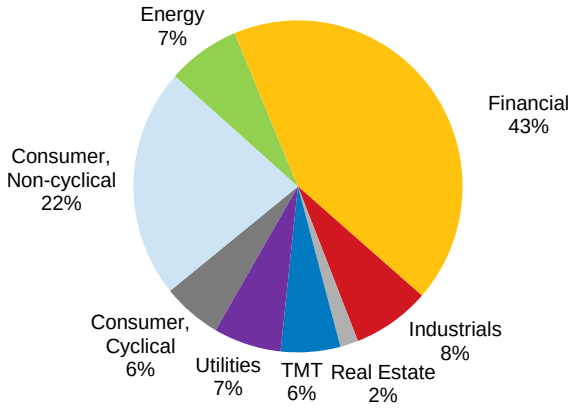
LTM Monthly FINRA TRACE IG Volume ($bn)(1)



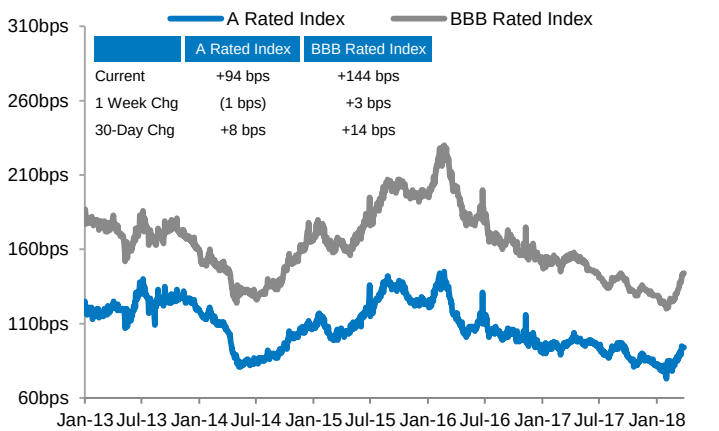
2018 YTD Issuance by Credit Rating



2018 YTD Issuance by Sector

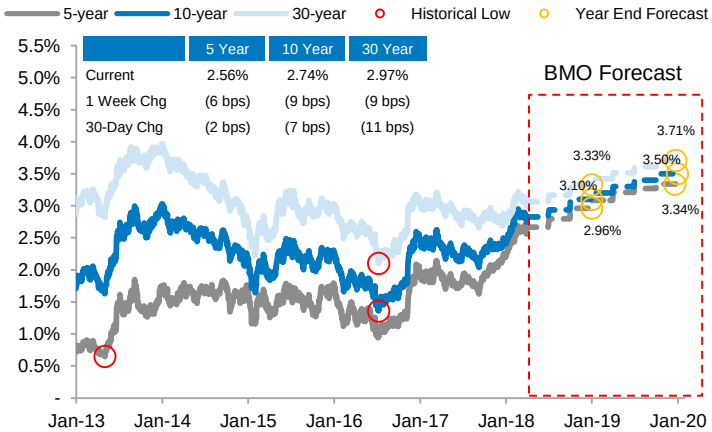


Index Credit Spreads as of 3/30/2018



	A Rated Index	BBB Rated Index
Current	+94 bps	+144 bps
1 Week Chg	(1 bps)	+3 bps
30-Day Chg	+8 bps	+14 bps

U.S. Treasury Benchmark Yields as of 3/30/2018



	5 Year	10 Year	30 Year
Current	2.56%	2.74%	2.97%
1 Week Chg	(6 bps)	(9 bps)	(9 bps)
30-Day Chg	(2 bps)	(7 bps)	(11 bps)

Source: BMO Capital Markets, FINRA TRACE, BondTicker, Bloomberg, Nutz&Boltz Note, and Informa Global Markets

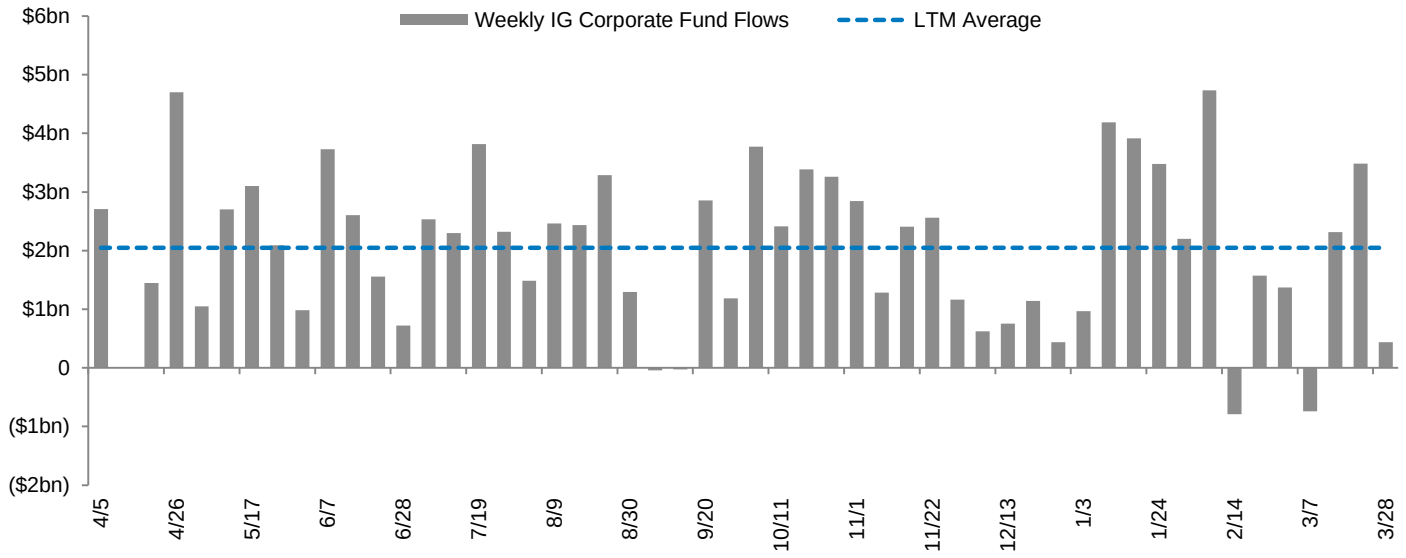
(1) FINRA Trace Volume represents Investment Grade Corporate bonds.

BMO Capital Markets

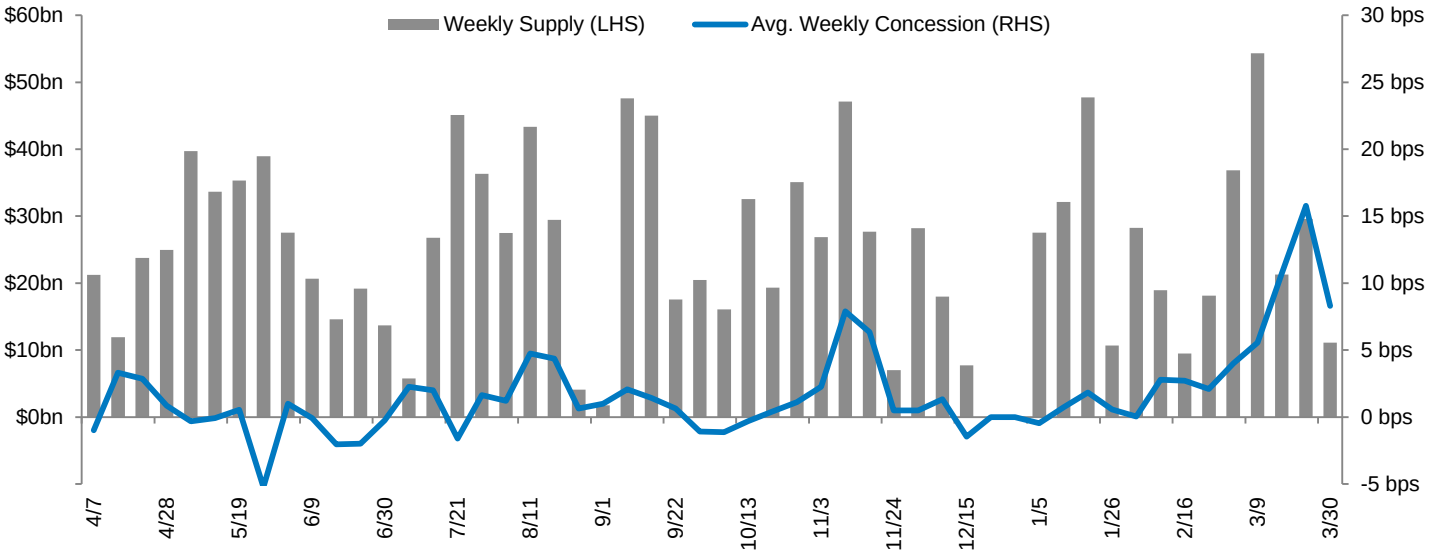
U.S. Investment Grade Debt Capital Markets

Weekly Update: April 2, 2018

U.S. Investment Grade Fund Flows



New Issue Concessions(1)



Key Upcoming U.S. Economic Indicators

Monday	Markit manufacturing PMI, ISM manufacturing index, Construction spending
Tuesday	Motor vehicle sales
Wednesday	ADP employment, Markit services PMI, ISM nonmanufacturing index, Factory orders
Thursday	Weekly jobless claims, Trade deficit
Friday	Nonfarm payrolls, Unemployment rate, Average hourly earnings, Consumer credit

Pre-Issuance Hedging Premiums*

Expected Issuance Date:	Underlying Note Tenor			
	5 Year	7 Year	10 Year	30 Year
3 months	2 bps	2 bps	2 bps	1 bps
6 months	5 bps	4 bps	3 bps	1 bps
9 months	7 bps	5 bps	5 bps	1 bps
12 months	8 bps	6 bps	6 bps	2 bps
18 months	9 bps	8 bps	7 bps	2 bps

* Issuance hedging premiums reflect difference between forward starting swap rate for underlying issue term and the spot starting swap rate. Pricing is mid-market assuming standard transaction conventions and is non-actionable.
Source: BMO CM / Bloomberg as of 3/30/2018

Source: BMO Capital Markets, Bloomberg and Informa Global Markets
(1) Average Weekly Concessions excludes the ~41bps new issue concession from CBL's $225m add-on on August 29, 2017 and ~52bps NIC from Enbridge Feb 26, 2018 60NC10 deal

BMO Capital Markets

U.S. Investment Grade Debt Capital Markets

Weekly Update: April 2, 2018

Recent Investment Grade New Issue Terms

Date	Issuer	Ratings (Moody's / S&P)	Amount (US$ mm)	Coupon	Tenor (yrs)	IPTs (Spd vs. UST)	Guidance (Spd vs. UST)	Final Pricing (Spd vs. UST)	NIC	Over-subscription
28-Mar-18	Mylan Inc	Baa3/BBB-	750	4.550%	10	190a	185s +/- 5	T+180bp	13bp	2.7x
28-Mar-18	Mylan Inc	Baa3/BBB-	750	5.200%	30	230a	225a +/- 5	T+220bp	17.5bp	2.0x
27-Mar-18	CRH America Finance Inc	Baa1/BBB+	900	3.950%	10	145a	130a +/- 5	T+125bp	6bp	2.6x
27-Mar-18	CRH America Finance Inc	Baa1/BBB+	600	4.500%	30	175a	160a +/- 5	T+155bp	9bp	2.8x
27-Mar-18	AIA Group Ltd	A2/A	500	3.900%	10	125-130	120 +/- 5	T+115bp	5bp	2.2x
27-Mar-18	Colonial Pipeline Co	A3/A	550	4.250%	30	145a	130a +/- 2	T+128bp	11.5bp	2.4x
27-Mar-18	Realty Income Corp	A3/BBB+	500	3.875%	7	140a	125#	T+125bp	10bp	3.0x
26-Mar-18	ABB Finance USA Inc	A2/A	300	2.800%	2	70a	60a +/- 5	T+55bp	1.5bp	3.2x
26-Mar-18	ABB Finance USA Inc	A2/A	450	3.375%	5	85a	80a +/- 5	T+75bp	6.5bp	2.0x
26-Mar-18	ABB Finance USA Inc	A2/A	750	3.800%	10	110-115	100a +/-5	T+95bp	6.5bp	1.9x
26-Mar-18	Citizens Bank NA/Providence RI	Baa1/A-	250	FRN	5	L equiv	L equiv	3mL+95bp	12bp	1.2x
26-Mar-18	Citizens Bank NA/Providence RI	Baa1/A-	500	3.700%	5	115-120	110#	T+110bp	12bp	1.2x
26-Mar-18	Bell Canada Inc	Baa1/BBB+	750	4.464%	30	160a	145a +/- 5	T+140bp	5bp	2.8x
26-Mar-18	CenterPoint Energy Resources Corp	Baa2/A-	300	3.550%	5	100a	100a +/- 3	T+97bp	9.5bp	2.3x
26-Mar-18	CenterPoint Energy Resources Corp	Baa2/A-	300	4.000%	10	120a	120a +/- 3	T+117bp	9.5bp	2.3x
26-Mar-18	Dollar General Corp	Baa2/BBB	500	4.125%	10	150a	135a +/- 5	T+130bp	6bp	4.4x
26-Mar-18	Allstate Corp/The	A3/A-	250	FRN	3	L+62.5a	L+45a +/- 2	L+43bp	6bp	5.4x
26-Mar-18	Allstate Corp/The	A3/A-	250	FRN	5	L+80a	L+65a +/- 2	L+63bp	6bp	2.4x
26-Mar-18	Valero Energy Partners LP	Baa3/BBB-	500	4.500%	10	180-185	170#	T+170bp	5bp	2.7x
22-Mar-18	Assurant Inc	Baa3/BBB	300	FRN	3	-	L+137.5a	L+125bp	37.5bp	1.8x
22-Mar-18	Assurant Inc	Baa3/BBB	300	4.200%	6	-	175a	T+162.5bp	32.5bp	3.2x
22-Mar-18	Assurant Inc	Baa3/BBB	300	4.900%	10	-	225a	T+212.5bp	32.5bp	2.7x

Source: BMO Capital Markets and Informa Global Markets

Denotes BMO transactions

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All values in this document are in US$ unless otherwise specified.

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Cc:	Hainsworth, Andrew; Williams, Grant
Subject:	OPG C$ Pricing Update and US IG Market Update
Date:	Monday, April 02, 2018 8:51:32 AM
Attachments:	2018_4_2-OPG C$ Pricing Update and US IG Market Update.pdf CAN BMO DCM Weekly Update (4.2.18).pdf US BMO DCM Weekly Update (4.2.18).pdf OPG Weekly Indicative Spreads - Send.xlsx

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Overall Commentary:
• Equity markets struggled again last week, with ongoing weakness in technology weighing on broader market sentiment.
o S&P: -0.1%, with banks and information technology lagging.
o TSX: -0.2%, with information technology and health care lagging.
• Government yields were mixed in Canada and the U.S. last week, with GoC's largely outperforming Treasuries.
• Canadian GDP fell 0.1% in January, following a revised 0.2% gain in the prior month from +0.1%, and below the consensus of a flat reading.
• U.S. GDP grew 2.9% annualized in Q4 2017, up from expectations of 2.7%.
• U.K. GDP grew 0.4% (+1.4% y/y) in Q4 2017, unrevised from the previous estimate.

Benchmarks Last Week:
• Canada Curve (w/w): -8, -10, -10, -9 bps for 2s, 5s, 10s and 30s.
• Treasury Curve (w/w): +1, -4, -7, -9 bps for 2s, 5s, 10s and 30s.
• Canadian Swap Spreads (w/w): +0.63, +1.00, +1.50, +0.31 for 2s, 5s, 10s and 30s.
• Canadian Corporate Bond Cash Spreads: 3-6bps wider.

Corporate Market Last Week:
• New issue activity continued in the Canadian market last week with five transactions pricing for $3.5bn.
o Primary issuance was dominated by banks, representing 72% of overall supply for the week.
o March volumes finished at $12.4bn, +7% versus March 2017.
o 2018YTD (ex-MBS) issuance stands at $32.4bn, +22% versus the same time last year.
• Secondary spreads finished the week 3-6bps wider on better selling alongside lower investor cash balances driven by the uptick in primary supply.
• Primary issuance continued in the US high grade market last week with US$11.1bn pricing across 14 deals / 22 tranches.
o March volumes finished at US$119.3bn from 73 deals / 136 transactions, -7% versus March 2017.
o 2018YTD total issuance stands at US$346.2bn from 230 transactions / 423 tranches, down 12% from the same time last year.
• New issue activity is expected to be modest this week as the market digests the recent uptick in primary supply.
Canadian Corporate Supply Last Week:
• Laurentian Bank of Canada (-/BBB/AL) priced ~$218mm of a 3.83-year WAL NHA MBS (Aaa/AAA/AAA) offering at GoC Curve +48bps.
• Greater Toronto Airports Authority (Aa3/A+/-) priced $500mm of 19.2-year fixed rate notes at +100bps vs. GoC Jun/37's. BMO CM was a bookrunner on the transaction.
• Canadian Imperial Bank of Commerce (A1/A+/AA) priced $1.5bn of 10NC5 NVCC subordinated notes (Baa2/BBB/AL) at GoC Curve +140bps.
• MCAP RMBS Issuer Corp issued a dual-tranche RMBS comprised of a ~$233mm Class-A tranche (Aaa/-/AAA) priced at GoC Curve +100bps and ~$5mm of a Class B tranche (Aa2/-/AAH) priced at GoC Curve +175bps.
• Bank of Nova Scotia (A1/A+/AA) priced $1bn of a 2-year floating rate note at 3mCDOR +18bps.

International Canadian Bank Supply Last Week:
• National Bank of Canada (A1/A/AAL) priced EUR750mm of 2-year floating rate notes at 3mE+50bps.

International Canadian Corporate Supply Last Week

• Bell Canada (Baa1/BBB+/BBB) priced US$750mm of 30-year fixed rate notes at T+140bps.

Canadian Government Supply Last Week:
• No government supply in the Canadian market last week.

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ONTARIO POWER GENERATION

BMO Capital Markets

Indicative Pricing as at April 2, 2018

OPG C$ INDICATIVE PRICING TERMS

Term	2 year	5 year	10 year	30 year
New Isssue Spread	**73 bps**	**98 bps**	**123 bps**	**170 bps**
CAD Benchmark Bond	CAN 1.25% 02/20	CAN 1.75% 03/23	CAN 1.00% 06/27	CAN 2.75% 12/48
CAD Benchmark Yield	1.79%	1.99%	2.12%	2.25%
Curve Adjustment	0.02%	0.00%	0.02%	0.00%
CAD Coupon	**2.54%**	**2.97%**	**3.37%**	**3.95%**
CAD Swap Yield	2.18%	2.39%	2.54%	2.63%
Cda Swap Duration	1.947	4.686	8.78	20.67
Spread to 3m BA	36 bps	58 bps	83 bps	133 bps

Spread Changes	**2 year**	**5 year**	**10 year**	**30 year**
Week-over-Week	5	4	4	4

Comparable Issuers (DBRS/S&P)	**2 year**	**5 year**	**10 year**	**30 year**
Hydro One (AL/BBB+)	50bps	75bps	100bps	138bps
Toronto Hydro (AL/BBB+)	-	69bps	94bps	132bps
TransCanada PipeLines (BBBH/-)	-	90bps	120bps	185bps
NS Power (A/A)	-	86bps	111bps	149bps
EPCOR Utilities (BBBH/BBB+)	-	72bps	97bps	135bps
Bruce Power (A/BBB+)	-	115bps	160bps	220bps

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Note: Indicative credit spreads represent the bid-side of the secondary market by BMO CM's trading desk. New issue credit spreads are determined by a variety of factors. This can result in an issuance spread that may incorporate a new issue premium.

BMO Capital Markets

Canadian Debt Capital Markets

Weekly Update: March 29, 2018

WEEK IN REVIEW

- New issue activity continued in the Canadian market last week with five transactions pricing for $3.5bn (includes ~$218mm NHA MBS).
  - Primary issuance was dominated by banks, representing 72% of overall supply for the week.
  - March volumes finished at $12.4bn, +7% versus March 2017.
  - 2018YTD (ex-MBS) issuance stands at $32.4bn, +22% versus the same time last year.
- Secondary spreads finished the week 3-6bps wider on better selling alongside lower investor cash balances driven by the uptick in primary supply.
- New issue activity is expected to be modest this week as the market digests the recent uptick in primary supply.

C$ NEW ISSUE SUPPLY(1)

	Corporate (C$bn)	Government (C$bn)
Week of March 26, 2018	3.24	-
Month-to-date	12.38	5.90
Year-to-date	32.43	21.90
YoY Change	+22%	-9%

KEY UPCOMING ECONOMIC EVENTS

	Canada	US
Monday	Markit Manufacturing PMI	Markit Manufacturing PMI
Tuesday	Auto Sales	Ward's Total Vehicle Sales
Wednesday	-	Factory Orders
Thursday	Merchandise Trade Deficit	Goods & Services Trade Deficit
Friday	Unemployment Rate	Unemployment Rate

RECENT ISSUANCE(1)

Corporate Debt New Issues

Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. $LIBOR
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
28-Mar-18	Bank of Nova Scotia	A1/A+/AA	2	1,000	FRN	2-Apr-20	3M CDOR	18.0	35.6
28-Mar-18	MCAP RMBS Issuer Corp	Aaa/-/AAA	3.20-4.53 (WAL)	238	2.400%	various	various	various	various
27-Mar-18	CIBC	Baa2/BBB/AL	5+5	1,500	3.450%	4-Apr-28	GoC Curve	140.0	106.9
27-Mar-18	Greater Toronto Airports Authority	Aa3/A+/-	19.2	500	3.260%	1-Jun-37	CAN 5.00% 06/37	100.0	54.9

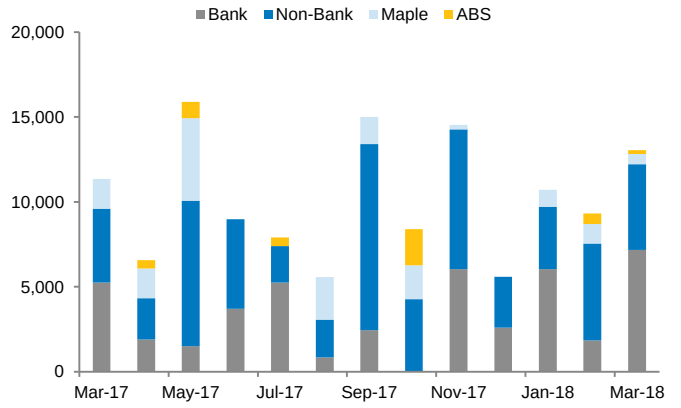
Government/SSA Debt New Issues

Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. 3M BA's
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)

No C$ Government Supply Last Week

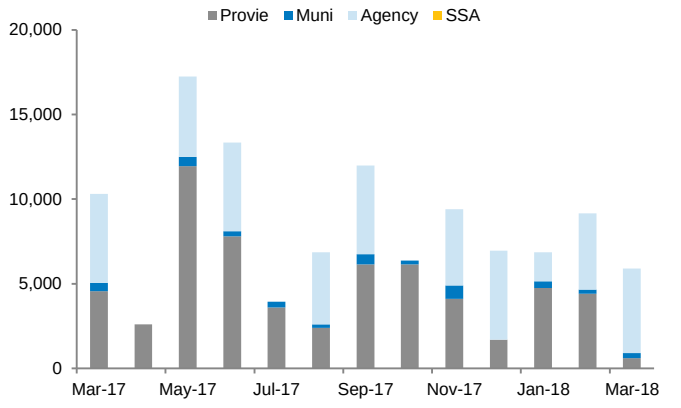
MONTHLY CORPORATE ISSUANCE(1)

C$ millions (LTM)



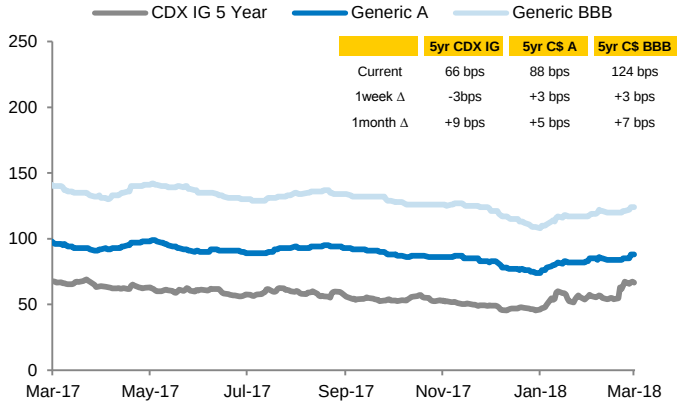
MONTHLY GOVERNMENT ISSUANCE

C$ millions (LTM)



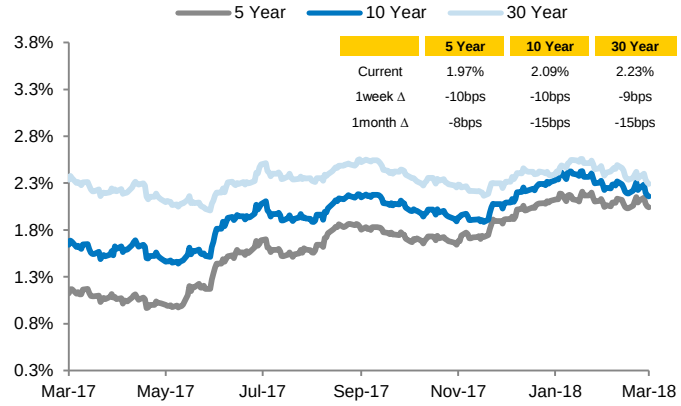
GENERIC 5 YEAR CREDIT SPREADS

LTM (basis points)



GOVERNMENT OF CANADA BOND YIELDS

LTM (%)



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(1) Excludes MBS and issues with terms of less than 1.5 years

BMO Capital Markets

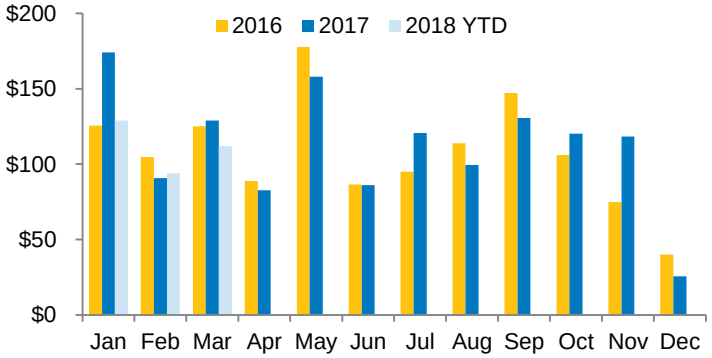
U.S. Investment Grade Debt Capital Markets

Weekly Update: April 2, 2018

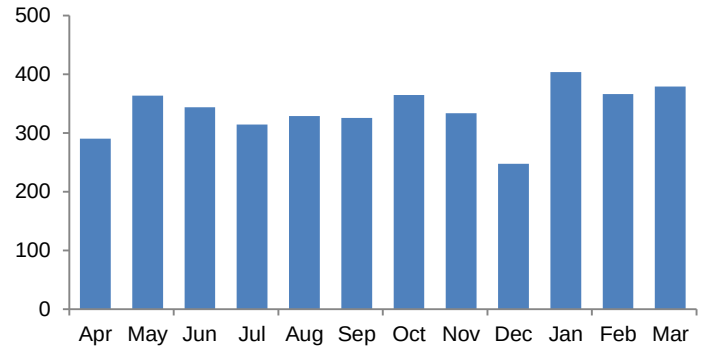
Highlights

- The U.S. investment grade primary markets priced $11.1bn (14 deals / 22 tranches) last week as a combination of market volatility at the start of the week coupled with the long weekend tempered primary market activity
  - On average, final pricing tightened 12bps from IPT, over-subscription levels were 2.5x and NICs backed off from recently elevated levels, averaging 8bps which is 50% less than last week's figure
- March 2018 closed out the month at $119bn, pushing Q1 2018 totals to $346bn and coming in as the 8th largest quarter on record. 2018 total volume is now down 12% YoY
- $92bn is the current street estimates for April 2018 volume, which is slightly below the 3 year April average, as participants continue to monitor NICs and any potential headwinds that may result in market volatility
- Lipper reported a $0.4bn net inflow to Investment Grade funds last week, pushing YTD net inflows to $27.1bn
- Market volatility continues to be a key theme since February 2018 as issuers and investors are cautious given uncertainty from rising interest rates and the pace of rate hikes, the Trump administration's stance on trade, as well as understanding the full effects of cash repatriation
- Despite broader market volatility at the start of last week, investment grade corporate credit spreads actually ended the week 0.6bps tighter, driven by industrials related credit

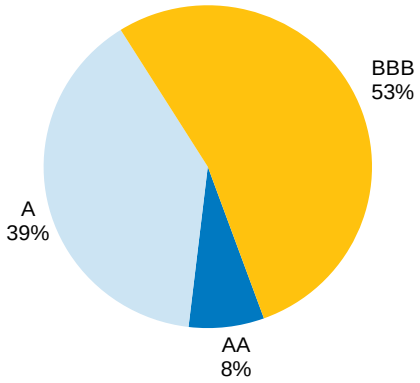
Monthly Investment Grade Issuance ($bn)



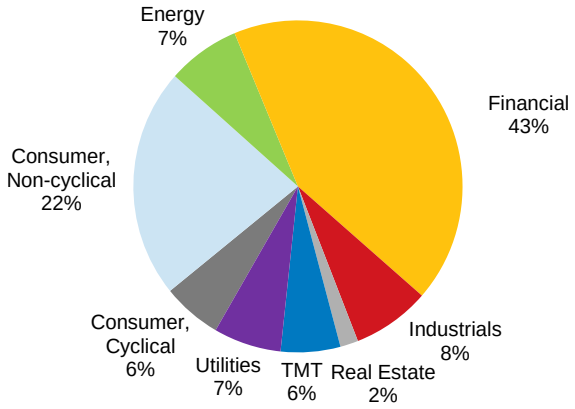
LTM Monthly FINRA TRACE IG Volume ($bn)(1)



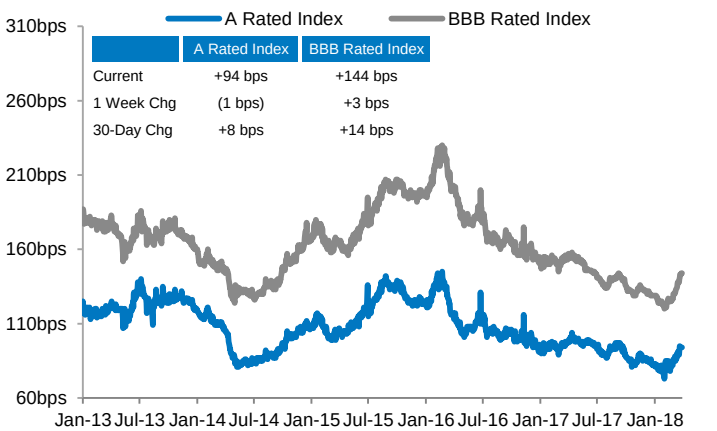
2018 YTD Issuance by Credit Rating



2018 YTD Issuance by Sector

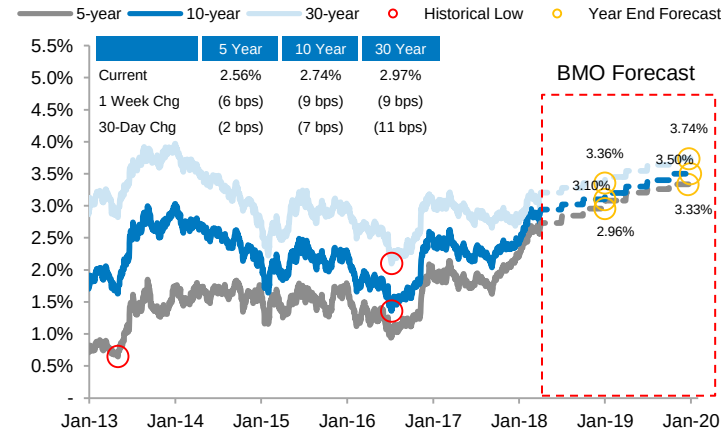


Index Credit Spreads as of 3/30/2018



	A Rated Index	BBB Rated Index
Current	+94 bps	+144 bps
1 Week Chg	(1 bps)	+3 bps
30-Day Chg	+8 bps	+14 bps

U.S. Treasury Benchmark Yields as of 3/30/2018



	5 Year	10 Year	30 Year
Current	2.56%	2.74%	2.97%
1 Week Chg	(6 bps)	(9 bps)	(9 bps)
30-Day Chg	(2 bps)	(7 bps)	(11 bps)

Source: BMO Capital Markets, FINRA TRACE, BondTicker, Bloomberg, Nutz&Boltz Note, and Informa Global Markets

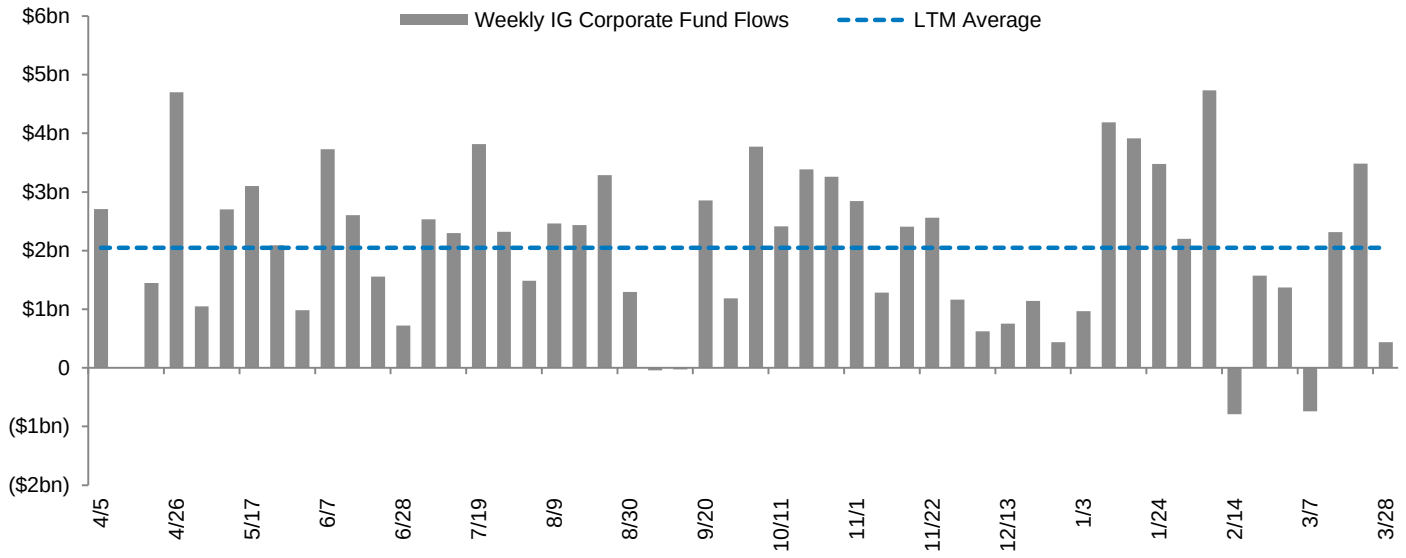
(1) FINRA Trace Volume represents Investment Grade Corporate bonds.

BMO Capital Markets

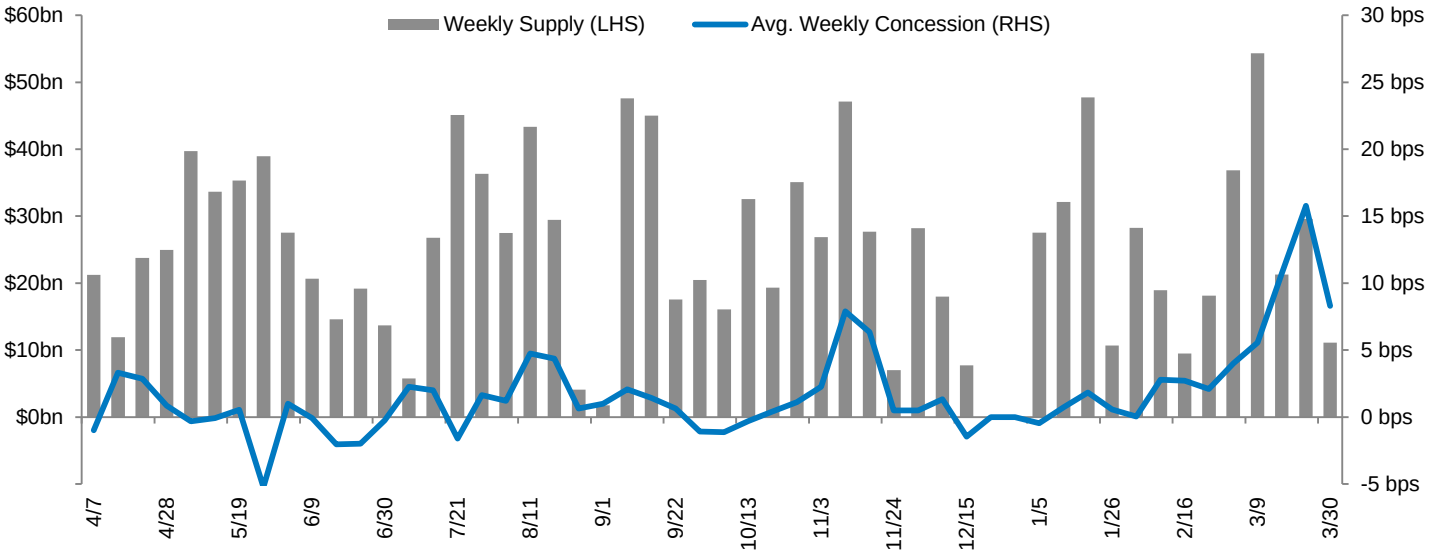
U.S. Investment Grade Debt Capital Markets

Weekly Update: April 2, 2018

U.S. Investment Grade Fund Flows



New Issue Concessions(1)



Key Upcoming U.S. Economic Indicators

Monday	Markit manufacturing PMI, ISM manufacturing index, Construction spending
Tuesday	Motor vehicle sales
Wednesday	ADP employment, Markit services PMI, ISM nonmanufacturing index, Factory orders
Thursday	Weekly jobless claims, Trade deficit
Friday	Nonfarm payrolls, Unemployment rate, Average hourly earnings, Consumer credit

Pre-Issuance Hedging Premiums*

Expected Issuance Date:	Underlying Note Tenor			
	5 Year	7 Year	10 Year	30 Year
3 months	2 bps	2 bps	2 bps	1 bps
6 months	5 bps	4 bps	3 bps	1 bps
9 months	7 bps	5 bps	5 bps	1 bps
12 months	8 bps	6 bps	6 bps	2 bps
18 months	9 bps	8 bps	7 bps	2 bps

* Issuance hedging premiums reflect difference between forward starting swap rate for underlying issue term and the spot starting swap rate. Pricing is mid-market assuming standard transaction conventions and is non-actionable.
Source: BMO CM / Bloomberg as of 3/30/2018

Source: BMO Capital Markets, Bloomberg and Informa Global Markets
(1) Average Weekly Concessions excludes the ~41bps new issue concession from CBL's $225m add-on on August 29, 2017 and ~52bps NIC from Enbridge Feb 26, 2018 60NC10 deal

BMO Capital Markets

U.S. Investment Grade Debt Capital Markets

Weekly Update: April 2, 2018

Recent Investment Grade New Issue Terms

Date	Issuer	Ratings (Moody's / S&P)	Amount (US$ mm)	Coupon	Tenor (yrs)	IPTs (Spd vs. UST)	Guidance (Spd vs. UST)	Final Pricing (Spd vs. UST)	NIC	Over-subscription
28-Mar-18	Mylan Inc	Baa3/BBB-	750	4.550%	10	190a	185s +/- 5	T+180bp	13bp	2.7x
28-Mar-18	Mylan Inc	Baa3/BBB-	750	5.200%	30	230a	225a +/- 5	T+220bp	17.5bp	2.0x
27-Mar-18	CRH America Finance Inc	Baa1/BBB+	900	3.950%	10	145a	130a +/- 5	T+125bp	6bp	2.6x
27-Mar-18	CRH America Finance Inc	Baa1/BBB+	600	4.500%	30	175a	160a +/- 5	T+155bp	9bp	2.8x
27-Mar-18	AIA Group Ltd	A2/A	500	3.900%	10	125-130	120 +/- 5	T+115bp	5bp	2.2x
27-Mar-18	Colonial Pipeline Co	A3/A	550	4.250%	30	145a	130a +/- 2	T+128bp	11.5bp	2.4x
27-Mar-18	Realty Income Corp	A3/BBB+	500	3.875%	7	140a	125#	T+125bp	10bp	3.0x
26-Mar-18	ABB Finance USA Inc	A2/A	300	2.800%	2	70a	60a +/- 5	T+55bp	1.5bp	3.2x
26-Mar-18	ABB Finance USA Inc	A2/A	450	3.375%	5	85a	80a +/- 5	T+75bp	6.5bp	2.0x
26-Mar-18	ABB Finance USA Inc	A2/A	750	3.800%	10	110-115	100a +/-5	T+95bp	6.5bp	1.9x
26-Mar-18	Citizens Bank NA/Providence RI	Baa1/A-	250	FRN	5	L equiv	L equiv	3mL+95bp	12bp	1.2x
26-Mar-18	Citizens Bank NA/Providence RI	Baa1/A-	500	3.700%	5	115-120	110#	T+110bp	12bp	1.2x
26-Mar-18	Bell Canada Inc	Baa1/BBB+	750	4.464%	30	160a	145a +/- 5	T+140bp	5bp	2.8x
26-Mar-18	CenterPoint Energy Resources Corp	Baa2/A-	300	3.550%	5	100a	100a +/- 3	T+97bp	9.5bp	2.3x
26-Mar-18	CenterPoint Energy Resources Corp	Baa2/A-	300	4.000%	10	120a	120a +/- 3	T+117bp	9.5bp	2.3x
26-Mar-18	Dollar General Corp	Baa2/BBB	500	4.125%	10	150a	135a +/- 5	T+130bp	6bp	4.4x
26-Mar-18	Allstate Corp/The	A3/A-	250	FRN	3	L+62.5a	L+45a +/- 2	L+43bp	6bp	5.4x
26-Mar-18	Allstate Corp/The	A3/A-	250	FRN	5	L+80a	L+65a +/- 2	L+63bp	6bp	2.4x
26-Mar-18	Valero Energy Partners LP	Baa3/BBB-	500	4.500%	10	180-185	170#	T+170bp	5bp	2.7x
22-Mar-18	Assurant Inc	Baa3/BBB	300	FRN	3	-	L+137.5a	L+125bp	37.5bp	1.8x
22-Mar-18	Assurant Inc	Baa3/BBB	300	4.200%	6	-	175a	T+162.5bp	32.5bp	3.2x
22-Mar-18	Assurant Inc	Baa3/BBB	300	4.900%	10	-	225a	T+212.5bp	32.5bp	2.7x

Source: BMO Capital Markets and Informa Global Markets

Denotes BMO transactions

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All values in this document are in US$ unless otherwise specified.

Bank Name	BMO
Date	2-Apr-18

Indicative OPG New Issue	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	CAN 2.75% 12/48	CAN 1.00% 06/27	CAN 1.75% 03/23	CAN 1.25% 02/20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.25%	2.12%	1.99%	1.79%	-0.10%	-0.11%	-0.11%	-0.10%
Curve Adjustment (bps)	0.0	1.8	0.4	1.9	0.0	-0.2	0.1	0.2
Spread to GoC Curve (bps)	170	123	98	73	4.0	4.0	4.0	5.0
Re-Offered Yield	3.95%	3.37%	2.97%	2.54%	-0.06%	-0.08%	-0.07%	-0.04%
Commission (bp)	2.8	4.7	7.5	10.2	-	-	-	-
All-in Yield	**3.98%**	**3.42%**	**3.05%**	**2.64%**				

Primary Comparable (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A+)	138.0	100.0	75.0	50.0	3.0	4.0	4.0	5.0

Other Comparables (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Toronto Hydro (A/A)	132.0	94.0	69.0	-	3.0	4.0	4.0	-
TransCanada Pipelines (A(L)/A-)	185.0	120.0	90.0	-	0.0	5.0	5.0	-
Nova Scotia Power (A(L)/BBB+)	149.0	111.0	86.0	-	3.0	4.0	4.0	-
EPCOR Utilities (A(L)/A-)	135.0	97.0	72.0	-	3.0	4.0	4.0	-
Bruce Power (BBB/BBB)	220.0	160.0	115.0	-	0.0	0.0	5.0	-

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To:	Brett Kichiy; ""John Lee"; ""Ken Ryfa"; Linda Smith; Mike Manning; "Sheen.liu@opg.com"; Gadi Mayman; "j.hahnparker@opg.com"; Kevin Shvarts; "ken.hartwick@opg.com"; Ricky Lai
Cc:	Hainsworth, Andrew; Williams, Grant
Subject:	OPG C$ Pricing Update and US IG Market Update
Date:	Monday, March 26, 2018 9:08:00 AM
Attachments:	2018_3_23-OPG C$ Pricing Update and US IG Market Update.pdf CANADA BMO DCM Weekly Update (3.23.2018).pdf US BMO DCM Weekly Update (3.23.18).pdf OPG Weekly Indicative Spreads - Send.xlsx

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Overall Commentary:
• Equity markets fell last week alongside ongoing concerns of a potential trade war as Washington announced tariffs on $50 billion worth of Chinese goods.
o S&P: -6.0%, with banks and information technology lagging.
o TSX: -3.1%, with consumer staples and information technology lagging.
• Government yields were mixed in Canada and the U.S. last week, with Treasuries outperforming GoC across the curve.
• The FOMC raised policy rates by 25bps on Wednesday, as widely expected, resulting in a 1.50%-1.75% target range for fed funds.
o The Summary of Economic Projections revealed a steeper profile for policy rates,
o Projected real GDP growth was raised by 3 ticks this year and next, to 2.7% and 2.4%, respectively.
• Canadian CPI rose 0.6% in February, lifting the annual inflation rate by 5 ticks to 2.2% y/y, marking the fastest rise in Canadian headline inflation in more than three years.
• U.S. existing home sales rose 3.0% in February, beating expectations of a 0.5% rise and marking the first increase in three months.
• U.S. new home sales fell 0.6% to a 4-month low of 618,000 units annualized, though somewhat offset by the upward revisions to the prior three months.
• The Bank of England left its bank rate (0.50%) and asset purchase program unchanged on Thursday, as widely expected.
• Japanese CPI rose a tick to 1.5% y/y in February, in line with expectations and marking the fastest pace since March 2015.

Benchmarks Last Week:
• Canada Curve (w/w): +9, +8, +6, +2 bps for 2s, 5s, 10s and 30s.
• Treasury Curve (w/w): -4, -4, -3, -2 bps for 2s, 5s, 10s and 30s.
• Canadian Swap Spreads (w/w): +1.63, +1.50, +0.50, +3.06 for 2s, 5s, 10s and 30s.
• Canadian Corporate Bond Cash Spreads: 1-3bps wider.

Corporate Market Last Week:
• New issue activity continued in the Canadian market last week with eight transactions pricing for $5.7bn.
o 2018YTD (ex-MBS) issuance stands at $29.2bn, +16% versus the same time last year.
• Secondary spreads finished the week 1-3bps wider with flows skewed towards better selling given the uptick in primary supply and deteriorating backdrop to close the week.
• Primary issuance continued in the US high grade market last week with US$29.6bn pricing across 18 deals / 37 tranches.
o 2018YTD total issuance stands at US$335.1bn from 216 transactions / 401 tranches, down 10% from the same time last year.
• Primary market activity is expected to be modest this week ahead of the Easter long weekend.

Canadian Corporate Supply Last Week:
• National Bank of Canada (A1/A/AAL) re-opened its Jun/22's for $500mm at +74bps vs. GoC Jun/22's.
• Bank of Montreal (A1/A+/AA) re-opened its 5-year floating rate covered bond (Aaa/-/AAA) for $1bn at 3mCDOR +27bps. BMO CM was sole bookrunner on the transaction.
• NAV CANADA (Aa2/AA-/AAL) priced $275mm of 30-year fixed rate notes at +97bps vs. GoC Dec/48's.
• Bank of Nova Scotia (A1/A+/AA) priced $675mm of 1-year floating rate notes at 1mCDOR +10bps.

• Pembina Pipeline Corporation (-/BBB/BBB) issued a dual-tranche offering comprised of $400mm 10-year fixed rate notes priced at GoC Curve +180bps and $300mm of 30-year fixed rate notes priced at +243bps vs. GoC Dec/48's. BMO CM was a bookrunner on the transaction.
• Manulife Bank of Canada (-/A+/AH) priced $300mm of callable floating rate notes due Jan/20 (22mNC18m) at 3mCDOR +23bps. (Step-up spread of 3mCDOR +40bps).
• Bank of Montreal (A1/A+/AA) priced $700mm of 2-year floating rate notes at 3mCDOR +17bps. BMO CM was sole bookrunner on the transaction.
• VW Credit Canada (A3/-/BBBH) issued a three-tranche offering comprised of $500mm 2-year floating rate notes priced at 3mCDOR +50bps, $500mm 3-year fixed rate notes priced at GoC Curve +95bps and $500mm 5-year fixed rate notes priced at GoC Curve +120bps.

International Canadian Bank Supply Last Week:
• Bank of Nova Scotia (A1/A+/AA) priced EUR1.25bn of 4.5-year covered bonds (Aaa/-/AAA) at MS-2bps.

International Canadian Corporate Supply Last Week:
• Fairfax Financial Holdings Limited (Baa3/BBB-/BBBH) priced EUR600mm of 10-year fixed rate notes at MS+190bps.

Canadian Government Supply Last Week:
• City of Toronto (Aa1/AA/AA) re-opened its Jun/27's for $300mm at +76bps vs. GoC Jun/27's.

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ONTARIO POWER GENERATION

BMO Capital Markets

Indicative Pricing as at March 23, 2018

OPG C$ INDICATIVE PRICING TERMS

Term	2 year	5 year	10 year	30 year
New Isssue Spread	**68 bps**	**94 bps**	**119 bps**	**166 bps**
CAD Benchmark Bond	CAN 1.25% 02/20	CAN 1.75% 03/23	CAN 1.00% 06/27	CAN 2.75% 12/48
CAD Benchmark Yield	1.85%	2.07%	2.19%	2.31%
Curve Adjustment	0.02%	0.00%	0.02%	0.00%
CAD Coupon	**2.55%**	**3.01%**	**3.40%**	**3.97%**
CAD Swap Yield	2.24%	2.46%	2.59%	2.68%
Cda Swap Duration	1.945	4.678	8.76	20.52
Spread to 3m BA	31 bps	55 bps	81 bps	129 bps

Spread Changes	**2 year**	**5 year**	**10 year**	**30 year**
Week-over-Week	-1	3	3	3

Comparable Issuers (DBRS/S&P)	**2 year**	**5 year**	**10 year**	**30 year**
Hydro One (AL/BBB+)	45bps	71bps	96bps	135bps
Toronto Hydro (AL/BBB+)	-	65bps	90bps	129bps
TransCanada PipeLines (BBBH/-)	-	85bps	115bps	185bps
NS Power (A/A)	-	82bps	107bps	146bps
EPCOR Utilities (BBBH/BBB+)	-	68bps	93bps	132bps
Bruce Power (A/BBB+)	-	110bps	160bps	220bps

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Note: Indicative credit spreads represent the bid-side of the secondary market by BMO CM's trading desk. New issue credit spreads are determined by a variety of factors. This can result in an issuance spread that may incorporate a new issue premium.

BMO Capital Markets

Canadian Debt Capital Markets

Weekly Update: March 23, 2018

WEEK IN REVIEW

- New issue activity continued in the Canadian market last week with eight transactions pricing for $5.7bn (includes 1-year FRN).
  - 2018YTD (ex-MBS) issuance stands at $29.2bn, +16% versus the same time last year.
- Secondary spreads finished the week 1-3bps wider with flows skewed towards better selling given the uptick in primary supply and deteriorating backdrop to close the week.
- Primary market activity is expected to be modest this week ahead of the Easter long weekend.

C$ NEW ISSUE SUPPLY(1)

	Corporate (C$bn)	Government (C$bn)
Week of March 19, 2018	4.98	0.30
Month-to-date	9.14	5.90
Year-to-date	29.19	21.90
YoY Change	+16%	-5%

KEY UPCOMING ECONOMIC EVENTS

	Canada	US
Monday	-	Chicago Fed National Activity Index
Tuesday	Quebec Budget	Richmond Fed Manufacturing Index
Wednesday	Ontario Budget	GDP
Thursday	GDP	Core PCE Price Index
Friday	Good Friday	Good Friday

RECENT ISSUANCE(1)

Corporate Debt New Issues

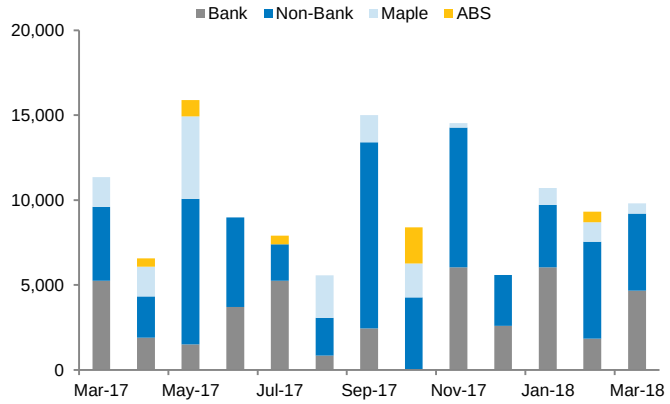
Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. $LIBOR
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
23-Mar-18	VW Credit Canada Inc.	A3/-/BBBH	2	500	FRN	30-Mar-20	3M CDOR	50.0	67.1
23-Mar-18	VW Credit Canada Inc.	A3/-/BBBH	3	500	2.900%	29-Mar-21	GoC Curve	95.0	62.7
23-Mar-18	VW Credit Canada Inc.	A3/-/BBBH	5	500	3.250%	29-Mar-23	GoC Curve	120.0	87.1
22-Mar-18	Manulife Bank of Canada	-/A+/AH	1.5+0.3	300	FRN	27-Jan-20	3M CDOR	23.0	43.3
22-Mar-18	Bank of Montreal	A1/A+/AA	2	700	FRN	30-Mar-20	3M CDOR	17.0	32.0
22-Mar-18	Pembina Pipeline Corp.	-/BBB/BBB	10	400	4.020%	27-Mar-28	GoC Curve	180.0	137.5
22-Mar-18	Pembina Pipeline Corp.	-/BBB/BBB	30	300	4.750%	26-Mar-48	CAN 2.75% 12/48	243.0	211.1
20-Mar-18	Bank of Nova Scotia	A1/A+/AA	1	675	FRN	22-Mar-19	1M CDOR	10.0	29.9
20-Mar-18	NAV Canada	Aa2/AA-/AAL	30	275	3.293%	30-Mar-48	CAN 2.75% 12/48	97.0	61.8
20-Mar-18	Bank of Montreal (re-open)	Aaa/-/AAA	5	1,000	FRN	1-Feb-23	3M CDOR	27.0	37.3
19-Mar-18	National Bank of Canada (re-open)	A1/A/AAL	4.25	500	1.957%	30-Jun-22	CAN 2.75% 06/22	74.0	42.9

Government/SSA Debt New Issues

Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. 3M BA's
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
20-Mar-18	City of Toronto (re-open)	Aa1/AA/AA	9.2	300	2.400%	7-Jun-27	CAN 1.00% 06/27	76.0	35.0

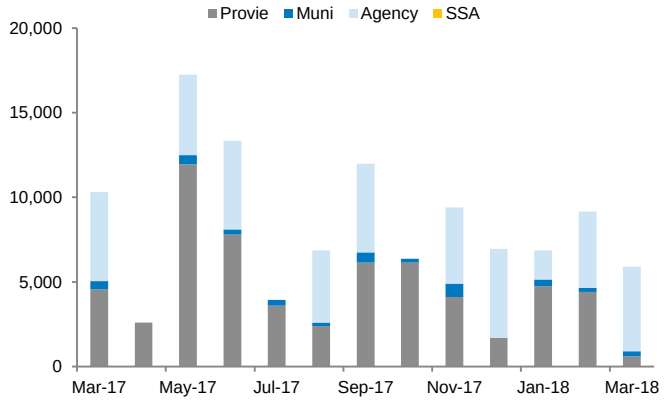
MONTHLY CORPORATE ISSUANCE(1)

C$ millions (LTM)



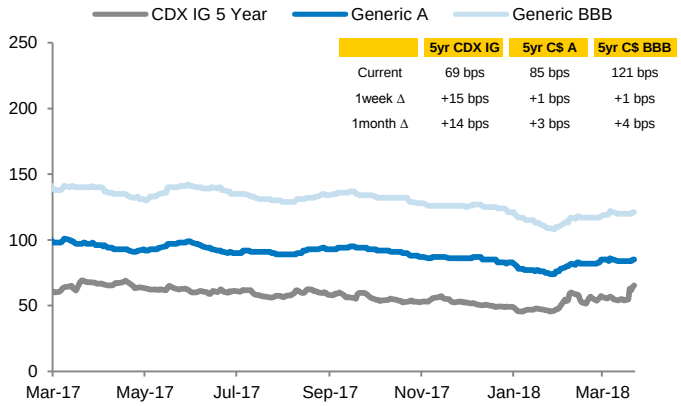
MONTHLY GOVERNMENT ISSUANCE

C$ millions (LTM)



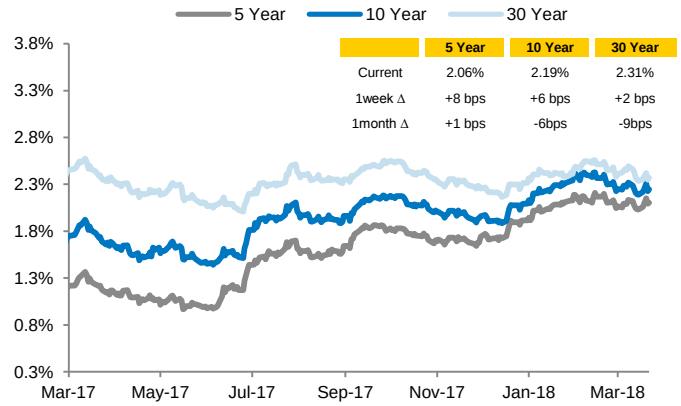
GENERIC 5 YEAR CREDIT SPREADS

LTM (basis points)



GOVERNMENT OF CANADA BOND YIELDS

LTM (%)



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(1) Excludes MBS and issues with terms of less than 1.5 years

BMO Capital Markets

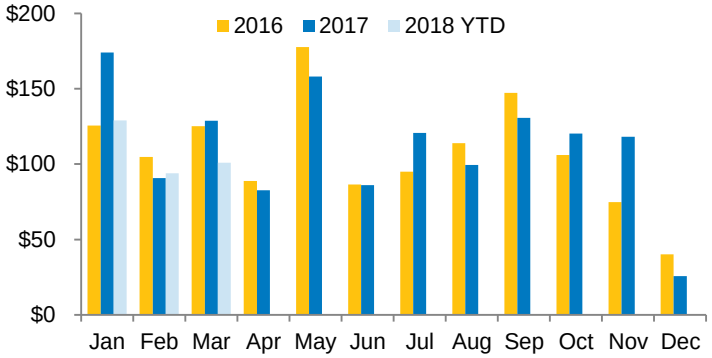
U.S. Investment Grade Debt Capital Markets

Weekly Update: March 26, 2018

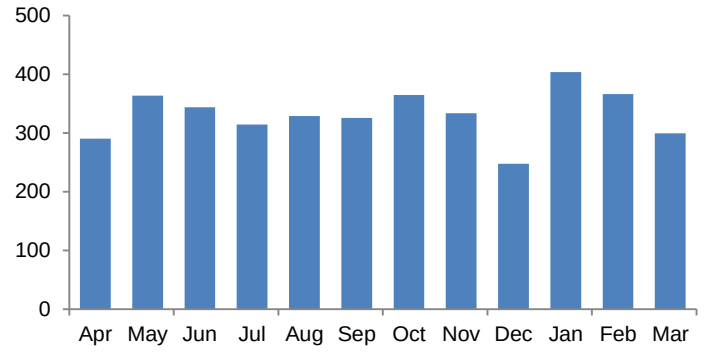
Highlights

- The U.S. investment grade primary markets priced $29.6bn (18 deals / 37 tranches) last week, beating street estimates in a reversal of fortune from the prior week's doldrums as issuance volumes were up 39% week-over-week
  - On average, final pricing tightened 14bps from IPT (+6bps week-over-week), over-subscription was 2.76x (+0.67x week-over-week) and NICs remained elevated, averaging 16bps as investors still maintain a firm hold on pricing leverage
- We are now sitting at $335bn of investment grade deals for 2018 YTD which is 10.1% behind the pace of issuance at this point last year
- The above expectation level of issuance was partially attributable to a jumbo transaction done last week by Anheuser-Busch which priced $10bn across 6 tranches, accounting for a third of weekly volume by itself. Despite a challenging primary market for IG issuers recently, the deal came 3.5x over-subscribed on average with healthy moves tighter from IPT and constructive trading in the secondary market
- Despite US investment grade spreads' continued climb, Lipper reported a $3.5bn net inflow to Investment Grade funds. This pushed YTD net inflows to $26.7bn
- Risk assets performed poorly last week as a disparate set of risk events from political strife rattled markets with the Trump Administration's explicit declaration of $60bn in tariffs on China brought late week retaliation from Beijing and the ratified Federal budget resolution faced last minute pressure from the veto wielding President
- The FOMC met last week and followed through on the basically unanimous market opinion of a 6th 25bp hike since they kicked off the cycle in December 2015 and released an updated summary of economic projections. The median expectations by Fed members for the number of hikes for 2018 stayed put at 3 and increased further out in 2019 and 2020 commensurate with their upgrading of growth and inflation projections over the same timeframe

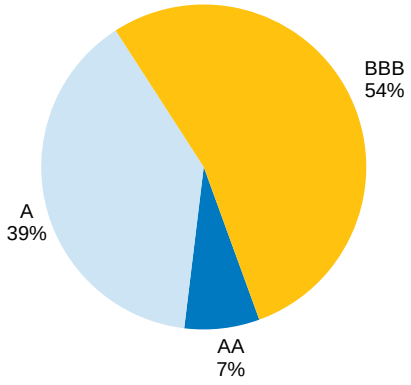
Monthly Investment Grade Issuance ($bn)



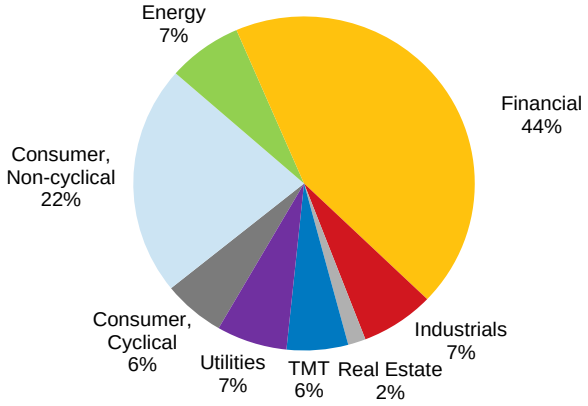
LTM Monthly FINRA TRACE IG Volume ($bn)(1)



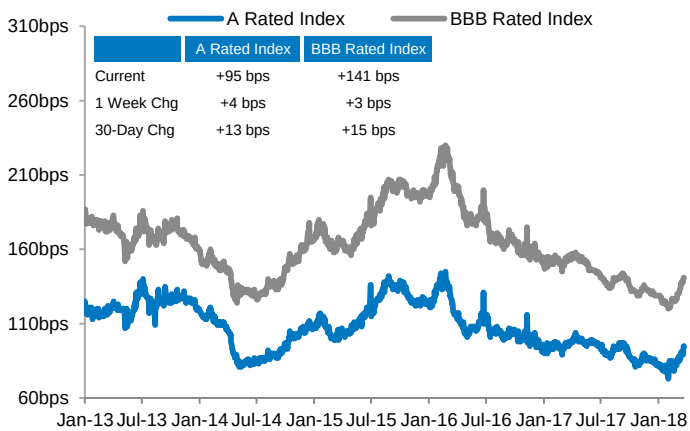
2018 YTD Issuance by Credit Rating



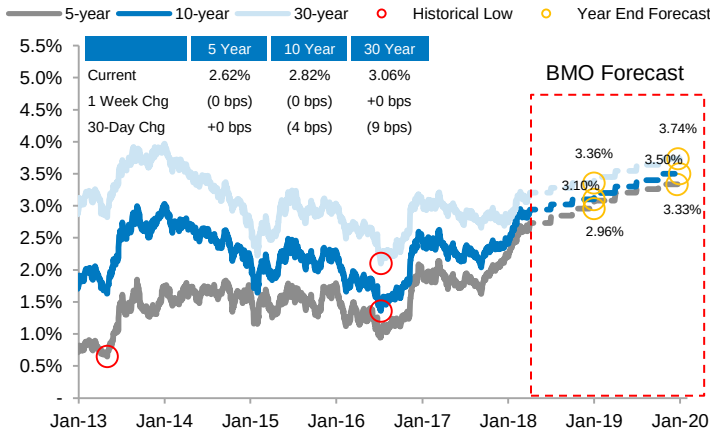
2018 YTD Issuance by Sector



Index Credit Spreads as of 3/23/2018



U.S. Treasury Benchmark Yields as of 3/23/2018



Source: BMO Capital Markets, FINRA TRACE, BondTicker, Bloomberg, Nutz&Boltz Note, and Informa Global Markets

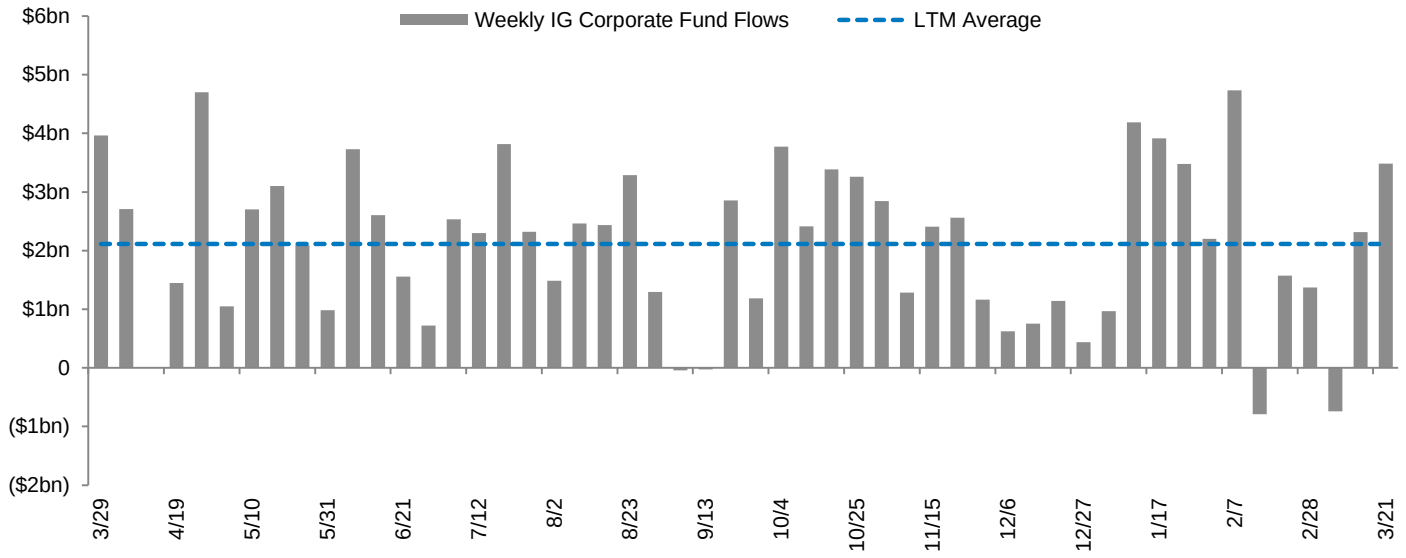
(1) FINRA Trace Volume represents Investment Grade Corporate bonds.

BMO Capital Markets

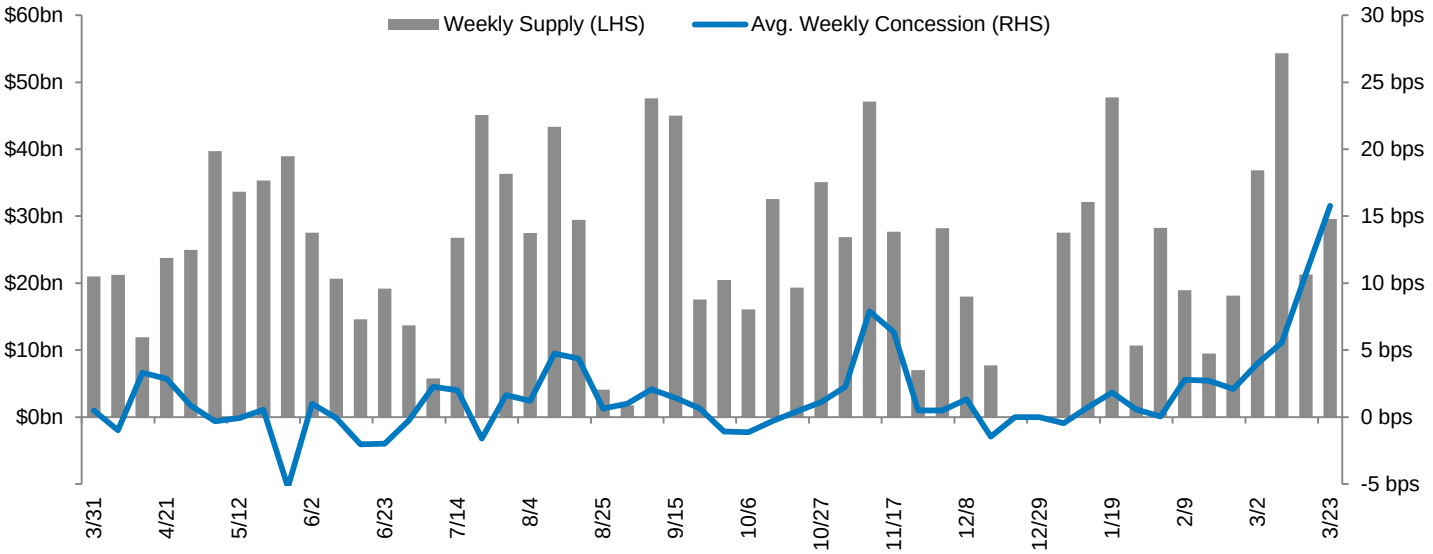
U.S. Investment Grade Debt Capital Markets

Weekly Update: March 26, 2018

U.S. Investment Grade Fund Flows



New Issue Concessions(1)



Key Upcoming U.S. Economic Indicators

Monday	Chicago Fed national activity index
Tuesday	Case-Shiller home price index, Consumer confidence index
Wednesday	GDP, Advance trade in goods, Pending home sales
Thursday	Weekly Jobless Claims, Personal income, Consumer spending, Core inflation, Chicago PMI, Consumer sentiment index
Friday	Good Friday Holiday

Pre-Issuance Hedging Premiums*

Expected Issuance Date:	Underlying Note Tenor 5 Year	7 Year	10 Year	30 Year
3 months	3 bps	2 bps	2 bps	1 bps
6 months	6 bps	5 bps	4 bps	1 bps
9 months	8 bps	7 bps	6 bps	2 bps
12 months	10 bps	8 bps	7 bps	2 bps
18 months	12 bps	10 bps	9 bps	3 bps

* Issuance hedging premiums reflect difference between forward starting swap rate for underlying issue term and the spot starting swap rate. Pricing is mid-market assuming standard transaction conventions and is non-actionable.
Source: BMO CM / Bloomberg as of 3/23/2018

Source: BMO Capital Markets, Bloomberg and Informa Global Markets
(1) Average Weekly Concessions excludes the ~41bps new issue concession from CBL's $225m add-on on August 29, 2017 and ~52bps NIC from Enbridge Feb 26, 2018 60NC10 deal

BMO Capital Markets

U.S. Investment Grade Debt Capital Markets

Weekly Update: March 26, 2018

Recent Investment Grade New Issue Terms

Date	Issuer	Ratings (Moody's / S&P)	Amount (US$ mm)	Coupon	Tenor (yrs)	IPTs (Spd vs. UST)	Guidance (Spd vs. UST)	Final Pricing (Spd vs. UST)	NIC	Over-subscription
22-Mar-18	Assurant Inc	Baa3/BBB	300	FRN	3	-	L+137.5a	L+125bp	37.5bp	1.8x
22-Mar-18	Assurant Inc	Baa3/BBB	300	4.200%	6	-	175a	T+162.5bp	32.5bp	3.2x
22-Mar-18	Assurant Inc	Baa3/BBB	300	4.900%	10	-	225a	T+212.5bp	32.5bp	2.7x
22-Mar-18	Baidu Inc	A3/-/A	1,000	3.875%	6	140a	125#	T+125bp	15bp	3.5x
22-Mar-18	Baidu Inc	A3/-/A	500	4.375%	10	180a	160#	T+160bp	18bp	7.2x
22-Mar-18	Prudential Financial Inc	Baa1/A	600	3.878%	10	120a	110a +/- 5	T+105bp	11bp	2.7x
22-Mar-18	Prudential Financial Inc	Baa1/A	400	4.418%	30	150a	140a +/- 5	T+135bp	11bp	2.8x
22-Mar-18	Brown-Forman Corp	A1/A-	300	3.500%	7	95-100	85a +/- 5	T+80bp	5bp	3.7x
22-Mar-18	Brown-Forman Corp	A1/A-	300	4.000%	20	110-115	105a +/- 5	T+100bp	10bp	3.3x
22-Mar-18	Mississippi Power Co	Ba1/A-/BBB+	300	FRN	2	L+90-95	3mL+75a +/- 5	3mL+65bp	-7bp	4.3x
22-Mar-18	Mississippi Power Co	Ba1/A-/BBB+	300	3.950%	10	T+145a	125a +/- 5	T+115bp	-10bp	3.7x
22-Mar-18	Sigma Finance Netherlands BV	Baa3/BBB	500	4.875%	10	225a	212.5-225	T+212.5	26bp	2.2x
22-Mar-18	ADCB Finance Cayman Ltd	A/A+	750	4.000%	5	MS+145a	MS+130-135bp	MS+130bp	-	-
20-Mar-18	Ford Motor Credit Co LLC	Baa2/BBB	550	FRN	Tap of '21	-	-	3mL+81bp	-	-
20-Mar-18	Anheuser-Busch InBev Worldwide Inc	A3/A-	500	FRN	6	L equiv	L equiv	3mL+74	7bp	4.8x
20-Mar-18	Anheuser-Busch InBev Worldwide Inc	A3/A-	1,500	3.500%	6	110-115	95a +/- 5	T+90bp	7bp	3.9x
20-Mar-18	Anheuser-Busch InBev Worldwide Inc	A3/A-	2,500	4.000%	10	130-135	125a +/- 5	T+120bp	15bp	3.0x
20-Mar-18	Anheuser-Busch InBev Worldwide Inc	A3/A-	1,500	4.375%	20	145-150	140a +/- 5	T+135bp	18bp	3.2x
20-Mar-18	Anheuser-Busch InBev Worldwide Inc	A3/A-	2,500	4.600%	30	165a	155a +/- 5	T+150bp	12.5bp	3.4x
20-Mar-18	Anheuser-Busch InBev Worldwide Inc	A3/A-	1,500	4.750%	40	185a	170a +/- 5	T+165bp	15bp	2.7x
20-Mar-18	Entergy Louisiana LLC	A2/A	750	4.000%	15	130a	115a +/- 2.5	T+112.5bp	11.5bp	2.7x
20-Mar-18	Virginia Electric & Power Co	A2/BBB+	700	3.800%	10	100-105	95-100	T+95bp	17bp	1.6x

Source: BMO Capital Markets and Informa Global Markets

Denotes BMO transactions

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All values in this document are in US$ unless otherwise specified.

Bank Name	BMO
Date	23-Mar-18

Indicative OPG New Issue	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	CAN 2.75% 12/48	CAN 1.00% 06/27	CAN 1.75% 03/23	CAN 1.25% 02/20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.31%	2.19%	2.07%	1.85%	0.03%	0.06%	0.08%	0.09%
Curve Adjustment (bps)	0.0	2.0	0.2	1.6	0.0	0.1	0.1	0.2
Spread to GoC Curve (bps)	166	119	94	68	3.0	3.0	3.0	-1.0
Re-Offered Yield	3.97%	3.40%	3.01%	2.55%	0.06%	0.09%	0.11%	0.08%
Commission (bp)	2.8	4.7	7.5	10.2	-	-	-	-
All-in Yield	**4.00%**	**3.45%**	**3.08%**	**2.65%**				

Primary Comparable (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A+)	135.0	96.0	71.0	45.0	2.0	5.0	5.0	1.0

Other Comparables (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Toronto Hydro (A/A)	129.0	90.0	65.0	-	0.0	3.0	3.0	-
TransCanada Pipelines (A(L)/A-)	185.0	115.0	85.0	-	5.0	5.0	5.0	-
Nova Scotia Power (A(L)/BBB+)	146.0	107.0	82.0	-	2.0	5.0	5.0	-
EPCOR Utilities (A(L)/A-)	132.0	93.0	68.0	-	2.0	5.0	5.0	-
Bruce Power (BBB/BBB)	220.0	160.0	110.0	-	10.0	10.0	10.0	-

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Cc:	Hainsworth, Andrew; Williams, Grant
Subject:	OPG C$ Pricing Update and US IG Market Update
Date:	Monday, June 04, 2018 8:50:50 AM
Attachments:	2018_6_4-OPG C$ Pricing Update and US IG Market Update.pdf 2018_6_1-US BMO DCM Weekly Update.pdf 2018_6_1-CAD BMO DCM Weekly Update.pdf OPG Weekly Indicative Spreads - Send.xlsx

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Overall Commentary:
• Equity markets ended the week little changed despite a plethora of turbulent news – political uncertainty in Italy, Ottawa's announced takeover of the TransMountain pipeline, hawkish Bank of Canada policy statement and the U.S. imposing tariffs on imports of steel and aluminum from its closest trading partners.
o S&P: +0.5%, led by energy and information technology.
o TSX: -0.2%, with banks and financials lagging.
• Government yields were mixed last week, with GoC's outperforming Treasuries across the curve.
• The Bank of Canada left policy rates steady at 1.25% on Wednesday as widely expected, though a more hawkish than expected tone suggests a July hike is on the table.
• Canadian GDP rose at a modest 1.3% annual rate in Q1, slightly below expectations and marking the third consecutive quarter of sub-2% growth.
• U.S. nonfarm payrolls rose 223,000 in May, above the consensus view of 190,000 and the past year average of 197,000.
o The jobless rate fell to 3.8%, matching the April 2000 low.

Benchmarks Last Week:
• Canada Curve (w/w): -4, -7, -10, -10 bps for 2s, 5s, 10s and 30s.
• Treasury Curve (w/w): unch, -2, -3, -4 bps for 2s, 5s, 10s and 30s.
• Canadian Swap Spreads (w/w): +1.00, +1.00, +3.25, +2.37 for 2s, 5s, 10s and 30s.
• Canadian Corporate Bond Cash Spreads: 3-5bps wider.

Corporate Market Last Week:
• Primary issuance continued in the Canadian market last week with three transactions pricing for $1.7bn.
o May issuance volumes finished at $11.6bn, 26% below last year's record setting volume.
o 2018YTD (ex-MBS) issuance stands at $53.6bn, +10% versus the same time last year.
• Secondary spreads finished the week 3-5bps wider on increased market volatility.
• Primary issuance was muted in the US high grade market with US$4.8bn pricing across 6 deals / 9 tranches.
o 2018YTD total issuance stands at US$579.9bn from 376 transactions / 703 tranches, down 11% from the same time last year.
• New issue activity is expected to continue this week alongside a robust marketing calendar.

Canadian Corporate Supply Last Week:
• HSBC Bank Canada (-/AA-/AH) priced $1.25bn of long 5-year fixed rate notes at GoC Curve +108bps.
• Enmax Corporation (-/BBB+/AL) priced $300mm of 10-year fixed rate notes at GoC Curve +160bps.
• SNC Lavalin Group Inc. (-/BBB/BBB) priced $150mm of 1-year floating rate notes at 3mCDOR +37bps.

International Canadian Bank Supply Last Week:
• Toronto-Dominion Bank (Aa2/AA-/AA) priced EUR1bn of 7-year covered bonds (Aaa/-/AAA) at MS+8bps.
• Toronto-Dominion Bank (Aa2/AA-/AA) priced GBP1bn of 3-year floating rate covered bond (Aaa/-/AAA) at 3m £ibor+27bps.
• Royal Bank of Canada (A1/AA-AA) priced GBP750mm of 3-year floating rate covered bonds (Aaa/-/AAA) at 3m £ibor+27bps.

Canadian Government Supply Last Week:
• Province of Quebec (Aa2/AA-/AH) re-opened its Dec/48's for $500mm at +75.5bps vs. GoC Dec/48's.

• Province of Ontario (Aa2/A+/AAL) re-opened its Jun/49’s for $750mm at +78bps vs. GoC Dec/48’s.

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ONTARIO POWER GENERATION

BMO Capital Markets

Indicative Pricing as at June 4, 2018

OPG C$ INDICATIVE PRICING TERMS

Term	2 year	5 year	10 year	30 year
New Issue Spread	**68 bps**	**94 bps**	**119 bps**	**164 bps**
CAD Benchmark Bond	CAN 3.50% 06/20	CAN 1.50% 06/23	CAN 2.00% 06/28	CAN 2.75% 12/48
CAD Benchmark Yield	1.94%	2.13%	2.24%	2.28%
Curve Adjustment	0.00%	0.00%	0.00%	0.00%
CAD Coupon	**2.62%**	**3.07%**	**3.43%**	**3.92%**
CAD Swap Yield	2.26%	2.50%	2.63%	2.65%
Cda Swap Duration	1.945	4.672	8.75	20.60
Spread to 3m BA	36 bps	56 bps	81 bps	126 bps

Spread Changes	2 year	5 year	10 year	30 year
Week-over-Week	3	3	3	3

Comparable Issuers (DBRS/S&P)	2 year	5 year	10 year	30 year
Hydro One (AH/A)	52bps	78bps	103bps	138bps
Toronto Hydro (A/A)	-	67bps	92bps	129bps
TransCanada Pipelines (AL/BBB+)	-	95bps	130bps	185bps
Nova Scotia Power (AL/BBB+)	-	87bps	112bps	147bps
EPCOR Utilities (AL/A-)	-	76bps	101bps	136bps
Bruce Power (BBB/BBB)	-	115bps	155bps	210bps

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Note: Indicative credit spreads represent the bid-side of the secondary market by BMO CM's trading desk. New issue credit spreads are determined by a variety of factors. This can result in an issuance spread that may incorporate a new issue premium.

BMO Capital Markets

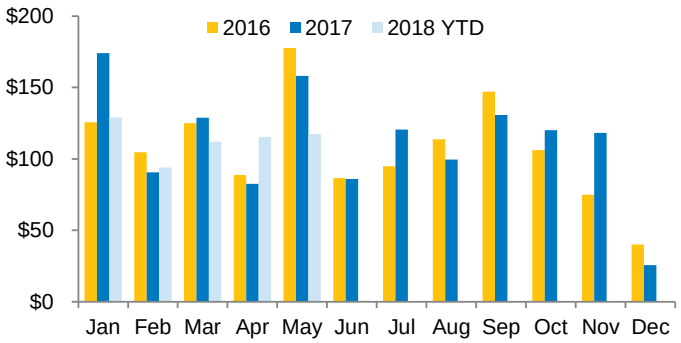
U.S. Investment Grade Debt Capital Markets

Weekly Update: June 4, 2018

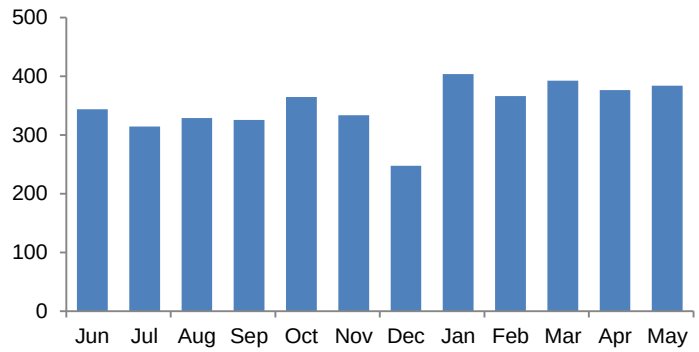
Highlights

- The Memorial Day shortened week closed with $4.75bn (6 deals / 9 tranches) in primary new issue supply, registering as the slowest week YTD and falling short of estimates for $21bn
  - On average, final pricing tightened ~9bps from IPTs (vs. ~19bps the week prior), over-subscription levels were 2.72x (vs. 2.91x the week prior) and NICs landed at ~9bps (vs. ~10bps the week prior)
  - YTD volume now stands at $579.9bn, 11% behind last year's pace as Italian political uncertainty and trade war concerns weighed on sentiment throughout much of the week
- Investment Grade bond funds registered a 12th straight week of inflows last week (+$0.8bn net inflow), bringing YTD net inflows to $43.8bn
- Defensive and low-beta names appeared last Wednesday as the first issuers to reopen the market following the global risk asset selloff on Tuesday, while the tone improved considerably by the end of the week, underpinned by a strong Non-farm Payrolls report prompting two issuers to tap the market on Friday
- Market participants are expecting ~$26bn of supply this week with a robust pipeline, built up from last week's issuance drought, expected to manifest in deals as long as the market can maintain a steady course amidst continued geopolitical tensions. Looking ahead to the whole month of June, the street is expecting $95bn of new issue volume on average

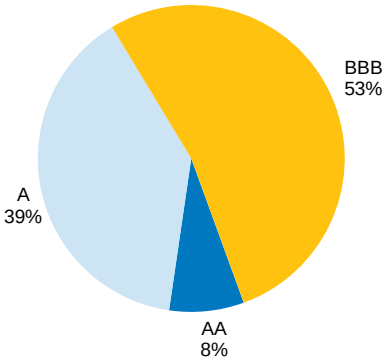
Monthly Investment Grade Issuance ($bn)



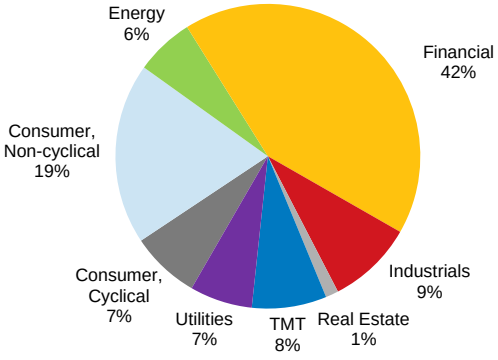
LTM Monthly FINRA TRACE IG Volume ($bn)(1)



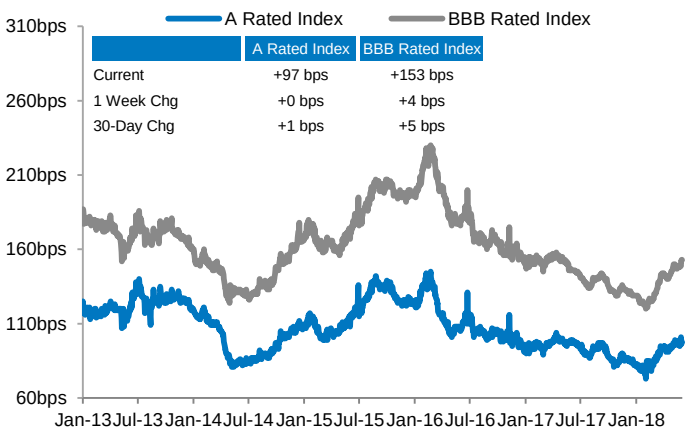
2018 YTD Issuance by Credit Rating



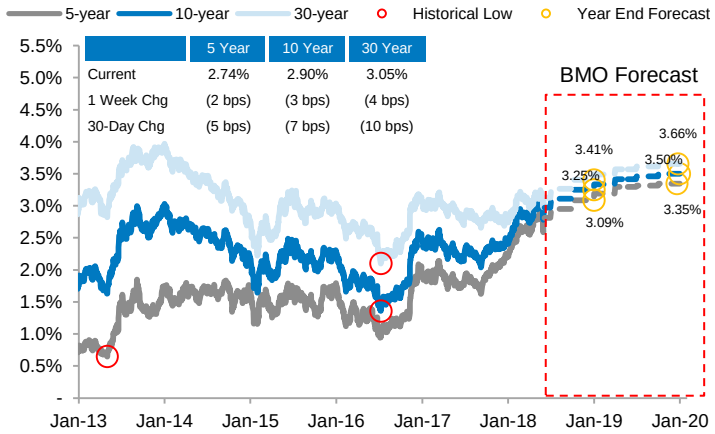
2018 YTD Issuance by Sector



Index Credit Spreads as of 6/1/2018



U.S. Treasury Benchmark Yields as of 6/1/2018



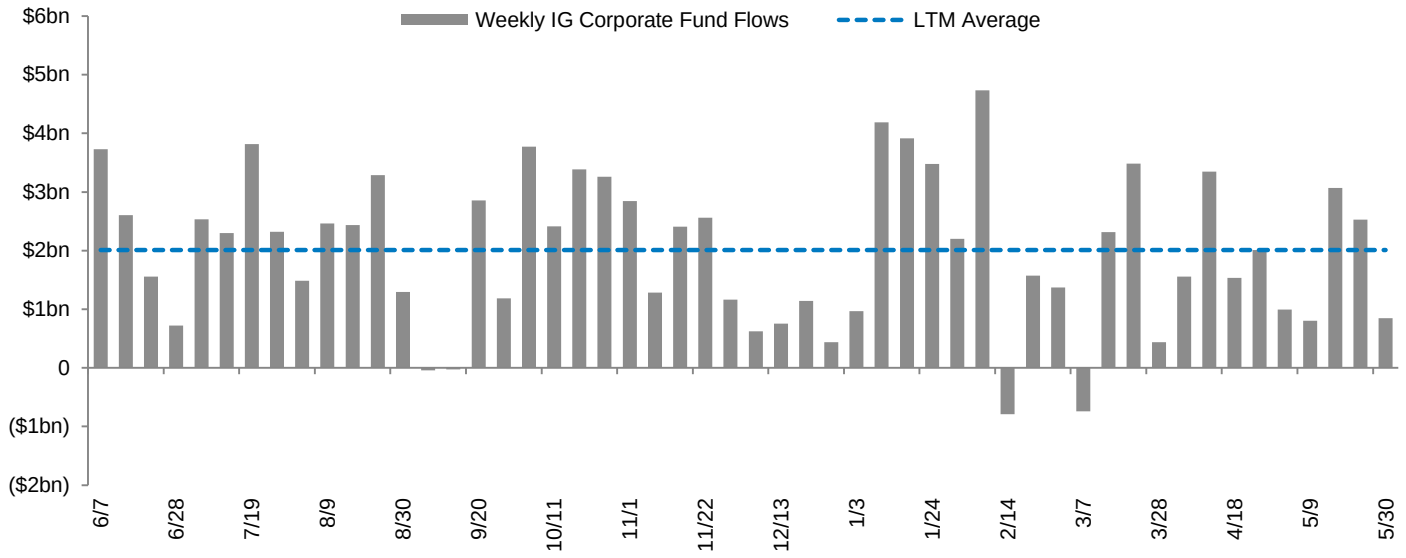
Source: BMO Capital Markets, FINRA TRACE, BondTicker, Bloomberg, Lipper, EPFR, Informa Global Markets.
(1) FINRA Trace Volume represents Investment Grade Corporate bonds.

BMO Capital Markets

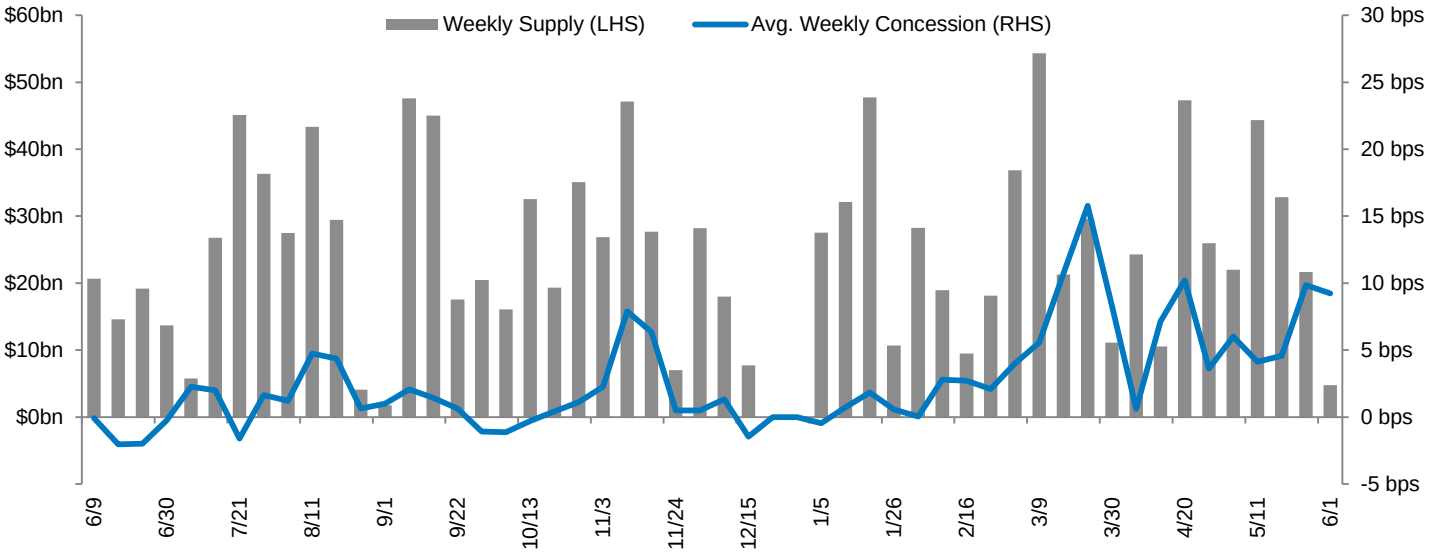
U.S. Investment Grade Debt Capital Markets

Weekly Update: June 4, 2018

U.S. Investment Grade Fund Flows



New Issue Concessions



Key Upcoming U.S. Economic Indicators

Monday	Factory orders
Tuesday	ISM non-manufacturing index, Job openings
Wednesday	Trade deficit, Productivity, Unit labor costs
Thursday	Weekly jobless claims, Quarterly services, Consumer credit
Friday	Wholesale inventories

Pre-Issuance Hedging Premiums*

Expected Issuance Date:	Underlying Note Tenor			
	5 Year	7 Year	10 Year	30 Year
3 months	3 bps	3 bps	2 bps	1 bps
6 months	6 bps	5 bps	4 bps	1 bps
9 months	8 bps	6 bps	5 bps	2 bps
12 months	9 bps	7 bps	6 bps	2 bps
18 months	10 bps	9 bps	8 bps	2 bps

* Issuance hedging premiums reflect difference between forward starting swap rate for underlying issue term and the spot starting swap rate. Pricing is mid-market assuming standard transaction conventions and is non-actionable.
Source: BMO Capital Markets / Bloomberg as of 6/1/2018

Source: BMO Capital Markets, Bloomberg, Informa Global Markets.

BMO Capital Markets

U.S. Investment Grade Debt Capital Markets

Weekly Update: June 4, 2018

Recent Investment Grade New Issue Terms

Date	Issuer	Ratings (Moody's / S&P)	Amount (US$ mm)	Coupon	Tenor (yrs)	IPTs (Spd vs. UST)	Guidance (Spd vs. UST)	Final Pricing (Spd vs. UST)	NIC	Over-subscription
1-Jun-18	Moody's Corp	BBB+/BBB+	300	3.250%	3	87.5a	75 area +/- 5	T+70bp	0bp	5.3x
1-Jun-18	Texas Instruments Inc	A1/A+	200	4.150%	Tap of '48	100-105	-	T+93bp	0bp	3.0x
31-May-18	BB&T Corp	A2/A-	500	3.200%	3	70-75	70#	T+70bp	10bp	1.7x
31-May-18	BB&T Corp	A2/A-	1,000	3.700%	7	100a	95#	T+95bp	10bp	1.2x
30-May-18	L3 Technologies Inc	Baa3/BBB-	800	3.850%	5	125-130	125a +/- 3	T+122bp	13bp	1.7x
30-May-18	L3 Technologies Inc	Baa3/BBB-	1,000	4.400%	10	160-165	160a +/- 3	T+157bp	18bp	1.4x
30-May-18	Southern California Edison Co	Aa3/A	300	3.400%	5	85-90	75#	T+75bp	5bp	3.3x
30-May-18	Southern California Edison Co	Aa3/A	350	4.125%	Tap of '48	140-145	130#	T+130bp	15bp	4.2x
30-May-18	Dominion Energy Inc	Baa2/BBB	300	4.250%	10	145-150	145a +/- 5	T+140bp	12bp	2.3x
24-May-18	Yara International ASA	Baa2/BBB	1,000	4.750%	10	195a	185a +/- 5	T+180bp	3.5bp	1.9x
24-May-18	Hunt Oil Co of Peru LLC Sucursal Del Peru	Ba1/NR/BBB	600	6.375%	10	high 6%	6.50-6.625%	6.50%	-	2.7x
23-May-18	Vodafone Group PLC	Baa1/BBB+	1,000	FRN	6	L equiv	L quiv	3mL+99bp	15bp	3.0x
23-May-18	Vodafone Group PLC	Baa1/BBB+	2,000	3.750%	6	135a	115a +/- 5	T+110bp	15bp	3.1x
23-May-18	Vodafone Group PLC	Baa1/BBB+	1,500	4.125%	7	160a	140a +/- 5	T+135bp	15bp	4.1x
23-May-18	Vodafone Group PLC	Baa1/BBB+	3,000	4.375%	10	175a	160a +/- 5	T+155bp	15bp	2.8x
23-May-18	Vodafone Group PLC	Baa1/BBB+	1,000	5.000%	20	220a	205a +/- 5	T+200bp	15bp	5.0x
23-May-18	Vodafone Group PLC	Baa1/BBB+	3,000	5.250%	30	235a	220a +/- 5	T+215bp	15bp	2.3x
23-May-18	Microchip Technology Inc	Baa3/NR/BBB-	1,000	3.922%	3	150-162.5	130a +/- 5	T+125bp	-	4.3x
23-May-18	Microchip Technology Inc	Baa3/NR/BBB-	1,000	4.333%	5	175-187.5	155a +/- 5	T+150bp	-	2.8x
23-May-18	Santander UK PLC	Aa3/AA	750	FRN	3	L equiv	3mL+62#	3mL+62bp	5bp	2.0x
23-May-18	Santander UK PLC	Aa3/AA	1,000	3.400%	3	95a	80#	T+80bp	5bp	1.5x
23-May-18	Harris Corp	Baa3/BBB-	850	4.400%	10	150-155	140-145	T+140bp	9bp	2.4x

Denotes BMO transactions

Source: BMO Capital Markets, Informa Global Markets.

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All values in this document are in US$ unless otherwise specified.

BMO Capital Markets

Canadian Debt Capital Markets

Weekly Update: June 1, 2018

WEEK IN REVIEW

- Primary issuance continued in the Canadian market last week with three transactions pricing for $1.7bn.
  - May issuance volumes finished at $11.6bn, 26% below last year's record setting volume.
  - 2018YTD (ex-MBS) issuance stands at $53.7bn, +10% versus the same time last year.
- Secondary spreads finished the week 3-5bps wider on increased market volatility.
- New issue activity is expected to continue this week alongside a robust marketing calendar.

C$ NEW ISSUE SUPPLY(1)

	Corporate (C$bn)	Government (C$bn)
Week of May 28, 2018	1.70	1.25
Month-to-date	0.15	0.75
Year-to-date	53.70	45.23
YoY Change	+10%	+1%

KEY UPCOMING ECONOMIC EVENTS

	Canada	US
Monday	-	Factory Orders
Tuesday	Labour Productivity	Non-manufacturing ISM
Wednesday	Building Permits	Goods & Services Trade Deficit
Thursday	Ontario Election	Initial Claims
Friday	Unemployment Rate	Wholesale Inventories

RECENT ISSUANCE(1)

Corporate Debt New Issues

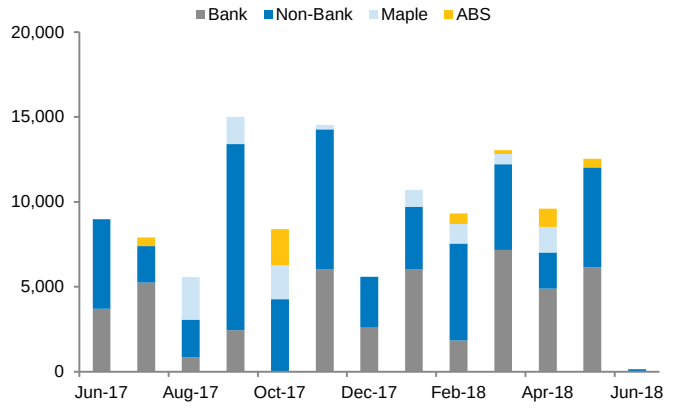
Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. $LIBOR
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
1-Jun-18	SNC Lavalin	-/BBB/BBB	1	150	FRN	6-Jun-19	3M CDOR	37.0	57.0
31-May-18	ENMAX Corp.	-/BBB+/AL	10	300	3.836%	5-Jun-28	GoC Curve	160.0	123.0
30-May-18	HSBC Bank Canada	-/AA-/AH	5.3	1,250	3.245%	15-Sep-23	GoC Curve	108.0	81.6

Government/SSA Debt New Issues

Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. 3M BA's
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
1-Jun-18	Province of Ontario (re-open)	Aa2/A+/AAL	31.0	750	2.900%	2-Jun-49	CAN 2.75% 12/48	78.0	38.0
30-May-18	Province of Quebec (re-open)	Aa2/AA-/AH	30.5	500	3.500%	1-Dec-48	CAN 2.75% 12/48	75.5	35.5

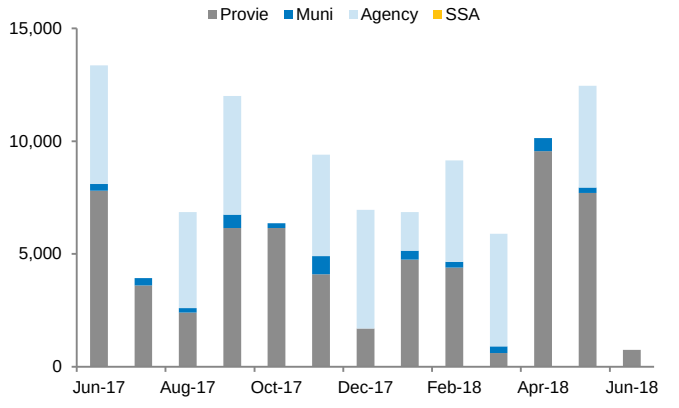
MONTHLY CORPORATE ISSUANCE(1)

C$ millions (LTM)



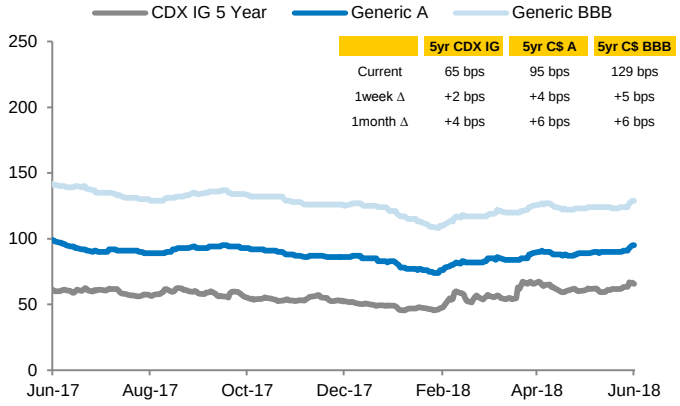
MONTHLY GOVERNMENT ISSUANCE

C$ millions (LTM)



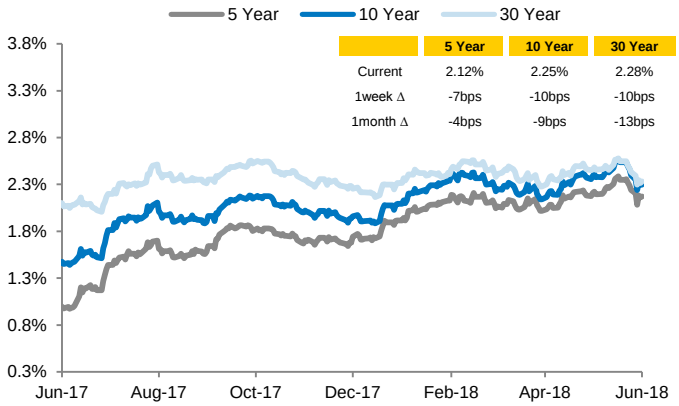
GENERIC 5 YEAR CREDIT SPREADS

LTM (basis points)



GOVERNMENT OF CANADA BOND YIELDS

LTM (%)



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(1) Excludes MBS

Bank Name	BMO
Date	4-Jun-18

Indicative OPG New Issue	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	CAN 2.75% 12/48	CAN 2.00% 06/28	CAN 1.50% 06/23	CAN 3.50% 06/20				
Benchmark Canada Bond Coupon	2.75%	2.00%	1.50%	3.50%				
Benchmark Yield	2.28%	2.24%	2.13%	1.94%	-0.07%	-0.06%	-0.04%	-0.02%
Curve Adjustment (bps)	0.0	0.0	0.1	0.1	0.0	0.0	-1.6	-5.4
Spread to GoC Curve (bps)	164	119	94	68	3.0	3.0	3.0	3.0
Re-Offered Yield	3.92%	3.43%	3.07%	2.62%	-0.04%	-0.03%	-0.03%	-0.04%
Commission (bp)	2.8	4.7	7.5	10.2	-	-	-	-
All-in Yield	**3.94%**	**3.48%**	**3.14%**	**2.72%**				

Primary Comparable (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A+)	138.0	103.0	78.0	52.0	2.0	4.0	4.0	4.0

Other Comparables (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Toronto Hydro (A/A)	129.0	92.0	67.0	-	1.0	4.0	4.0	-
TransCanada Pipelines (A(L)/A-)	185.0	130.0	95.0	-	0.0	5.0	5.0	-
Nova Scotia Power (A(L)/BBB+)	147.0	112.0	87.0	-	2.0	4.0	4.0	-
EPCOR Utilities (A(L)/A-)	136.0	101.0	76.0	-	1.0	3.0	3.0	-
Bruce Power (BBB/BBB)	210.0	155.0	115.0	-	5.0	5.0	5.0	-

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Cc:	Hainsworth, Andrew; Williams, Grant
Subject:	OPG C$ Pricing Update
Date:	Monday, March 12, 2018 9:07:55 AM
Attachments:	2018_3_9-OPG C$ Pricing Update.pdf 2018_3_9-BMO DCM Weekly Update.pdf OPG Weekly Indicative Spreads - Send.xlsx BMO DCM Weekly Update (3.12.18).pdf

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Overall Commentary:
• Equity markets rallied last week alongside a mix of economic and political developments, with a focus on announced steel and aluminum tariffs from the white house.
o S&P: +3.5%, led by industrials and financials.
o TSX: +1.3%, led by information technology and health care.
• Government yields were higher in Canada and the U.S. last week, rising 2-8bps across the curve.
• The Bank of Canada kept its key overnight lending rate unchanged on Wednesday at 1.25%, as widely expected.
• Canadian housing starts rose to 229,700 annualized units in February, stronger than expected and continuing the stretch of heated construction activity.
o The 12-month average is now 222,800 units, the strongest pace of activity since 2008.
• Canadian employment rose 15,400 in February, below expectations, partially reversing the prior month's 88,000 fall.
o The unemployment rate fell a tick to 5.8%, matching the lowest level in more than 40 years.
• U.S. nonfarm payrolls rose 313,000 in February, the most in 1.5years, while the two previous monthly increases were revised up a total of 54,000.
o The unemployment rate remained at 4.1% for a fifth month in a row.
• The European Central Bank left rates unchanged on Thursday.
o Guidance on rates was left unchanged while asset purchase guidance was revised to indicate the ECB will keep buying bonds past September, if necessary, but will not be raising the monthly amount.
o GDP growth projections for 2018 were revised up a tick to 2.4%, followed by 1.9% in 2019 and 1.7% in 2020.
• The Bank of Japan left policy unchanged on Friday, as widely anticipated.
• Reserve Bank of Australia held its official cash rate target steady at a historical low of 1.50%, as expected, marking the 17th consecutive meeting with no change.

Benchmarks Last Week:
• Canada Curve (w/w): +6, +7, +7, +8 bps for 2s, 5s, 10s and 30s.
• Treasury Curve (w/w): +2, +2, +3, +2 bps for 2s, 5s, 10s and 30s.
• Canadian Swap Spreads (w/w): +0.63, +1.00, +1.38, +1.38 for 2s, 5s, 10s and 30s.
• Canadian Corporate Bond Cash Spreads: 0-1bps tighter.

Corporate Market Last Week:
• New issue activity continued in the Canadian market last week with four transactions pricing for $2.6bn.
o 2018YTD (ex-MBS) issuance stands at $22.6bn, +12% versus the same time last year.
• Secondary spreads finished the week 0-1bps tighter alongside a more positive market tone heading into the end of the week with higher quality credits outperforming the broader credit universe.
• It was an active week in the US high grade market last week with US$54.4bn pricing across 19 deals / 35 tranches.
o 2018YTD total issuance stands at US$284.2bn from 178 transactions / 326 tranches, down 12% from the same time last year.
o CVS Health Corp. (Baa1/BBB/-) issued a nine-tranche offering for US$40bn, marking the third-largest corporate bond sale on record.
• Primary market activity is expected to be muted this week with many market participants out of the office for the Ontario public school spring break.

Canadian Corporate Supply Last Week:
• Mondelez International (Baa1/BBB/-) priced $600mm of 7-year fixed rate notes at GOC Curve +120bps.

• Choice Properties REIT (-/BBB/BBB) issued a dual-tranche offering comprised of $550mm of 6.5-year fixed rate notes priced at GoC Curve +145bps and $750mm of 10-year fixed rate notes priced at GoC Curve +195bps. BMO CM was a bookrunner on the transaction.
• Bell Canada (Baa1/BBB+/BBBH) priced $500mm of 7-year fixed rate notes at GoC Curve +120bps.
• Russel Metals (Ba3/BB+/-) priced $150mm of 8NC3 year fixed rate notes at a coupon of 6.00% (+376bps vs. GoC Jun/26's).

International Canadian Bank Supply Last Week:
• Toronto-Dominion Bank (Aa2/AA-/AA) priced EUR1.25bn of short 5-year fixed rate covered bonds (Aaa/-/AAA) at MS-5bps.
• Toronto-Dominion Bank (Aa2/AA-/AA) priced AUD300mm of 1-year floating rate notes at 3m BBSW +35bps.
• National Bank of Canada (A1/A/AAL) priced EUR750mm of 7-year fixed rate covered bonds (Aaa/-/-) at MS flat.
• Bank of Montreal (A1/A+/AA) priced EUR500mm of 4-year floating rate notes at 3mE+23bps.

Canadian Government Supply Last Week:
• Province of Newfoundland & Labrador (Aa3/A/AL) re-opened its Oct/48's for $300mm at +105.5bps vs. GoC Dec/48's. BMO CM was the overall lead on the transaction.

International Canadian Government Supply Last Week:
• Province of Alberta (Aa1/A+/AA) priced US$1.25bn of a 10-year fixed rate note at MS+45bps. BMO CM was a lead on the transaction.

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ONTARIO POWER GENERATION

BMO Capital Markets

Indicative Pricing as at March 9, 2018

OPG C$ INDICATIVE PRICING TERMS

Term	2 year	5 year	10 year	30 year
New Isssue Spread	**70 bps**	**92 bps**	**117 bps**	**169 bps**
CAD Benchmark Bond	CAN 1.25% 02/20	CAN 1.75% 03/23	CAN 1.00% 06/27	CAN 2.75% 12/48
CAD Benchmark Yield	1.83%	2.08%	2.27%	2.44%
Curve Adjustment	0.01%	0.00%	0.02%	0.00%
CAD Coupon	**2.54%**	**3.00%**	**3.46%**	**4.13%**
CAD Swap Yield	2.20%	2.48%	2.66%	2.78%
Cda Swap Duration	1.946	4.676	8.73	20.26
Spread to 3m BA	34 bps	53 bps	80 bps	135 bps

Spread Changes	**2 year**	**5 year**	**10 year**	**30 year**
Week-over-Week	0	-1	-1	2

Comparable Issuers (DBRS/S&P)	**2 year**	**5 year**	**10 year**	**30 year**
Hydro One (/)	44bps	66bps	91bps	134bps
Toronto Hydro (BBB/BBB)	-	61bps	86bps	129bps
TransCanada PipeLines (BBBH/BBB+)	-	70bps	103bps	172bps
NS Power (A/A)	-	76bps	101bps	144bps
EPCOR Utilities (A/-)	-	63bps	88bps	131bps
Bruce Power (A/A)	-	100bps	150bps	210bps

DEBT CAPITAL MARKETS CONTACTS

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Note: Indicative credit spreads represent the bid-side of the secondary market by BMO CM's trading desk. New issue credit spreads are determined by a variety of factors. This can result in an issuance spread that may incorporate a new issue premium.

BMO Capital Markets

Canadian Debt Capital Markets

Weekly Update: March 9, 2018

WEEK IN REVIEW

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C$ NEW ISSUE SUPPLY(1)

	Corporate (C$bn)	Government (C$bn)
Week of March 05, 2018	2.55	0.30
Month-to-date	2.55	0.30
Year-to-date	22.60	16.30
YoY Change	+12%	-1%

KEY UPCOMING ECONOMIC EVENTS

	Canada	US
Monday	-	Budget Balance
Tuesday	Manpower Survey	CPI
Wednesday	New Motor Vehicle Sales	Retail Sales
Thursday	Existing Home Sales	Initial Claims
Friday	Manufacturing Sales	Housing Starts

RECENT ISSUANCE(1)

Corporate Debt New Issues

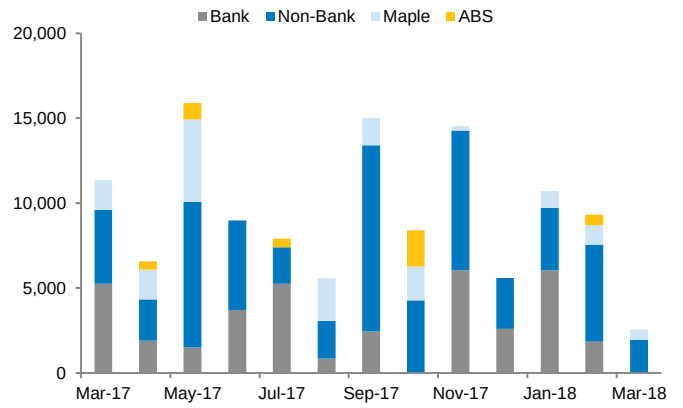
Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. $LIBOR
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
9-Mar-18	Russel Metals Inc.	Ba3/BB+/-	3+5	150	6.000%	16-Mar-26	CAN 1.50% 06/26	376.0	353.5
7-Mar-18	Bell Canada	Baa1/BBB+/BBBH	7	500	3.350%	12-Mar-25	GoC Curve	120.0	87.1
6-Mar-18	Choice Properties REIT	-/BBB/BBB	6.5	550	3.556%	9-Sep-24	GoC Curve	145.0	117.2
6-Mar-18	Choice Properties REIT	-/BBB/BBB	10	750	4.178%	8-Mar-28	GoC Curve	195.0	154.0
5-Mar-18	Mondelez International Inc.	Baa1/BBB/-	7	600	3.250%	7-Mar-25	GoC Curve	120.0	86.9

Government/SSA Debt New Issues

Pricing Date	Issuer	Ratings	Term	Amount	Coupon	Maturity	Benchmark	New Issue Spread	Spread vs. 3M BA's
dd-mmm-yy		m/s/d	Years	C$ mm	(%)	dd-mmm-yy		(bps)	(bps)
8-Mar-18	Province of Newfoundland and Labrador (re-open)	Aa3/A/AL	30.6	300	3.700%	17-Oct-48	CAN 2.75% 12/48	105.5	69.5

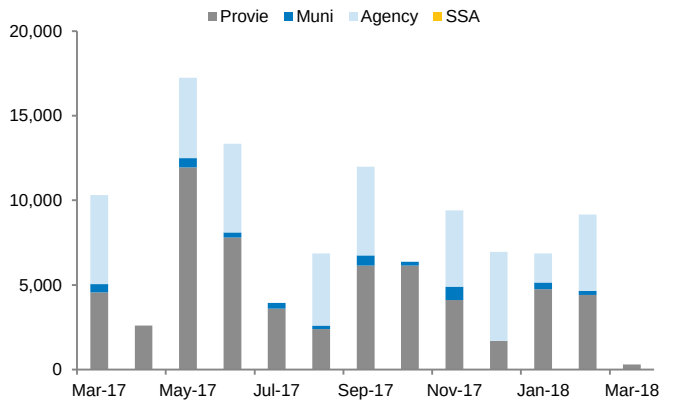
MONTHLY CORPORATE ISSUANCE(1)

C$ millions (LTM)



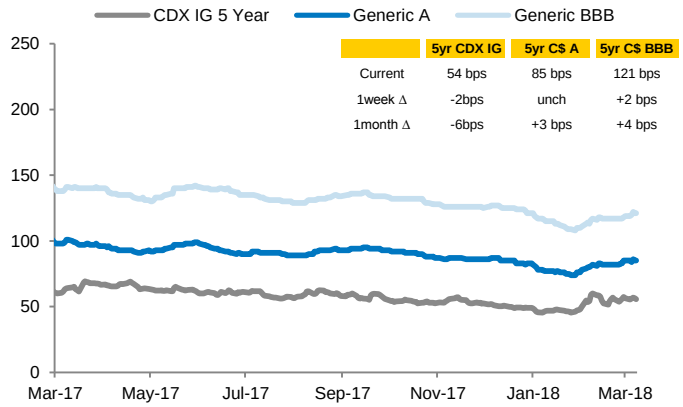
MONTHLY GOVERNMENT ISSUANCE

C$ millions (LTM)



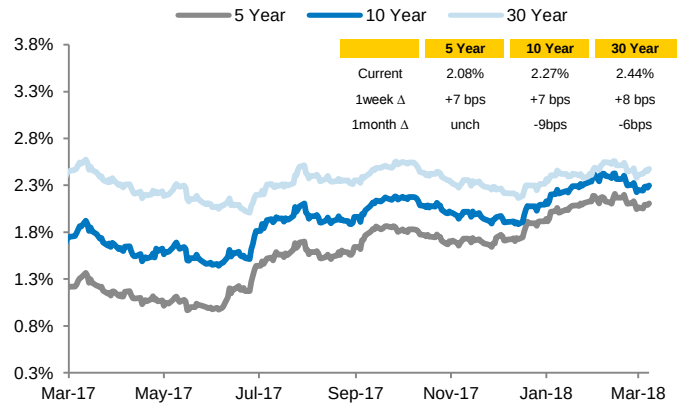
GENERIC 5 YEAR CREDIT SPREADS

LTM (basis points)



GOVERNMENT OF CANADA BOND YIELDS

LTM (%)



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(1) Excludes MBS and issues with terms of less than 1.5 years

Bank Name	BMO
Date	9-Mar-18

Indicative OPG New Issue	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	CAN 2.75% 12/48	CAN 1.00% 06/27	CAN 1.75% 03/23	CAN 1.25% 02/20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.44%	2.27%	2.08%	1.83%	0.08%	0.07%	0.07%	0.06%
Curve Adjustment (bps)	0.0	2.2	0.1	1.2	0.0	0.1	0.1	0.3
Spread to GoC Curve (bps)	169	117	92	70	2.0	-1.0	-1.0	0.0
Re-Offered Yield	4.13%	3.46%	3.00%	2.54%	0.10%	0.06%	0.06%	0.06%
Commission (bp)	2.9	4.7	7.5	10.2	-	-	-	-
All-in Yield	**4.16%**	**3.51%**	**3.08%**	**2.64%**				

Primary Comparable (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A+)	134.0	91.0	66.0	44.0	2.0	1.0	1.0	2.0

Other Comparables (DBRS/S&P)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Toronto Hydro (A/A)	129.0	86.0	61.0	-	3.0	2.0	2.0	-
TransCanada Pipelines (A(L)/A-)	172.0	103.0	70.0	-	2.0	0.0	0.0	-
Nova Scotia Power (A(L)/BBB+)	144.0	101.0	76.0	-	2.0	1.0	1.0	-
EPCOR Utilities (A(L)/A-)	131.0	88.0	63.0	-	1.0	0.0	0.0	-
Bruce Power (BBB/BBB)	210.0	150.0	100.0	-	5.0	5.0	0.0	-

BMO Capital Markets

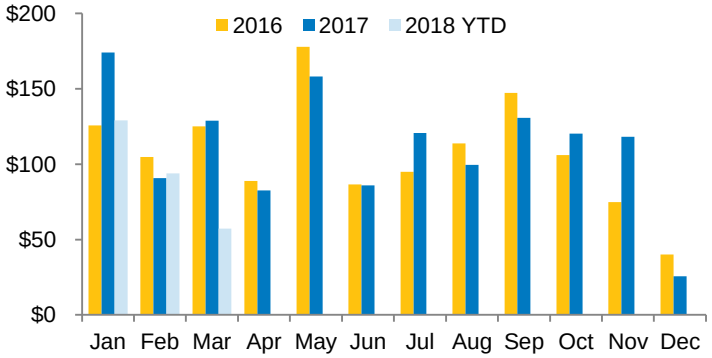
U.S. Investment Grade Debt Capital Markets

Weekly Update: March 12, 2018

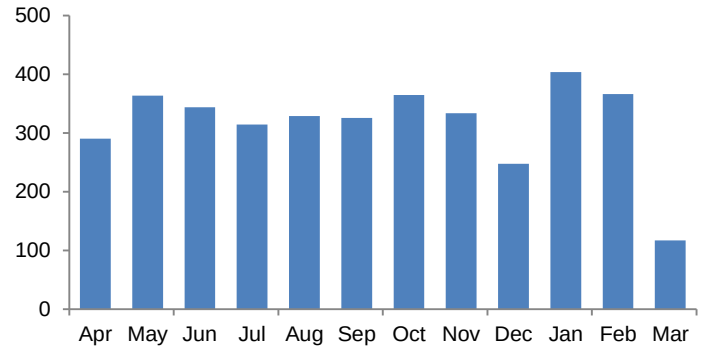
Highlights

- The U.S. investment grade primary markets saw a jumbo deal by CVS push the weekly total to $54.4bn (19 deals / 35 tranches), an increase of 47% over the prior week's pace and the third largest week of issuance on record
  - On average, final pricing tightened 15.6bps from IPT (+1.2bps week-over-week), over-subscription was 2.87x (+0.35x week-over-week) and NICs remained elevated at 6bps, though this was skewed by the higher NICs recorded on the CVS transaction
- This week saw the jumbo deal from CVS as the company raised $40bn across 9 tranches in the investment grade bond market to help finance part of the $67.5bn acquisition of Aetna. Overall the deal was well received as the deal was on average 2.8x oversubscribed and NICs came in at a reasonable 15-20bps across tranches
- Even with the blockbuster CVS deal, YTD total issuance in the Investment Grade market stands at $284bn, down 12% from last year's pace of $323bn through this point of the year
- Lipper reported a $740mm net outflow to Investment Grade funds last week, pushing YTD net inflows to $20.9bn
- Tariff arguments between President Trump and our foreign trade partners came to a boil earlier last week as it seemed like there would be no exemptions and countries' trade representatives issued public statements warning of retaliatory measures. When the deal was announced last Thursday however, the rhetoric was much calmer and included temporary exemptions for Canada and Mexico with scope for negotiation more broadly
- The February employment report came in on Friday with a combination of strong non-farm job growth and weaker than expected wage gains as last month's trend bucking growth proved to be an anomaly. Treasuries reacted bearishly to the robust economic data and the 10 year UST finished the week at 2.89%

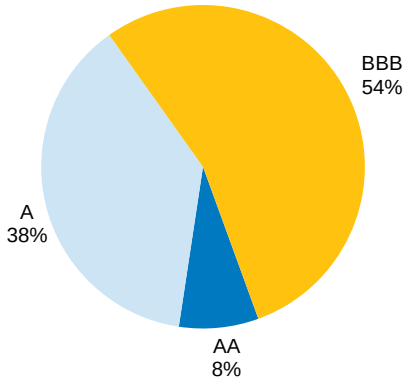
Monthly Investment Grade Issuance ($bn)



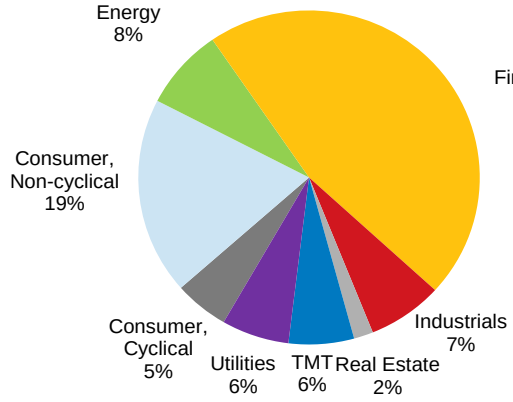
LTM Monthly FINRA TRACE IG Volume ($bn)(1)



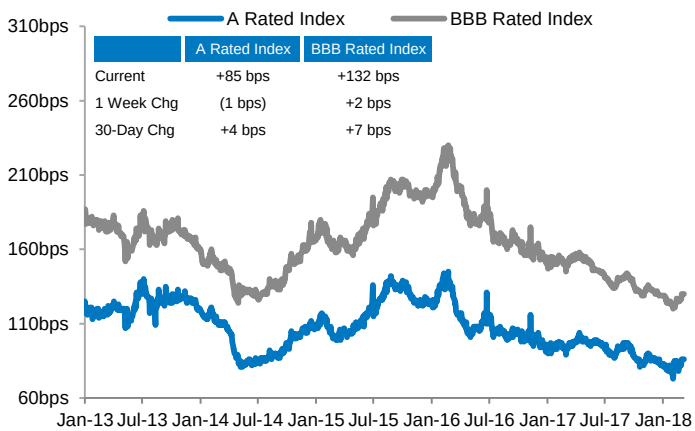
2018 YTD Issuance by Credit Rating



2018 YTD Issuance by Sector

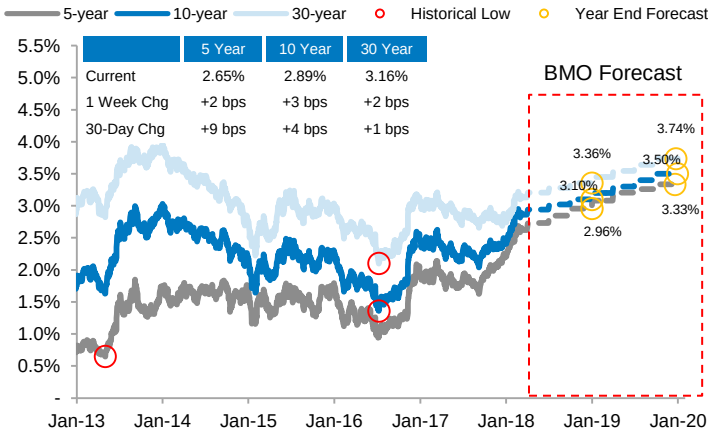


Index Credit Spreads as of 3/9/2018



	A Rated Index	BBB Rated Index
Current	+85 bps	+132 bps
1 Week Chg	(1 bps)	+2 bps
30-Day Chg	+4 bps	+7 bps

U.S. Treasury Benchmark Yields as of 3/9/2018



	5 Year	10 Year	30 Year
Current	2.65%	2.89%	3.16%
1 Week Chg	+2 bps	+3 bps	+2 bps
30-Day Chg	+9 bps	+4 bps	+1 bps

Source: BMO Capital Markets, FINRA TRACE, BondTicker, Bloomberg, Nutz&Boltz Note, and Informa Global Markets

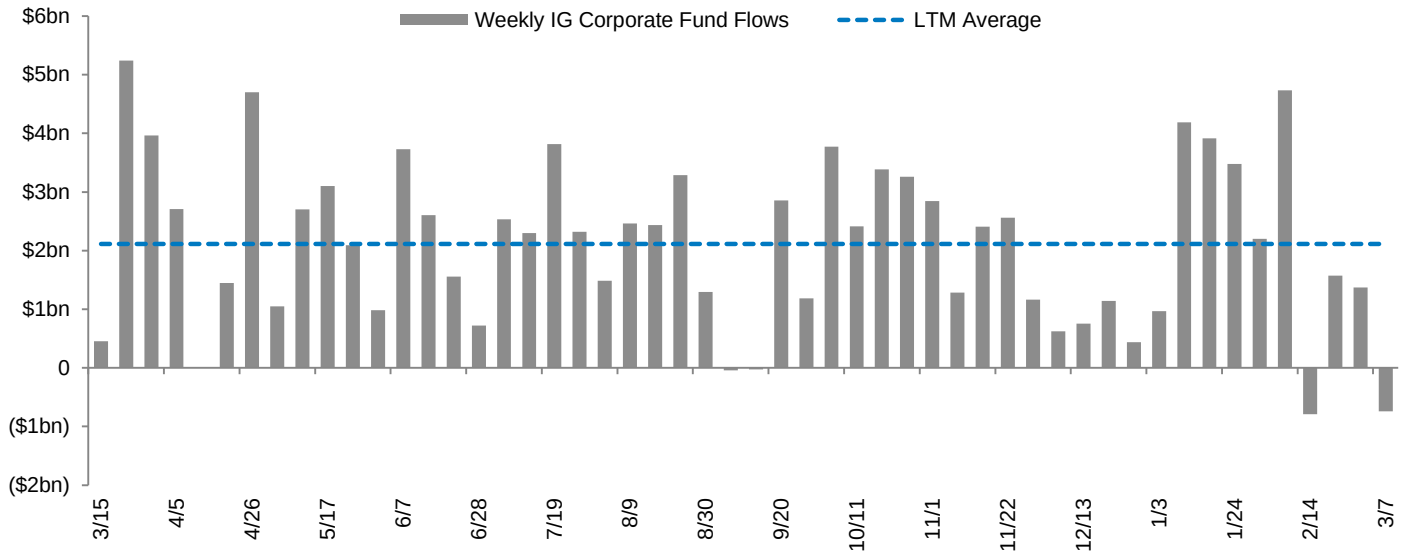
(1) FINRA Trace Volume represents Investment Grade Corporate bonds.

BMO Capital Markets

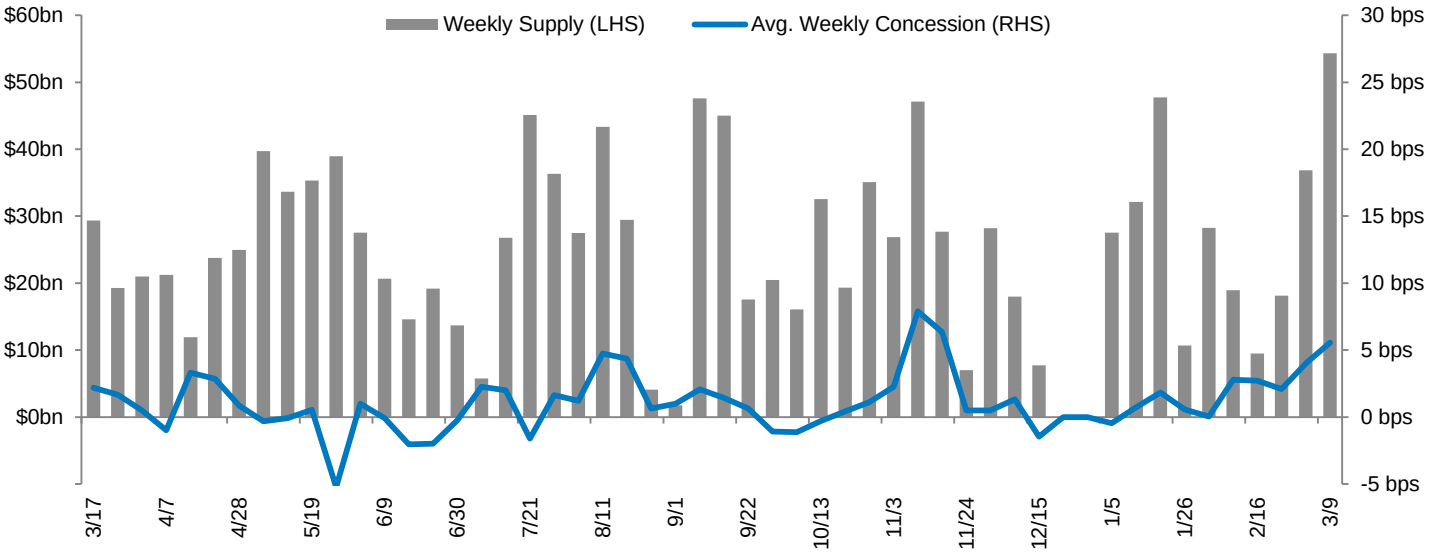
U.S. Investment Grade Debt Capital Markets

Weekly Update: March 12, 2018

U.S. Investment Grade Fund Flows



New Issue Concessions(1)



Key Upcoming U.S. Economic Indicators

Monday	Federal Budget
Tuesday	NFIB small-business index, Consumer price index, Core CPI
Wednesday	Retail Sales, Retail Sales ex-autos, Producer price index, Business inventories
Thursday	Weekly Jobless Claims, Import price index, Philly Fed, Empire state index, Home builders' index
Friday	Housing starts, Building permits, Industrial production, Capacity utilization, Consumer sentiment, Job openings

Pre-Issuance Hedging Premiums*

Expected Issuance Date:	Underlying Note Tenor			
	5 Year	7 Year	10 Year	30 Year
3 months	4 bps	4 bps	3 bps	1 bps
6 months	8 bps	6 bps	5 bps	2 bps
9 months	11 bps	9 bps	7 bps	3 bps
12 months	13 bps	11 bps	9 bps	3 bps
18 months	17 bps	14 bps	11 bps	4 bps

* Issuance hedging premiums reflect difference between forward starting swap rate for underlying issue term and the spot starting swap rate. Pricing is mid-market assuming standard transaction conventions and is non-actionable.
Source: BMO CM / Bloomberg as of 3/9/2018

Source: BMO Capital Markets, Bloomberg and Informa Global Markets
(1) Average Weekly Concessions excludes the ~41bps new issue concession from CBL's $225m add-on on August 29, 2017 and ~52bps NIC from Enbridge Feb 26, 2018 60NC10 deal

BMO Capital Markets

U.S. Investment Grade Debt Capital Markets

Weekly Update: March 12, 2018

Recent Investment Grade New Issue Terms

Date	Issuer	Ratings (Moody's / S&P)	Amount (US$ mm)	Coupon	Tenor (yrs)	IPTs (Spd vs. UST)	Guidance (Spd vs. UST)	Final Pricing (Spd vs. UST)	NIC	Over-subscription
9-Mar-18	RELX Capital Inc	Baa1/BBB+	700	3.500%	5	112.5a	100 +/- 5	T+95bp	-	2.1x
9-Mar-18	Progressive Corp/The	A2/A	600	4.200%	30	115-120	110#	T+110bp	12.5bp	1.6x
9-Mar-18	Progressive Corp/The	Baa1/BBB+	500	5.375%	Perp	5.50%a	5.375% #	5.375%	-	2.2x
9-Mar-18	Brooklyn Union Gas Co/The	A2/A-	650	4.273%	30	110-115	110#	T+110bp	12.5bp	1.5x
8-Mar-18	Sysco Corp	A3/BBB+	500	3.550%	7	100a	90a +/- 5	T+85bp	7bp	2.8x
8-Mar-18	Sysco Corp	A3/BBB+	500	4.450%	30	150a	140a +/- 5	T+135bp	7bp	3.2x
8-Mar-18	Analog Devices Inc	Baa1/BBB	300	2.850%	2	70a	70#	T+70bp	5bp	3.0x
8-Mar-18	Analog Devices Inc	Baa1/BBB	450	2.950%	3	80a	70#	T+70bp	7.5bp	2.2x
8-Mar-18	High Street Funding Trust I	Baa1/BBB+	400	4.111%	10	145a	125-130	T+125bp	-	4.8x
8-Mar-18	High Street Funding Trust II	Baa1/BBB+	350	4.682%	30	175a	155-160	T+155bp	-	4.3x
8-Mar-18	John Deere Capital Corp	A2/A	500	FRN	3	L equiv	L equiv	3mL+24bp	3bp	1.2x
8-Mar-18	John Deere Capital Corp	A2/A	400	2.875%	3	60a	50a +/- 2	T+48bp	3bp	2.1x
8-Mar-18	John Deere Capital Corp	A2/A	600	3.450%	7	80a	70a +/- 3	T+67bp	2bp	1.8x
8-Mar-18	Bank of America Corp	Ba1/BBB-	2,350	5.875%	Perp	6%a	5.875%#	5.875%	-	
8-Mar-18	Transcontinental Gas Pipe Line Co LLC	Baa2/BBB	400	4.000%	10	140a	125a +/- 5	T+120bp	-	4.5x
8-Mar-18	Transcontinental Gas Pipe Line Co LLC	Baa2/BBB	600	4.600%	30	170a	155a +/- 5	T+150bp	-5bp	3.0x
8-Mar-18	Zimmer Biomet Holdings Inc	Baa3/BBB	450	FRN	3	L+100-105	L+80 +/- 5	3mL+75bp	-8bp	4.4x
8-Mar-18	Zimmer Biomet Holdings Inc	Baa3/BBB	300	3.700%	5	T+130-135	115a +/- 5	T+110bp	3bp	6.7x
8-Mar-18	Edison International	A3/BBB	550	4.125%	10	140a	130a +/- 2	T+128bp	8bp	2.5x
8-Mar-18	STORE Capital Corp	Baa2/BBB	350	4.500%	10	187.5a	175a +/- 5	T+170bp	-	2.1x
8-Mar-18	Apollo Management Holdings LP	NR/A/A-	300	5.000%	30	200a	-	T+187.5	11.5bp	3.7x
7-Mar-18	Hyundai Capital America	Baa1/A-	250	FRN	3	L equiv	L+82	3mL+82bp	2.5bp	3.5x

Source: BMO Capital Markets and Informa Global Markets

Denotes BMO transactions

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From:	Williams, Grant
To:	Mike Manning
Subject:	OPG Presentation
Date:	Friday, February 09, 2018 10:19:25 AM
Attachments:	OPG.pdf

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ONTARIO POWER GENERATION

Financing Programs

Ken Hartwick, CFO & SVP

BMO's 15th Annual Infrastructure & Utilities Conference

February 8, 2018




Agenda

1. Introduction and Corporate Update
2. Medium Term Note Program
3. Project Financing for Renewable Generation
4. Fair Hydro Trust's Cost Recovery Bonds



Company Profile

2016 FINANCIAL SNAPSHOT

$5.7 BILLION REVENUE

$453 MILLION NET INCOME

Q3 2017 FINANCIAL SNAPSHOT

$3.5 BILLION REVENUE

$515 MILLION NET INCOME

ONTARIO'S LARGEST CLEAN ENERGY GENERATOR

$45.7 BILLION OF ASSETS

DBRS A (low)

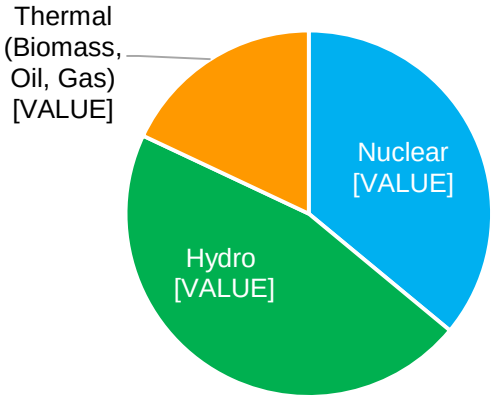
S&P Global BBB+

ONTARIO POWER GENERATION




Company Profile, cont'd

In-Service Generating Capacity [1]



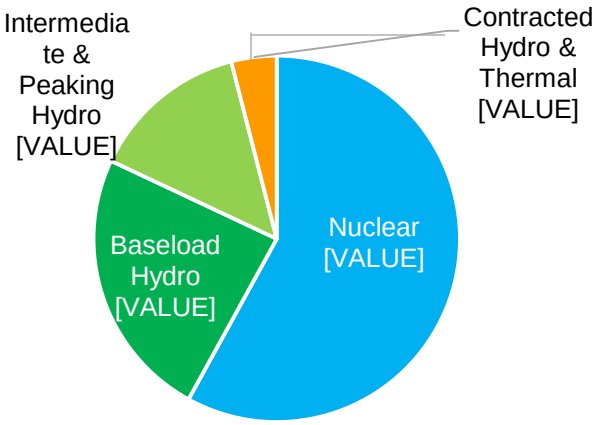
Total: 16,177 MW

ELECTRICITY GENERATION

~95%

REGULATED

OPG Electricity Production Profile [1]



Total: ~78 TWh

100% owned
by the Province of
ONTARIO

DIVERSIFIED
generation assets

2 nuclear stations [2]
65 hydro stations
3 thermal stations [3]
1 wind power turbine

1. As of December 31, 2016, figures exclude Darlington refurbishment unit and two owned and leased nuclear stations.
2. OPG also owns two other nuclear generating stations, the Bruce A and the Bruce B generating stations, which are leased on a long-term basis to Bruce Power L.P. These stations are not included in the generation portfolio and other operating statistics set out in this presentation.
3. Excludes assets that OPG does not operate or have majority ownership of.




Darlington Refurbishment

30 MORE YEARS OF CLEAN ELECTRICITY

NUCLEAR ENERGY PLAYS A FUNDAMENTAL ROLE IN ONTARIO'S CLEAN-ENERGY EQUATION

1 IN 5 HOMES AND BUSINESSES ARE POWERED BY DARLINGTON – WITH VIRTUALLY **NO GREENHOUSE GASES**

20% OF ONTARIO'S POWER IS SUPPLIED BY DARLINGTON – ENOUGH TO SERVE A CITY OF 2 MILLION PEOPLE

60% OF ONTARIO'S DAILY ELECTRICITY NEEDS ARE SUPPLIED BY THIS PROVINCE'S NUCLEAR FLEET

8¢/kWh 30 YEARS OF POWER BELOW AVERAGE COSTS

THE REFURBISHED DARLINGTON STATION WILL REDUCE GREENHOUSE GAS EMISSIONS BY AN ESTIMATED

297 MILLION TONNES

THAT'S THE EQUIVALENT OF REMOVING

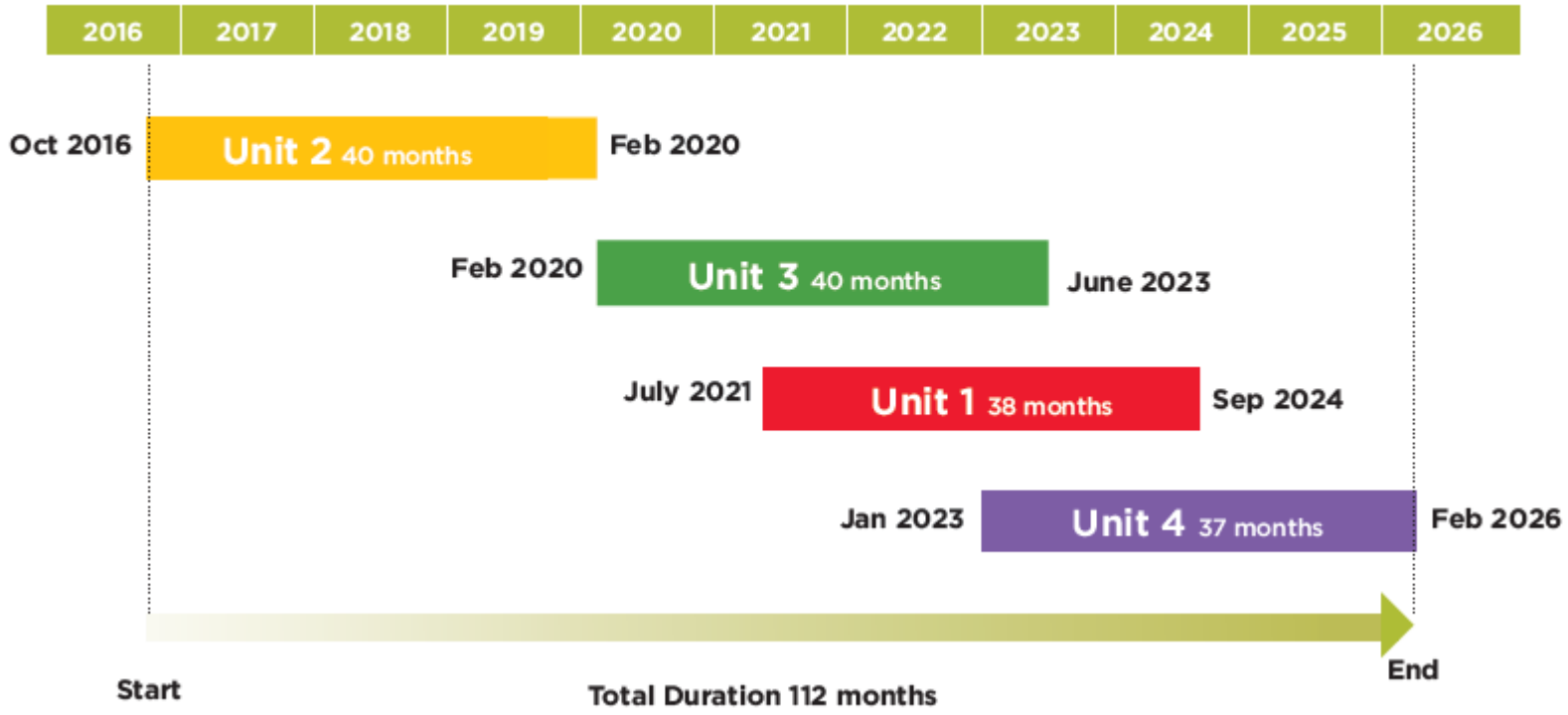
2 MILLION Cars per YEAR

FROM ONTARIO'S ROADS




Darlington Refurbishment, cont'd

- It will take close to 10 years to complete the refurbishment of all four Darlington reactor units
- Duration for each unit outage is ~3 to ~3.5 years
- Funding will be released on a unit-by-unit basis
- The overall project is tracking on schedule and on budget
- Target schedule is outlined below





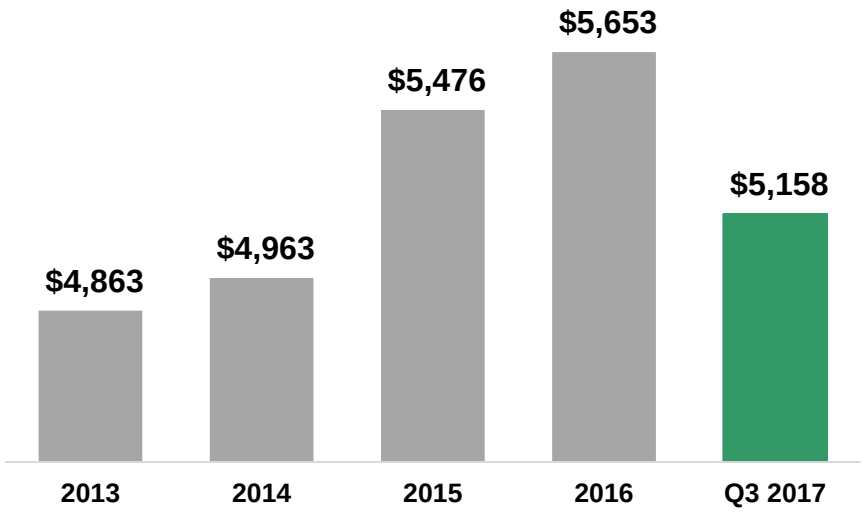
New Regulated Rates

- The Ontario Energy Board (OEB) issued its decision in December 2017 for OPG's new regulated rates for 2017-2021 for nuclear and regulated hydroelectric production
- New rates effective **June 1, 2017**
- Positive regulator decision – Key points:
  - Rate base addition of ~$5.5B for Darlington Refurbishment by 2021
  - Forecast costs for Pickering continued operations beyond 2020 of ~$290M
  - 5-year estimated nuclear revenue requirement of ~$15.9B
  - 1.4% increase in regulated hydro as of June 2017 and 0.9% as of January 2018




5-Year Highlights

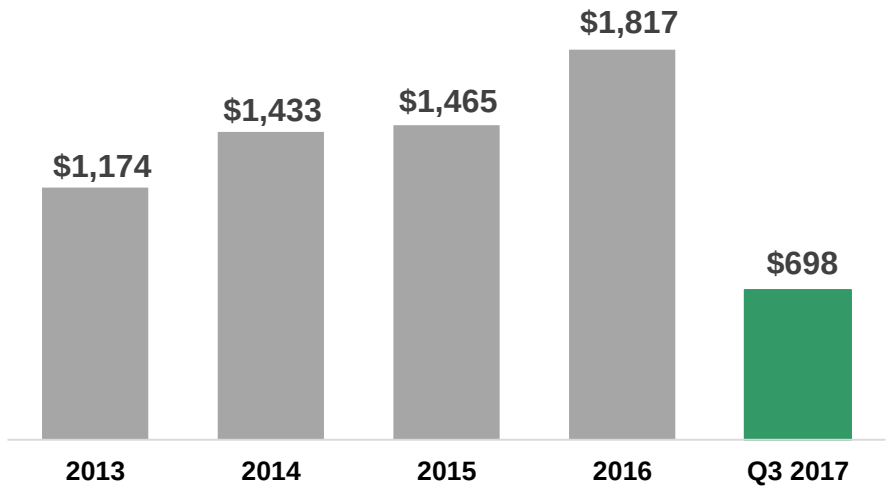
Revenue (in $M)



Decrease at the end of September 2017:

- Lower nuclear electricity generation primarily as a result of the ongoing refurbishment of Unit 2 at Darlington, offset by an increase in Pickering generation
- Base regulated prices from 2014 that did not include refurbishment outage in the forecast

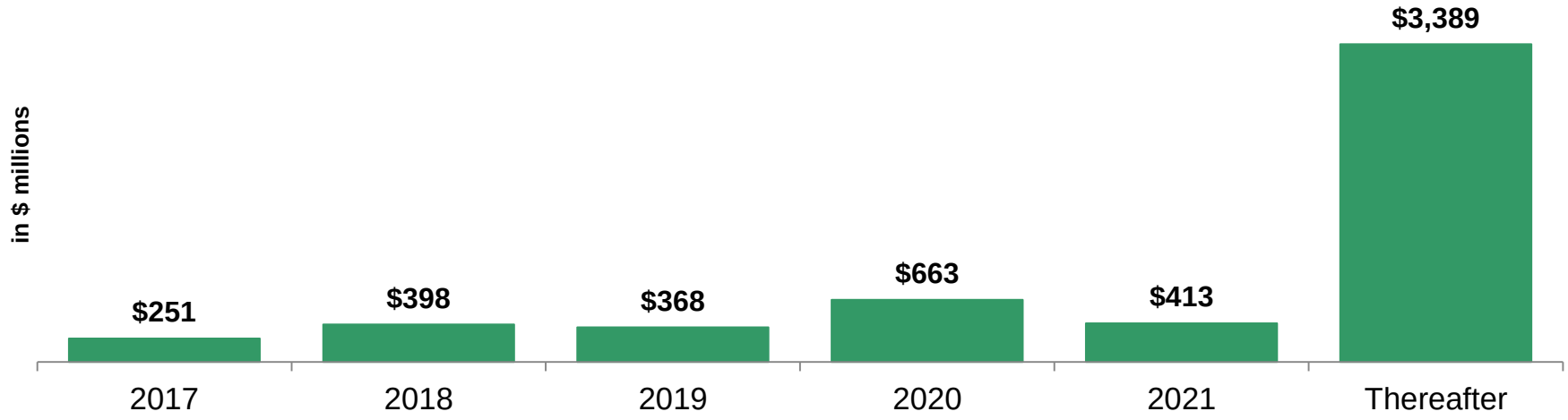
Cash Flows from Operations (in $M)

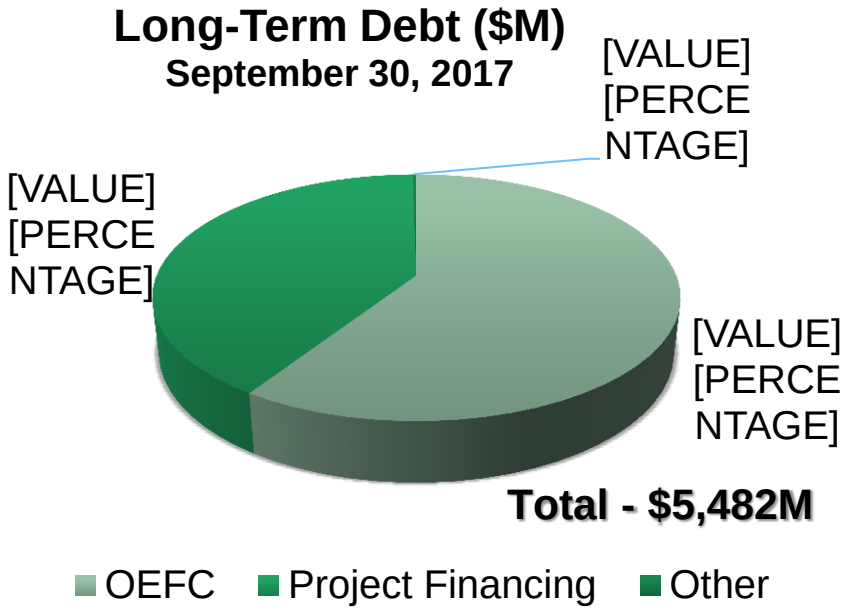


Decrease at the end of September 2017:

- Lower generation revenue receipts reflecting lower generation primarily as a result of the ongoing refurbishment of Unit 2 at Darlington
- Expiry at end of December 2016 of the OEB-authorized rate riders for nuclear and regulated hydroelectric generation
- Higher income tax instalments

EXISTING DEBT MATURITIES AS AT SEPTEMBER 30, 2017





- Medium Term Note Program: $500M issued in October 2017





Medium Term Note Program



OPG's Public Debt Program

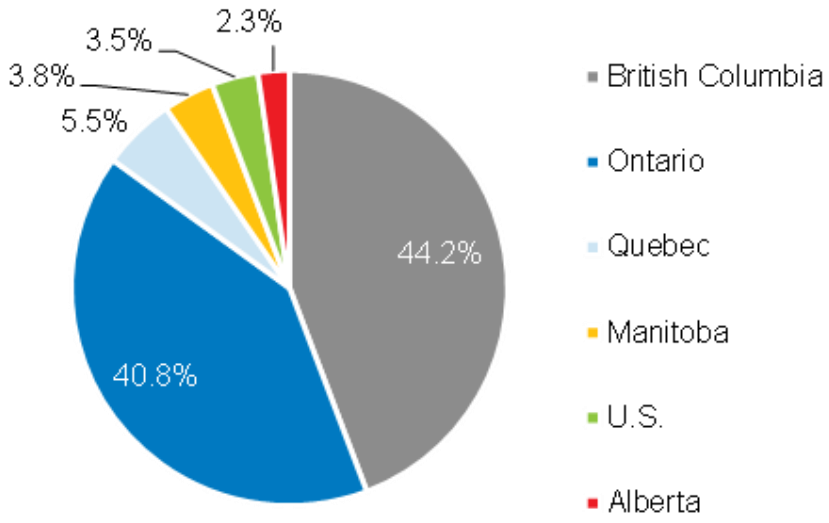
- OPG established a $2B medium term note program (MTN Program) in September 2017
- In October 2017, OPG closed its inaugural bond offering in the Canadian public debt market
  - $500M unsecured 10-year bonds were priced with a coupon of 3.315% payable semi-annually until maturity
- The MTN Program enhances OPG's financing flexibility, along with current credit facilities with the Ontario Electricity Financial Corporation and specific third party project financings
- As at December 31, 2017 – $500M outstanding



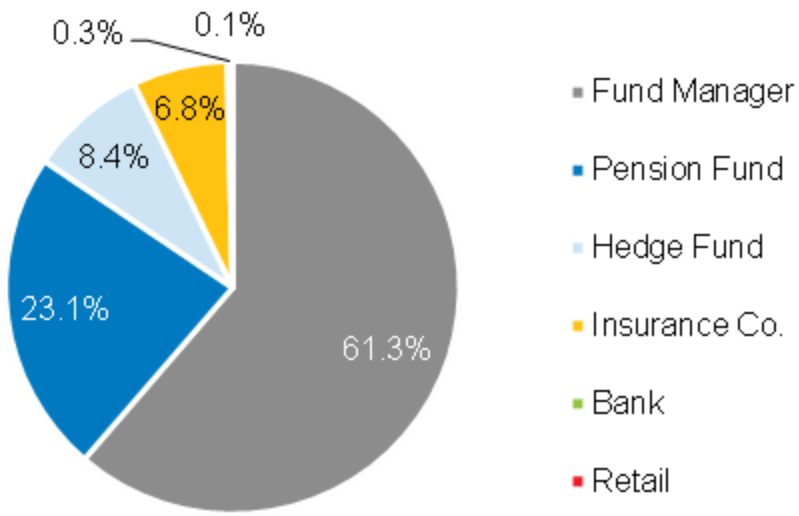
Series-1 Debt Offering Highlights

Widely distributed offering with a good mix of buyers by type, geography, and size

INVESTOR LOCATION



INVESTOR TYPE







Project Financing for Renewable Generation




Project Financing for Renewable Generation

Lower Mattagami Energy LP

- $1.795B private placement bonds issued, maturities between 2017 to 2052 ($200M matured in 2017)
- The largest hydroelectric project in Ontario in the last 50 years
- Project completed ahead of schedule and on budget in 2014
- High performing assets: average availability of stations was 93%
- Next bond maturity of $225M on May 18, 2021



~2,000,000 MWh

Production in 2016




Project Financing for Renewable Generation, cont'd

UMH Energy Partnership

- $200M private placement bonds issued in 2009, maturing in 2041
- Project completed under budget and ahead of schedule in Q4 2010
- High performing assets: average availability of stations was 96%



~235,000 MWh

Production in 2016

Project Financing for Renewable Generation, cont'd

Peter Sutherland Generating Station

- $245M private placement bonds issued in 2015, maturing in 2067
- Longest project financing deal ever executed in the Canadian market at the time of issuance
- The station was placed in-service on March 31, 2017, ahead of the originally planned schedule, and is expected to close below the approved budget



28 MW

Capacity





Fair Hydro Trust

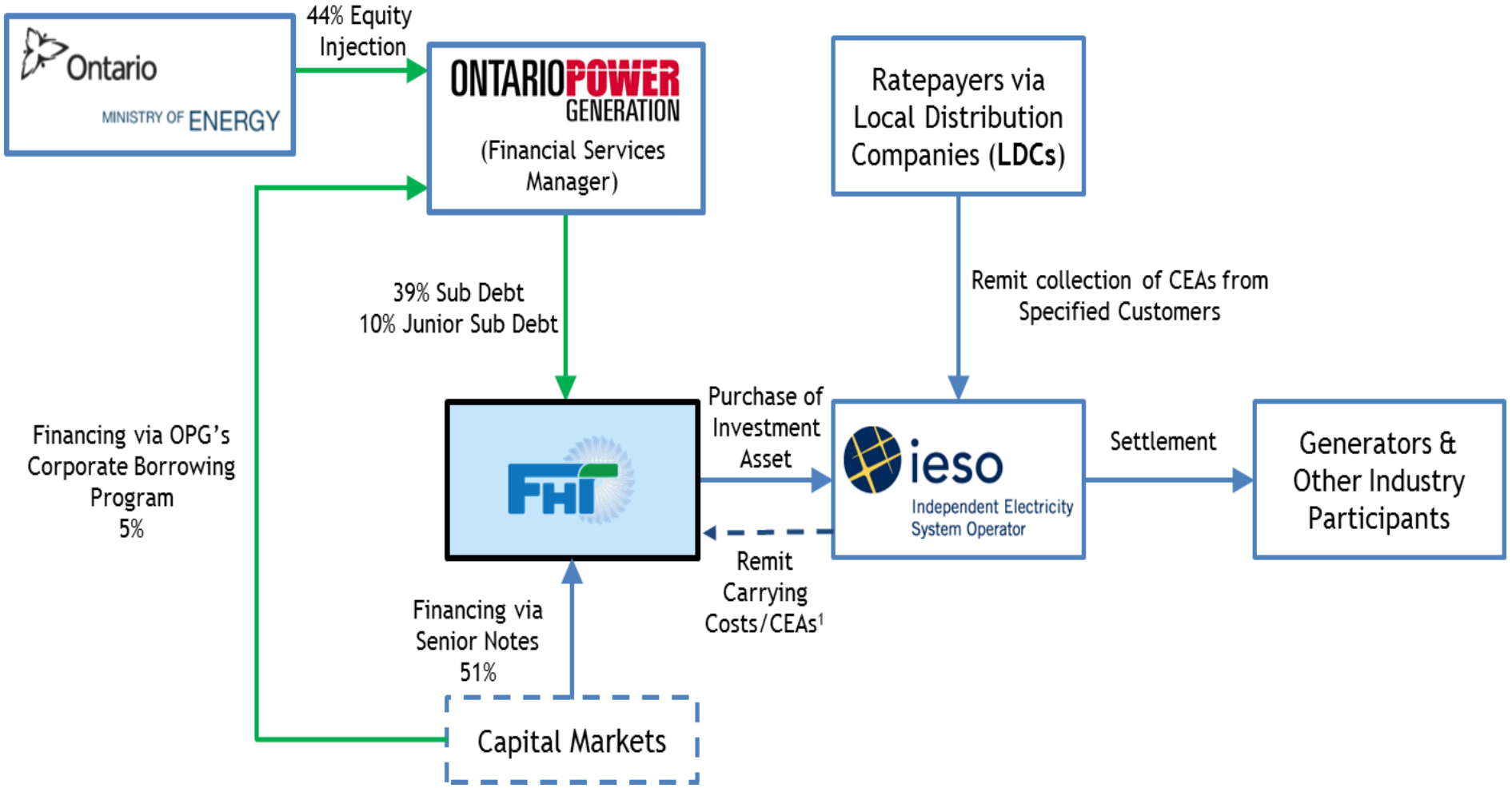
Cost Recovery Bonds



Fair Hydro Trust – Summary

- The Province of Ontario announced its Fair Hydro Plan in March 2017, which proposed to lower the average electricity bill for eligible customers by 25%
- The implementation of Ontario's Fair Hydro Plan is financed by the **Fair Hydro Trust** (FHT) through the issuance of senior, subordinated and junior subordinated notes
- Structured to be bankruptcy remote and ring fenced from OPG's other creditors
- The FHT term notes will be repaid through the Clean Energy Adjustment payments received from specified consumers
- OPG was appointed as the Financial Services Manager of FHT under the *Ontario Fair Hydro Act, 2017*

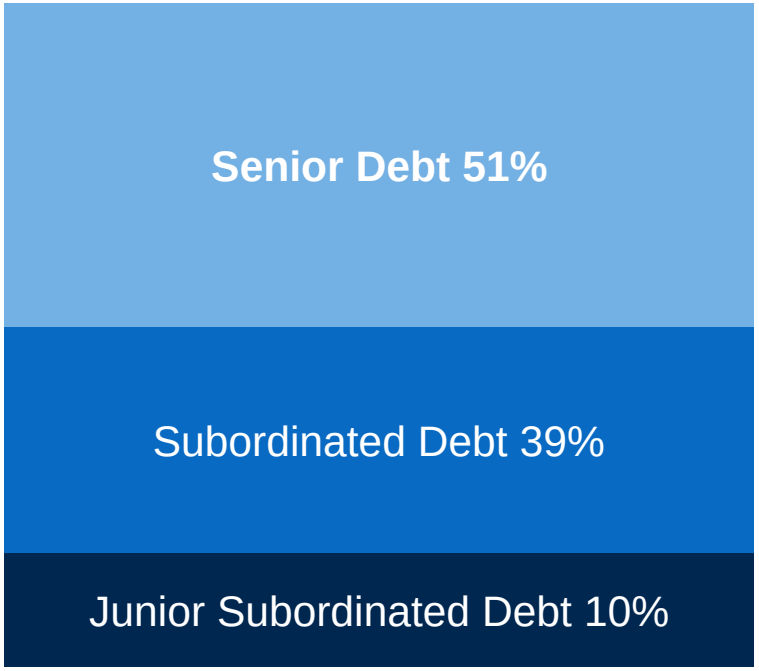
FHT Transaction Structure





FHT Financing Structure

- Senior debt (51% anticipated) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required) will be purchased by OPG, primarily funded by equity injections from the Province (44% of 49%) and the remaining portion from OPG (5% of 49%)



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

FHT Series 1 - Deal Summary

Fair Hydro Trust

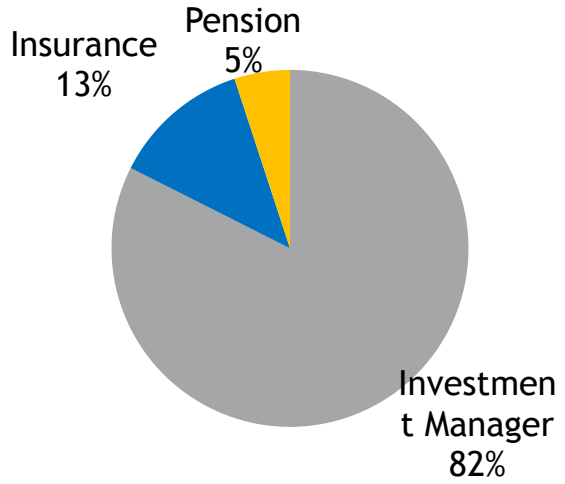
$500,000,000

Senior Notes

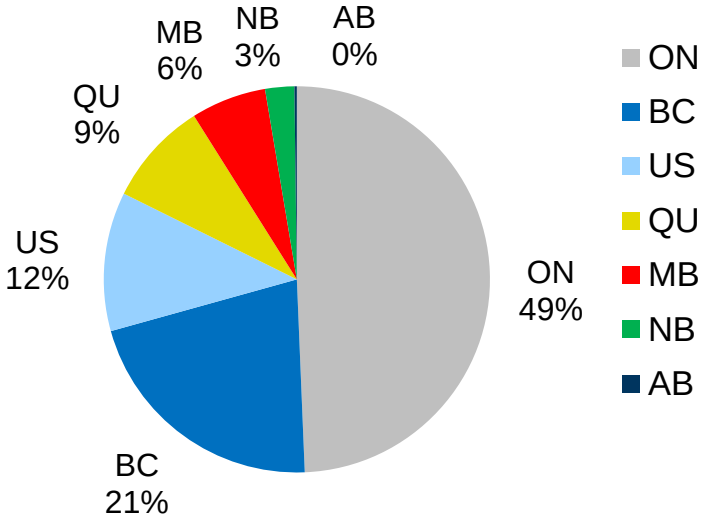
February 2018

Transaction Summary	
Pricing Date:	06-Feb-18
Settlement Date:	09-Feb-18
Preliminary Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Coupon:	3.357%

INVESTOR TYPE



INVESTOR LOCATION







Questions?

From:	John Kim
To:	Mike Manning; Ken Kandeepan
Cc:	Ronald Kwan; Malle Hanslep (MOF); Tobias P. Whitfield (MOF); Carlos Yep; John Psinas; Shajee Kathirgamanathan
Subject:	OPG Q4 reporting - relevant excerpts for FHP
Date:	Monday, February 26, 2018 11:03:59 AM
Attachments:	Q4 2017 OPG MD&A - DRAFT - Feb 25_230PM_RPT excerpt for Prov.docx Q4 2017 OPG FS Feb 25_230PM_RPT excerpt for Prov.docx

---

Hi Mike, Ken,

We have the attached excerpts from OPG's draft Q4. Let me know if you have any comments on the draft wording, as highlighted.

I had shared these with Toby and Malle earlier this morning.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

ONTARIO POWER GENERATION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017

[DRAFT]

RELATED PARTY TRANSACTIONS

Given that the Province owns all of the shares of OPG, related parties include the Province and other entities controlled by the Province.

The related party transactions summarized below include transactions with the Province and the principal successors to the former Ontario Hydro's integrated electricity business, including Hydro One, the IESO and the OEFC. The transactions between OPG and related parties are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. As one of several wholly-owned government business enterprises of the Province, OPG also has transactions in the normal course of business with various government ministries and organizations in Ontario that fall under the purview of the Province.

The related party transactions for the years ended December 31 are summarized below:

	2017		2016	
(millions of dollars)	**Income**	**Expense**	**Income**	**Expense**
Hydro One				
Electricity sales	**8**	**-**	6	-
Services	**1**	**10**	1	5
Dividends	**7**	**-**	6	-
Province of Ontario				
Change in Decommissioning Segregated Fund amount due to Province [1]	**-**	**456**	-	192
Change in Used Fuel Segregated Fund amount due to Province [1]	**-**	**591**	-	235
Hydroelectric gross revenue charge	**-**	**110**	-	120
ONFA guarantee fee	**-**	**8**	-	8
Other	**-**	**2**	-	-
OEFC				
Hydroelectric gross revenue charge	**-**	**216**	-	203
Interest expense on long-term notes	**-**	**158**	-	169
Income taxes, net of investment tax credits	**-**	**246**	-	104
IESO				
Electricity related revenue	**4,802**	**-**	5,082	-
Earnings from Fair Hydro Trust	**1**	**-**	-	-
	4,819	**1,797**	5,095	1,036

[1] The Nuclear Segregated Funds are reported on the consolidated balance sheets net of amounts recognized as due to the Province in respect of excess funding and, for the Used Fuel Segregated Fund, the Province's rate of return guarantee. As at December 31, 2017 and December 31, 2016, the Nuclear Segregated Funds were reported net of amounts due to the Province of $4,462 million and $3,415 million, respectively.

The receivable, AFS securities, payable and long-term debt balances between OPG and its related parties are summarized below:

(millions of dollars)	December 31 2017	December 31 2016
Receivables from related parties		
Hydro One	**1**	1
IESO – Electricity related receivables	**354**	421
IESO – Fair Hydro Trust [1]	**7**	-
OEFC	**-**	1
PEC	**4**	4
Province of Ontario	**3**	2
Financing receivables		
IESO – Fair Hydro Trust	**1,179**	-
Available-for-sale securities		
Hydro One shares	**188**	212
Accounts payable and accrued charges		
Hydro One	**1**	-
OEFC	**52**	61
Province of Ontario	**9**	2
IESO – Electricity-related payables	**5**	2
IESO – Fair Hydro Trust	**3**	-
Long-term debt (including current portion)		
Notes payable to OEFC	**3,195**	3,295

[1] Balance consists of unbilled revenue.

OPG holds interest-bearing Province of Ontario bonds in the Nuclear Segregated Funds and the OPG registered pension fund. As at December 31, 2017, the Nuclear Segregated Funds held $1,503 million of interest-bearing Province of Ontario bonds, while the registered pension fund had no such holdings. As at December 31, 2016, the Nuclear Segregated Funds and the registered pension fund held $1,652 million and $284 million of interest-bearing Province of Ontario bonds, respectively. These bonds are publicly traded securities and are measured at fair value. OPG jointly oversees the investment management of the Nuclear Segregated Funds with the Province.

In December 2017, the Fair Hydro Trust purchased its first tranche of Investment Interest from the IESO for an exchange amount of $1.18 billion, which has been classified as a financing receivable on OPG's consolidated balance sheet. The transaction was settled in cash using proceeds from the Trust's issuance of senior and subordinated debt. Pursuant to the general regulation of the Fair Hydro Act, the IESO is required to pay and remit carrying costs of the Trust, excluding repayment of principal on any debt obligations, up to July 31, 2021. Commencing May 1, 2021, Specified Consumers will be invoiced by their local distribution company for the Clean Energy Adjustment to pay the carrying costs of the Trust. These funds will be remitted to the Trust through the IESO and will be used to settle all funding and other related expenses of the Trust that underlie the financing receivable.

As at December 31, 2017, OPG's consolidated balance sheet included approximately $7 million of unbilled revenue from the IESO, primarily for OPG's general fee for 2017 as the Financial Services Manager under the Act relating to incurred third-party and certain direct labour costs.

Under one of the Trust's program agreements, the Province has provided a limited guarantee to specified creditors in the event that the Trust's ability to receive amounts in respect of its Investment Interest to pay for certain funding obligations is adversely affected due to the occurrence of any one of the following: the Province changes the Fair

Hydro Act or any other legislation or regulation; Ontario's electricity market significantly changes due to actions undertaken by the Province; or the Act is declared invalid or unconstitutional.

ONTARIO POWER GENERATION INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

[DRAFT]

19. RELATED PARTY TRANSACTIONS

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Hydro Act or any other legislation or regulation; Ontario's electricity market significantly changes due to actions undertaken by the Province; or the Act is declared invalid or unconstitutional.

From: Egberts, Adam
To: "john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"; "Irma.mahmood@opg.com"
Cc: Brown, Rob; Egberts, Adam; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject: OPG Weekly Pricing
Date: Monday, April 23, 2018 8:12:48 PM
Attachments: image003.png
image004.png
image005.png
image006.png
image007.png
header.htm
18-04-23 Lower Mattagamy Energy LP Pricing.pdf
18-04-23 OPG Weekly Pricing - vRBC.xlsx
18-04-23 New Issue Summary.pdf

RBC Capital Markets

Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, April 23, 2018

The Canadian corporate primary market was active last week with C$3 billion of new issue supply priced across 6 transactions, including a financial Maple, 3 securitization trades and a C$ high yield offering. All of last week's transactions were well-received and featured strong orderbooks, broad investor distribution and healthy aftermarket performance. Bank of America was first to issue on the week with a dual-tranche senior Maple offering of 6NC5-year fixed/floating rate notes and a 4NC3-year FRN with RBC acting as Joint Bookrunner. The transaction represents the 6th Maple of the year and the 4th largest on record; the transaction generated a well oversubscribed orderbook, demonstrating strong ongoing demand for well-branded Maple credits. In the securitization space, CNH Capital Canada Receivables Trust and MBARC Credit Canada together priced just under a C$1 billion of new ABS supply across multiple tranches, while Fair Hydro Trust was also in the market with an upsized C$400 million offering of Utility Cost Recovery notes consisting of senior, subordinated and junior subordinated tranches. RBC acted as a Bookrunner on all three securitization transactions. The Fair Hydro deal, in particular, comes on the heels of the issuer's inaugural trade in February and capitalized on strong investor appetite for well-rated product. The Canadian high yield sector also saw primary flow on the week with Kruger Products LP printing a C$125 million 7NC3 senior unsecured offering to bring total C$ high yield supply to C$715 million for 2018. Away from the primary market, RBC hosted a successful multi-city non-deal investor roadshow for Coast Capital Savings Credit Union and also announced non-deal investor roadshows for German real estate company Aroundtown SA, to take place in Toronto, Montreal and Vancouver between April 24th and 26th, as well as for Medavie to take place in Toronto on April 26th. Looking ahead, the corporate primary market remains constructive for new issuance and is expected to remain steady as the roadshow calendar grows and as investors look to deploy built-up cash balances.

The secondary market experienced an active week of trading characterized by heavier net buying to start and close the week, while trading through the week was fairly balanced with good two-way flow across corporate sectors. Volumes were skewed to Maples at the start of the week on the back of new issue activity in the space, while autos, utilities and consumer names were mostly active in the short-end of the curve. Deposit notes and subordinated financial paper was also well-traded through the week with a focus in the belly. On the week, corporate credit spreads generally

closed the week 2 bps tighter.

The government market remained active last week with C$3.8 billion pricing across 4 domestic issues. Province of Alberta started the week with a C$600 million 10-year tap, while Saskatchewan came to market with a C$300 million long-end print. Ontario accessed the market twice, first with a C$1.35 billion 10-year offering which included a C$600 million carve-out, and followed on with a C$1.5 billion 5-year offering. Of note, domestic issuance in April 2018 has reached C$9.3 billion, the highest issuance level on record for the month of April. In the secondary market, volumes remained active with new supply spurring trading flow. Provincials saw net better buying on the week with activity concentrated in 10-years, while CMBs saw net buying on front-end activity. Spreads closed out the week 2-3bps tighter across the curve in provincials and 1.5-2.5bps tighter in CMBs.

CANADIAN NEW ISSUES

Corporates

Tue, Apr 17 – Kruger Products L.P. (BB(low)/-/-) – C$125 million 6.00% 7NC3-year senior unsecured notes offering

Tue, Apr 17 – Bank of America Corp (-/A3/A-) – C$1.5 billion dual-tranche senior Maple offering consisting of a C$500 million 4NC3-year FRN at CDOR +52bps and a C$1 billion 6NC5-year FXD/FRN notes at GoC+117bps

Tue, Apr 17 – CNH Capital Canada Receivables Trust (AAA/Aaa/-) – C$390 million multi-tranche retail equipment loan ABS offering

Tue, Apr 17 – MBARC Credit Canada Inc. (AAA/Aaa/-) – ~C$523 million multi-tranche auto lease ABS offering

Wed, Apr 18 – University of Saskatchewan (-/Aa2/-) – C$85 million 3.472% 40NC30-year senior unsecured notes offering at GoC+125bps

Thu, Apr 19 – Fair Hydro Trust (AAA/Aa2/-) – C$400 million 3.520% 20-year senior secured notes at GoC+107bps

Government

Mon, Apr 16 – Province of Alberta (AA/Aa1/A+) – C$600 million 2.55% 10-year re-opening at GoC+67.5 bps

Thu, Apr 19 – Province of Ontario (AA(low)/Aa2/A+) – C$1.35 billion 2.90% 10-year re-opening at a spread of CAN 2% 1Jun28+64 bps

Thu, Apr 19 – Province of Saskatchewan (AA/Aaa/AA) – C$300 million 3.30% 30-year re-opening at a spread of CAN 2.75% 1Dec48+79.5 bps

Fri, Apr 20 – Province of Ontario (AA(low)/Aa2/A+) - C$1.5 billion 2.600% 6-year re-opening at GoC +44.0 bps

EQUITY MARKET UPDATE

North American equity markets ended the week higher on both sides of the border despite some weakness heading into the weekend as solid corporate results lifted tone earlier in the week before a slide in technology shares partially reversed gains on Friday. In the US, the S&P 500 and Dow Jones indices ended the week higher by 0.4-0.5% as earnings releases continued their positive trend with many of the banks beating estimates and upside surprises running at nearly 80% so far in the quarter. However, losses steepened to close Friday with the rout in chipmakers and other technology shares precipitating a broader equity selloff. In Canada, the S&P/TSX index outperformed its US counterpart with gains of 1.4% led by strength in the CME, consumer and financial sectors, which largely offset weakness in the energy space. In commodities, crude oil ended higher by about $1.00 to close the week at $68.38/bbl, while gold prices fell $10.21 to finish at $1,335.99/oz. In currencies, the Canadian dollar depreciated against the US greenback by 1.2% to close at 1.2753 USDCAD.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,484	▲	1.4%
DJA	24,463	▲	0.4%
S&P 500	2,670	▲	0.5%
NASDAQ	7,146	▲	0.6%
Oil	$68.38	▲	$0.99
Gold	$1,335.99	▼	$10.21
USDCAD	1.2753	▲	1.2%

NORTH AMERICAN RATES UPDATE

North American government bond yields rose week-over-week as overall risk tone showed signs of improvement as trade tensions seemed to subside for the near-term and as inflation expectations continued to rise. In Canada, GoC yields rose steadily through the week and ended 6-9 bps higher with a steepening bias as rates in the belly rose to levels not seen since early February. In an unsurprising move, the Bank of Canada left the overnight policy rate unchanged at 1.25% on Wednesday morning, citing potential risks from "trade conflicts" and weaker near-term growth projections. Interestingly, the Bank revealed what seemed to be an apparent tolerance for firmer near-term inflation readings potentially arising from the impact of transitory factors (i.e. higher minimum wages). In particular, BoC Governor Poloz described the inflation trajectory as "rock solid" and expressed that slightly above-target readings would be unlikely to serve as the immediate trigger towards hiking rates, especially given the average rate of inflation in the last few years has been trending below the midpoint of the policy range. The Canadian CPI reading on Friday came out at 2.3% (E: 2.4%). In OIS markets, the probability of a BoC rate hike by the May meeting moderated to ~35% from above 50% earlier in the month. South of the border, the US market experienced a more pronounced shift with the 2-year benchmark yield rising 10bps, while the rest of the curve ended 12-13bps higher, sending the 10-year yield back to February highs of nearly 3.00% during the Friday session. On the data front, a strong US retail sales reading and a solid jobs report on Friday further supported the risk-on trade. Overnight Fed futures markets are currently pricing in a 92% probability of a rate hike by the June meeting, which is up from 73% at the start of April.

GoC

Term	Yield (%)	1 Week Δ (bps)	
2yr	1.93%	▲	6
5yr	2.17%	▲	7
10yr	2.34%	▲	9
30yr	2.44%	▲	9

UST

Term	Yield (%)	1 Week Δ (bps)	
2yr	2.45%	▲	10
5yr	2.80%	▲	12
10yr	2.96%	▲	13
30yr	3.14%	▲	12

MARKET IMPLIED BOC RATES

Market Implied Rates

Meeting	Implied Rate
May 30, 2018	1.3100
July 11, 2018	1.4475
September 5, 2018	1.5475

SWAPS

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	35.25	▼ 2.50
3yr	40.50	▼ 1.50
5yr	38.75	unch
7yr	38.50	▼ 0.50
10yr	37.25	▼ 0.50
30yr	36.25	▲ 0.25

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Mon, Apr 23	Wholesale Trade Sales MoM	--	0.1%
Mon, Apr 23	BoC's Poloz and Wilkins testify at House Committee	--	--
US Economic Data			
Tue, Apr 24	Conf. Board Consumer Confidence	126.0	127.7
Wed, Apr 25	MBA Mortgage Applications	--	4.9%
Thu, Apr 26	Initial Jobless Claims	--	232k
Thu, Apr 26	Wholesale Inventories MoM	--	1.0%
Thu, Apr 26	Durable Goods Orders	1.2%	3.0%
Fri, Apr 27	GDP Annualized QoQ	2.0%	2.9%
Fri, Apr 27	U. of Mich. Sentiment	98.0	97.8
International Economic Data			
Mon, Apr 23	Markit France Manufacturing PMI	53.5	53.7
Mon, Apr 23	Markit/BME Germany Manufacturing PMI	57.5	58.2
Mon, Apr 23	Markit Eurozone Manufacturing PMI	56	56.6
Mon, Apr 23	Australia CPI QoQ	0.5%	0.6%
Tue, Apr 24	Germany IFO Business Climate	102.8	103.2
Thu, Apr 26	ECB Main Refinancing Rate	0.0%	0.0%
Thu, Apr 26	Japan Jobless Rate	2.5%	2.5%
Thu, Apr 26	Japan Industrial Production MoM	0.5%	2.0%
Fri, Apr 27	France GDP QoQ	0.4%	0.7%
Fri, Apr 27	Germany Unemployment Change (000's)	-15k	-19k
Fri, Apr 27	UK GDP QoQ	0.3%	0.4%
Fri, Apr 27	Eurozone Consumer Confidence	--	--

SELECTED COMPANIES REPORTING THIS WEEK

Canada

AltaGas, Atco, Barrick Gold, Cameco, Canadian Utilities, Celestica, Cenovus Energy, Choice Properties, Constellation Software, First Quantum Minerals, FirstService, Husky Energy, Imperial Oil, Jean Coutu Group PJC, Metro, Restaurant Brands International, Teck Resources, Toromont Industries, TransCanada, West Fraser Timber

US

3M, AbbVie, Alphabet, Amazon.com, Amgen, AT&T, Boeing, Caterpillar, Chevron, Coca-Cola, Colgate-Palmolive, Comcast, ConocoPhillips, Exxon Mobil, Facebook, Ford Motor, General Motors, Halliburton, Intel, Lockheed Martin, Microsoft, Moody's, PayPal Holdings, PepsiCo, QUALCOMM, S&P Global, Southwest Airlines, Starbucks, Time Warner, United Technologies, Verizon Communications, Visa

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Market Implied Rates

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5yr	38.75	unch
7yr	38.50	▼ 0.50
10yr	37.25	▼ 0.50
30yr	36.25	▲ 0.25

Date	Release	Survey	Prior
Canadian Economic Data			
Mon, Apr 23	Wholesale Trade Sales MoM	--	0.1%
Mon, Apr 23	BoC's Poloz and Wilkins testify at House Committee	--	--
US Economic Data			
Tue, Apr 24	Conf. Board Consumer Confidence	126.0	127.7
Wed, Apr 25	MBA Mortgage Applications	--	4.9%
Thu, Apr 26	Initial Jobless Claims	--	232k
Thu, Apr 26	Wholesale Inventories MoM	--	1.0%
Thu, Apr 26	Durable Goods Orders	1.2%	3.0%
Fri, Apr 27	GDP Annualized QoQ	2.0%	2.9%
Fri, Apr 27	U. of Mich. Sentiment	98.0	97.8
International Economic Data			
Mon, Apr 23	Markit France Manufacturing PMI	53.5	53.7
Mon, Apr 23	Markit/BME Germany Manufacturing PMI	57.5	58.2
Mon, Apr 23	Markit Eurozone Manufacturing PMI	56	56.6
Mon, Apr 23	Australia CPI QoQ	0.5%	0.6%
Tue, Apr 24	Germany IFO Business Climate	102.8	103.2
Thu, Apr 26	ECB Main Refinancing Rate	0.0%	0.0%
Thu, Apr 26	Japan Jobless Rate	2.5%	2.5%
Thu, Apr 26	Japan Industrial Production MoM	0.5%	2.0%
Fri, Apr 27	France GDP QoQ	0.4%	0.7%
Fri, Apr 27	Germany Unemployment Change (000's)	-15k	-19k
Fri, Apr 27	UK GDP QoQ	0.3%	0.4%
Fri, Apr 27	Eurozone Consumer Confidence	--	--

RBC Capital Markets®

Lower Mattagamy Energy LP

DBRS: A(high) Moody's: A2

C$ New Issue Indicative Pricing as at: April 23, 2018

Term	2 Year	3 Year	5 Year	7 Year	10 Year	30 Year
Canada Bond Benchmark	Interp (1.5% 1MAR20 & 1.75% 1MAY20)	Interp (0.75% 1MAR21 & 3.25% 1JUN21)	Interp (1.75% 1MAR23 & 1.5% 1JUN23)	Interp (2.5% 1JUN24 & 2.25% 1JUN25)	Interp (1% 1JUN27 & 5.75% 1JUN29)	2.75% 1DEC48
Canada Yield (Bid)	1.932%	2.051%	2.202%	2.314%	2.379%	2.468%
Credit Spread (bps)	**45**	**54**	**64**	**77**	**95**	**130**
Offering Yield	2.382%	2.591%	2.842%	3.084%	3.329%	3.768%
Re-Offer Spread to BAs	**10**	**17**	**28**	**45**	**60**	**96**
Re-Offer Spread to USD LIBOR	**27**	**32**	**37**	**50**	**60**	**103**

Hedging future GoC levels with Bond Rate-Lock

Bond Benchmark	CAN 1.5% 1MAR20	CAN 0.75% 1MAR21	CAN 1.75% 1MAR23	CAN 2.5% 1JUN24	CAN 1% 1JUN27	CAN 2.75% 1DEC48
Spot Level	1.922%	2.034%	2.182%	2.268%	2.363%	2.468%
For 3 months to 23-Jul-18	2.031% (+11 bps)	2.111% (+8 bps)	2.235% (+5 bps)	2.316% (+5 bps)	2.396% (+3 bps)	2.483% (+1 bps)
For 6 months to 23-Oct-18	2.166% (+24 bps)	2.199% (+16 bps)	2.291% (+11 bps)	2.366% (+10 bps)	2.430% (+7 bps)	2.497% (+3 bps)
For 12 months to 24-Apr-19	2.664% (+74 bps)	2.436% (+40 bps)	2.421% (+24 bps)	2.473% (+20 bps)	2.501% (+14 bps)	2.526% (+6 bps)

Selected Secondary Trading Comparables

					Bid Spread	
Issue	Amount (C$MM)	Benchmark	Remaining Term (Maturity / Par Call)	Price (Maturity / Par Call)	vs. Bond	vs. Curve
4.331% due 18-May-21	225	CAN 3 1/4 06/01/21	3.1 / -	$105.07 (M)	59	59
3.416% due 20-Jun-24	200	CAN 2 1/2 06/01/24	6.2 / -	$102.28 (M)	73	73
2.307% due 21-Oct-26	220	CAN 1 1/2 06/01/26	8.5 / -	$93.54 (M)	83	82
5.139% due 18-May-41	250	CAN 2 3/4 12/01/48	23.1 / -	$122.09 (M)	128	127
4.944% due 21-Sep-43	200	CAN 2 3/4 12/01/48	25.4 / -	$120.26 (M)	128	-
4.176% due 23-Feb-46	275	CAN 2 3/4 12/01/48	27.9 / -	$108.12 (M)	128	-
4.175% due 23-Apr-52	225	CAN 2 3/4 12/01/48	34.0 / -	$107.01 (M)	143	-

Pricing is indicative and subject to market conditions

Swapped equivalent levels and Rate Locks are for illustration purposes only and do not include cost of credit

Bank Name	RBC
Date	4/23/2018

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-Year	10-Year	5-Year	2-Year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Feb-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.47%	2.36%	2.18%	1.92%	0.08%	0.08%	0.05%	0.02%
Curve Adjustment (bp)	0.0	1.6	2.0	1.0	-	(0.20)	1.000	(1.000)
Spread to GoC Curve (bp)	**155.0**	**115.0**	**82.0**	**64.0**	(3.0)	(2.0)	(1.0)	(1.0)
Re-Offered Yield	4.02%	3.53%	3.02%	2.57%	0.05%	0.06%	0.05%	0.00%
Commission (bp)	2.9	4.8	7.6	10.3	0.0	0.0	0.0	(0.0)
All-in Yield	**4.05%**	**3.58%**	**3.10%**	**2.68%**	**0.05%**	**0.06%**	**0.05%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-Year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A3/A)	134.0	97.0	69.0	50.0	-3.0	-1.0	1.0	1.0

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-Year	30-year	10-year	5-year	2-year
TransAlta Corp (BBB/BBB-)		385.0	240.0	140.0		-5.0	0.0	-5.0
Nova Scotia Power (A(L)/-/BBB+)	142.0	104.0	73.0	54.0	-2.0	-1.0	1.0	0.0
Bruce Power (BBB/Baa2/BBB)	212.0	150.0	107.0		0.0	0.0	0.0	
EPCOR (A(L)/-/A-)	133.0	97.0	66.0	47.0	0.0	0.0	0.0	2.0
FortisBC (A(L)/Baa1/-)	134.0	100.0	69.0	50.0	1.0	0.0	0.0	2.0
FortisAlberta (A(L)/-/A-)	131.0	97.0	66.0	47.0	1.0	0.0	0.0	1.0
TCPL (A(L)/A3/A-)	180.0	125.0	90.0	55.0	-5.0	-3.0	0.0	0.0

Secondary Pricing	Remaining Term				Week over Week			
Spread to GoC Curve (bp)	Bench	Maturity / Call	Bond	Curve	Bench	-	Bond	Curve
ONTPOW 3.315 10/04/27 Corp	CAN 1 06/01/27	9.5/9.2 (M)	105.0	105.0			0.0	1.0

RBC Capital Markets®

NEW ISSUE SUMMARY

April 16 - April 20

CORPORATE NEW ISSUANCE

Issuer	Price Date	Ratings D / M / S	Size (CAD)	Maturity	Coupon (%)	Spread (bps)	Lead Dealer(s)
Kruger Products L.P.	17-Apr-18	BB(L)/-/-	125	24-Apr-25	6.000%	+379	SCI / CIBC / DESJ
Bank of America Corp	17-Apr-18	-/A3/A-	500	24-Apr-22	FRN	+52	BAML / BMO / CIBC / RBCCM / SCI / TD
Bank of America Corp	17-Apr-18	-/A3/A-	1,000	24-Apr-24	3.301%	+81.6	BAML / BMO / CIBC / RBCCM / SCI / TD
CNH Capital Canada Receivables Trust	17-Apr-18	AAA/Aaa/-	390	Multiple	Multiple	Multiple	BMO / CIBC /RBC
MBARC Credit Canada Inc.	17-Apr-18	AAA/Aaa/-	523	Multiple	Multiple	Multiple	RBC / TD
University of Saskatchewan	18-Apr-18	-/Aa2/-	85	04-Apr-58	3.472%	+125	BMO
Fair Hydro Trust	19-Apr-18	AAA/Aa2/-	400	15/05/2038	3.520%	+107	CIBC / RBC
TOTAL			**3,023 MM**				

GOVERNMENT NEW ISSUANCE

Issuer	Price Date	Ratings D / M / S	Size (CAD)	Maturity	Coupon (%)	Spread (bps)	Lead Dealer(s)
Province of Alberta	16-Apr-18	AA/Aa1/A+	600	01-Jun-27	2.550%	+67.5	CIBC
Province of Ontario	19-Apr-18	AA(L)/Aa2/A+	1,350	02-Jun-28	2.900%	+64	BMO
Province of Saskatchewan	19-Apr-18	AA/Aaa/AA	300	02-Jun-48	3.300%	+79.5	TD
Province of Ontario	20-Apr-18	AA(L)/Aa2/A+	1,500	08-Sep-23	2.600%	+44	CIBC
TOTAL			**3,750 MM**				

From: Egberts, Adam
To: "john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"
Cc: Brown, Rob; Egberts, Adam; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject: OPG Weekly Pricing
Date: Monday, April 02, 2018 6:18:08 PM
Attachments: image003.png
image004.png
image005.png
image006.png
image007.png
header.htm
18-04-02 Lower Mattagamy Energy LP Pricing.pdf
18-04-02 OPG Weekly Pricing - vRBC.xlsx
18-04-02 New Issue Summary.pdf

RBC Capital Markets

Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, April 2, 2018

The Canadian corporate primary market was active last week despite the Friday holiday, with five issuers accessing the Canadian dollar market for aggregate proceeds of ~C$3.5 billion. RBC acted as lead left bookrunner on the only Canadian league table eligible offering during the week, a C$500 million 19.2-year offering from Greater Toronto Airports Authority, of which net proceeds were used in part to fund the GTAA's previously announced redemption of its outstanding 2019 maturity. South of the border, Bell Canada priced its first US$ offering in over 20 years, capitalizing on attractive relative pricing dynamics in the US market with a US$750 million 30-year transaction, led by RBC. The remainder of the week's supply was concentrated in the financial space, with CIBC and Bank of Nova Scotia pricing C$2.5 billion in NVCC and deposit note offerings, while in the securitization space Laurentian Bank priced an NHA MBS transaction and MCAP priced an offering of mortgage pass-through securities. From an overall tone perspective, the week's new issuance was well received by investors despite persisting volatility globally, with encouraging levels of oversubscription allowing issuers to achieve target size objectives and tight pricing. Looking ahead to coming weeks, investor appetite for corporate product remains healthy despite ongoing geopolitical uncertainly and recent new issues continue to trade well in the secondary market.

In the secondary market, trading flows were healthy across the curve. Maple bonds were active in the belly, while utility and infrastructure names traded in the long end on the back of the week's new supply while telco names were also active two-way across the curve. Credit spreads fluctuated over the course of the week amidst elevated volatility, with IG spreads ending the week ~4 bps wider and the 10-year part of the curve outperforming.

The government market was quiet this week with no new issues. Of note, the Provinces of Newfoundland, Quebec, and Ontario released their FY2018/19 budgets this week with Quebec and Ontario noting borrowing needs of C$13.4 billion and C$31.7 billion respectively. With most Provinces having released their budgets, healthy issuance can be expected in the coming weeks as issuers look to have a strong start to the new fiscal year. In the secondary market flows were healthy given it was a shortened week, with good two-way flow in provincals with volumes concentrated in the 10-year sector. CMBs also had a decent week with two-way volumes spread evenly across the curve. Spreads ended 3-4.5bps wider in provincials and 1-1.5bps wider across the curve.

EQUITY MARKET UPDATE

North American equity markets ended the week higher after a series of choppy trading sessions. Trade war concerns remained a driver of market tone globally as Chinese representatives issued a warning to the US not to "open the Pandora's box" and spark a flurry of protectionist practices across the globe, despite statements by Treasury Secretary Steven Mnuchin indicating optimism that the US and China could avert a trade war. Away from trade, technology shares were topical over the course of the week including Facebook as the company continued to grapple with the aftermath of its involvement in the Cambridge Analytica incident, while Amazon also made headlines after President Trump accused the company, via Twitter, of not paying taxes. Despite volatility throughout the week, equity indices closed higher by 1% to 2.4% on either side of the border. Commodities underperformed, with oil down $0.93 to $64.95/bbl while gold fell $22.03 to $1325.30. Also on the week, the US dollar fell 0.1% against the loonie to 1.2885 USDCAD.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,387	▲	1.1%
DJA	24,103	▲	2.4%
S&P 500	2,645	▲	2.2%
NASDAQ	7,063	▲	1.0%
Oil	$64.95	▼	$0.93
Gold	$1,325.30	▼	$22.03
USDCAD	1.2885	▼	0.1%

CANADIAN NEW ISSUES

Corporates

Monday, March 26 – Bell Canada (BBB(high)/Baa1/BBB+) – US$750 million 4.464% 30-year senior unsecured notes at UST +140bps

Monday, March 26 – Laurentian Bank of Canada (AAA/Aaa/AAA) – ~C$217.5 million 5-year NHA MBS (WAL 3.8 years) at GoC+48 bps

Tuesday, March 27 – Greater Toronto Airport Authority (-/Aa3/A+) – C$500 million 3.260% Series 2018-1 secured notes at GoC +100bps

Tuesday, March 27 – Canadian Imperial Bank of Commerce (A(low)/Baa2/BBB) – C$1.5 billion 3.45% 10NC5 NVCC sub-debt offering at GoC +140bps

Wednesday, March 28 – MCAP RMBS (AAA/Aaa/-) – C$237.6 million dual-tranche RMBS transaction

Wednesday, March 28 – Bank of Nova Scotia (AA/A1/A+) – C$1.0 billion 2-year floating rate deposit note at 3mCDOR +18bps

NORTH AMERICAN RATES UPDATE

North American bond yields ended the week sharply lower on both sides of the border. GoC yields ended the week 8-10 bps lower after a disappointing January GDP reading (-0.1% versus consensus expectation of 0.1% growth) on Thursday dominated an otherwise quiet week from an economic data perspective. Market implied odds of a BoC rate hike at the April 18th meeting declined over the course of the week, from ~32% to approximately 23% heading into the long weekend. In the US, Treasury yields from the 5-year outwards fell 4-9 bps after reaching mid-week levels which were the lowest since early February, on the back of risk-off tone in broader asset markets as selloffs in equities weighed on sentiment, with the market largely ignoring the third reading of Q4 GDP which came in at an annualized pace of 2.9%, ahead of consensus expectations for 2.7%.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.78%	▼ 8
5yr	1.97%	▼ 10
10yr	2.09%	▼ 10
30yr	2.23%	▼ 9

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.27%	▲ 1
5yr	2.56%	▼ 4
10yr	2.74%	▼ 7
30yr	2.97%	▼ 9

MARKET IMPLIED BOC RATES

Market Implied Rates

Meeting	Implied Rate
April 18, 2018	1.2830
May 30, 2018	1.3500
July 11, 2018	1.4550

SWAPS

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	39.75	▲ 0.75
3yr	44.25	▲ 0.50
5yr	41.00	▲ 1.00
7yr	40.75	▲ 1.00
10yr	41.25	▲ 1.25
30yr	38.00	▲ 0.50

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Mon, Apr 2	Markit Canada Manufacturing PMI	--	55.6
Fri, Apr 6	Net Change in Employment	20.0k	15.4k
Fri, Apr 6	Unemployment Rate	5.8%	5.8%
US Economic Data			
Mon, Apr 2	Markit US Manufacturing PMI	55.7	55.7
Mon, Apr 2	ISM Manufacturing	60.0	60.8
Wed, Apr 4	MBA Mortgage Applications	--	4.8%
Wed, Apr 4	ADP Employment Change	205k	235k
Wed, Apr 4	Factory Orders	1.7%	-1.4%
Wed, Apr 4	Durable Goods Orders	--	3.1%
Thu, Apr 5	Initial Jobless Claims	--	--
Thu, Apr 5	Continuing Claims	--	--
Thu, Apr 5	Trade Balance	-$56.5b	-$56.6b
Fri, Apr 6	Change in Nonfarm Payrolls	189k	313k
Fri, Apr 6	Unemployment Rate	4.0%	4.1%
International Economic Data			
Tue, Apr 3	RBA Cash Rate Target	1.5%	1.5%
Tue, Apr 3	Markit Eurozone Manufacturing PMI	56.6	56.6
Wed, Apr 4	Eurozone Unemployment Rate	8.5%	8.6%
Wed, Apr 4	Eurozone CPI Estimate YoY	1.4%	1.2%
Thu, Apr 5	Markit Eurozone Services PMI	55.0	55.0
Thu, Apr 5	Markit Eurozone Composite PMI	55.3	55.3
Thu, Apr 5	Eurozone Retail Sales MoM	0.6%	-0.1%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Arizona Mining, Corus Entertainment, Novagold Resources, Richelieu Hardware

US

Alliance Data Systems, CarMax, Lennar, Monsanto

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Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,387	▲	1.1%
DJA	24,103	▲	2.4%
S&P 500	2,645	▲	2.2%
NASDAQ	7,063	▲	1.0%
Oil	$64.95	▼	$0.93
Gold	$1,325.30	▼	$22.03
USDCAD	1.2885	▼	0.1%

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.78%	▼ 8
5yr	1.97%	▼ 10
10yr	2.09%	▼ 10
30yr	2.23%	▼ 9

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.27%	▲ 1
5yr	2.56%	▼ 4
10yr	2.74%	▼ 7
30yr	2.97%	▼ 9

Market Implied Rates

Meeting	Implied Rate
April 18, 2018	1.2830
May 30, 2018	1.3500
July 11, 2018	1.4550

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	39.75	▲ 0.75
3yr	44.25	▲ 0.50
5yr	41.00	▲ 1.00
7yr	40.75	▲ 1.00
10yr	41.25	▲ 1.25
30yr	38.00	▲ 0.50

Date	Release	Survey	Prior
Canadian Economic Data			
Mon, Apr 2	Markit Canada Manufacturing PMI	--	55.6
Fri, Apr 6	Net Change in Employment	20.0k	15.4k
Fri, Apr 6	Unemployment Rate	5.8%	5.8%
US Economic Data			
Mon, Apr 2	Markit US Manufacturing PMI	55.7	55.7
Mon, Apr 2	ISM Manufacturing	60.0	60.8
Wed, Apr 4	MBA Mortgage Applications	--	4.8%
Wed, Apr 4	ADP Employment Change	205k	235k
Wed, Apr 4	Factory Orders	1.7%	-1.4%
Wed, Apr 4	Durable Goods Orders	--	3.1%
Thu, Apr 5	Initial Jobless Claims	--	--
Thu, Apr 5	Continuing Claims	--	--
Thu, Apr 5	Trade Balance	-$56.5b	-$56.6b
Fri, Apr 6	Change in Nonfarm Payrolls	189k	313k
Fri, Apr 6	Unemployment Rate	4.0%	4.1%
International Economic Data			
Tue, Apr 3	RBA Cash Rate Target	1.5%	1.5%
Tue, Apr 3	Markit Eurozone Manufacturing PMI	56.6	56.6
Wed, Apr 4	Eurozone Unemployment Rate	8.5%	8.6%
Wed, Apr 4	Eurozone CPI Estimate YoY	1.4%	1.2%
Thu, Apr 5	Markit Eurozone Services PMI	55.0	55.0
Thu, Apr 5	Markit Eurozone Composite PMI	55.3	55.3
Thu, Apr 5	Eurozone Retail Sales MoM	0.6%	-0.1%

RBC Capital Markets®

Lower Mattagamy Energy LP

DBRS: A(high) Moody's: A2

C$ New Issue Indicative Pricing as at: April 2, 2018

Term	2 Year	3 Year	5 Year	7 Year	10 Year	30 Year
Canada Bond Benchmark	Interp (1.5% 1MAR20 & 3.5% 1JUN20)	Interp (0.75% 1MAR21 & 3.25% 1JUN21)	Interp (1.75% 1MAR23 & 1.5% 1JUN23)	Interp (2.5% 1JUN24 & 2.25% 1JUN25)	Interp (1% 1JUN27 & 5.75% 1JUN29)	2.75% 1DEC48
Canada Yield (Bid)	1.808%	1.904%	1.982%	2.069%	2.122%	2.239%
Credit Spread (bps)	**45**	**53**	**63**	**77**	**96**	**136**
Offering Yield	2.258%	2.434%	2.612%	2.839%	3.082%	3.599%
Re-Offer Spread to BAs	**8**	**15**	**23**	**41**	**58**	**100**
Re-Offer Spread to USD LIBOR	**27**	**30**	**33**	**47**	**58**	**107**

Hedging future GoC levels with Bond Rate-Lock

Bond Benchmark	CAN 1.5% 1MAR20	CAN 0.75% 1MAR21	CAN 1.75% 1MAR23	CAN 2.5% 1JUN24	CAN 1% 1JUN27	CAN 2.75% 1DEC48
Spot Level	1.797%	1.896%	1.978%	2.036%	2.103%	2.239%
For 3 months to 29-Jun-18	1.887% (+9 bps)	1.960% (+6 bps)	2.021% (+4 bps)	2.074% (+4 bps)	2.129% (+3 bps)	2.251% (+1 bps)
For 6 months to 01-Oct-18	2.003% (+21 bps)	2.037% (+14 bps)	2.067% (+9 bps)	2.115% (+8 bps)	2.157% (+5 bps)	2.264% (+2 bps)
For 12 months to 02-Apr-19	2.405% (+61 bps)	2.237% (+34 bps)	2.172% (+19 bps)	2.200% (+16 bps)	2.213% (+11 bps)	2.287% (+5 bps)

Selected Secondary Trading Comparables

					Bid Spread	
Issue	Amount (C$MM)	Benchmark	Remaining Term (Maturity / Par Call)	Price (Maturity / Par Call)	vs. Bond	vs. Curve
4.331% due 18-May-21	225	CAN 3 1/4 06/01/21	3.1 / -	$105.54 (M)	60	60
3.416% due 20-Jun-24	200	CAN 2 1/2 06/01/24	6.2 / -	$103.76 (M)	75	75
2.307% due 21-Oct-26	220	CAN 1 1/2 06/01/26	8.6 / -	$95.09 (M)	83	82
5.139% due 18-May-41	250	CAN 2 3/4 12/01/48	23.1 / -	$124.29 (M)	135	134
4.944% due 21-Sep-43	200	CAN 2 3/4 12/01/48	25.5 / -	$122.58 (M)	135	-
4.176% due 23-Feb-46	275	CAN 2 3/4 12/01/48	27.9 / -	$110.37 (M)	135	-
4.175% due 23-Apr-52	225	CAN 2 3/4 12/01/48	34.1 / -	$110.09 (M)	145	-

Pricing is indicative and subject to market conditions

Swapped equivalent levels and Rate Locks are for illustration purposes only and do not include cost of credit

Bank Name	RBC
Date	4/2/2018

Indicative OPG New Issue Spreads	**Current**				**Week over Week**			
	30-Year	**10-Year**	**5-Year**	**2-Year**	**30-year**	**10-year**	**5-year**	**2-year**
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Feb-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.24%	2.10%	1.98%	1.80%	-0.09%	-0.11%	-0.10%	-0.08%
Curve Adjustment (bp)	0.0	1.9	0.4	1.1	-	-	0.200	0.100
Spread to GoC Curve (bp)	**162.0**	**120.0**	**89.0**	**70.0**	2.0	2.0	2.0	1.0
Re-Offered Yield	3.86%	3.32%	2.87%	2.51%	-0.07%	-0.09%	-0.08%	-0.07%
Commission (bp)	2.8	4.7	7.6	10.3	(0.0)	(0.0)	(0.0)	(0.0)
All-in Yield	**3.89%**	**3.37%**	**2.95%**	**2.61%**	**-0.07%**	**-0.09%**	**-0.08%**	**-0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**				**Week over Week**			
Spread to GoC Curve (bp)	**30-year**	**10-year**	**5-year**	**2-Year**	**30-year**	**10-year**	**5-year**	**2-year**
Hydro One (A(H)/A3/A)	141.0	97.0	65.0	45.0	3.0	1.0	0.0	-1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**				**Week over Week**			
Spread to GoC Curve (bp)	**30-year**	**10-year**	**5-year**	**2-Year**	**30-year**	**10-year**	**5-year**	**2-year**
TransAlta Corp (BBB/BBB-)		390.0	240.0	145.0		0.0	0.0	0.0
Nova Scotia Power (A(L)/-/BBB+)	146.0	104.0	71.0	51.0	1.0	1.0	1.0	0.0
Bruce Power (BBB/Baa2/BBB)	212.0	157.0	112.0		5.0	5.0	5.0	
EPCOR (A(L)/-/A-)	141.0	97.0	66.0	46.0	5.0	1.0	1.0	0.0
FortisBC (A(L)/Baa1/-)	139.0	99.0	67.0	48.0	0.0	0.0	0.0	0.0
FortisAlberta (A(L)/-/A-)	137.0	97.0	65.0	44.0	0.0	0.0	0.0	0.0
TCPL (A(L)/A3/A-)	190.0	130.0	90.0	55.0	5.0	7.0	0.0	0.0

Secondary Pricing	**Remaining Term**				**Week over Week**			
Spread to GoC Curve (bp)	**Bench**	**Maturity / Call**	**Bond**	**Curve**	**Bench**	**-**	**Bond**	**Curve**
ONTPOW 3.315 10/04/27 Corp	CAN 1 06/01/27	9.5/9.3 (M)	113.0	113.0			3.0	3.0

RBC Capital Markets®

NEW ISSUE SUMMARY March 26 - March 29, 2018

CORPORATE NEW ISSUANCE

Issuer	Price Date	Ratings D / M / S	Size (CAD)	Maturity	Coupon (%)	Spread (bps)	Lead Dealer(s)
Laurentian Bank of Canada	26-Mar-18	AAA/Aaa/AAA	217.5	01-Feb-23	2.000%	+48	LB
Greater Toronto Airport Authority	27-Mar-18	-/Aa3/A+	500	01-Jun-37	3.260%	+100	RBCCM / BMO / CIBC
Canadian Imperial Bank of Commerce	27-Mar-18	A(L)/Baa2/BBB	1,500	04-Apr-23	3.450%	+140	CIBC
MCAP RMBS	28-Mar-18	AA(H)/Aa2/ -	5.0	15-Oct-22	2.400%	+175	RBCCM
MCAP RMBS	28-Mar-18	- /Aaa/ -	232.7	15-Oct-22	2.400%	+100	RBCCM
Bank of Nova Scotia	28-Mar-18	AA/A1/A+	1,000.0	02-Apr-20	FRN	+18	BNS
TOTAL			**3,455 MM**				

GOVERNMENT NEW ISSUANCE

Issuer	Price Date	Ratings D / M / S	Size (CAD)	Maturity	Coupon (%)	Spread (bps)	Lead Dealer(s)
TOTAL			**0 MM**				

From: Egberts, Adam
To: "john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"
Cc: Brown, Rob; Egberts, Adam; Wetmore, Jamie; Schoroth, Joseph; Murray, Tim
Subject: OPG Weekly Pricing
Date: Monday, January 29, 2018 5:40:52 PM
Attachments: image003.png
image004.png
image005.png
image006.png
image007.png
image008.png
header.htm
18-01-29 Lower Mattagamy Energy LP Pricing.pdf
18-01-29 OPG Weekly Pricing - vRBC.xlsx
18-01-29 New Issue Summary.pdf

RBC Capital Markets

Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, January 29, 2018

The Canadian corporate primary market was moderately active last week with 4 transactions priced for C$2 billion in gross proceeds. The offerings in the Canadian market this week well-diversified across sectors demonstrate the continued strong demand for corporate new issues with heavily oversubscribed orderbooks supporting tight pricing, negative new issue concessions and notable post-pricing secondary performance. Also notable on the week was the very strong demand for floating rate product, with three of the week's four offerings for C$1.8 billion printed as FRNs. Dollarama was in the market with a C$300 million 3-year FRN offering with RBC acting as Lead Left Bookrunner. The transaction also capitalized on the technical bid for credit and took advantage of recent non-deal investor marketing conducted towards the end of 2017. Also in FRN product, Bank of Montreal printed a C$1 billion 5-year floating rate Covered Bond – BMO' first Canadian dollar Covered Bond – and Morgan Stanley priced a self-led C$500 million 3.75NC2.75-year TLAC-eligible Maple FRN. The Morgan Stanley offering also marks the second Maple transaction of the year and continues the momentum from last year which saw near-record Maple supply. Of note, the bonds priced largely in line with recent US$ offerings, further highlighting the continued strength of the C$ market from a global perspective. From the real estate sector, CT Real Estate Investment Trust accessed the market with a C$200 million 10-year trade, which follows their last offering of C$175 million 10-years in June 2017. Away from the primary market, Fair Hydro Trust announced cross-country marketing efforts last week to take place in Toronto, Montreal, Winnipeg and Vancouver between January 29th and Feb 2nd in anticipation of an inaugural trade with RBC acting as Joint Bookrunner. Looking ahead, market tone continues to be very constructive for new issue supply as issuers evaluate the market for stable funding windows and as the roadshow calendar continues to build.

The secondary market started the week light but saw more activity over the course of the week with flows balanced and trading two-way. The week started with better buying of utilities while financial names saw good two-way flow in the belly of the curve over the next couple sessions. Short-dated deposit notes in particular traded actively through the week among financial names, while energy credits were better bid in the long end. To close the week, there was a net selling bias across select telcos and auto finance names in shorter-dated tenors. Corporate credit spreads generally closed the

week 3 bps tighter.

Governments had a very active week with 5 transactions pricing for C$2.7 billion. Province of Ontario completed 2 transactions on the week, first pricing a C$600 million long-dated offering with RBC acting as Lead and then their fourth ever Green Bond with a C$1 billion new 7-year with RBC acting as Joint-Lead. This marked the first green offering of 2018 after a very active prior year in the C$ green space, which in total absorbed C$1.9 billion across 4 transactions. Montreal completed the first municipal offering of the year with a C$400 million 10-year and Province of BC completed a C$500 million 30-year re-opening with RBC acting as Lead. Province of Manitoba also completed the first issue of their new 2068 ultra-long bond for C$150 million. Secondary flows were healthy this week with good two-way trading of Provincials in the front-end and belly of the curve, while CMBs saw better selling activity in 5-years. Spreads ended the week 1bp tighter in 10-year provincials and 0.5bp wider through the rest of the curve, and CMBs closed 0.5-1bp wider.

EQUITY MARKET UPDATE

North American equity markets closed the week mixed as headlines originating from the World Economic Forum in Davos and, in particular, US President Trump's "America First" address rallied US stocks. The Dow Jones and S&P 500 indices significantly rose by 2.1% and 2.2%, respectively, to close the week at fresh all-time highs. Conversely, the Canadian stock market saw valuations decline as intense international trade negotiations continued in a sixth round in Montreal over the course of the week with investors shedding risk assets in the face of an overhanging threat of a US withdrawal from NAFTA negotiations. The S&P/TSX composite fell 0.7% and touched the lowest point since December 2017 led by declines in commodity-linked sectors including energy and materials names. In commodity markets, crude oil futures rose $2.77 to close the week at $66.14/bbl, while gold prices also rose $17.28 to finish the week at $1,349.12/oz. In currency markets, the Canadian dollar appreciated 1.5% against the US greenback to close at 1.2308 USDCAD.

Index	Level		1 Week Δ
S&P/TSX	16,239	▼	0.7%
DJA	26,617	▲	2.1%
S&P 500	2,873	▲	2.2%
NASDAQ	7,506	▲	2.3%
Oil	$66.14	▲	$2.77
Gold	$1,349.12	▲	$17.28
USDCAD	1.2308	▼	1.5%

CANADIAN NEW ISSUES

Corporates

Tue, Jan 23 – Morgan Stanley (A(H)/A3/BBB+) – C$500 million 3.75NC2.75-year FRN at BA+37.5bps

Wed, Jan 24 – CT Real Estate Investment Trust (BBB(H)/-/BBB+) – C$200 million 3.865% 10-year senior unsecured notes at GoC +158bps

Thu, Jan 25 – Dollarama Inc. (BBB/-/-) – C$300 million 3-year FRN at BA+27bps

Fri, Jan 26 – Bank of Montreal (AAA/Aaa/AAA) – C$1 billion 5-year floating rate covered bond at BA+19bps

Governments

Mon, Jan 22 – Province of Manitoba (A(high)/Aa2/A+) – C$150 million 3.10% 50-year MTN offering

Tue, Jan 23 – Province of Ontario (AA(low)/Aa2/A+) – C$600 million 2.90% 30-year re-opening at GoC +68.0bps

Wed, Jan 24 – City of Montreal (-/Aa2/AA-) – C$400 million 3.00% 10-year re-opening at GoC +79.0bps

Wed, Jan 24 – Province of British Columbia (AA(H)/Aaa/AAA) – C$500 million 30-year re-opening +61.5bps

Thu, Jan 25 – Province of Ontario (A(L)/Aa2/A+) – C$1 billion 7-year Green Bond at GoC +53bps

NORTH AMERICAN RATES UPDATE

North American government yield curves bear flattened over the course of the week on both sides of the border as NAFTA negotiations continued and headlines surrounding a US government shutdown

remained at the forefront with regard to market tone. In particular, the US government formally shutdown for two days after a failure to pass legislation to fund government operations mainly stemming from a dispute over immigration policy; however the situation was remedied when the Senate Democrats agreed to end the filibuster in exchange for continued dialogue on legislation. In the US, Treasury yields were 2-5 bps higher at the front-end of the curve, while the 10-year benchmark yield closed unchanged and the long-end of the curve fell 2bps. The Government of Canada curve shifted in sympathy with its US counterpart as the 2- to 10-year part of the curve rose 1-3bps while the 30-year benchmark yield finished 4bps lower. In international markets, the ECB left its benchmark rate unchanged during its meeting on January 25th citing uncertainties that continue to persist globally. In Canadian swap markets, the curve generally rose 0.25-0.5bps, while the 30-year rose 4.75bps.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.82%	▲ 1
5yr	2.06%	▲ 3
10yr	2.26%	▲ 2
30yr	2.33%	▼ 4

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.12%	▲ 5
5yr	2.47%	▲ 2
10yr	2.66%	unch
30yr	2.91%	▼ 2

MARKET IMPLIED BOC RATES

Meeting	Implied Rate
March 7, 2018	1.3034
April 18, 2018	1.4235
May 30, 2018	1.5035

SWAPS

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	36.75	▲ 0.25
3yr	41.00	unch
5yr	38.00	▲ 0.50
7yr	36.75	▲ 0.50
10yr	34.00	▲ 0.50
30yr	33.25	▲ 4.75

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Wed, Jan 31	GDP MoM	4.0%	0.0%
US Economic Data			
Tue, Jan 30	Conf. Board Consumer Confidence	123.0	122.1
Wed, Jan 31	MBA Mortgage Applications	--	4.5%
Wed, Jan 31	FOMC Rate Decision	1.5%	1.5%
Wed, Jan 31	ADP Employment Change	185k	250k
Thu, Feb 1	Continuing Claims	1,925k	1,937k
Thu, Feb 1	Initial Jobless Claims	235k	233k
Thu, Feb 1	ISM Manufacturing	58.6	59.7
Fri, Feb 2	Change in Nonfarm Payrolls	180k	148k
Fri, Feb 2	Unemployment Rate	4.1%	4.1%
Fri, Feb 2	Durable Goods Orders	--	2.9%
Fri, Feb 2	Factory Orders	1.2%	1.3%
International Economic Data			
Tue, Jan 30	France GDP QoQ	0.6%	0.6%
Tue, Jan 30	Euro Area GDP QoQ	0.6%	0.6%
Tue, Jan 30	Australia CPI QoQ	0.7%	0.6%
Wed, Jan 31	Germany Unemployment Change	-17k	-29k
Wed, Jan 31	Euro Area Unemployment Rate	8.7%	8.7%
Thu, Feb 1	Markit Eurozone Manufacturing PMI	59.6	59.6

SELECTED COMPANIES REPORTING THIS WEEK

Canada

CGI Group, Imperial Oil, Methanex, Metro, Norbord, Open Text, Saputo

US

Ally Financial, Alphabet, Altria Group, Amazon.com, Amgen, Apple, AT&T, Blackstone Group, Boeing, Charter Communications, Chevron, ConocoPhillips, DowDuPont, eBay, Exxon Mobil, Facebook, Hershey, Lockheed Martin, Mastercard, McDonald's, Merck & Co, MetLife, Microsoft, Mondelez International, PayPal Holdings, Pfizer, Time Warner, United Parcel Service, Visa

Regards,

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Index	Level		1 Week Δ
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2yr	2.12%	▲ 5
5yr	2.47%	▲ 2
10yr	2.66%	unch
30yr	2.91%	▼ 2

Meeting	Implied Rate
March 7, 2018	1.3034
April 18, 2018	1.4235
[redacted]	1.5035

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	36.75	▲ 0.25
3yr	41.00	unch
5yr	38.00	▲ 0.50
7yr	36.75	▲ 0.50
10yr	34.00	▲ 0.50
30yr	33.25	▲ 4.75

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Wed, Jan 31	Euro Area Unemployment Rate	8.7%	8.7%
Thu, Feb 1	Markit Eurozone Manufacturing PMI	59.6	59.6

RBC Capital Markets®

Lower Mattagamy Energy LP

DBRS: A(high) Moody's: A2

C$ New Issue Indicative Pricing as at: January 29, 2018

Term	2 Year	3 Year	5 Year	7 Year	10 Year	30 Year
Canada Bond Benchmark	Interp (1.25% 1NOV19 & 1.5% 1MAR20)	Interp (0.75% 1SEP20 & 0.75% 1MAR21)	Interp (1% 1SEP22 & 1.5% 1JUN23)	Interp (2.5% 1JUN24 & 2.25% 1JUN25)	Interp (1% 1JUN27 & 5.75% 1JUN29)	2.75% 1DEC48
Canada Yield (Bid)	1.822%	1.940%	2.109%	2.226%	2.304%	2.356%
Credit Spread (bps)	**44**	**47**	**54**	**65**	**78**	**115**
Offering Yield	2.262%	2.410%	2.649%	2.876%	3.084%	3.506%
Re-Offer Spread to BAs	**7**	**9**	**19**	**35**	**46**	**84**
Re-Offer Spread to USD LIBOR	**29**	**28**	**32**	**43**	**49**	**98**

Hedging future GoC levels with Bond Rate-Lock

Bond Benchmark	CAN 1.25% 1NOV19	CAN 0.75% 1SEP20	CAN 1% 1SEP22	CAN 2.5% 1JUN24	CAN 1% 1JUN27	CAN 2.75% 1DEC48
Spot Level	1.799%	1.887%	2.084%	2.186%	2.293%	2.356%
For 3 months to 27-Apr-18	1.864% (+6 bps)	1.938% (+5 bps)	2.123% (+4 bps)	2.219% (+3 bps)	2.317% (+2 bps)	2.367% (+1 bps)
For 6 months to 27-Jul-18	1.972% (+17 bps)	2.007% (+12 bps)	2.171% (+9 bps)	2.260% (+7 bps)	2.346% (+5 bps)	2.379% (+2 bps)
For 12 months to 30-Jan-19	2.405% (+61 bps)	2.229% (+34 bps)	2.293% (+21 bps)	2.355% (+17 bps)	2.412% (+12 bps)	2.405% (+5 bps)

Selected Secondary Trading Comparables

					Bid Spread	
Issue	Amount (C$MM)	Benchmark	Remaining Term (Maturity / Par Call)	Price (Maturity / Par Call)	vs. Bond	vs. Curve
4.331% due 18-May-21	225	CAN 3 1/4 06/01/21	3.3 / -	$105.84 (M)	48	48
3.416% due 20-Jun-24	200	CAN 2 1/2 06/01/24	6.4 / -	$103.62 (M)	60	60
2.307% due 21-Oct-26	220	CAN 1 1/2 06/01/26	8.7 / -	$94.95 (M)	70	70
5.139% due 18-May-41	250	CAN 2 3/4 12/01/48	23.3 / -	$124.73 (M)	117	116
4.944% due 21-Sep-43	200	CAN 2 3/4 12/01/48	25.7 / -	$123.01 (M)	117	-
4.176% due 23-Feb-46	275	CAN 2 3/4 12/01/48	28.1 / -	$110.75 (M)	117	-
4.175% due 23-Apr-52	225	CAN 2 3/4 12/01/48	34.3 / -	$109.86 (M)	125	-

Pricing is indicative and subject to market conditions

Swapped equivalent levels and Rate Locks are for illustration purposes only and do not include cost of credit

Bank Name	RBC
Date	1/29/2018

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-Year	10-Year	5-Year	2-Year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Sep-22	1-Nov-19				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.00%	1.25%				
Benchmark Yield	2.36%	2.26%	2.06%	1.79%	-0.02%	0.02%	0.02%	0.01%
Curve Adjustment (bp)	0.0	1.1	2.5	2.2	-	0.10	0.200	0.300
Spread to GoC Curve (bp)	**146.0**	**104.0**	**77.0**	**61.0**	-	-	-	-
Re-Offered Yield	3.82%	3.31%	2.85%	2.42%	-0.02%	0.02%	0.03%	0.01%
Commission (bp)	2.8	4.7	7.6	10.3	(0.0)	0.0	0.0	0.0
All-in Yield	**3.84%**	**3.36%**	**2.93%**	**2.52%**	**-0.02%**	**0.02%**	**0.03%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-Year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A3/A)	119.0	80.0	56.0	43.0	-3.0	-3.0	-3.0	0.0

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-Year	30-year	10-year	5-year	2-year
TransAlta Corp (BBB/BBB-)		375.0	230.0	138.0		-5.0	-5.0	-7.0
Nova Scotia Power (A(L)/-/BBB+)	128.0	88.0	65.0	50.0	-3.0	-3.0	-3.0	0.0
Bruce Power (BBB/Baa2/BBB)	190.0	135.0	90.0		0.0	0.0	0.0	
EPCOR (A(L)/-/A-)	122.0	82.0	59.0	44.0	-1.0	-1.0	-1.0	0.0
FortisBC (A(L)/Baa1/-)	123.0	85.0	62.0	46.0	-2.0	-2.0	-2.0	0.0
FortisAlberta (A(L)/-/A-)	119.0	81.0	58.0	42.0	-2.0	-2.0	-2.0	0.0
TCPL (A(L)/A3/A-)	150.0	98.0	63.0	38.0	-5.0	-2.0	-2.0	-2.0

Secondary Pricing	Remaining Term				Week over Week			
Spread to GoC Curve (bp)	Bench	Maturity / Call	Bond	Curve	Bench	-	Bond	Curve
ONTPOW 3.315 10/04/27 Corp	CAN 1 06/01/27	9.7/9.4 (M)	103.0	102.0			3.0	2.0

RBC Capital Markets®

NEW ISSUE SUMMARY January 22 - January 26, 2018

CORPORATE NEW ISSUANCE

Issuer	Price Date	Ratings D / M / S	Size (CAD)	Maturity	Coupon (%)	Spread (bps)	Lead Dealer(s)
Morgan Stanley	23-Jan-18	A(high)/A3/BBB+	500	15-Oct-21	FRN	+37.5	MS
CT Real Estate Investment Trust	24-Jan-18	BBB(high)/-/BBB+	200	07-Dec-27	3.865%	+158	TD/SCI
Dollarama Inc.	25-Jan-18	BBB/-/-	300	01-Feb-21	FRN	+27	RBCCM/CIBC WM/NBF
Bank of Montreal	26-Jan-18	AAA/Aaa/AAA	1,000	01-Feb-23	FRN	+19	BMO
TOTAL			**2,000 MM**				

GOVERNMENT NEW ISSUANCE

Issuer	Price Date	Ratings D / M / S	Size (CAD)	Maturity	Coupon (%)	Spread (bps)	Lead Dealer(s)
Province of Manitoba	22-Jan-18	A(high)/Aa2/A+	150	05-Mar-68	3.100%	N/A	TD
Province of Ontario	23-Jan-18	AA(low)/Aa2/A+	600	02-Jun-49	2.900%	+68	RBCCM
City of Montreal	24-Jan-18	-/Aa2/AA-	400	01-Sep-27	3.000%	+79	NBF
Province of British Columbia	24-Jan-18	AA(high)/Aaa/AAA	500	18-Jun-48	2.800%	+61.5	RBCCM/TD/BMO
Province of Ontario	25-Jan-18	AA(low)/Aa2/A+	1,000	05-Feb-25	2.650%	+53	BAML/BMO/HSBC/RBCCM/TD
TOTAL			**2,650 MM**				

From: Egberts, Adam
To: "john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"; "Irma.mahmood@opg.com"
Cc: Brown, Rob; Egberts, Adam; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject: OPG Weekly Pricing
Date: Monday, April 30, 2018 6:58:48 PM
Attachments: header.htm
image004.png
image006.png
image008.png
image010.png
image012.png
18-04-30 Lower Mattagamy Energy LP Pricing.pdf
18-04-30 OPG Weekly Pricing - vRBC.xlsx
18-04-30 New Issue Summary.pdf

RBC Capital Markets

Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, April 30, 2018

The Canadian corporate primary market was moderately active last week with ~C$2.8 billion of new issue supply priced across 5 transactions, primarily comprised of financial issuances. Among the banks, RBC issued its first deposit note of the year with a C$2 billion 5-year offering, while Canadian Western Bank printed a C$250 million reopening of its September 2021 maturity. Both transactions were well-received with oversubscribed orderbooks and competitive pricing at the tight-end of initial guidance. Coast Capital was also in the market with its inaugural debt offering of C$200 million 10NC5-year subordinated notes, with RBC acting as a bookrunner. The transaction came on the heels of an extensive cross-country roadshow, which allowed the company to generate strong momentum into the trade and upsize on the back of investor demand. On the real estate front, Chartwell Retirement Residences priced a C$150 million 7-year senior offering, representing the issuer's first offering since its inaugural print in June 2017, while in the securitization space, WTH Car Rental ULC priced a C$150 million ABS transaction with RBC acting as a bookrunner. Away from the primary market, RBC hosted non-deal fixed income investor roadshows for German real estate company Aroundtown SA as well as for Medavie, both of which were well-attended by the investor base. Looking ahead, a busy and growing roadshow calendar coupled with a constructive market backdrop should remain conducive for new issue supply in the near term.

The secondary market experienced another week of active trading characterized by relatively balanced flows over the course of the week before experiencing some selling flow on Thursday, particularly in deposit notes on the back of the new issue. Subordinated financials were also well traded last week on the back of the Coast Capital deal. Among corporate sectors, the CMT space, select long utilities and midstream names were the most active on the week trading two-way in size, while automotive financials saw heavier selling earlier in the week. On average, corporate credit spreads closed 2 bps wider.

The government market remained active with C$800 million priced across 2 provincial transactions from Quebec and New Brunswick. Of note, this April has marked the busiest month on record, with C$10.1 billion of government supply priced in the domestic market. On the whole, secondary volumes remained solid albeit with some chunky flows as large offshore and domestic pension investors accounted for a number of sizeable tickets. Directionally, there was small net selling of provincials and net buying of CMBs with the front end and belly accounting for the majority of

flows. Spreads ended the week 1-2bps wider in CMBs and 1.5-2bps wider in Provincials.

CANADIAN NEW ISSUES

Corporates

Mon, Apr 23 – Canadian Western Bank (A(L)/-/-) – C$250 million re-opening of 2.788% senior deposit note due September 2021 at CAN 0.75% 1Sep21 +99bps

Tue, Apr 24 – WTH Car Rental ULC (AAA/-/-) – C$150 million 3.279% 5-year ABS offering at GoC+110bps

Wed, Apr 25 – Chartwell Retirement Residences (BBB(L)/-/-) – C$150 million 4.211% 7-year senior unsecured offering at GoC+190bps

Thu, Apr 26 – Coast Capital Savings Credit Union (BBB/-/-) – C$200 million 5.00% 10NC5 subordinated notes at GoC+282bps

Thu, Apr 26 – Royal Bank of Canada (AA/A1/AA-) – C$2 billion 2.949% 5-year deposit notes at GoC +77bps

Government

Mon, Apr 23 – Province of New Brunswick (A(H)/Aa2/A+) – C$300 million 3.10% 10-year benchmark due August 2028 at CAN 2% 1Jun28 +77bps

Thu, Apr 26 – Province of Quebec (A(H)/Aa2/AA-) – C$500 million 2.75% 10-year benchmark re-opening at CAN 2% 1Jun28 +63bps

EQUITY MARKET UPDATE

North American equities ended the week mixed with Canadian stocks finishing higher, while the ongoing run-up in government yields put a lid on US equity markets over the course of the week. The S&P 500 closed the week flat to the prior week, while the Dow Jones and NASDAQ indices finished 0.4-0.6% lower. Despite a continued, decent string of earnings overall with positive surprises running at ~80% (with a quarter of the S&P 500 having already reported), equity markets remain constrained by a slowing growth outlook in the face of rising borrowing costs and other macroeconomic and political uncertainties that remain at the forefront. In Canada, a strong domestic GDP reading (A: 0.3% vs. E: -0.1%) and improving tone through the NAFTA negotiations last week provided a tailwind to Canadian stocks with the S&P/TSX index closing 1.2% higher. In commodity markets, crude oil fell $0.28 to $68.10/bbl while gold prices ended the week $12.36 lower to finish at $1,324.00/oz. In currency markets, the Canadian dollar depreciated by 0.5% to close at 1.2828 CADUSD.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,669	▲	1.2%
DJA	24,311	▼	0.6%
S&P 500	2,670	▼	0.0%
NASDAQ	7,120	▼	0.4%
Oil	$68.10	▼	$0.28
Gold	$1,324.00	▼	$12.36
USDCAD	1.2828	▲	0.5%

NORTH AMERICAN RATES UPDATE

North American government bond yields ended the week mixed on both sides of the border as BoC dialogue around the pace of monetary policy drove tone in Canada, while broader markets benefited from some positive trade and political headlines, including a historic meeting between leaders on the Korean peninsula. In Canada, GoC yields ended 1-4 bps lower across the curve as BoC Governor Poloz and Senior Deputy Governor Wilkins made their way to Parliament Hill to testify to the House Finance Committee, where they re-emphasized that current monetary conditions are “roughly where they should be” and that there is essentially no hurry to move in the near term; however they did reinforce the need for higher rates in the medium term. The odds of a near-term 25bps rate hike have continued to drift lower over the last few weeks (~36% for May and ~65% for July) but interestingly the odds for two full rate increases by the end of the year still remain high at 70%+. The US market was fairly muted with the US Treasury curve closing the week slightly flatter with the belly of the curve remaining unchanged week-over-week, while the 2-year benchmark yield closed 3bps higher and 30-years ended 2bps lower.

GoC		
Term	Yield (%)	1 Week Δ (bps)
2yr	1.90%	▼ 3
5yr	2.13%	▼ 4
10yr	2.32%	▼ 1
30yr	2.41%	▼ 3

UST		
Term	Yield (%)	1 Week Δ (bps)
2yr	2.48%	▲ 3
5yr	2.80%	unch
10yr	2.96%	unch
30yr	3.12%	▼ 2

MARKET IMPLIED BOC RATES

Meeting	Implied Rate
May 30, 2018	1.3050
July 11, 2018	1.4394
September 5, 2018	1.5280

SWAPS

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	35.75	▲ 0.50
3yr	42.00	▲ 1.50
5yr	39.50	▲ 0.75
7yr	39.00	▲ 0.50
10yr	36.75	▼ 0.50
30yr	37.25	▲ 1.00

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic			
Mon, Apr 30	Industrial Product Price MoM	0.7%	0.1%
Tue, May 1	GDP YoY	2.8%	2.7%
US Economic Data			
Mon, Apr 30	Personal Income	0.4%	0.4%
Mon, Apr 30	Personal Spending	0.4%	0.2%
Tue, May 1	Construction Spending MoM	0.5%	0.1%
Wed, May 2	MBA Mortgage Applications	–	-0.2%
Wed, May 2	ADP Employment Changes	195k	241k
Wed, May 2	FOMC Rate Decision	1.75%	1.75%
Thur, May 3	Initial Jobless Claims	220k	209k
Thur, May 3	Continuing Claims	1838k	1837k
Thur, May 3	Trade Balance	-$50.0b	-$57.6b
Thur, May 3	Durable Goods Orders	–	2.6%
Fri, May 4	Change in Nonfarm Payrolls	190k	103k
Fri, May 4	Unemployment Rate	4.0%	4.1%
International Economic Data			
Mon, Apr 30	EUR M3 Money Supply YoY	4.1%	4.2%
Mon, Apr 30	GER CPI YoY	1.5%	1.6%
Tue, May 1	RBA Cash Rate Target	1.5%	1.5%
Wed, May 2	EUR GDP SA YoY	2.5%	2.7%
Thur, May 3	EUR Unemployment Rate	8.5%	8.5%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Air Canada, Capital Power, Encana, FortisBC, Colliers International Group, First National Financial, goeasy, Genworth MI Canada, Pengrowth Energy, Gran Tierra Energy, Russel Metals, Suncor Energy, Kirkland Lake Gold, Maple Leaf Foods, Cineplex, Loblaw Cos, Source Energy Services, Great-West Lifeco, Parkland Fuel, Manulife Financial, Seven Generations Energy, Athabasca Oil, SNC-Lavalin Group, Canadian Natural Resources, Mitel Networks, Crescent Point Energy, BCE, Bombardier, Baytex Energy, Pembina Pipeline, AutoCanada, Painted Pony Energy, Fairfax Financial Holdings, Advantage Oil & Gas, IGM Financial, Obsidian Energy, STEP Energy Services

US

Apple, Berkshire Hathaway, Pfizer, Mastercard, Merck & Co, DowDuPont, McDonald's, Gilead Sciences, CVS Health, Kraft Heinz, Celgene, American Tower, Mondelez International, Allergan PLC, T-Mobile US, Tesla, Activision Blizzard, MetLife, Ecolab, Sprint, PG&E, GGP, CBS, Square, Snap, KKR

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Thur, May 3	EUR Unemployment Rate	8.5%	8.5%

RBC Capital Markets®

Lower Mattagamy Energy LP

DBRS: A(high) Moody's: A2

C$ New Issue Indicative Pricing as at: April 30, 2018

Term	2 Year	3 Year	5 Year	7 Year	10 Year	30 Year
Canada Bond Benchmark	Interp (1.75% 1MAY20 & 3.5% 1JUN20)	Interp (0.75% 1MAR21 & 3.25% 1JUN21)	Interp (1.75% 1MAR23 & 1.5% 1JUN23)	Interp (2.5% 1JUN24 & 2.25% 1JUN25)	Interp (1% 1JUN27 & 2% 1JUN28)	2.75% 1DEC48
Canada Yield (Bid)	1.895%	2.014%	2.152%	2.256%	2.325%	2.414%
Credit Spread (bps)	**45**	**54**	**64**	**77**	**95**	**129**
Offering Yield	2.345%	2.554%	2.792%	3.026%	3.275%	3.704%
Re-Offer Spread to BAs	**10**	**16**	**27**	**44**	**59**	**93**
Re-Offer Spread to USD LIBOR	**28**	**32**	**36**	**49**	**60**	**101**

Hedging future GoC levels with Bond Rate-Lock

Bond Benchmark	CAN 1.75% 1MAY20	CAN 0.75% 1MAR21	CAN 1.75% 1MAR23	CAN 2.5% 1JUN24	CAN 1% 1JUN27	CAN 2.75% 1DEC48
Spot Level	1.896%	1.996%	2.134%	2.216%	2.311%	2.414%
For 3 months to 30-Jul-18	2.002% (+11 bps)	2.070% (+7 bps)	2.185% (+5 bps)	2.262% (+5 bps)	2.343% (+3 bps)	2.428% (+1 bps)
For 6 months to 30-Oct-18	2.134% (+24 bps)	2.154% (+16 bps)	2.238% (+10 bps)	2.309% (+9 bps)	2.375% (+6 bps)	2.442% (+3 bps)
For 12 months to 01-May-19	2.623% (+73 bps)	2.381% (+38 bps)	2.361% (+23 bps)	2.410% (+19 bps)	2.443% (+13 bps)	2.469% (+5 bps)

Selected Secondary Trading Comparables

					Bid Spread	
Issue	Amount (C$MM)	Benchmark	Remaining Term (Maturity / Par Call)	Price (Maturity / Par Call)	vs. Bond	vs. Curve
4.331% due 18-May-21	225	CAN 3 1/4 06/01/21	3.1 / -	$105.17 (M)	58	58
3.416% due 20-Jun-24	200	CAN 2 1/2 06/01/24	6.1 / -	$102.52 (M)	72	72
2.307% due 21-Oct-26	220	CAN 1 1/2 06/01/26	8.5 / -	$93.87 (M)	80	79
5.139% due 18-May-41	250	CAN 2 3/4 12/01/48	23.1 / -	$122.87 (M)	128	127
4.944% due 21-Sep-43	200	CAN 2 3/4 12/01/48	25.4 / -	$121.09 (M)	128	-
4.176% due 23-Feb-46	275	CAN 2 3/4 12/01/48	27.8 / -	$108.93 (M)	128	-
4.175% due 23-Apr-52	225	CAN 2 3/4 12/01/48	34.0 / -	$107.90 (M)	138	-

Pricing is indicative and subject to market conditions

Swapped equivalent levels and Rate Locks are for illustration purposes only and do not include cost of credit

Bank Name	RBC
Date	4/30/2018

Indicative OPG New Issue Spreads	**Current**				**Week over Week**			
	30-Year	**10-Year**	**5-Year**	**2-Year**	**30-year**	**10-year**	**5-year**	**2-year**
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-28	1-Mar-23	1-May-20				
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.75%				
Benchmark Yield	2.41%	2.31%	2.13%	1.90%	-0.05%	-0.05%	-0.05%	-0.03%
Curve Adjustment (bp)	0.0	1.4	1.8	-0.1	-	(0.20)	(0.200)	(1.100)
Spread to GoC Curve (bp)	**150.0**	**110.0**	**77.0**	**62.0**	(5.0)	(5.0)	(5.0)	(2.0)
Re-Offered Yield	3.91%	3.43%	2.92%	2.52%	-0.10%	-0.10%	-0.10%	-0.06%
Commission (bp)	2.9	4.8	7.6	10.3	(0.0)	(0.0)	(0.0)	(0.0)
All-in Yield	**3.94%**	**3.47%**	**3.00%**	**2.62%**	**-0.10%**	**-0.10%**	**-0.10%**	**-0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**				**Week over Week**			
Spread to GoC Curve (bp)	**30-year**	**10-year**	**5-year**	**2-Year**	**30-year**	**10-year**	**5-year**	**2-year**
Hydro One (A(H)/A3/A)	133.0	97.0	69.0	50.0	-1.0	0.0	0.0	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**				**Week over Week**			
Spread to GoC Curve (bp)	**30-year**	**10-year**	**5-year**	**2-Year**	**30-year**	**10-year**	**5-year**	**2-year**
TransAlta Corp (BBB/BBB-)		385.0	240.0	140.0		0.0	0.0	0.0
Nova Scotia Power (A(L)/-/BBB+)	142.0	104.0	73.0	54.0	0.0	0.0	0.0	0.0
Bruce Power (BBB/Baa2/BBB)	212.0	150.0	107.0		0.0	0.0	0.0	
EPCOR (A(L)/-/A-)	132.0	97.0	66.0	47.0	-1.0	0.0	0.0	0.0
FortisBC (A(L)/Baa1/-)	133.0	100.0	69.0	50.0	-1.0	0.0	0.0	0.0
FortisAlberta (A(L)/-/A-)	130.0	97.0	66.0	47.0	-1.0	0.0	0.0	0.0
TCPL (A(L)/A3/A-)	180.0	130.0	95.0	60.0	0.0	5.0	5.0	5.0

Secondary Pricing	**Remaining Term**				**Week over Week**			
Spread to GoC Curve (bp)	**Bench**	**Maturity / Call**	**Bond**	**Curve**	**Bench**	**-**	**Bond**	**Curve**
ONTPOW 3.315 10/04/27 Corp	CAN 1 06/01/27	9.4/9.2 (M)	103.0	103.0			-2.0	-2.0

RBC Capital Markets®

NEW ISSUE SUMMARY April 23 - April 27

CORPORATE NEW ISSUANCE

Issuer	Price Date	Ratings D / M / S	Size (CAD)	Maturity	Coupon (%)	Spread (bps)	Lead Dealer(s)
Royal Bank of Canada	26-Apr-18	AA/A1/AA-	2,000	01-May-23	2.949%	+77	RBC CM
Coast Capital Savings Credit Union	26-Apr-18	BBB/ - / -	200	03-May-28	5.000%	+282	DESJARD / RBC CM
Chartwell Retirement Residences	25-Apr-18	BBB(low)/ - / -	150	28-Apr-25	4.211%	+190	CIBC WM / BMO CM / TDSI
WTH Car Rental ULC	24-Apr-18	AAA/ - / -	150	22-Jan-24	3.279%	+110	SCI / BMO CM / RBC CM
Canadian Western Bank	23-Apr-18	A/ - / -	250	13-Sep-21	2.788%	+99	BMO CM / CIBC WM
TOTAL			**2,750 MM**				

GOVERNMENT NEW ISSUANCE

Issuer	Price Date	Ratings D / M / S	Size (CAD)	Maturity	Coupon (%)	Spread (bps)	Lead Dealer(s)
Province of Quebec	25-Apr-18	A(H)/Aa2/AA-	500	01-Sep-28	2.750%	+63	NBF
Province of New Brunswick	23-Apr-18	A(H)/Aa2/A+	300	14-Aug-28	3.100%	+77	CIBC
TOTAL			**800 MM**				

From:	Delaney, Brian
To:	"LADAK Lubna -TREASURY"; "sheen.liu@opg.com"; Kevin Shvarts; Brett Kichiy; Linda Smith; Mike Manning; Ricky Lai
Cc:	Niehaus, Katrina; Sabri, Salina; Sheena, Alexander
Subject:	OPG | Ongoing Pricing Request
Date:	Thursday, February 15, 2018 11:27:35 PM
Attachments:	Pricing Request_2.15.18_.xlsx

All—

Please find attached an updated pricing template for the Fair Hydro Trust.

Please reach out with any questions.

Thanks,

Brian

_____

Goldman Sachs & Co. LLC
200 West Street | New York, NY 10282
Tel: 212.902.4585 | E-mail: brian.delaney@gs.com
Brian Delaney Goldman
Investment Banking Division Sachs

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Bank Name	GS
Date	

	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity			1JUN29 and 1JUN33									
Benchmark Canada Bond Coupon			5.750%									
Benchmark Yield			2.438%									
Curve Adjustment (bp)			0.049%									
Spread to GoC Curve (bp)			**0.919%**									
Re-Offered Yield			3.357%									
Commission (bp)			0.500%									
All-in Yield			**3.36%**									

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))			**0.690%**									

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to Relevant Benchmark (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
AAA CMBS (USD Swaps)				65 bps area						+0 bps		
AAA Taxable Municipal Bonds (US Treasuries)	+85 AREA	+70-75 AREA (vs 30y UST)	+95-100 AREA (vs 10y UST)	+65-70 AREA	+45-50 AREA	+35-40 AREA	+5 bps	+5 bps	+5 bps	+5 bps	+5 bps	+5 bps

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity			1JUN29 and 1JUN33									
Benchmark Canada Bond Coupon			5.750%									
Benchmark Yield			2.438%									
Curve Adjustment (bp)			0.049%									
Spread to GoC Curve (bp)			**1.21900%**									
Re-Offered Yield			3.657%									
Commission (bp)			0.500%									
All-in Yield			**3.66%**									

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))			**0.690%**									

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to Relevant Benchmark (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
AA CMBS (USD Swaps)				100 - 110 bps						+0 bps		
AA Taxable Municipal Bonds (US Treasuries)	+95-100 AREA	+80-80 AREA (vs 30y UST)	+105-110 AREA (vs 10y UST)	+80-85 AREA	+55-60 AREA	+45-40 AREA	+5 bps	+5 bps	+5 bps	+5 bps	+5 bps	+5 bps

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity			1JUN29 and 1JUN33									
Benchmark Canada Bond Coupon			5.750%									
Benchmark Yield			2.438%									
Curve Adjustment (bp)			0.049%									
Spread to GoC Curve (bp)			**1.819%**									
Re-Offered Yield			4.257%									
Commission (bp)			0.500%									
All-in Yield			**4.26%**									

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))			**0.690%**									

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to Relevant Benchmark (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
10-year A CMBS (USD Swaps)				150 bps						+0 bps		
A Taxable Municipal Bonds (US Treasuries)	+120-125 AREA	+105-110 AREA (vs 30y UST)	+130-135 AREA (vs 10y UST)	+100-105 AREA	+75-80 AREA	+65-70 AREA	+5 bps	+5 bps	+5 bps	+5 bps	+5 bps	+5 bps

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Cc:	Brown, Rob; Egberts, Adam; Wetmore, Jamie; Schoroth, Joseph; Murray, Tim; Khan, Nur; Benaiah, Ian; Taylor, Brent R
Subject:	OPG and Fair Hydro Weekly Pricing
Date:	Tuesday, February 20, 2018 9:59:58 PM
Attachments:	image003.png image004.png image005.png image006.png image007.png header.htm 18-02-20 Lower Mattagamy Energy LP Pricing.pdf 18-02-20 New Issue Summary.pdf 18-02-20 OPG Weekly Pricing - vRBC.xlsx FHP_RBC_20180220.xlsx



Canadian Debt Capital Markets

DCM Weekly Market Update

Tuesday, February 20, 2018

The Canadian corporate primary market remained muted last week amidst concerns around global volatility across asset classes which continued to put pressure on market tone for new issues. Sentiment however improved mid-week, as evidenced by global equity markets holding on to weekly gains despite greater than expected US headline inflation numbers. The U.S. investment grade market experienced a similar pattern as total weekly new supply failed to reach the $10 billion mark for the first time of the year. On the marketing front, RBC completed a non-deal fixed income roadshow for Cameco Corporation and announced fixed income investor meetings for NuVista Energy Ltd. in Vancouver and Toronto from February 20 to 22. RBC will also host its annual Montreal Debt Capital Markets Conference on February 22. Looking ahead, primary market activity is expected to resume in the near-term as global markets stabilize and issuers look to take advantage of funding windows ahead of potential increases in interest rates.

The secondary market activity was moderate last week with a net selling bias to start the week, changing to more balanced flows as the week progressed. Deposit notes were the most active while there was some good activity in telcos in the short-end whereas energy names were active in longer-dated tenors. Overall, corporate credit spreads closed the week generally 2bps wider.

Governments were active with C$4.8 billion pricing over the course of the week. Province of Manitoba started the issuance with a C$300 million 10-year offering led by RBC, which was followed by CMB's C$4.5 billion dual tranche which consisted of a C$2.5 billion 5yr FRN and a C$2.0 billion 10-year fixed tranche, also led by RBC. The dual-tranche represented CMB's first transaction of 2018, following active issuances in 2017 in which C$40 billion was completed over 8 offerings. In the secondary market, trading was healthy with good two-way volumes occurring in both provincials and CMBs. Spreads ended the week mostly unchanged in the provincial space, and modestly tighter in front end CMBs.

EQUITY MARKET UPDATE

North American equity markets made a considerable recovery last week which faded late in Friday's session despite support by a series of strong quarterly results that generated positive investor sentiment. The Dow Jones and S&P 500 indices both surged 4.3%, despite concerns of inflation and investors taking a net short equity volatility position. North of the border, the Canadian stock market

followed its U.S. counterparts in a synchronized move upward to end the week 2.8% higher. Recovery in the Canadian equity market has been despite weaker than expected economic data and little progress in NAFTA talks, with the US providing limited flexibility while tensions are rising leading into the next round of negotiations in Mexico later this month. The commodity sector posted strong performance on the week as well, with crude oil up $2.48 to $61.68/bbl while gold rallied $30.31 to $1,346.96/oz. In currency markets, the Canadian dollar outperformed the greenback, appreciating 0.2% to close at 1.2558.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,453	▲	2.8%
DJA	25,219	▲	4.3%
S&P 500	2,732	▲	4.3%
NASDAQ	7,239	▲	5.3%
Oil	$61.68	▲	$2.48
Gold	$1,346.96	▲	$30.31
USDCAD	1.2558	▼	0.2%

CANADIAN NEW ISSUES

Corporates

No new issues priced

Governments

Tue, Feb 13 – Province of Manitoba (A(H)/Aa2/A+) – C$300 million 2.60% 10-year re-opening at CAN 1.00% 1Jun27 +66bps

Wed, Feb 14 – Canada Housing Trust (AAA/Aaa/AAA) – C$4.5 billion dual-tranche offering consisting of C$2.5 billion 5-year FRN at 3mCDOR -7.23bps and a new 10-year fixed offering at GoC +36bps

NORTH AMERICAN RATES UPDATE

North American government bond yields were mixed last week as the short-end of the curve rose steadily while the long-end seesawed to finish the week lower as markets digested the prospect of higher inflation calling for central banks to tighten further their monetary policy. In the US, the Treasury yield curve flattened materially as 2-year and 5-year yields rose 9-12 bps, while the 10-year yield increased 2 bps and the 30-year fell 3bps. Notably, the 10-year Treasury yield hit a fresh four-year high of 2.94% on Thursday after inflation fears spurred a sell-off in Treasuries. As of Friday, the market implied probability of a rate hike at the March 21st FOMC meeting stood fully priced in at 99%, up from ~87% the prior week. The focus now turns to the FOMC meeting minutes release on Wednesday, where market participants will watch for commentary on a firming inflation backdrop. In Canada, the government yield curve followed a similar pattern to US treasuries as 2 and 5-year yields rose 4 bps while the long-end of the curve fell 3-4 bps. OIS markets held the likelihood of a Bank of Canada rate hike at the March meeting virtually unchanged at 15% as the week lacked significant Canadian economic releases to move the needle. In the week ahead, market participants will look towards Canadian retail sales for December and CPI for the month of January.

GoC

Term	Yield (%)		1 Week Δ (bps)
2yr	1.82%	▲	4
5yr	2.12%	▲	4
10yr	2.32%	▼	3
30yr	2.46%	▼	4

UST

Term	Yield (%)		1 Week Δ (bps)
2yr	2.19%	▲	12
5yr	2.63%	▲	9
10yr	2.88%	▲	2
30yr	3.13%	▼	3

MARKET IMPLIED BOC RATES

Market Implied Rates

Meeting	Implied Rate
March 7, 2018	1.2617
April 18, 2018	1.3986
May 30, 2018	1.4687

SWAPS

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	35.50	▼ 1.50
3yr	40.00	▼ 2.25
5yr	35.00	▼ 5.00
7yr	35.75	▼ 3.75
10yr	34.75	▼ 2.25
30yr	33.00	▼ 4.75

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Thu, Feb 22	Retail Sales MoM	-0.1%	0.2%
Fri, Feb 23	CPI NSA MoM	0.5%	-0.4%
Fri, Feb 23	CPI YoY	1.5%	1.9%
US Economic Data			
Wed, Feb 21	MBA Mortgage Applications	--	-4.1%
Wed, Feb 21	Markit US Manufacturing PMI	55.5	55.5
Wed, Feb 21	Existing Home Sales	5.62m	5.57m
Wed, Feb 21	FOMC Meeting Minutes	--	--
Thu, Feb 22	Initial Jobless Claims	230k	230k
Thu, Feb 22	Continuing Claims	1935k	1942k
Thu, Feb 22	Leading Index	0.7%	0.6%
International Economic Data			
Tue, Feb 20	Euro Area Consumer Confidence	1.0	1.3
Wed, Feb 21	UK Unemployment Rate	4.3%	4.3%
Thu, Feb 22	UK Q4 GDP	1.5%	1.4%
Fri, Feb 23	Germany Q4 GDP SA QoQ	0.6%	0.6%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Atco Canada, Canadian Imperial Bank of Commerce, Canadian Utilities, Canfor, Chartwell Retirement Residences, Cineplex, Dream Global REIT, Gildan Activewear, Hudbay Minerals, Loblaw Cos, Magna International, Maple Leaf Foods, Pembina Pipeline, Royal Bank of Canada, SNC-Lavalin Group, Stantec, Toromont Industries

US

Apache, AutoZone, Duke Energy, Edison International, Equifax, FirstEnergy, Hewlett Packard Enterprise, Home Depot, Walmart, Welltower

Regards,

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Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,453	▲	2.8%
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GoC

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10yr	2.32%	▼ 3
30yr	2.46%	▼ 4

UST

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Market Implied Rates

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May 30, 2018	1.4687

Swaps

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2yr	35.50	▼ 1.50
3yr	40.00	▼ 2.25
5yr	35.00	▼ 5.00
7yr	35.75	▼ 3.75
10yr	34.75	▼ 2.25
30yr	33.00	▼ 4.75

Date	Release	Survey	Prior
Canadian Economic Data			
Thu, Feb 22	Retail Sales MoM	-0.1%	0.2%
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RBC Capital Markets®

Lower Mattagamy Energy LP

DBRS: A(high) Moody's: A2

C$ New Issue Indicative Pricing as at: February 20, 2018

Term	2 Year	3 Year	5 Year	7 Year	10 Year	30 Year
Canada Bond Benchmark	Interp (1.25% 1NOV19 & 1.5% 1MAR20)	Interp (0.75% 1SEP20 & 0.75% 1MAR21)	Interp (1% 1SEP22 & 1.75% 1MAR23)	Interp (2.5% 1JUN24 & 2.25% 1JUN25)	Interp (1% 1JUN27 & 5.75% 1JUN29)	2.75% 1DEC48
Canada Yield (Bid)	1.835%	1.953%	2.133%	2.250%	2.356%	2.481%
Credit Spread (bps)	**44**	**52**	**59**	**70**	**87**	**127**
Offering Yield	2.275%	2.473%	2.723%	2.950%	3.226%	3.751%
Re-Offer Spread to BAs	**9**	**14**	**24**	**39**	**55**	**96**
Re-Offer Spread to USD LIBOR	**32**	**34**	**38**	**48**	**59**	**108**

Hedging future GoC levels with Bond Rate-Lock

Bond Benchmark	CAN 1.25% 1NOV19	CAN 0.75% 1SEP20	CAN 1% 1SEP22	CAN 2.5% 1JUN24	CAN 1% 1JUN27	CAN 2.75% 1DEC48
Spot Level	1.784%	1.901%	2.098%	2.212%	2.340%	2.481%
For 3 months to 22-May-18	1.892% (+11 bps)	1.978% (+8 bps)	2.152% (+5 bps)	2.257% (+4 bps)	2.373% (+3 bps)	2.496% (+2 bps)
For 6 months to 21-Aug-18	2.029% (+25 bps)	2.069% (+17 bps)	2.209% (+11 bps)	2.305% (+9 bps)	2.407% (+7 bps)	2.511% (+3 bps)
For 12 months to 21-Feb-19	2.572% (+79 bps)	2.334% (+43 bps)	2.345% (+25 bps)	2.409% (+20 bps)	2.479% (+14 bps)	2.541% (+6 bps)

Selected Secondary Trading Comparables

					Bid Spread	
Issue	Amount (C$MM)	Benchmark	Remaining Term (Maturity / Par Call)	Price (Maturity / Par Call)	vs. Bond	vs. Curve
4.331% due 18-May-21	225	CAN 3 1/4 06/01/21	3.2 / -	$105.64 (M)	50	51
3.416% due 20-Jun-24	200	CAN 2 1/2 06/01/24	6.3 / -	$103.61 (M)	67	67
2.307% due 21-Oct-26	220	CAN 1 1/2 06/01/26	8.7 / -	$94.78 (M)	78	77
5.139% due 18-May-41	250	CAN 2 3/4 12/01/48	23.3 / -	$121.94 (M)	127	125
4.944% due 21-Sep-43	200	CAN 2 3/4 12/01/48	25.6 / -	$120.08 (M)	127	-
4.176% due 23-Feb-46	275	CAN 2 3/4 12/01/48	28.0 / -	$107.89 (M)	127	-
4.175% due 23-Apr-52	225	CAN 2 3/4 12/01/48	34.2 / -	$106.73 (M)	133	-

Pricing is indicative and subject to market conditions

Swapped equivalent levels and Rate Locks are for illustration purposes only and do not include cost of credit

RBC Capital Markets®

NEW ISSUE SUMMARY February 12 - February 16, 2018

CORPORATE NEW ISSUANCE

Issuer	Price Date	Ratings D / M / S	Size (CAD)	Maturity	Coupon (%)	Spread (bps)	Lead Dealer(s)
TOTAL			**0 MM**				

GOVERNMENT NEW ISSUANCE

Issuer	Price Date	Ratings D / M / S	Size (CAD)	Maturity	Coupon (%)	Spread (bps)	Lead Dealer(s)
Province of Manitoba	13-Feb-18	A(High)/Aa2/A+	300	02-Jun-27	2.600%	+66	RBCCM / NBF / SCI
Canada Housing Trust	14-Feb-18	AAA/Aaa/AAA	2,500	15-Mar-23	FRN	-7	RBCCM / BMO / SCI / TD
Canada Housing Trust	14-Feb-18	AAA/Aaa/AAA	2,000	15-Mar-28	2.650%	+36	RBCCM / BMO / SCI / TD
TOTAL			**4,800 MM**				

Bank Name	RBC
Date	2/20/2018

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-Year	10-Year	5-Year	2-Year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Sep-22	1-Nov-19				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.00%	1.25%				
Benchmark Yield	2.48%	2.34%	2.10%	1.78%	-0.03%	-0.02%	0.01%	0.04%
Curve Adjustment (bp)	0.0	1.6	3.5	5.1	-	0.10	0.100	0.900
Spread to GoC Curve (bp)	**153.0**	**111.0**	**82.0**	**66.0**	2.0	2.0	-	-
Re-Offered Yield	4.01%	3.47%	2.95%	2.50%	-0.01%	0.00%	0.01%	0.05%
Commission (bp)	2.9	4.8	7.6	10.3	(0.0)	(0.0)	0.0	0.0
All-in Yield	**4.04%**	**3.51%**	**3.03%**	**2.60%**	**-0.01%**	**0.00%**	**0.02%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-Year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A3/A)	128.0	89.0	60.0	44.0	-1.0	-1.0	0.0	0.0

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-Year	30-year	10-year	5-year	2-year
TransAlta Corp (BBB/BBB-)		385.0	235.0	140.0		7.0	2.0	-3.0
Nova Scotia Power (A(L)/-/BBB+)	137.0	97.0	66.0	50.0	2.0	1.0	0.0	0.0
Bruce Power (BBB/Baa2/BBB)	200.0	145.0	100.0		0.0	0.0	5.0	
EPCOR (A(L)/-/A-)	127.0	88.0	60.0	46.0	-1.0	0.0	0.0	1.0
FortisBC (A(L)/Baa1/-)	130.0	91.0	63.0	48.0	-1.0	0.0	0.0	0.0
FortisAlberta (A(L)/-/A-)	128.0	88.0	60.0	45.0	0.0	0.0	0.0	0.0
TCPL (A(L)/A3/A-)	162.0	110.0	70.0	45.0	2.0	5.0	0.0	5.0

Secondary Pricing	Remaining Term				Week over Week			
Spread to GoC Curve (bp)	Bench	Maturity / Call	Bond	Curve	Bench	-	Bond	Curve
ONTPOW 3.315 10/04/27 Corp	CAN 1 06/01/27	9.6/9.4 (M)	110.0	109.0			2.0	2.0

-- Confidential --

Bank Name	RBC
Date	20-Feb-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	**2.48%**	**2.49%**	**2.39%**	**2.34%**	**2.10%**	**1.90%**	0.9	1.1	1.6	1.7	4.2	5.3
Curve Adjustment (bp)	**0.0**	**0.3**	**5.1**	**1.6**	**3.5**	**5.2**	-	0.1	-0.5	-	0.1	-0.3
Spread to GoC Curve (bp)	**95**	**95**	**95**	**85**	**63**	**50**	-1.0	-2.5	-0.5	1.5	-6.5	-3.0
Re-Offered Yield	3.43%	3.44%	3.39%	3.21%	2.76%	2.45%	-0.1	-1.3	0.6	3.2	-2.2	2.0
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	-0.0	-0.0	0.0	0.0	-0.0	0.0
All-in Yield	**3.46%**	**3.48%**	**3.42%**	**3.25%**	**2.84%**	**2.54%**	-0.1	-1.3	0.6	3.2	-2.2	2.0

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	**72**	**72**	**72**	**62**	**40**	**27**	-0.5	-1.5	-	2.5	-5.5	-2.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**37**	**28**	**18**				1.0	-0.5	2.0
City of Toronto (AA/Aa1/AA)	**98**	**98**	**93**	**82**	**56**	**42**	3.0	0.5	1.0	0.5	-	-
Hydro One Inc. (A(H)/A3/A)	**128**	**n/a**	**n/a**	**89**	**60**	**52**	-1.0			-1.0	-	-
Ontario Power Generation Inc. (A(low)/-/BBB+)	**153**	**n/a**	**n/a**	**111**	**82**	**73**	2.0			2.0	-	-
Toronto Hydro Corporation (A/-/A)	**121**	**n/a**	**n/a**	**85**	**57**	**50**	-1.0			-	-	-
Canadian National Railway Co (A/A2/A)	**123**	**n/a**	**n/a**	**85**	**64**	**56**	2.0			1.0	2.0	2.0
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**93**	**n/a**	**n/a**	**76**	**55**	**45**	3.0			3.0	3.0	4.0
NAV Canada (AA(low)/Aa2/AA-)	**93**	**n/a**	**n/a**	**78**	**58**	**50**	3.0			2.0	2.0	3.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.49%	2.39%	2.34%	2.10%	1.90%						
Curve Adjustment (bp)	0.0	0.3	5.1	1.6	3.5	5.2						
Spread to GoC Curve (bp)	**123**	**123**	**123**	**113**	**91**	**78**	-1.0	-2.5	-0.5	1.5	-6.5	-3.0
Re-Offered Yield	3.71%	3.72%	3.67%	3.49%	3.04%	2.73%	-0.1	-1.3	0.6	3.2	-2.2	2.0
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.7	-0.00	-0.00	0.00	0.01	-0.00	0.00
All-in Yield	**3.74%**	**3.76%**	**3.71%**	**3.53%**	**3.12%**	**2.82%**	-0.1	-1.3	0.6	3.2	-2.2	2.0

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	72	72	62	40	27	-0.5	-1.5	-	2.5	-5.5	-2.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**68**	**44**	**n/a**				-	1.0	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.49%	2.39%	2.34%	2.10%	1.90%						
Curve Adjustment (bp)	0.0	0.3	5.1	1.6	3.5	5.2						
Spread to GoC Curve (bp)	**155**	**155**	**155**	**145**	**123**	**110**	-1.0	-2.5	-0.5	1.5	-6.5	-3.0
Re-Offered Yield	4.03%	4.04%	3.99%	3.81%	3.36%	3.05%	-0.1	-1.3	0.6	3.2	-2.2	2.0
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	-0.00	-0.00	0.00	0.01	-0.00	0.00
All-in Yield	**4.06%**	**4.08%**	**4.03%**	**3.85%**	**3.44%**	**3.14%**	-0.1	-1.3	0.6	3.2	-2.2	2.0

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	72	72	72	62	40	27	-0.5	-1.5	-	2.5	-5.5	-2.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks; Scott Ashton
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 05/28/2018
Date:	Monday, May 28, 2018 3:23:12 PM
Attachments:	estimates.pdf Ontario Power Generation-May-28-2018.pdf OPG Weekly Indicative Spreads - May 28, 2018.xlsx

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Good Afternoon,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

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Scotiabank | Global Banking and Markets

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Estimates for the week of May 28 – June 1

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
05/30	08:30	Current Account (C$ bn a.r.)	1Q	--	-18.2	-16.3
05/30	08:30	IPPI (m/m)	Apr	--	--	0.8
05/30	08:30	Raw Materials Price Index (m/m)	Apr	--	--	2.1
05/30	10:00	**BoC Interest Rate Announcement (%)**	**May 30**	**1.25**	**1.25**	**1.25**
05/31	08:30	Real GDP (m/m)	Mar	0.3	0.3	0.4
05/31	08:30	Real GDP (q/q a.r.)	1Q	1.9	2.0	1.7
05/31	12:20	Bank of Canada Deputy Leduc speaks in Quebec City				

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
05/29	00:40	Fed's Bullard Speaks in Tokyo				
05/29	09:00	S&P/Case-Shiller Home Price Index (m/m)	Mar	--	0.7	0.8
05/29	09:00	S&P/Case-Shiller Home Price Index (y/y)	Mar	6.5	6.5	6.8
05/29	10:00	Consumer Confidence Index	May	128.5	128.0	128.7
05/29	10:30	Dallas Fed. Manufacturing Activity	May	--	24.5	21.8
05/30	07:00	MBA Mortgage Applications (w/w)	MAY 25	--	--	-2.6
05/30	08:15	ADP Employment Report (000s m/m)	May	200	185.0	204.1
05/30	08:30	GDP Deflator (q/q a.r.)	1Q S	--	2.0	2.0
05/30	08:30	Wholesale Inventories (m/m)	Apr P	--	--	0.3
05/30	14:00	U.S. Federal Reserve Releases Beige Book				
05/31	06:00	Fed's Bullard Takes Part in MNI Roundtable in Tokyo				
05/31	08:30	Initial Jobless Claims (000s)	MAY 26	230.0	230.0	234.0
05/31	08:30	Continuing Claims (000s)	MAY 19	1750	--	1741
05/31	08:30	PCE Deflator (m/m)	Apr	0.2	0.2	0.0
05/31	08:30	PCE Deflator (y/y)	Apr	2.0	2.0	2.0
05/31	08:30	PCE ex. Food & Energy (m/m)	Apr	0.1	0.1	0.2
05/31	08:30	PCE ex. Food & Energy (y/y)	Apr	1.9	1.8	1.9
05/31	08:30	Personal Spending (m/m)	Apr	0.3	0.4	0.4
05/31	08:30	Personal Income (m/m)	Apr	0.3	0.3	0.3
05/31	09:45	Chicago PMI	May	--	58.0	57.6
05/31	10:00	Pending Home Sales (m/m)	Apr	0.3	1.0	0.4
05/31	12:30	Fed's Bostic Speaks in Moderated Q&A in Orlando				
05/31	13:00	Fed's Brainard Speaks on Economic and Monetary Policy Outlook				
06/01	08:30	Nonfarm Employment Report (000s m/m)	May	200	190.0	164.0
06/01	08:30	Unemployment Rate (%)	May	3.9	3.9	3.9
06/01	08:30	Average Hourly Earnings (m/m)	May	--	0.3	0.1
06/01	08:30	Average Hourly Earnings (y/y)	May	2.6	2.7	2.6
06/01	08:30	Average Weekly Hours	May	--	34.5	34.5
06/01	08:30	Household Employment Report (000s m/m)	May	--	--	3.0
06/01	10:00	Construction Spending (m/m)	Apr	0.5	0.9	-1.7
06/01	10:00	ISM Manufacturing Index	May	59.0	58	57

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Indicative New Issue Spreads

Monday, May 28, 2018

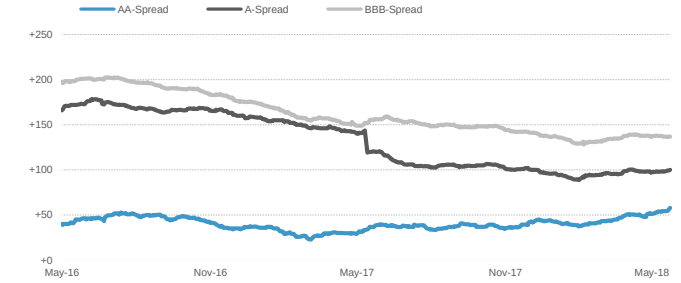
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.75%		1.75%		2.00%		2.75%	
	1-May-20		1-Mar-23		1-Jun-28		1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.95%	-0.10%	2.17%	-0.16%	2.30%	-0.19%	2.34%	-0.16%
Indicative Spread	**+66**	0	**+90**	0	**+115**	0	**+160**	0
Indicative Re-offer Yield	2.61%	-0.10%	3.07%	-0.16%	3.45%	-0.19%	3.94%	-0.16%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.71%		3.14%		3.50%		3.98%	
All-in Spread to GoC curve (bp)	+76		+97		+120		+164	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
25-May	Toronto Dominion Bank	AA/AA-/Aa2	$2,250M	5.0	+80
23-May	CIBC	AA/A+/A1	$1,750M	7.0	+90
23-May	OMERS Realty Corporation	AA(L)	$800M	7 / 12	+93 / +115
23-May	TMX Group Limited	A(H)	$200M	10.0	+132
24-May	Source Energy Services	B(H)/B+	$50M	3.6	+581

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+66**	0	**+90**	0	**+115**	0	**+160**	0
Hydro One	A(H)/A3/A	-		+74	1	+99	1	+136	1
Nova Scotia Power	A(L)/-/BBB+	+66	0	+84	0	+109	0	+146	0
EPCOR	A(L)/-/A-	-		+74	0	+99	0	+136	0

DEX UNIVERSE SPREADS



MARKET COMMENTARY

Active week in Canada with five issuers pricing a combined $5.1B, dominated by financials. To that end, kicked off bank earnings season Wednesday morning with strong Q2 results, and then tapped the market with a 7 year deposit note later that day. RBC and TD each reported Thursday, with TD printing a $2.25B 5 year on Friday. Away from the banks, OMERS Realty and TMX Group also tapped the market, raising $800MM and $200MM, respectively. The lone non-financial issuer was Source Energy Services, who accessed the high yield market with a $50MM re-opening of its 10.50% notes due 2021. Tone in secondary remained stable, with spreads finishing unchanged to a touch wider (due in part to the slew of supply). Rates rallied significantly across the curve, essentially erasing the backup seen the week prior. Looking ahead to the coming week, credit market participants will have much to follow, including continued bank earnings (BNS tomorrow, BMO/NBF Wednesday, Laurentian Friday), and the Bank of Canada decision Wednesday (21% probability of a hike priced in). In addition, several roadshows are scheduled, with the near-term marketing pipeline remaining well-populated. Despite the heavy volumes seen last week, YTD supply is now just 3% up YoY, with $56.3B priced thus far.

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Bank Name	Scotiabank
Date	28-May-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-28	1-Mar-23	1-May-20				
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.75%				
Benchmark Yield	2.34%	2.30%	2.17%	1.95%	-0.16%	-0.19%	-0.16%	-0.10%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+160	+115	+90	+66	-	-	-	-
Re-Offered Yield	3.94%	3.45%	3.07%	2.61%	-0.16%	-0.19%	-0.16%	-0.10%
Commission (bp)	4.00	5.00	7.00	10.00	-	-	-	-
All-in Yield	**3.98%**	**3.50%**	**3.14%**	**2.71%**	**-0.16%**	**-0.19%**	**-0.16%**	**-0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A3/A(H))	+136	+99	+74	-	1	1	1	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+/-/A(L))	+146	+109	+84	+66	-	-	-	-
EPCOR (A-/-/A(L))	+136	+99	+74	-	-	-	-	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-28
Benchmark Canada Bond Coupon	2.75%	2.00%
Benchmark Yield	2.50%	2.49%
Curve Adjustment (bp)	-	-
Spread to GoC Curve (bp)	+160	+115
Re-Offered Yield	4.10%	3.64%
Commission (bp)	4.00	5.00
All-in Yield	**4.14%**	**3.69%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A/A3/A(H))	+135	+98

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (BBB+/-/A(L))	+146	+109
EPCOR (A-/-/A(L))	+136	+99

Scotiabank
22-May-18

rent	
5-year	**2-year**
1-Mar-23	1-May-20
1.75%	1.75%
2.33%	2.05%
-	-
+90	+66
3.23%	2.71%
7.00	10.00
3.30%	**2.81%**

5-year	**2-year**
+73	-

5-year	**2-year**
+84	+66
+74	-

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"john.s.lee@opg.com"; Mike Manning; Linda Smith; "Sheen.Liu@opg.com"; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Ricky Lai
Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks; Scott Ashton
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 03/26/2018
Date:	Monday, March 26, 2018 4:14:07 PM
Attachments:	OPG Weekly Indicative Spreads - March 26, 2018.xlsx Ontario Power Generation-Mar-26-2018.pdf estimates.pdf

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Good Afternoon,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

_____

Scotiabank | Global Banking and Markets

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Bank Name	Scotiabank
Date	26-Mar-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Feb-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.33%	2.23%	2.08%	1.89%	0.04%	0.06%	0.08%	0.10%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+163	+118	+93	+71	3	3	3	3
Re-Offered Yield	3.96%	3.41%	3.01%	2.60%	0.07%	0.09%	0.11%	0.13%
Commission (bp)	4.00	5.00	7.00	10.00	-	-	-	-
All-in Yield	**4.00%**	**3.46%**	**3.08%**	**2.70%**	**0.07%**	**0.09%**	**0.11%**	**0.13%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A3/A(H))	+135	+91	+66	-	1	-1	1	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+/-/A(L))	+146	+101	+76	+57	1	1	1	1
EPCOR (A-/-/A(L))	+133	+89	+64	-	1	1	1	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27
Benchmark Canada Bond Coupon	2.75%	1.00%
Benchmark Yield	2.29%	2.17%
Curve Adjustment (bp)	-	-
Spread to GoC Curve (bp)	+160	+115
Re-Offered Yield	3.89%	3.32%
Commission (bp)	4.00	5.00
All-in Yield	**3.93%**	**3.37%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A/A3/A(H))	+134	+92

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (BBB+/-/A(L))	+145	+100
EPCOR (A-/-/A(L))	+132	+88

Scotiabank
19-Mar-18

rent	
5-year	**2-year**
1-Mar-23	1-Feb-20
1.75%	1.25%
2.00%	1.79%
-	-
+90	+68
2.90%	2.47%
7.00	10.00
2.97%	**2.57%**

5-year	**2-year**
+65	-

5-year	**2-year**
+75	+56
+63	-

Indicative New Issue Spreads

Monday, March 26, 2018

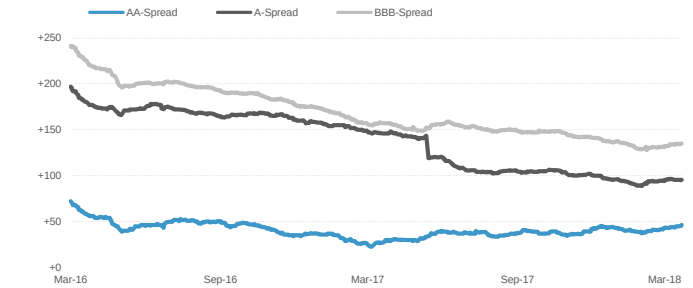
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.25% 1-Feb-20		1.75% 1-Mar-23		1.00% 1-Jun-27		2.75% 1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.89%	0.10%	2.08%	0.08%	2.23%	0.06%	2.33%	0.04%
Indicative Spread	**+71**	3	**+93**	3	**+118**	3	**+163**	3
Indicative Re-offer Yield	2.60%	0.13%	3.01%	0.11%	3.41%	0.09%	3.96%	0.07%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.70%		3.08%		3.46%		4.00%	
All-in Spread to GoC curve (bp)	+81		+100		+123		+167	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
23-Mar	VW Credit Canada, Inc.	BBB+/A3	$1,500M	2 / 3 / 5	Various
22-Mar	Bank of Montreal	AA/A+/A1	$650M	2.0	+17
22-Mar	Manulife Bank of Canada	A(H)/A+	$300M	2.0	+23
22-Mar	Pembina Pipeline Corporation	BBB/BBB	$700M	10 / 30	+180 / +243
20-Mar	Bank of Nova Scotia	AA/A+/A1	$675M	1.0	+10
20-Mar	NAV Canada	AA(L)/AA/Aa2	$275M	30.0	+97
20-Mar	Bank of Montreal	AAA/AAA	$1,000M	5.0	+19

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+71**	3	**+93**	3	**+118**	3	**+163**	3
Hydro One	A(H)/A3/A	-		+66	1	+91	-1	+135	1
Nova Scotia Power	A(L)/-/BBB+	+57	1	+76	1	+101	1	+146	1
EPCOR	A(L)/-/A-	-		+64	1	+89	1	+133	1

DEX UNIVERSE SPREADS



MARKET COMMENTARY

Last week was active in the Canadian debt capital markets, with seven issuers pricing a combined $5.6B. Supply was concentrated in the financial sector, highlighted by a $1.5B, three-tranche jumbo deal from VW Credit Canada. The deal was VW's first in the Canadian market since 2015, and represented both the largest auto finance deal on record, as well as the largest non-bank corporate offering of 2018YTD. Domestic banks were also active, with BNS, BMO, and National combining for $2.8B of supply. Away from financials, Pembina Pipeline printed $700MM across 10s and 30s, and NAV Canada issued $275MM long bonds. Market tone remained volatile, with continued primary issuance, combined with global equity market weakness, putting pressure on spreads. To that end, the TSX and S&P500 dropped 3% and 6%, respectively, and Canadian secondary spreads generally finish the week ~5 bps wider. The FOMC hiked for the first time this year as expected, while headlines out of the U.S. over potential trade war concerns consumed market attention for a good portion of the week. As we head into the final week of Q1, YTD supply totals $31.2B, up 11% YoY.

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US HAWKS DRIVING GEOPOLITICAL RISKS

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- United States — Inflation Watch Resumes 3–5
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- Key Indicators A1–A2
- Global Auctions Calendar A3
- Events Calendar A4
- Global Central Bank Watch A5

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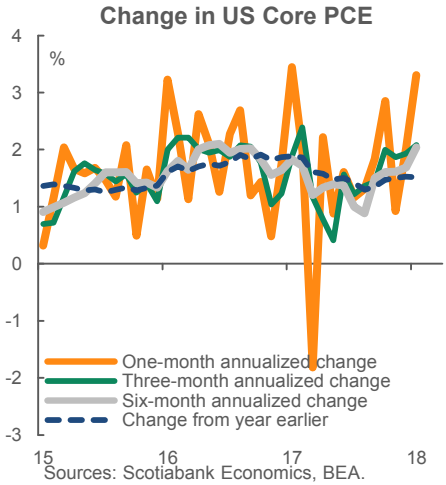
Next Week's Risk Dashboard

- Geopolitical risk
- CDN GDP
- CDN provincial budgets
- NAFTA risks
- China's state PMIs
- US PCE inflation
- US consumers, Q4 GDP revision…
- US confidence
- Eurozone inflation
- Brazilian inflation, CB bias
- Mexican election campaign
- Japan's data dump
- BoT

Chart of the Week



Sources: Scotiabank Economics, BEA.

Chart of the Week: Prepared by: Raffi Ghazarian, Senior Research Analyst.

US Hawks Driving Geopolitical Risks

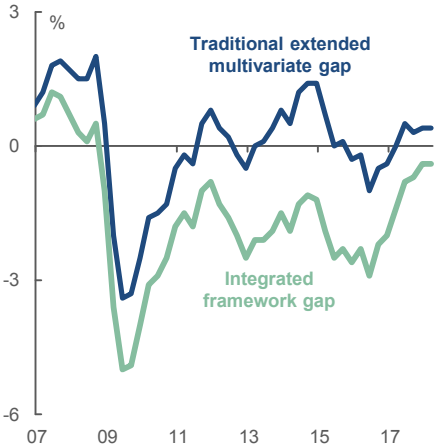
CANADA—MIND THE GAP FIRST, NAFTA SECOND

A first glimpse at growth to start off 2018 will be the main scheduled game in town for Canada macro watchers over the coming week. Major provincial budgets are also on tap. Bond markets will shut early on Thursday at 1pmET ahead of the Good Friday holiday.

January GDP arrives on Thursday. It may counter a stronger than expected backward looking inflation report (here). Current GDP growth is tracking a pace of just 1.2% q/q in Q1 at a seasonally adjusted and annualized rate. That's based on the monthly accounts and takes the Q4 hand-off plus my estimate for January GDP while assuming that the rest of the quarter turns out flat because of the need to keep the focus on the effects of what we know so far by way of data tracking.

For January, I'm figuring a monthly GDP gain of about 0.1% m/m. A large decline in hours worked plus a sharp drop in manufacturing shipment volumes and a flat housing starts print are offsets to figures like a decent gain in wholesale trade volumes plus a small gain in retail sales volumes. As well, large prior gains in real estate and finance (both partly on brought-forward housing demand ahead of tighter B-20 OSFI mortgage guidelines), utilities and mining may all prove difficult to sustain into January. The usual cautions apply including the fact that there is a lot of data yet to come in Q1 and given that monthly GDP tracking can deviate somewhat from the expenditure quarterly side accounts in part due to import leakage and inventory effects.

Chart 1



Sources: Scotiabank Economics, Bank of Canada.

Nevertheless, that kind of soft Q1 growth tracking is below the Bank of Canada's estimate of potential GDP growth that the BoC had revised to 1.6% on average in 2018–19 in the January MPR. It is a lot below the BoC's forecast of 2.7% Q1 growth from the January MPR. That doesn't mean the forecast is pre-destined to be wrong at this preliminary stage, but if my estimate for January is close then it would take February and March gains approaching 0.4% m/m to get the monthly tracking up to the BoC's forecast. That would be fairly strong and with the same usual caveats on mapping monthlies onto quarterly growth. I still think it was unusual for the BoC's last statement to gloss over lost momentum in Q3 and Q4 that posted growth of only 1.7% in each quarter. Instead they pointed to the annual 2017 number which buries valuable information regarding waning growth momentum. Another quarter of growth within that range to start off 2018 would be hard for the BoC to continue looking through. **The closure of spare capacity and migration toward excess aggregate demand has essentially stalled for three straight quarters (chart 1).** The risk of once again underperforming its quarterly forecast may well come to spark greater concern at the central bank.

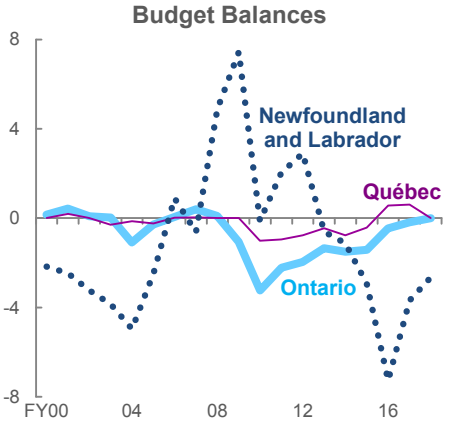
Could it become game on again if a) the risk to get a NAFTA-II-lite agreement comes through in April ahead of Mexican/US election campaigning and Congressional deadlines and if b) data evolves more favourably from here? It's possible that payback to supercharged prior growth (but still hardly bad) runs its course and firmer growth re-emerges. These arguments will take time and data to assess though.

And on NAFTA timelines, recall the unconfirmed guidance has been that the eighth round of talks may commence on April 8th in Washington. If so, and if it takes about 7–10 days for the round to be completed which seems to be the norm, then we might know by the week of April 16th whether there is any hope of getting NAFTA-II-lite. The BoC Policy Meeting is on April 18th. Spring housing risks, softening data, etc. would still weigh on near-term sentiment. There is the possibility that if by chance NAFTA-II-lite comes through then the April forecasts could be in for a sizeable upgrade to growth by removing some or all (more likely 'some') of the negative judgement applied to what their models are telling them at present. I highly doubt that would happen until the July round. One reason is that the BoC is more likely to say they want an inked deal passed or looking likely to pass before they begin to roll back negative forecast judgement and that will be a long and uncertain path. Another reason is that the staff forecasts begin to get submitted to the Governing Council far in advance of the meeting and then the Governing Council makes final adjustments

closer to game day and so they may not have time to incorporate anything into revised numbers. Regardless, they would still be near-term data dependent and 'cautious' as they put it. The best scenario for April is to hint at a little less concern on trade talks. Further, as US-China tensions build, any reduction of US-Canada trade policy risks may be countered by getting hit through the back door on global risk sentiment including but not limited to how that gets expressed through the currency and commodities.

Insofar as NAFTA negotiations are concerned, an agreement by April would give Trump the campaign fodder of saying he forced the two NAFTA partners to renegotiate and got his way, even if he mostly doesn't and each country winds up gaining something relatively minor while largely preserving the core of the NAFTA agreement. Nevertheless, uncertain progress on autos is still not accompanied by progress on other key sticking points in the negotiations (e.g., a sunset clause, dispute resolution mechanisms, mutual access to government procurement programs, dairy marketing boards etc.).

Chart 2



Sources: Finances Québec; Newfoundland and Labrador Finance, Ontario Finance; Statistics Canada; nom. GDP fcsts: Scotiabank Economics.

Mary Webb notes that sharply contrasting narratives are expected from Quebec's and Newfoundland and Labrador's *2018–19 Budgets* on March 27 and Ontario's *Budget* on March 28. Chart 2 shows their fiscal paths to date. Overall we'll be looking to them for evidence of a fiscal impulse that may be of significance to the 2018–19 GDP forecasts. Newfoundland and Labrador, as of its Fall *Update*, expect a deficit of $852 million (2.7% of GDP) in fiscal 2017–18 (FY18), a dramatic improvement on its FY17 and FY16 shortfalls of $1.1 billion and $2.2 billion, respectively. Though Brent oil prices have strengthened and production is ramping up at the province's fourth offshore oil field, provincial employment in calendar 2018 and 2019 is expected to further decline as work on major resource projects winds down, pointing to a cumulative 8% job loss over six years.

Ontario reports that it not only has balanced its books in fiscal 2017–18 (FY18) as scheduled, it also anticipates a surplus. In FY19, however, the government indicates a deficit of up to $8 billion (1.0% of GDP) to accommodate multiple social program priorities, as outlined in their *Throne Speech* (here). Quebec's monthly data suggest a third consecutive hefty annual surplus in FY18, and the Province has announced a further stage in its substantive debt reduction that will remove $2 billion annually for five years from its Generations Fund to retire maturing market debt.

After next week, only Saskatchewan and PEI are left to round off the year's budget season with most of the tone set for the provincial bond market by next week.

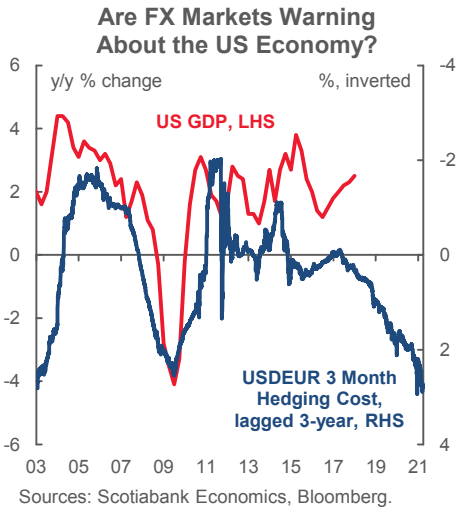
Canada auctions 2s on Tuesday.

UNITED STATES—INFLATION WATCH RESUMES

The post-FOMC market environment will largely focus upon fresh inflation figures over the coming week. There is relatively little else of major significance on the US calendar pending developments in US-China trade policy. The US bond market will shut early at 2pmET on Thursday ahead of the Good Friday holiday. Market risk appetite will continue to evolve with an eye on potential warning signs in the face of an increasingly insular U.S. government guided by a protectionist policy bias and increasingly hawkish foreign policy. This lies in the wake of the appointment of John Bolton to National Security Adviser ahead of negotiations with North Korea and risks to the Iran deal and possible reintroduction of sanctions. Some markets are repricing risk more aggressively than other measures (chart 3) and in such fashion as to risk sterilizing fiscal stimulus (more here).

Thursday's inflation, consumption, income and personal saving rate updates will be the main data releases next week. Highlights may include:

Chart 3



Sources: Scotiabank Economics, Bloomberg.

- Another solid month for income growth is expected, given the combination of job growth, wage gains and limited company distributions to employees.

- The saving rate may move higher again from January's 3.2% as spending growth is expected to fall short of income gains. Whether income gains will drive the release of modest pent-up consumption gains into Q2 remains to be seen.

- We already know that retail sales slipped by -0.1% m/m in nominal terms during February and the retail sales control group was up by only 0.1%. The latter concept excludes auto dealers, building materials and gas stations and is used to more closely map onto consumption within GDP accounts. It would take a large rise in spending that is not well captured by retail sales, such as services, in order to witness faster consumption growth.

- Note that the theory that Q1 GDP growth is tracking softly simply due to longstanding problems with Q1 seasonal adjustments has no merit this time around. This time it is driven by soft consumption; as chart 4 shows, there is no evidence of persistently softer Q1 consumption growth on average over time compared to other quarters but this year's GDP weakness is being caused by disappointing Q1 consumption growth tracking. This allegation of so-called residual seasonality that is not compensated for in Q1 GDP accounts has been around for years and the last time they addressed the issue was last July in reference to a soft 2017Q1 (here).

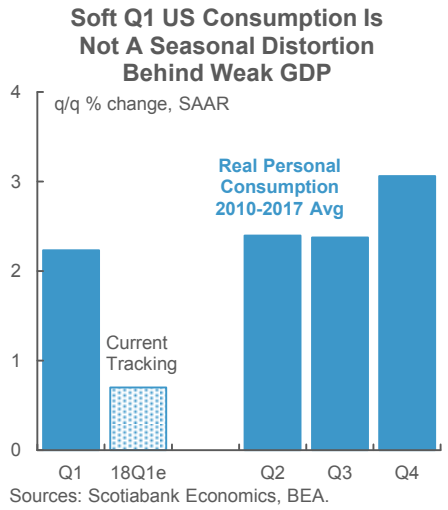
- The bigger issue, however, will be whether core PCE inflation tracks higher than the 1.5% y/y reading in January where it has been stuck for three months given that core CPI was up by an unchanged 1.8% y/y pace in February. Core PCE and core CPI generally track one another but imperfectly so for reasons you can evaluate here and here if interested (chart 5).

At issue, however, is whether the recent upward trend in core PCE inflation is durable, or the product of transitory influences like exchange rate pass-through effects. The Fed's estimates point to a ½% rise/fall in core PCE inflation within six months following a 10% trade-weighted depreciation/appreciation in the USD that then reduces to a 0.3% impact after a full year. Mapping this sensitivity onto the dollar movements that we've seen over the past couple of years partially explains why inflation swooned until late last summer and then picked up somewhat thereafter. If the Fed's inflation goal is truly symmetrical, then it should be as inclined to look through a potentially transitory upswing driven partly by the dollar as the prior downswing.

The third round of Q4 GDP revisions lands Wednesday. This round always incorporates the Census Bureau's Quarterly Services Spending report that was released on March 8th. Because spending on services was stronger than the 2.5% second round of Q4 GDP growth estimates had assumed, this may point to an upward revision. When combined with other Q4 revisions, the net effect could be to add a few tenths and bring growth closer to the 3.1% and 3.2% pace registered in Q2 and Q3. Material growth revisions in the third round compared to the second round of estimates are not unusual (chart 6).

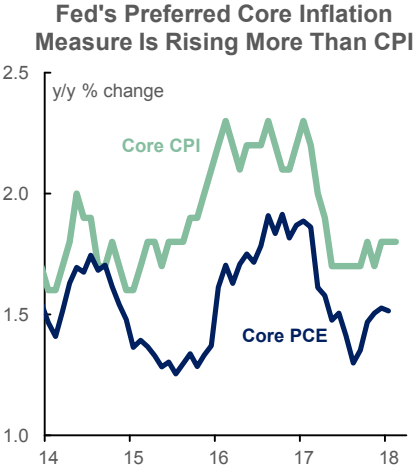
Other releases will include S&P Case-Shiller Core-Logic house prices for January on Tuesday (over 6% y/y). Also due out on Tuesday will be the Richmond Fed's regional

Chart 4



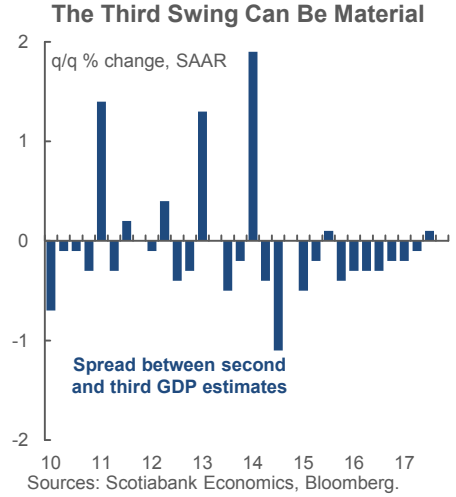
Sources: Scotiabank Economics, BEA.

Chart 5



Sources: Scotiabank Economics, Bloomberg.

Chart 6



Sources: Scotiabank Economics, Bloomberg.

manufacturing gauge on Tuesday that serves as a leading indicator for ISM-manufacturing and the Conference Board's consumer confidence index that will be watched to see whether it follows the UofM gauge higher (though entirely on present conditions). Wednesday's pending existing home sales during February follows a large 5% m/m decline in January as higher mortgage rates, lowered mortgage interest deductibility and the elimination of HELOC interest deductibility all hit.

Post-FOMC Fed-speak will include NY Fed President Dudley, Cleveland Fed President Mester, Atlanta Fed President Bostic and Philadelphia Fed President Harker.

The US auctions 2s, 5s, 7s and 2 year floating rate notes next week.

EUROPE — SUBDUED INFLATION

Europe is not expected to be an epicentre of global market developments over the coming week. There are relatively few developments that are expected and the main one will be a round of inflation updates from core Eurozone economies before Europe goes quiet on Friday.

CPI inflation updates will come from Spain on Tuesday, Germany on Thursday and then both France and Italy on Friday. **None of these countries have witnessed material upward pressure upon inflation (chart 7).** The persistence of modest economic slack across the Eurozone (chart 8) combined with euro strength still pose challenges to greater progress toward the ECB's "below 2%" inflation goal in the near- to medium-term.

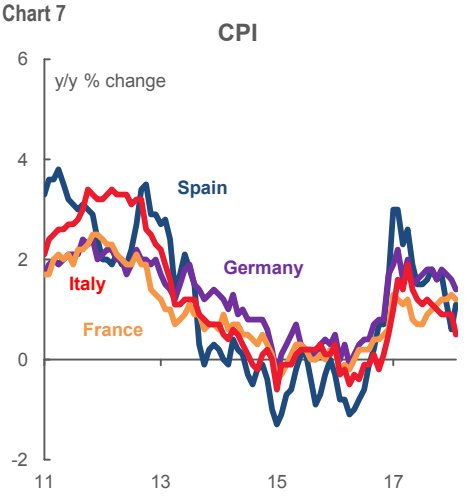
Sundry other releases will include Q4 GDP revisions by France and the UK, updated consumer spending figures from France, Germany and Spain, UK monthly services growth, and Italian industrial sales and orders.

LATIN AMERICA — BRAZIL'S BIAS

Most of the action next week will be centered upon further colour from Brazil's central bank on how it views inflation risks that will inform expectations for further monetary policy easing.

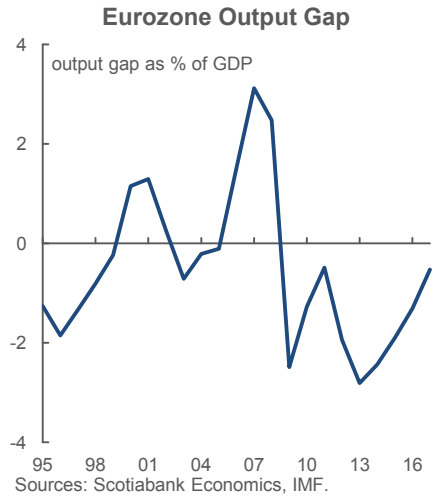
On Tuesday, **Banco Central do Brasil** releases minutes to the March 21st policy meeting at which the Monetary Policy Committee (Copom) decided to cut the Selic rate by 25bps. More important was that the bias was more dovish than anticipated when the central bank bluntly stated: "Regarding the next meeting, at this time, the Copom views an additional moderate monetary easing as appropriate." That was a surprise because of the massive amount of easing that has already been conducted to date and because inflation and growth evidence has been improving at the margin out of the depths of recession (chart 9). The real depreciated by over 1% versus the USD following the cut into the week's close. The central bank will also more fully explain its inflation views when it releases the Q1 Inflation Report on Thursday. Clearly the central bank wishes to foster this expansion and may also be considering political risks at home and abroad plus the impact of protectionist US policies that did not exempt Brazilian steel exports.

Chart 7



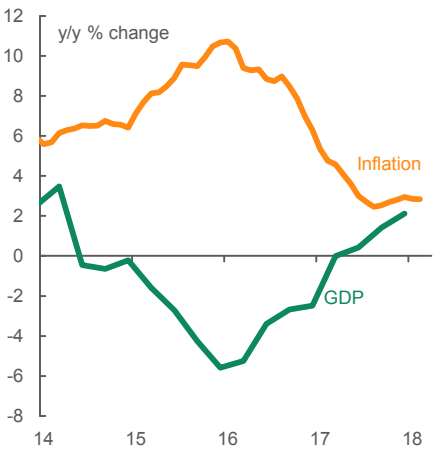
Sources: Scotiabank Economics, Bloomberg.

Chart 8



Sources: Scotiabank Economics, IMF.

Chart 9



Sources: Scotiabank Economics, Bloomberg.

While Mexico's election campaign officially kicks off next Friday after the final registration deadline, the campaigning has been underway for some time in more practical terms and there is a long road on the path to the July 1st election. In the meantime, data risk should be relatively light next week with just retail sales for January on Monday, followed by trade and unemployment figures for February the next day.

ASIA — EYES ON CHINA

China will be front and centre in terms of global market attention not only in the aftermath of trade tensions with the US that may illicit further responses, but also in terms of key macro data to see how business and sentiment are holding up to the tensions.

China releases the state versions of the purchasing managers indices for the manufacturing and service sectors on Friday. These are March readings and so they start out along the path toward cleaner assessments following the Chinese Lunar New Year distortions. That said, since the New Year was later this year in mid-February, a soft jumping off point when factories shut for a good portion of the month may give rise to a rebound in the March assessments to the extent to which fully adjusting for shifting seasonality is incomplete. The complicating factor this time around is whether or not the trade skirmish with the US weighs on sentiment. Personally I would look to the April readings for a combination of cleaner readings in terms of the lunar new year effect and any fuller effects of trade policy developments.

Japan releases most of its monthly round of macro reports for February over the back half of the week including retail sales, industrial output, housing starts, the jobless rate and Tokyo CPI for March. The broad tone of the releases is expected to be constructive if for no other reason than the fact that the prior month was pretty bleak across most of these readings! Tokyo CPI will inform expectations for the national tally for March after the recent February print showed some traction. The Tokyo gauge is expected to stabilize if not slightly dip.

Bank of Thailand is unanimously expected to keep its policy rate unchanged at 1.5% on Wednesday. By contrast to the concerns expressed by some other Asian central banks, note that the Thai bhat has been unaffected by the post-Fed trade. By contrast, the won has depreciated along with the Philippine peso while the yen has picked up safe haven flows.

Other developments will be comparatively minor. South Korea updates industrial output and revises Q4 GDP growth. Trade figures arrive from New Zealand, Thailand and Hong Kong.

Key Indicators for the week of March 26 – 30

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
MX	03/26	10:00	Retail Sales (INEGI) (y/y)	Jan	-2.4	--	-2.0
US	03/26	10:30	Dallas Fed. Manufacturing Activity	Mar	--	33.5	37.2
US	03/27	09:00	S&P/Case-Shiller Home Price Index (m/m)	Jan	0.1	0.6	0.6
US	03/27	09:00	S&P/Case-Shiller Home Price Index (y/y)	Jan	6.0	6.1	6.3
MX	03/27	10:00	Trade Balance (US$ mn)	Feb	--	252.4	-4408
MX	03/27	10:00	Unemployment Rate (%)	Feb	3.9	3.2	3.4
US	03/27	10:00	Consumer Confidence Index	Mar	131.5	131.0	130.8
US	03/27	10:00	Richmond Fed Manufacturing Index	Mar	--	22.0	28.0
US	03/28	07:00	MBA Mortgage Applications (w/w)	MAR 23	--	--	-1.1
US	03/28	08:30	GDP (q/q a.r.)	4Q T	2.8	2.7	2.5
US	03/28	08:30	GDP Deflator (q/q a.r.)	4Q T	--	2.3	2.3
US	03/28	08:30	Wholesale Inventories (m/m)	Feb P	--	--	0.8
US	03/28	10:00	Pending Home Sales (m/m)	Feb	1.0	2.0	-4.7
CA	03/29	08:30	IPPI (m/m)	Feb	--	--	0.4
CA	03/29	08:30	Raw Materials Price Index (m/m)	Feb	--	--	3.3
CA	03/29	08:30	Real GDP (m/m)	Jan	0.1	0.1	0.1
US	03/29	08:30	Initial Jobless Claims (000s)	MAR 24	230	230	229
US	03/29	08:30	Continuing Claims (000s)	MAR 17	1880	--	1828
US	03/29	08:30	PCE Deflator (m/m)	Feb	0.2	0.2	0.4
US	03/29	08:30	PCE Deflator (y/y)	Feb	1.7	1.7	1.7
US	03/29	08:30	PCE ex. Food & Energy (m/m)	Feb	0.1	0.2	0.3
US	03/29	08:30	PCE ex. Food & Energy (y/y)	Feb	1.5	1.6	1.5
US	03/29	08:30	Personal Spending (m/m)	Feb	0.4	0.2	0.2
US	03/29	08:30	Personal Income (m/m)	Feb	0.3	0.4	0.4
US	03/29	09:45	Chicago PMI	Mar	--	62.0	61.9
US	03/29	10:00	U. of Michigan Consumer Sentiment	Mar F	--	102	102

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
FR	03/26	02:45	GDP (q/q)	4Q F	--	0.6	0.6
SP	03/27	03:00	CPI (m/m)	Mar P	--	0.4	0.1
SP	03/27	03:00	CPI (y/y)	Mar P	--	1.4	1.1
SP	03/27	03:00	CPI - EU Harmonized (m/m)	Mar P	--	1.7	0.1
SP	03/27	03:00	CPI - EU Harmonized (y/y)	Mar P	--	1.6	1.2
EC	03/27	05:00	Business Climate Indicator	Mar	--	1.4	1.5
EC	03/27	05:00	Economic Confidence	Mar	--	113.4	114.1
EC	03/27	05:00	Industrial Confidence	Mar	--	7.0	8.0
SP	03/27	07:00	Budget Balance YTD (€ mn)	Feb	--	--	-18217
GE	MAR 27-30		Retail Sales (m/m)	Feb	--	0.7	-1.0
GE	03/28	02:00	GfK Consumer Confidence Survey	Apr	--	10.7	10.8
SP	03/28	03:00	Real Retail Sales (y/y)	Feb	--	--	2.5
SP	03/28	04:00	Current Account (€ bn)	Jan	--	--	2.6
UK	03/28	19:01	GfK Consumer Confidence Survey	Mar	-9.0	-10.0	-10.0
UK	MAR 28- APR 3		Nationwide House Prices (m/m)	Mar	0.2	0.2	-0.3
GE	03/29	03:55	Unemployment (000s)	Mar	--	-15.0	-22.0
GE	03/29	03:55	Unemployment Rate (%)	Mar	--	5.3	5.4
UK	03/29	04:30	Business Investment (q/q)	4Q F	--	0.0	0.0
UK	03/29	04:30	Current Account (£ bn)	4Q	--	-24.0	-22.8
UK	03/29	04:30	GDP (q/q)	4Q F	0.4	0.4	0.4
UK	03/29	04:30	Index of Services (m/m)	Jan	0.2	0.2	0.0
UK	03/29	04:30	Net Consumer Credit (£ bn)	Feb	--	1.4	1.4
GE	03/29	08:00	CPI (m/m)	Mar P	--	0.5	0.5
GE	03/29	08:00	CPI (y/y)	Mar P	--	1.7	1.4
GE	03/29	08:00	CPI - EU Harmonized (m/m)	Mar P	--	0.5	0.5
GE	03/29	08:00	CPI - EU Harmonized (y/y)	Mar P	--	1.6	1.2

Forecasts at time of publication.
Source: Bloomberg, Scotiabank Economics.

Key Indicators for the week of March 26 – 30

EUROPE *(continued from previous page)*

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
FR	03/30	02:45	Consumer Spending (m/m)	Feb	--	2.2	-1.9
FR	03/30	02:45	CPI (m/m)	Mar P	--	0.8	0.0
FR	03/30	02:45	CPI (y/y)	Mar P	--	1.4	1.2
FR	03/30	02:45	CPI - EU Harmonized (m/m)	Mar P	--	0.8	0.0
FR	03/30	02:45	CPI - EU Harmonized (y/y)	Mar P	--	1.5	1.3
FR	03/30	02:45	Producer Prices (m/m)	Feb	--	--	0.1
IT	03/30	05:00	CPI (m/m)	Mar P	--	0.1	0.0
IT	03/30	05:00	CPI (y/y)	Mar P	--	0.8	0.5
IT	03/30	05:00	CPI - EU Harmonized (m/m)	Mar P	--	2.2	-0.5
IT	03/30	05:00	CPI - EU Harmonized (y/y)	Mar P	--	0.8	0.5

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
VN	MAR 24-31		CPI (y/y)	Mar	--	--	3.2
VN	MAR 24-31		Exports (y/y)	Mar	--	--	22.9
VN	MAR 24-31		Imports (y/y)	Mar	--	--	15.3
VN	MAR 24-31		Industrial Production (y/y)	Mar	--	--	8.0
VN	MAR 24-31		Real GDP YTD (y/y)	1Q	--	--	6.8
NZ	03/25	17:45	Trade Balance (NZD mn)	Feb	--	-100.0	-566
NZ	03/25	17:45	Exports (NZD bn)	Feb	--	4.6	4309
NZ	03/25	17:45	Imports (NZD bn)	Feb	--	4.6	4875
SK	MAR 25-30		Department Store Sales (y/y)	Feb	--	--	-9.6
SI	03/26	01:00	Industrial Production (y/y)	Feb	--	1.0	17.9
SK	03/26	17:00	Consumer Confidence Index	Mar	--	--	108.2
HK	03/27	04:30	Exports (y/y)	Feb	--	10.0	-3.0
HK	03/27	04:30	Imports (y/y)	Feb	--	7.3	23.8
HK	03/27	04:30	Trade Balance (HKD bn)	Feb	--	-47.3	-31.9
SK	03/27	19:00	GDP (y/y)	4Q F	3.0	--	3.0
PH	MAR 27-28		Bank Lending (y/y)	Feb	--	--	18.4
TH	03/28	03:05	**BoT Repo Rate (%)**	**Mar 28**	**1.50**	**1.50**	**1.50**
IN	03/28	07:00	Fiscal Deficit (INR Crore)	Feb	--	--	55610
SK	03/28	17:00	Business Survey- Manufacturing	Apr	--	--	82.0
SK	03/28	17:00	Business Survey- Non-Manufacturing	Apr	--	--	82.0
JN	03/28	19:50	Large Retailers' Sales (y/y)	Feb	--	0.9	0.4
JN	03/28	19:50	Retail Trade (y/y)	Feb	--	1.7	1.5
AU	03/28	20:30	Private Sector Credit (y/y)	Feb	--	4.9	4.9
HK	MAR 28-29		Govt Monthly Budget Surp/Def (HKD bn)	Feb	--	--	54.7
SK	03/29	19:00	Industrial Production (y/y)	Feb	--	--	4.6
SK	03/29	19:00	Cyclical Leading Index Change	Feb	--	--	0.1
JN	03/29	19:30	Jobless Rate (%)	Feb	2.4	2.6	2.4
JN	03/29	19:30	Tokyo CPI (y/y)	Mar	--	1.3	1.4
JN	03/29	19:50	Industrial Production (y/y)	Feb P	--	2.3	2.5
JN	03/30	01:00	Housing Starts (y/y)	Feb	--	-4.2	-13.2
JN	03/30	01:00	Construction Orders (y/y)	Feb	--	--	0.9
TH	03/30	03:30	Exports (y/y)	Feb	--	--	16.7
TH	03/30	03:30	Imports (y/y)	Feb	--	--	22.5
TH	03/30	03:30	Trade Balance (US$ mn)	Feb	--	--	1331
TH	03/30	03:30	Current Account Balance (US$ mn)	Feb	--	--	5211
CH	03/30	21:00	Manufacturing PMI	Mar	50.5	--	50.3
CH	03/30	21:00	Non-manufacturing PMI	Mar	--	--	54.4

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CO	03/28	11:00	Urban Unemployment Rate (%)	Feb	--	--	13.5
CL	03/29	08:00	Industrial Production (y/y)	Feb	4.6	4.7	5.7
CL	03/29	08:00	Unemployment Rate (%)	Feb	6.5	6.7	6.5

Forecasts at time of publication.
Source: Bloomberg, Scotiabank Economics.

Global Auctions for the week of March 26 – 30

NORTH AMERICA

Country	Date	Time	Event
US	03/26	13:00	U.S. to Sell USD30 Bln 2-Year Notes
CA	03/27	12:00	Canada to Sell 2-Year Bonds
US	03/27	13:00	U.S. to Sell USD35 Bln 5-Year Notes
US	03/28	11:30	U.S. to Sell USD15 Bln 2-Year Floating Rate Notes Reopening
US	03/28	13:00	U.S. to USD29 Bln Sell 7-Year Notes

EUROPE

Country	Date	Time	Event
IT	03/26	05:00	Italy to Sell Up to 3 Billion Euros of 2020 Zero Bonds
IT	03/26	05:00	Italy to Sell 2.5 Billion Euros of 0.1% 2023 Linkers
UK	03/27	05:30	U.K. to Sell 600 Million Pounds of 0.125% 2056 Linkers

ASIA-PACIFIC

Country	Date	Time	Event
AU	03/26	20:00	Australia To Sell AUD150 Mln 1.25% 2040 Bonds
JN	03/26	23:45	Japan to Sell 40-Year Bonds
AU	03/27	20:00	Australia To Sell AUD500 Mln 3.25% 2029 Bonds
NZ	03/28	21:05	New Zealand To Sell NZD150 Mln 3.5% 2033 Bonds
JN	03/28	23:45	Japan to Sell 2-Year Bonds

Source: Bloomberg, Scotiabank Economics.

Events for the week of March 26 – 30

NORTH AMERICA

Country	Date	Time	Event
US	03/26	12:30	Fed's Dudley Speaks on the Future of Financial Regulation
US	03/26	16:30	Fed's Mester Speaks on Monetary Policy
US	03/26	19:10	Fed's Quarles to Speak in Atlanta
US	03/27	11:00	Fed's Bostic Speaks at Economic Conference in Atlanta
US	03/28	12:00	Fed's Bostic Speaks to Finance Professionals in Atlanta
US	03/29	13:00	Fed's Harker Speaks on the Economic Outlook
MX	03/30		2018 Election campaign begins

EUROPE

Country	Date	Time	Event
AS	03/26	05:30	ECB's Weidmann Gives Speech in Austrian Central Bank
SW	03/26	06:00	Riksbank's Skingsley Gives Speech
FI	03/27	04:00	Bank of Finland Press Briefing on Monetary Policy, Economy
AS	03/27	05:00	ECB's Nowotny Presents Austrian Central Bank's Annual Report
HU	03/27	08:00	**Central Bank Rate Decision**

ASIA-PACIFIC

Country	Date	Time	Event
CH	03/25	02:30	PBOC Governor Yi Gang Speaks at China Development Forum
CH	03/27	21:00	People's Bank of China Deputy Governor Pan Gongsheng
TH	03/28	03:05	**BoT Benchmark Interest Rate**

LATIN AMERICA

Country	Date	Time	Event
BZ	03/29	07:00	Central Bank Q1 Inflation Report

Source: Bloomberg, Scotiabank Economics.

Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	1.25	April 18, 2018	1.25	1.25
Federal Reserve – Federal Funds Target Rate	1.75	May 2, 2018	1.75	1.75
Banco de México – Overnight Rate	7.50	April 12, 2018	7.50	--

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	0.00	April 26, 2018	0.00	--
Bank of England – Bank Rate	0.50	May 10, 2018	0.50	--
Swiss National Bank – Libor Target Rate	-0.75	June 21, 2018	-0.75	--
Central Bank of Russia – One-Week Auction Rate	7.25	April 27, 2018	7.25	--
Sweden Riksbank – Repo Rate	-0.50	April 26, 2018	-0.50	--
Norges Bank – Deposit Rate	0.50	May 3, 2018	0.50	--
Central Bank of Turkey – Benchmark Repo Rate	8.00	April 25, 2018	8.00	--

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	April 27, 2018	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	April 3, 2018	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	May 9, 2018	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	April 5, 2018	6.00	--
Bank of Korea – Bank Rate	1.50	April 12, 2018	1.50	--
Bank of Thailand – Repo Rate	1.50	March 28, 2018	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	3.25	May 10, 2018	3.25	--
Bank Indonesia – 7-Day Reverse Repo Rate	4.25	April 19, 2018	4.25	--

The Bank of Thailand (BoT) will hold a monetary policy meeting on March 28. We expect the central bank to leave the benchmark interest rate at 1.50% over the coming months. Inflationary pressures remain weak in Thailand with prices at the headline level rising by 0.4% y/y in February, below the lower boundary of the BoT's medium-term inflation target of 2.5% y/y ±1.5%.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	6.50	May 16, 2018	6.50	--
Banco Central de Chile – Overnight Rate	2.50	May 3, 2018	2.50	--
Banco de la República de Colombia – Lending Rate	4.50	April 27, 2018	4.50	--
Banco Central de Reserva del Perú – Reference Rate	2.75	April 12, 2018	2.75	--

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	6.75	March 28, 2018	6.50	6.50

SARB: A 25bps rate cut is expected on Wednesday. Rapidly falling inflation to 4% y/y relative to a target of 3-6% and weak one-handled GDP growth over the past year favour further policy easing.

Forecasts at time of publication.
Source: Bloomberg, Scotiabank Economics.

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Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks; Scott Ashton
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 03/19/2018
Date:	Monday, March 19, 2018 5:35:22 PM
Attachments:	OPG Weekly Indicative Spreads - March 19, 2018.xlsx Ontario Power Generation-Mar-19-2018.pdf estimates.pdf

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Good Evening,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

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Bank Name	Scotiabank
Date	19-Mar-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Feb-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.29%	2.17%	2.00%	1.79%	-0.14%	-0.10%	-0.08%	-0.06%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+160	+115	+90	+68	-	-	-	-
Re-Offered Yield	3.89%	3.32%	2.90%	2.47%	-0.14%	-0.10%	-0.08%	-0.06%
Commission (bp)	4.00	5.00	7.00	10.00	-	-	-	-
All-in Yield	**3.93%**	**3.37%**	**2.97%**	**2.57%**	**-0.14%**	**-0.10%**	**-0.08%**	**-0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A3/A(H))	+134	+92	+65	-	-2	1	1	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+/-/A(L))	+145	+100	+75	+56	-	-	-	-
EPCOR (A-/-/A(L))	+132	+88	+63	-	-4	-2	-1	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27
Benchmark Canada Bond Coupon	2.75%	1.00%
Benchmark Yield	2.43%	2.27%
Curve Adjustment (bp)	-	-
Spread to GoC Curve (bp)	+160	+115
Re-Offered Yield	4.03%	3.42%
Commission (bp)	4.00	5.00
All-in Yield	**4.07%**	**3.47%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A/A3/A(H))	+136	+91

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (BBB+/-/A(L))	+145	+100
EPCOR (A-/-/A(L))	+136	+90

Scotiabank
12-Mar-18

rent	
5-year	**2-year**
1-Mar-23	1-Feb-20
1.75%	1.25%
2.08%	1.85%
-	-
+90	+68
2.98%	2.53%
7.00	10.00
3.05%	**2.63%**

5-year	**2-year**
+64	-

5-year	**2-year**
+75	+56
+64	-

Indicative New Issue Spreads

Monday, March 19, 2018

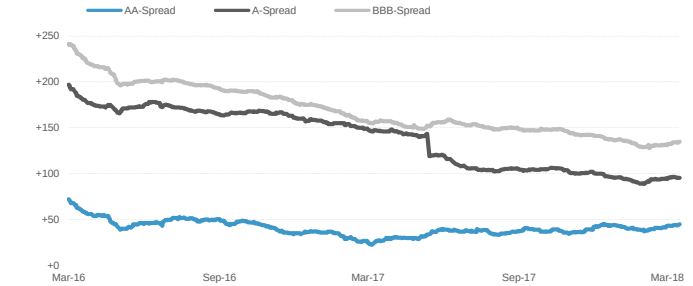
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.25% 1-Feb-20		1.75% 1-Mar-23		1.00% 1-Jun-27		2.75% 1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.79%	-0.06%	2.00%	-0.08%	2.17%	-0.10%	2.29%	-0.14%
Indicative Spread	**+68**	0	**+90**	0	**+115**	0	**+160**	0
Indicative Re-offer Yield	2.47%	-0.06%	2.90%	-0.08%	3.32%	-0.10%	3.89%	-0.14%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.57%		2.97%		3.37%		3.93%	
All-in Spread to GoC curve (bp)	+78		+97		+120		+164	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
15-Mar	Toronto Dominion Bank	AA/AA-/Aa1	$1,500M	4.0	+66
14-Mar	Vancouver Airport Fuel Facilities	-/-/A2	$115M	33.0	+130

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+68**	0	**+90**	0	**+115**	0	**+160**	0
Hydro One	A(H)/A3/A	-		+65	1	+92	1	+134	-2
Nova Scotia Power	A(L)/-/BBB+	+56	0	+75	0	+100	0	+145	0
EPCOR	A(L)/-/A-	-		+63	-1	+88	-2	+132	-4

DEX UNIVERSE SPREADS



MARKET COMMENTARY

Domestic issuance slowed last week, with many Ontario-based market participants away for March break. Just two issuers tapped the market, raising a combined $1.6B. Most notably, TD re-opened its 1.994% March 2022 notes at +66 for $1.5B. With $3B now outstanding on the issue, it has become the largest corporate deal in the Canadian market. Vancouver Airport Fuel Facilities also tapped the market for $115MM via senior secured notes due 2051. The pullback in domestic supply did not stop Canadian issuers from accessing overseas markets, however. BMO and CIBC tapped the Sterling and Euro markets, respectively, with senior unsecured offerings. Parkland Fuel also printed its inaugural USD offering, a $500MM 8NC3 deal that priced at 6%. Looking ahead to this week, markets will be focused on the FOMC Wednesday, where it is widely expected the Fed will hike rates for the first time this year. At week end, 2018YTD supply totaled $25.6B, up 2% YoY.

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Solid Fundamentals, Exceptional Policy Uncertainty

- This update takes place amid exceptional policy-induced uncertainty. The fundamental drivers of growth remain solid across the globe, with the expansion continuing to be remarkably synchronized and mutually reinforcing. While this dynamic provides broad-based protection against risks in any one country, it also highlights the vulnerability to the escalating trade rhetoric in Washington, and the possible global response to it. At the time of printing, details of the White House's proposed tariffs on steel and aluminum have not yet been released and so we have not incorporated them into this forecast. We remain hopeful that sound economic reasoning will prevail and that the US administration will refrain from implementing measures that could dramatically alter the course of the US and global economy. If the US does proceed with these measures, we will fully reflect these developments in our growth, policy rate and foreign exchange forecasts in April. For immediate reference, our February 2nd piece *NAFTA: The Macroeconomic Consequences of Disruption* examines a simplified case in which a trade war breaks out between the US and all its trading partners but Canada. It implies bleak consequences for the US.

- Abstracting from trade risks, the global growth outlook has, in fact, continued improving, largely on account of US tax reform and increases in government spending. Though these policies will significantly raise US Federal deficits and debt, as well as increase the likelihood of a boom-and-bust scenario in the broader US economy, the immediate impact of these policies is to raise significantly both demand and output. The combined impact of the fiscal measures adds roughly half a percentage point to US growth this year and next (chart 1), with growth falling sharply in 2020 and 2021. This near-term boost comes at a significant fiscal cost, with the US federal deficit rising to more than a trillion dollars next year.

- In Canada, the US fiscal measures should largely benefit us in the near-term. Stronger US demand implies stronger Canadian export growth, and we have revised our forecast accordingly. We now anticipate Canadian growth will be 2.4% this year, slowing slightly below 2% in 2019 (chart 1, again). The Federal budget was a non-event from a short-term macroeconomic perspective. NAFTA-related uncertainty likely remains a drag on business activity in Canada, and we have maintained our view that this shaves about 0.2 percentage points from Canadian growth this year. Other uncertainties may compound the trade-related concerns of the business community: the loss of tax competitiveness with the US, relative changes in the countries' regulatory regimes, and increases in provincial minimum wages. Owing to these factors, business investment in Canada is likely to be much weaker than would normally be implied by the strength of the global economy, the low cost of capital, and long-standing capacity pressures. In both this year and next, Canadian growth will lag that in the US by about 1/3 of a percentage point. Nevertheless, Canadian growth is set to remain well above potential and price pressures abound: we continue to believe the Bank of Canada will

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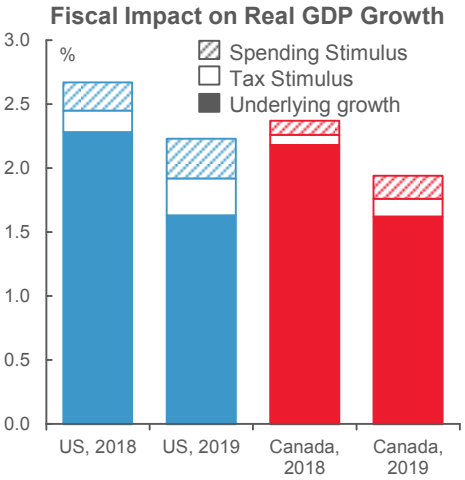
Chart 1



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raise rates by another 50 basis points this year based on domestic fundamentals. For the moment, we are sticking with our call that the next move will be in May, though the odds of that are decreasing given mounting trade-related uncertainties. We will re-evaluate this in our April 2018 Q2 *Global Outlook* in light of any announcements made on the trade side.

- We very much consider this to be a caretaker forecast, with a high likelihood of significant revisions if the Trump Administration launches the first move in what could become a series of tit-for-tat trade measures with some of its closest allies. President Trump and his advisors appear to anticipate that countries will not respond to any US tariff increases, and that additional tariffs would be imposed by the US if countries do indeed retaliate. While steel and aluminum represent reasonably small segments of the global economy, the increase in uncertainty prompted by new tariffs would amplify the first round effects of any possible increase in protectionism as businesses and households ponder which industries may be next. The knock-on effects on the global economy could be substantial.

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International	2000–16	2016	2017	2018f	2019f	2000–16	2016	2017	2018f	2019f
	Real GDP (annual % change)					Consumer Prices (y/y % change, year-end)				
World (based on purchasing power parity)	3.9	3.2	3.7	3.8	3.7					
Canada	2.1	1.4	3.0	2.4	1.9	1.9	1.4	1.8	2.2	2.3
United States	1.9	1.5	2.3	2.7	2.2	2.2	1.8	2.1	2.3	2.4
Mexico	2.2	2.9	2.0	2.4	2.8	4.4	3.4	6.8	4.3	3.8
United Kingdom	1.8	1.9	1.8	1.7	1.9	2.0	1.6	3.0	1.9	1.9
Euro zone	1.3	1.8	2.5	2.7	2.5	1.7	1.1	1.4	1.5	1.5
Germany	1.3	1.9	2.6	3.0	3.0	1.5	1.7	1.6	1.6	1.9
France	1.3	1.2	1.9	2.5	2.0	1.6	0.8	1.2	1.5	1.5
China	9.4	6.7	6.9	6.5	6.2	2.3	2.1	1.8	2.2	2.5
India	7.1	7.9	6.4	7.4	7.5	6.9	3.4	5.2	4.6	5.7
Japan	0.9	0.9	1.6	1.3	0.9	0.1	0.3	1.0	1.1	2.3
South Korea	4.2	2.8	3.1	2.6	2.8	2.6	1.3	1.5	2.2	2.5
Australia	3.0	2.6	2.4	2.7	2.5	2.8	1.5	1.9	2.2	2.6
Thailand	4.0	3.3	3.9	3.5	3.4	2.0	1.1	0.8	1.2	2.0
Brazil	2.6	-3.5	1.0	2.5	2.7	6.7	6.3	2.9	4.1	2.6
Colombia	4.1	2.1	1.8	2.5	3.5	5.1	5.7	4.1	3.3	3.1
Peru	5.1	3.9	2.5	3.7	4.2	2.8	3.2	1.4	2.0	2.5
Chile	4.1	1.6	1.6	3.1	3.7	3.4	2.7	2.3	2.8	3.0
Commodities										
	(annual average)									
WTI Oil (USD/bbl)	63	43	51	57	60					
Brent Oil (USD/bbl)	66	45	55	62	65					
Nymex Natural Gas (USD/mmbtu)	4.94	2.55	3.02	2.95	2.95					
Copper (USD/lb)	2.35	2.21	2.80	3.05	3.25					
Zinc (USD/lb)	0.81	0.95	1.31	1.60	1.60					
Nickel (USD/lb)	7.26	4.36	4.72	6.00	6.50					
Aluminium (USD/lb)	0.86	0.73	0.89	0.95	1.00					
Iron Ore (USD/tonne)	67	58	72	60	60					
Metallurgical Coal (USD/tonne)	127	114	187	170	150					
Gold, London PM Fix (USD/oz)	869	1,251	1,257	1,300	1,300					

Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, IMF, Bloomberg.

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North America	2000–16	2016	2017	2018f	2019f	2000–16	2016	2017	2018f	2019f
	Canada (annual % change, unless noted)					United States (annual % change, unless noted)				
Real GDP	2.1	1.4	3.0	2.4	1.9	1.9	1.5	2.3	2.7	2.2
Consumer spending	2.9	2.3	3.4	2.6	2.0	2.4	2.7	2.7	2.8	2.3
Residential investment	3.7	3.4	3.0	1.3	-0.3	-0.4	5.5	1.8	2.1	2.0
Business investment	2.2	-8.8	2.5	5.0	2.6	2.3	-0.6	4.7	4.7	2.4
Government	2.2	2.7	2.5	2.0	1.1	1.0	0.8	0.1	2.1	2.2
Exports	1.3	1.0	1.0	2.1	3.4	3.6	-0.3	3.4	3.5	2.7
Imports	2.9	-1.0	3.6	3.1	2.5	3.4	1.3	3.9	4.8	3.2
Nominal GDP	4.2	2.0	5.3	4.5	4.2	3.9	2.8	4.1	4.7	4.4
GDP deflator	2.1	0.6	2.3	2.1	2.3	2.0	1.3	1.8	2.0	2.1
Consumer price index (CPI)	1.9	1.4	1.6	2.1	2.3	2.2	1.3	2.1	2.3	2.4
CPI ex. food & energy	1.6	1.9	1.6	1.9	2.2	2.0	2.2	1.8	2.1	2.3
Pre-tax corporate profits	3.6	-1.9	20.2	6.0	1.0	5.5	-2.1	5.0	4.4	0.5
Employment	1.3	0.7	1.9	1.4	0.9	0.7	1.8	1.6	1.4	1.0
Unemployment rate (%)	7.1	7.0	6.3	5.9	5.9	6.2	4.9	4.4	4.0	4.0
Current account balance (CAD, USD bn)	-17.1	-65.4	-63.9	-55.9	-46.2	-507	-452	-455	-504	-558
Merchandise trade balance (CAD, USD bn)	25.1	-25.9	-23.9	-21.1	-14.7	-673	-753	-809	-897	-968
Federal budget balance* (FY, CAD, USD bn)	-2.8	-1.0	-17.8	-19.4	-15.1	-532	-586	-666	-845	-1,085
percent of GDP	-0.2	0.0	-0.9	-0.9	-0.7	-3.7	-3.1	-3.4	-4.2	-5.1
Housing starts (000s, mn)	199	198	220	206	196	1.27	1.18	1.21	1.25	1.30
Motor vehicle sales (000s, mn)	1,657	1,949	2,041	2,000	1,950	15.5	17.5	17.1	17.4	17.3
Industrial production	0.6	0.1	5.1	2.2	1.0	0.7	-1.2	2.0	2.9	1.1
	Mexico (annual % change)									
Real GDP	2.2	2.9	2.0	2.4	2.8					
Consumer price index (year-end)	4.4	3.4	6.8	4.3	3.8					
Current account balance (USD bn)	-14.6	-22.8	-18.8	-27.4	-29.9					
Merchandise trade balance (USD bn)	-7.2	-13.1	-10.9	-13.0	-16.0					

Sources: Scotiabank Economics, Statistics Canada, CMHC, BEA, BLS, Bloomberg. * Canada federal deficit ex risk adjustment of $3.0bn for FY19.

Quarterly Forecasts	2017		2018				2019			
Canada	Q3	Q4	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Real GDP (q/q ann. % change)	1.5	1.7	2.5	2.6	2.5	2.3	1.7	1.7	1.6	1.6
Real GDP (y/y % change)	3.0	2.9	2.5	2.1	2.3	2.5	2.3	2.0	1.8	1.7
Consumer prices (y/y % change)	1.4	1.8	1.9	2.0	2.2	2.2	2.3	2.3	2.3	2.3
Avg. of new core CPIs (y/y % change)	1.5	1.7	1.8	1.9	2.0	2.1	2.2	2.2	2.2	2.2
United States										
Real GDP (q/q ann. % change)	3.2	2.5	2.7	2.6	2.6	2.5	2.0	2.0	1.9	1.9
Real GDP (y/y % change)	2.3	2.5	2.9	2.7	2.6	2.6	2.4	2.3	2.1	2.0
Consumer prices (y/y % change)	2.0	2.1	2.1	2.3	2.3	2.3	2.3	2.4	2.4	2.4
CPI ex. food & energy (y/y % change)	1.7	1.7	1.8	2.1	2.2	2.2	2.2	2.3	2.3	2.3

Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, Bloomberg.

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	2017	2018				2019			
Central Bank Rates	**Q4**	**Q1f**	**Q2f**	**Q3f**	**Q4f**	**Q1f**	**Q2f**	**Q3f**	**Q4f**
Americas				(%, end of period)					
Bank of Canada	1.00	1.25	1.50	1.50	1.75	2.00	2.25	2.25	2.50
US Federal Reserve (upper bound)	1.50	1.75	1.75	2.00	2.25	2.25	2.50	2.50	2.75
Bank of Mexico	7.25	7.50	7.50	7.50	7.75	7.75	7.50	7.25	7.00
Central Bank of Brazil	7.00	6.75	6.50	6.50	6.75	7.00	7.50	8.00	8.50
Bank of the Republic of Colombia	4.75	4.50	4.25	4.25	4.25	4.50	4.75	5.00	5.00
Central Reserve Bank of Peru	3.25	2.75	2.75	2.75	2.75	3.00	3.00	3.25	3.25
Central Bank of Chile	2.50	2.50	2.75	3.00	3.25	3.50	3.50	3.75	3.75
Europe									
European Central Bank	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.50
Bank of England	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.50	1.50
Asia/Oceania									
Reserve Bank of Australia	1.50	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.25
Bank of Japan	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
People's Bank of China	4.35	4.35	4.35	4.35	4.35	4.60	4.60	4.85	4.85
Reserve Bank of India	6.00	6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.50
Bank of Korea	1.50	1.50	1.75	1.75	2.00	2.00	2.25	2.25	2.25
Bank of Thailand	1.50	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.25
Currencies and Interest Rates									
Americas				(end of period)					
Canadian Dollar (USDCAD)	1.26	1.28	1.27	1.26	1.25	1.25	1.22	1.22	1.25
Canadian Dollar (CADUSD)	0.80	0.78	0.79	0.79	0.80	0.80	0.82	0.82	0.80
Mexican Peso (USDMXN)	19.66	18.84	19.11	19.18	19.46	19.56	19.38	19.43	19.71
Brazilian Real (USDBRL)	3.31	3.25	3.15	3.25	3.25	3.30	3.30	3.35	3.35
Colombian Peso (USDCOP)	2,986	2,800	2,900	2,900	2,900	2,950	2,950	3,000	3,050
Peruvian Nuevo Sol (USDPEN)	3.24	3.22	3.19	3.20	3.18	3.18	3.14	3.15	3.12
Chilean Peso (USDCLP)	615	597	598	597	596	593	591	588	586
Europe									
Euro (EURUSD)	1.20	1.18	1.18	1.20	1.20	1.24	1.24	1.28	1.28
UK Pound (GBPUSD)	1.35	1.35	1.35	1.37	1.37	1.38	1.38	1.40	1.40
Asia/Oceania									
Japanese Yen (USDJPY)	113	114	114	115	115	118	118	120	120
Australian Dollar (AUDUSD)	0.78	0.79	0.79	0.80	0.80	0.81	0.81	0.82	0.82
Chinese Yuan (USDCNY)	6.51	6.40	6.40	6.30	6.30	6.20	6.20	6.10	6.10
Indian Rupee (USDINR)	63.9	64.5	64.5	64.0	64.0	63.5	63.5	63.0	63.0
South Korean Won (USDKRW)	1,067	1,060	1,060	1,040	1,040	1,030	1,030	1,020	1,020
Thai Baht (USDTHB)	32.6	31.8	31.8	31.6	31.6	31.2	31.2	31.0	31.0
Canada (Yields, %)									
3-month T-bill	1.06	1.20	1.50	1.55	1.75	2.05	2.30	2.30	2.50
2-year Canada	1.69	1.75	2.00	2.20	2.30	2.40	2.50	2.55	2.65
5-year Canada	1.87	2.00	2.25	2.30	2.45	2.55	2.60	2.65	2.75
10-year Canada	2.05	2.20	2.45	2.50	2.60	2.65	2.70	2.75	2.85
30-year Canada	2.27	2.40	2.65	2.75	2.90	3.00	3.10	3.15	3.10
United States (Yields, %)									
3-month T-bill	1.38	1.70	1.85	2.05	2.30	2.30	2.55	2.60	2.80
2-year Treasury	1.88	2.25	2.30	2.50	2.60	2.70	2.75	2.85	2.90
5-year Treasury	2.21	2.65	2.70	2.75	2.80	2.85	2.90	3.00	3.05
10-year Treasury	2.40	2.90	2.95	2.95	3.00	3.05	3.10	3.15	3.20
30-year Treasury	2.74	3.20	3.20	3.25	3.25	3.30	3.30	3.35	3.35

Sources: Scotiabank Economics, Bloomberg.

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The Provinces	(annual % change except where noted)										
Real GDP	**CA**	**NL**	**PE**	**NS**	**NB**	**QC**	**ON**	**MB**	**SK**	**AB**	**BC**
2000–16	2.1	2.5	1.7	1.3	1.2	1.7	2.0	2.3	2.0	2.7	2.8
2016	1.4	1.9	2.3	0.8	1.2	1.4	2.6	2.2	-0.5	-3.7	3.5
2017e	3.0	-1.5	1.9	1.6	1.4	2.8	2.9	2.3	1.9	4.3	3.5
2018f	2.4	0.5	1.6	1.2	1.0	2.1	2.3	2.2	2.2	2.8	2.6
2019f	1.9	1.0	1.2	0.9	0.7	1.6	1.9	1.8	1.9	2.1	2.0
Nominal GDP											
2000–16	4.2	5.6	4.2	3.4	3.3	3.6	3.8	4.4	5.3	5.9	4.5
2016	2.0	2.6	4.0	2.8	3.6	2.7	4.3	2.3	-4.0	-4.9	4.8
2017e	5.3	2.9	3.7	3.2	3.0	4.2	5.1	4.0	4.9	7.8	5.6
2018f	4.5	3.4	3.3	2.9	2.7	4.0	4.5	3.9	4.3	5.2	4.8
2019f	4.2	4.4	3.1	2.7	2.3	3.6	4.1	3.6	4.4	5.3	4.3
Employment											
2000–16	1.3	0.8	1.0	0.6	0.4	1.3	1.3	0.9	1.1	2.3	1.4
2016	0.7	-1.5	-2.3	-0.4	-0.1	0.9	1.1	-0.4	-0.9	-1.6	3.2
2017	1.9	-3.7	3.1	0.6	0.4	2.2	1.8	1.7	-0.2	1.0	3.7
2018f	1.4	-0.8	0.9	0.4	0.3	1.5	1.5	0.8	0.5	1.5	1.7
2019f	0.9	-0.5	0.7	0.2	0.1	0.7	1.0	0.5	0.6	1.0	1.1
Unemployment Rate (%)											
2000–16	7.1	14.3	11.2	8.8	9.6	8.0	7.1	5.1	5.0	5.1	6.6
2016	7.0	13.4	10.7	8.3	9.5	7.1	6.5	6.1	6.3	8.1	6.0
2017	6.3	14.8	9.8	8.4	8.1	6.1	6.0	5.4	6.3	7.8	5.1
2018f	5.9	14.9	10.1	8.1	8.0	5.6	5.6	5.3	6.0	7.3	4.9
2019f	5.9	15.0	10.0	8.0	8.0	5.6	5.6	5.3	5.9	7.2	4.8
Housing Starts (units, 000s)											
2000–16	199	2.6	0.7	4.3	3.5	44	71	5.1	5.2	34	28
2016	198	1.4	0.6	3.8	1.8	39	75	5.3	4.8	25	42
2017	220	1.4	0.9	4.0	2.3	46	79	7.5	4.9	29	44
2018f	206	1.3	0.9	3.8	2.1	41	75	6.3	5.0	29	42
2019f	196	1.3	0.8	3.8	2.1	38	71	6.3	5.0	30	38
Motor Vehicle Sales (units, 000s)											
2000–16	1,657	29	6	48	38	413	635	47	45	216	180
2016	1,949	33	9	54	44	458	807	55	51	220	218
2017	2,041	33	9	59	42	453	847	62	56	245	235
2018f	2,000	32	8	58	40	445	821	61	56	248	231
2019f	1,950	30	8	56	39	434	791	60	56	250	226
Budget Balances, Fiscal Year Ending March 31 (CAD mn)											
2000–16*	-2,803	-93	-38	-30	-153	-755	-5,115	-142	360	1,064	319
2016	-987	-2,206	-13	-13	-261	0	-3,515	-839	-675	-6,442	811
2017	-17,770	-1,148	-1	150	-119	0	-991	-764	-1,354	-10,784	2,737
2018f**	-19,400	-852	1	139	-115	0	0	-827	-679	-9,066	151
2019f	-15,100	n/a	n/a	n/a	-189	n/a	n/a	n/a	n/a	n/a	219

Sources: Scotiabank Economics, Statistics Canada, CMHC, Budget documents. * MB:FY04–FY16; AB:FY05–FY16; SK:FY15–FY18f: ex. accrual adjustment for pension expense.
** Federal & Provinces' FY18 & FY19: Budget documents. Federal FY19: ex risk adjustment of $3.0bn.

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To:	"john.s.lee@opg.com"; Mike Manning; Linda Smith; "Sheen.Liu@opg.com"; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Ricky Lai
Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks; Scott Ashton
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 03/12/2018
Date:	Monday, March 12, 2018 4:32:24 PM
Attachments:	OPG Weekly Indicative Spreads - March 12, 2018.xlsx Ontario Power Generation-Mar-12-2018.pdf estimates.pdf

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Good Afternoon,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

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Scotiabank | Global Banking and Markets

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Bank Name	Scotiabank
Date	12-Mar-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Feb-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.43%	2.27%	2.08%	1.85%	0.07%	0.08%	0.10%	0.10%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+160	+115	+90	+68	-	-	-	-
Re-Offered Yield	4.03%	3.42%	2.98%	2.53%	0.07%	0.08%	0.10%	0.10%
Commission (bp)	4.00	5.00	7.00	10.00	-	-	-	-
All-in Yield	**4.07%**	**3.47%**	**3.05%**	**2.63%**	**0.07%**	**0.08%**	**0.10%**	**0.10%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A3/A(H))	+136	+91	+64	-	5	3	2	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+/-/A(L))	+145	+100	+75	+56	3	3	4	3
EPCOR (A-/-/A(L))	+136	+90	+64	-	6	5	5	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27
Benchmark Canada Bond Coupon	2.75%	1.00%
Benchmark Yield	2.36%	2.19%
Curve Adjustment (bp)	-	-
Spread to GoC Curve (bp)	+160	+115
Re-Offered Yield	3.96%	3.34%
Commission (bp)	4.00	5.00
All-in Yield	**4.00%**	**3.39%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A/A3/A(H))	+131	+88

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (BBB+/-/A(L))	+142	+97
EPCOR (A-/-/A(L))	+130	+85

Scotiabank
5-Mar-18

rent	
5-year	**2-year**
1-Mar-23	1-Feb-20
1.75%	1.25%
1.98%	1.75%
-	-
+90	+68
2.88%	2.43%
7.00	10.00
2.95%	**2.53%**

5-year	**2-year**
+62	-

5-year	**2-year**
+71	+53
+59	-

Indicative New Issue Spreads

Monday, March 12, 2018

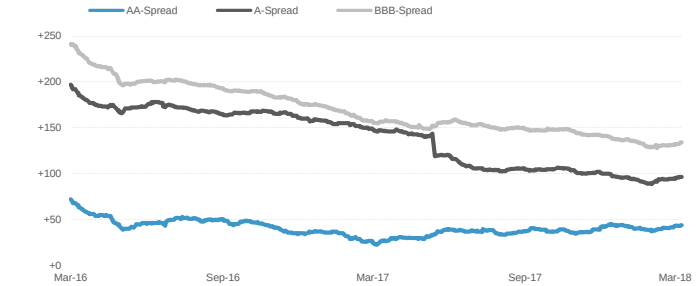
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.25% 1-Feb-20		1.75% 1-Mar-23		1.00% 1-Jun-27		2.75% 1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.85%	0.10%	2.08%	0.10%	2.27%	0.08%	2.43%	0.07%
Indicative Spread	**+68**	0	**+90**	0	**+115**	0	**+160**	0
Indicative Re-offer Yield	2.53%	0.10%	2.98%	0.10%	3.42%	0.08%	4.03%	0.07%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.63%		3.05%		3.47%		4.07%	
All-in Spread to GoC curve (bp)	+78		+97		+120		+164	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
9-Mar	Russel Metals	BB+/Ba3	$150M	8NC3	+376
7-Mar	Bell Canada	BBB(H)/BBB+/Baa1	$500M	7.0	+120
6-Mar	Choice Properties REIT	BBB/BBB	$1,300M	6.5 / 10	+145 / +195
5-Mar	Mondelez International	BBB/Baa1	$600M	7.0	+120

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+68**	0	**+90**	0	**+115**	0	**+160**	0
Hydro One	A(H)/A3/A	-		+64	2	+91	3	+136	5
Nova Scotia Power	A(L)/-/BBB+	+56	3	+75	4	+100	3	+145	3
EPCOR	A(L)/-/A-	-		+64	5	+90	5	+136	6

DEX UNIVERSE SPREADS



MARKET COMMENTARY

Another active supply week despite continued market volatility and softer tone. Four issuers tapped the market, raising a combined $2.6B across a variety of sectors. In the largest non-financial corporate deal of the year thus far, Choice Properties REIT raised $1.3B across 6.5 and 10 year tranches to help fund its acquisition of CREIT. The deal marked Choice's second time accessing the market this year, and brings its total raised to nearly $2B. Bell Canada, one of last year's largest issuers, tapped the market for $500MM via 7 year notes. Last week also featured inaugural C$ offerings from Mondelez International (Maple) and Russel Metals. Spreads continued to underperform, moving out a handful of bps, given continued market volatility coupled with the glut of recent supply. Domestic banks were active in the Euro market with TD and NBF printing covered bonds, while BMO issued a 4 year unsecured FRN. Supply may be muted in the near-term given March break this week, and a light pipeline of roadshow activity. At week end, 2018YTD supply totaled $23.4B, up 1% YoY.

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Estimates for the week of March 12 – 16

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
03/13	10:30	**Bank of Canada Governor Stephen Poloz Speech in Kingston**				
03/14	08:30	Teranet - National Bank HPI (y/y)	Feb	--	--	8.7
03/15	08:30	ADP Publishes February Payrolls Report				
03/15	09:00	Existing Home Sales (m/m)	Feb	--	--	-14.5
03/16	08:30	International Securities Transactions (C$ bn)	Jan	--	--	-2.0
03/16	08:30	Manufacturing Shipments (m/m)	Jan	-1.0	-1.0	-0.3

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
03/12	14:00	Treasury Budget (US$ bn)	Feb	--	-216.0	49.2
03/13	08:30	CPI (m/m)	Feb	0.2	0.2	0.5
03/13	08:30	CPI (y/y)	Feb	2.2	2.2	2.1
03/13	08:30	CPI (index)	Feb	--	249.0	247.9
03/13	08:30	CPI ex. Food & Energy (m/m)	Feb	0.2	0.2	0.3
03/13	08:30	CPI ex. Food & Energy (y/y)	Feb	1.8	1.8	1.8
03/14	07:00	MBA Mortgage Applications (w/w)	MAR 9	--	--	0.3
03/14	08:30	PPI (m/m)	Feb	0.1	0.1	0.4
03/14	08:30	PPI ex. Food & Energy (m/m)	Feb	0.2	0.2	0.4
03/14	08:30	Retail Sales (m/m)	Feb	0.2	0.3	-0.3
03/14	08:30	Retail Sales ex. Autos (m/m)	Feb	0.3	0.4	0.0
03/14	10:00	Business Inventories (m/m)	Jan	--	0.6	0.4
03/15	08:30	Empire State Manufacturing Index	Mar	--	15.0	13.1
03/15	08:30	Export Prices (m/m)	Feb	--	0.3	1.0
03/15	08:30	Import Prices (m/m)	Feb	--	0.3	1.0
03/15	08:30	Initial Jobless Claims (000s)	MAR 10	215	228	231
03/15	08:30	Continuing Claims (000s)	MAR 3	1900	--	1870
03/15	08:30	Philadelphia Fed Index	Mar	24.0	23.5	25.8
03/15	10:00	NAHB Housing Market Index	Mar	--	72.0	72.0
03/15	16:00	Total Net TIC Flows (US$ bn)	Jan	--	--	-119.3
03/15	16:00	Net Long-term TIC Flows (US$ bn)	Jan	--	--	27.3
03/16	08:30	Building Permits (000s a.r.)	Feb	--	1328	1377
03/16	08:30	Housing Starts (000s a.r.)	Feb	1265	1290	1326
03/16	08:30	Housing Starts (m/m)	Feb	-4.6	-2.7	9.7
03/16	09:15	Capacity Utilization (%)	Feb	--	77.7	77.5
03/16	09:15	Industrial Production (m/m)	Feb	0.2	0.3	-0.1
03/16	10:00	JOLTS Job Openings (000s)	Jan	--	--	5811
03/16	10:00	U. of Michigan Consumer Sentiment	Mar P	98.0	99.3	99.7

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Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks; Scott Ashton
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 2/20/2018
Date:	Tuesday, February 20, 2018 4:53:12 PM
Attachments:	OPG Weekly Indicative Spreads - February 20, 2018 - Client.xlsx Ontario Power Generation-Feb-20-2018.pdf estimates.pdf

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Good Evening,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

_____

Scotiabank | Global Banking and Markets

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Bank Name	Scotiabank
Date	20-Feb-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Feb-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.48%	2.35%	2.13%	1.84%	-0.01%	-0.01%	0.03%	0.05%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+155	+110	+85	+63	-	-	-	-
Re-Offered Yield	4.03%	3.45%	2.98%	2.47%	-0.01%	-0.01%	0.03%	0.05%
Commission (bp)	4.00	5.00	7.00	10.00	-	-	-	-
All-in Yield	**4.07%**	**3.50%**	**3.05%**	**2.57%**	**-0.01%**	**-0.01%**	**0.03%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A3/A(H))	+126	+84	+59	-	-3	-2	-2	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+/-/A(L))	139	94	69	51	-3	-2	-2	-2
EPCOR (A-/-/A(L))	126	82	57	-	-2	-2	-2	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27
Benchmark Canada Bond Coupon	2.75%	1.00%
Benchmark Yield	2.49%	2.36%
Curve Adjustment (bp)		
Spread to GoC Curve (bp)	+155	+110
Re-Offered Yield	4.04%	3.46%
Commission (bp)	4.00	5.00
All-in Yield	**4.08%**	**3.51%**

Primary Comparable (S&P/Moody's/ DBRS)	Cur	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A(H)/A3/A)	+129	+86

Other Comparables (S&P/Moody's/ DBRS)	Cur	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (A(L)/-/BBB+)	142	96
EPCOR (A(L)/-/A-)	128	84

Scotiabank
12-Feb-18

rent	
5-year	**2-year**
1-Sep-22	1-Feb-20
1.00%	1.25%
2.10%	1.79%
+85	+63
2.95%	2.42%
7.00	10.00
3.03%	**2.52%**

rent	
5-year	**2-year**
+61	-

rent	
5-year	**2-year**
71	53
59	-

Indicative New Issue Spreads

Tuesday, February 20, 2018

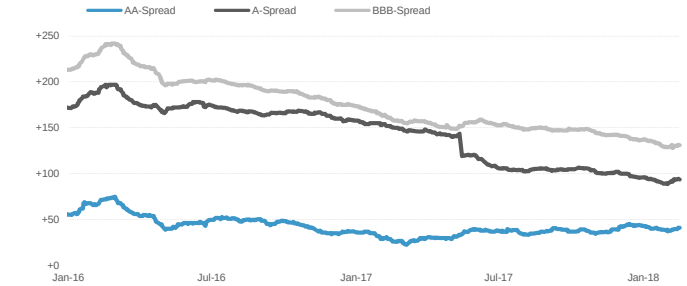
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.25% 1-Feb-20		1.75% 1-Mar-23		1.00% 1-Jun-27		2.75% 1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.84%	0.05%	2.13%	0.03%	2.35%	-0.01%	2.48%	-0.01%
Indicative Spread	**+63**	0	**+85**	0	**+110**	0	**+155**	0
Indicative Re-offer Yield	2.47%	0.05%	2.98%	0.03%	3.45%	-0.01%	4.03%	-0.01%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.567%		3.046%		3.499%		4.074%	
All-in Spread to GoC curve (bp)	+73		+92		+115		+159	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+63**	0	**+85**	0	**+110**	0	**+155**	0
Hydro One	A(H)/A3/A	-		+59	-2	+84	-2	+126	-3
Nova Scotia Power	A(L)/-/BBB+	+51	-2	+69	-2	+94	-2	+139	-3
EPCOR	A(L)/-/A-	-		+57	-2	+82	-2	+126	-2

DEX UNIVERSE SPREADS



MARKET COMMENTARY

It was another quiet week for primary activity in the domestic market, with no new supply to report. Despite a muted past two weeks, YTD issuance totals $12.6B, roughly in line with last year's pace. We're poised to see some activity after Ford mandated dealers on a $633MM ABS (FAST) transaction that is expected to price this week. On the marketing front, NuVista will be completing a non-deal roadshow this week. It will also be another busy week for earnings, including CIBC and RBC kicking off bank reporting on Thursday and Friday, respectively. Market tone was relatively stable last week, with the Dow finishing up 4%, making up some of its losses from the past few weeks. We'll look to see if markets can continue stabilizing this week, and if any supply should follow. Key data risk will come from Canadian CPI and Retail Sales to be released later this week, along with FOMC meeting minutes which are due tomorrow afternoon.

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Estimates for the week of February 19 – 23

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
02/20	08:30	Wholesale Trade (m/m)	Dec	--	--	0.7
02/22	08:30	Retail Sales (m/m)	Dec	0.5	--	0.2
02/22	08:30	Retail Sales ex. Autos (m/m)	Dec	0.3	--	1.6
02/23	08:30	CPI, All items (m/m)	Jan	0.5	--	-0.4
02/23	08:30	CPI, All items (y/y)	Jan	1.5	--	1.9
02/23	08:30	Core CPI - Common (y/y)	Jan	--	--	1.6
02/23	08:30	Core CPI - Median (y/y)	Jan	--	--	1.9
02/23	08:30	Core CPI - Trim (y/y)	Jan	--	--	1.9
02/23	08:30	CPI, All items (index)	Jan	--	--	130.8

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
02/21	07:00	MBA Mortgage Applications (w/w)	FEB 16	--	--	-4.1
02/21	09:00	**Fed's Harker Speaks on the Economic Outlook**				
02/21	10:00	Existing Home Sales (mn a.r.)	Jan	5.65	5.60	5.57
02/21	10:00	Existing Home Sales (m/m)	Jan	2.0	0.5	-3.6
02/21	14:00	**FOMC Meeting Minutes**				
02/22	08:30	Initial Jobless Claims (000s)	FEB 17	225	--	221
02/22	08:30	Continuing Claims (000s)	FEB 10	1930	--	1923
02/22	10:00	Leading Indicators (m/m)	Jan	--	0.7	0.6
02/22	10:00	**Fed's Dudley to Speak at New York Fed Briefing on Puerto Rico**				
02/22	12:10	**Fed's Bostic Speaks at Banking Conference in Atlanta**				
02/23	15:40	**Fed's Williams Speaks on Outlook for U.S. Economy**				

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Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 2/12/2018
Date:	Monday, February 12, 2018 8:03:12 PM
Attachments:	OPG Weekly Indicative Spreads - February 12, 2018.xlsx Ontario Power Generation-Feb-12-2018.pdf estimates.pdf

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Good Evening,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

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Scotiabank | Global Banking and Markets

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Bank Name	Scotiabank
Date	12-Feb-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Sep-22	1-Feb-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.00%	1.25%				
Benchmark Yield	2.49%	2.36%	2.10%	1.79%	0.08%	0.06%	0.01%	0.00%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+155	+110	+85	+63	2	2	3	4
Re-Offered Yield	4.04%	3.46%	2.95%	2.42%	0.10%	0.08%	0.04%	0.04%
Commission (bp)	4.00	5.00	7.00	10.00				
All-in Yield	**4.08%**	**3.51%**	**3.03%**	**2.52%**	**0.10%**	**0.08%**	**0.04%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A3/A)	+129	+86	+61	-	7	4	4	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (A(L)/-/BBB+)	142	96	71	53	8	4	4	4
EPCOR (A(L)/-/A-)	128	84	59	-	8	4	4	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27
Benchmark Canada Bond Coupon	2.75%	1.00%
Benchmark Yield	2.41%	2.30%
Curve Adjustment (bp)		
Spread to GoC Curve (bp)	+153	+108
Re-Offered Yield	3.94%	3.38%
Commission (bp)	4.00	5.00
All-in Yield	**3.99%**	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	Cur	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A(H)/A3/A)	+122	+82

Other Comparables (S&P/Moody's/ DBRS)	Cur	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (A(L)/-/BBB+)	134	92
EPCOR (A(L)/-/A-)	120	80

Scotiabank
5-Feb-18

rent	
5-year	**2-year**
1-Sep-22	1-Feb-20
1.00%	1.25%
2.09%	1.79%
+82	+59
2.91%	2.38%
7.00	10.00
2.98%	**2.48%**

rent	
5-year	**2-year**
+57	-

rent	
5-year	**2-year**
67	49
55	-

Indicative New Issue Spreads

February-12-18

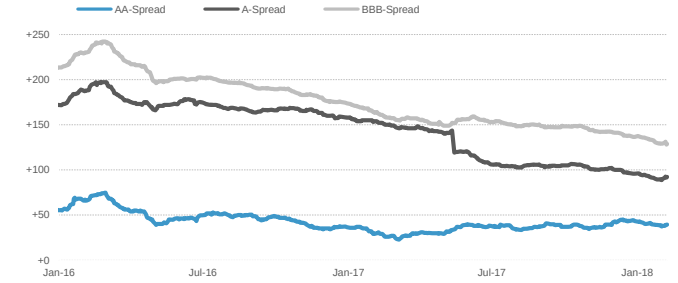
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.25%		1.00%		1.00%		2.75%	
	1-Feb-20		1-Sep-22		1-Jun-27		01-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.79%	0.00%	2.10%	0.01%	2.36%	0.06%	2.49%	0.08%
Indicative Spread	**+63**	4	**+85**	3	**+110**	2	**+155**	2
Indicative Re-offer Yield	2.42%	0.04%	2.95%	0.04%	3.46%	0.08%	4.04%	0.10%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.518%		3.025%		3.509%		4.076%	
All-in Spread to GoC curve (bp)	+73		+92		+115		+159	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
6-Feb	Fair Hydro Trust	AAA/-/Aa2	$500M	15.3	+92

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+63**	4	**+85**	3	**+110**	2	**+155**	2
Hydro One	A(H)/A3/A	-		+61	4	+86	4	+129	7
Nova Scotia Power	A(L)/-/BBB+	+53	4	+71	4	+96	4	+142	8
EPCOR	A(L)/-/A-	-		+59	4	+84	4	+128	8

DEX UNIVERSE SPREADS



MARKET COMMENTARY

The Canadian corporate bond market has priced $12.0B YTD, a 9% YoY increase in volumes. Positive market tone has led to tremendous investor demand with book sizes averaging 46 buyers. Notwithstanding higher YTD issuance, pre-funding activity in 2017 dampens projected 2018 refinancing volumes. Shorter tenors continue to dominate, with 70% of 2018's volume in the 7-year or less tenor range. Financial issuers have driven volume, with the Canadian Banks alone providing 45% of this year's supply. Corporate credit spreads trended tighter through the month of January with the average spread index touching +96 bps, its lowest level post financial crisis. Spreads have reacted to softer market tone in recent days, widening by ~2 bps on average over the last week.

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Estimates for the week of February 12 – 16

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
02/16	08:30	Manufacturing Shipments (m/m)	Dec	0.3	--	3.4

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
02/14	08:30	CPI (m/m)	Jan	0.3	0.3	0.2
02/14	08:30	CPI (y/y)	Jan	1.9	1.9	2.1
02/14	08:30	CPI ex. Food & Energy (m/m)	Jan	0.2	0.2	0.2
02/14	08:30	CPI ex. Food & Energy (y/y)	Jan	1.7	1.7	1.8
02/14	08:30	Retail Sales (m/m)	Jan	0.3	0.2	0.4
02/14	08:30	Retail Sales ex. Autos (m/m)	Jan	0.5	0.5	0.4
02/15	08:30	Initial Jobless Claims (000s)	FEB 10	225	--	221
02/15	08:30	Continuing Claims (000s)	FEB 3	1925	--	1923
02/15	08:30	PPI (m/m)	Jan	0.4	0.4	-0.1
02/15	08:30	PPI ex. Food & Energy (m/m)	Jan	0.2	0.2	-0.1
02/15	08:30	Philadelphia Fed Index	Feb	20.0	21.0	22.2
02/15	09:15	Industrial Production (m/m)	Jan	0.4	0.2	0.9
02/15	09:15	Capacity Utilization (%)	Jan	78.0	78.0	77.9
02/16	08:30	Housing Starts (000s a.r.)	Jan	1210	1225	1192
02/16	08:30	Housing Starts (m/m)	Jan	1.5	2.8	-8.2
02/16	10:00	U. of Michigan Consumer Sentiment	Feb P	96.0	95.3	95.7

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Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Yuanmengyang (Tiffany) Sun; Andrew Fredericks (Scotiabank GBM); Jenna Dicks
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 2/5/2018
Date:	Monday, February 05, 2018 8:26:25 PM
Attachments:	OPG Weekly Indicative Spreads - February 5, 2018.xlsx Ontario Power Generation-Feb-5-2018.pdf estimates.pdf

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Good Evening,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

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Scotiabank | Global Banking and Markets

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Bank Name	Scotiabank
Date	5-Feb-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Sep-22	1-Feb-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.00%	1.25%				
Benchmark Yield	2.41%	2.30%	2.09%	1.79%	0.06%	0.01%	-0.02%	-0.04%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+153	+108	+82	+59	3	3	3	3
Re-Offered Yield	3.94%	3.38%	2.91%	2.38%	0.09%	0.04%	0.01%	-0.01%
Commission (bp)	4.00	5.00	7.00	10.00				
All-in Yield	**3.99%**	**3.43%**	**2.98%**	**2.48%**	**0.09%**	**0.04%**	**0.01%**	**-0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A3/A)	+122	+82	+57	-	4	3	3	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (A(L)/-/BBB+)	134	92	67	49	4	3	3	3
EPCOR (A(L)/-/A-)	120	80	55	-	3	2	2	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27
Benchmark Canada Bond Coupon	2.75%	1.00%
Benchmark Yield	2.35%	2.29%
Curve Adjustment (bp)		
Spread to GoC Curve (bp)	+150	+105
Re-Offered Yield	3.85%	3.34%
Commission (bp)	4.00	5.00
All-in Yield	**3.89%**	**3.39%**

Primary Comparable (S&P/Moody's/ DBRS)	Cur	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A(H)/A3/A)	+118	+79

Other Comparables (S&P/Moody's/ DBRS)	Cur	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (A(L)/-/BBB+)	130	89
EPCOR (A(L)/-/A-)	117	78

Scotiabank
29-Jan-18

rent	
5-year	**2-year**
1-Sep-22	1-Feb-20
1.00%	1.25%
2.11%	1.83%
+79	+56
2.90%	2.39%
7.00	10.00
2.97%	**2.49%**

rent	
5-year	**2-year**
+54	-

rent	
5-year	**2-year**
64	46
53	-

Indicative New Issue Spreads

Monday, February 05, 2018

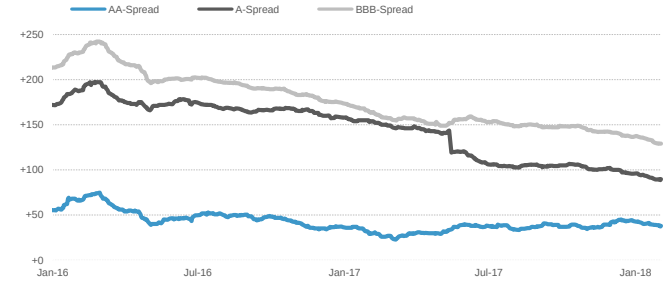
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.25%		1.00%		1.00%		2.75%	
	1-Feb-20		1-Sep-22		1-Jun-27		1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.79%	-0.04%	2.09%	-0.02%	2.30%	0.01%	2.41%	0.06%
Indicative Spread	**+59**	3	**+82**	3	**+108**	3	**+153**	3
Indicative Re-offer Yield	2.38%	-0.01%	2.91%	0.01%	3.38%	0.04%	3.94%	0.09%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.484%		2.981%		3.434%		3.985%	
All-in Spread to GoC curve (bp)	+69		+89		+113		+157	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
2-Feb	Artis REIT	BBB(L)/-/-	$200M	2.0	+107
1-Feb	CIBC	AA/A+/A1	$600M	2.0	+8
31-Jan	Central 1 Credit Union	AH/A-/-	$350M	3.0	+35
31-Jan	Bank of Nova Scotia	AA/A+/A1	$2,000M	10.0	+80
30-Jan	Superior Plus LP	BB(L)/BB/-	$220M	7.6	+288
30-Jan	BMW Canada Inc.	A(H)/-/A1	$500M	2.0 / 3.5-yr	+10 / +59

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+59**	3	**+82**	3	**+108**	3	**+153**	3
Hydro One	A(H)/A3/A	-		+57	3	+82	3	+122	4
Nova Scotia Power	A(L)/-/BBB+	+49	3	+67	3	+92	3	+134	4
EPCOR	A(L)/-/A-	-		+55	2	+80	2	+120	3

DEX UNIVERSE SPREADS



MARKET COMMENTARY

It was a busy week for Canadian market participants with 9 issuers pricing transactions. We had some notable activity in the financial and real estate sectors while the market also absorbed the first high yield deal of 2018. To date, the market has already seen $11.5BN worth of supply priced, which is 19% ahead of this time last year and made January 2018 the second busiest January funding month on record. Also notable is the relentless FRN demand in the market with 45% of total issuance to date coming in floating format.

Outside of issuance activity, participants were focused on both FOMC rate decision and Canadian monthly GDP figures. In her last address at Fed Chair, Yellen left rates unchanged (as largely expected), while adding emphasis to the Fed's plan for more hikes. Previous language on the FOMC statement was also changed to acknowledge stronger growth and more confidence that inflation will rise to the 2 percent target. On this side of the border, Canadian GDP numbers were released and came in slightly stronger than expectations. This data, coupled with record low unemployment figures indicates that the Canadian economy remains resilient as central banks prepare for further rate hikes and head into a tightening bias.

CONTACT INFORMATION

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Estimates for the week of February 5 – 9

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
02/06	08:30	Merchandise Trade Balance (C$ bn)	Dec	-2.2	--	-2.5
02/08	08:15	Housing Starts (000s a.r.)	Jan	205	--	218
02/09	08:30	Employment (000s m/m)	Jan	10.0	-2.0	64.8
02/09	08:30	Unemployment Rate (%)	Jan	5.7	5.8	5.8

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
02/05	10:00	ISM Non-Manufacturing Composite	Jan	56.3	56.5	56.0
02/06	08:30	Trade Balance (US$ bn)	Dec	-52.0	-52.0	-50.5
02/08	08:30	Initial Jobless Claims (000s)	FEB 3	230	235	230
02/08	08:30	Continuing Claims (000s)	JAN 27	1950	--	1953

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Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Tiffany Sun (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks (Scotiabank GBM)
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 1/29/2018
Date:	Monday, January 29, 2018 6:19:12 PM
Attachments:	OPG Weekly Indicative Spreads - January 29, 2018.xlsx Ontario Power Generation-Jan-29-2018.pdf estimates.pdf

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Good Evening,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

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Scotiabank | Global Banking and Markets

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Bank Name	Scotiabank
Date	29-Jan-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Sep-22	1-Feb-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.00%	1.25%				
Benchmark Yield	2.35%	2.29%	2.11%	1.83%	-0.01%	0.04%	0.05%	0.03%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+150	+105	+79	+56	5	3	2	2
Re-Offered Yield	3.85%	3.34%	2.90%	2.39%	0.04%	0.07%	0.07%	0.05%
Commission (bp)	4.00	5.00	7.00	10.00				
All-in Yield	**3.89%**	**3.39%**	**2.97%**	**2.49%**	**0.04%**	**0.07%**	**0.07%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A3/A)	+118	+79	+54	-	-2	-1	0	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (A(L)/-/BBB+)	130	89	64	46	-2	0	0	-1
EPCOR (A(L)/-/A-)	117	78	53	-	-1	0	0	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27
Benchmark Canada Bond Coupon	2.75%	1.00%
Benchmark Yield	2.36%	2.25%
Curve Adjustment (bp)		
Spread to GoC Curve (bp)	+145	+102
Re-Offered Yield	3.81%	3.27%
Commission (bp)	4.00	5.00
All-in Yield	**3.85%**	**3.32%**

Primary Comparable (S&P/Moody's/ DBRS)	Cur	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A(H)/A3/A)	+120	+80

Other Comparables (S&P/Moody's/ DBRS)	Cur	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (A(L)/-/BBB+)	132	89
EPCOR (A(L)/-/A-)	118	78

Scotiabank
22-Jan-18

rent	
5-year	**2-year**
1-Sep-22	1-Feb-20
1.00%	1.25%
2.06%	1.80%
+77	+54
2.83%	2.34%
7.00	10.00
2.90%	**2.44%**

rent	
5-year	**2-year**
+54	-

rent	
5-year	**2-year**
64	47
53	-

Indicative New Issue Spreads

January-29-18

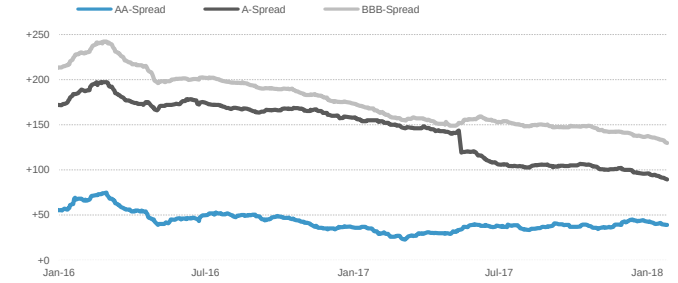
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.25%		1.00%		1.00%		2.75%	
	1-Feb-20		1-Sep-22		1-Jun-27		01-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.83%	0.03%	2.11%	0.05%	2.29%	0.04%	2.35%	-0.01%
Indicative Spread	**+56**	2	**+79**	2	**+105**	3	**+150**	5
Indicative Re-offer Yield	2.39%	0.05%	2.90%	0.07%	3.34%	0.07%	3.85%	0.04%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.487%		2.967%		3.393%		3.892%	
All-in Spread to GoC curve (bp)	+66		+86		+110		+154	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
23-Jan	Morgan Stanley	A(H)/BBB+/A3	$500M	3.7 FRN	+38
24-Jan	CT REIT	BBB(H)/BBB+/-	$200M	9.8	+158
25-Jan	Dollarama Inc.	BBB/-/-	$300M	3.0 FRN	+27
26-Jan	Bank of Montreal	AAA/A+/A1	$1,000M	5.0 FRN	+19

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+56**	2	**+79**	2	**+105**	3	**+150**	5
Hydro One	A(H)/A3/A	-		+54	0	+79	-1	+118	-2
Nova Scotia Power	A(L)/-/BBB+	+46	-1	+64	0	+89	0	+130	-2
EPCOR	A(L)/-/A-	-		+53	0	+78	0	+117	-1

DEX UNIVERSE SPREADS



MARKET COMMENTARY

The Canadian corporate debt market was active last week, with four issuers pricing a total of $2B: Morgan Stanley printed a $500MM 3.75NC2.75 FRN at 3M CDOR + 37.5 bps, CT REIT came to market with a $200MM 9.8 year deal at CRV + 158 bps, Dollarama Inc. executed a $300MM 3 year FRN at 3M CDOR + 27 bps (the lowest corporate BBB-rated FRN coupon on record), and Bank of Montreal priced a $1B 5 year covered bond offering at 3M CDOR + 19 bps. At week end, YTD new issue volumes totalled $5.6B, down 33% YoY

South of the border, primary activity in the U.S. was subdued but we did see some notable activity as CPPIB Capital and CIBC accessed the market: CPPIB Capital completed a US$2B 3 year transaction at MS + 9 bps and CIBC came to market with a dual tranche transaction of US$600MM 3 year FRN at 3M LIBOR + 31.5 bps and US$750MM 3 year Fixed at CRV + 50 bps.

Market tone remained strong throughout the week. BoC Governor Poloz noted that the BoC remains data driven and its largest concerns are NAFTA, household debt levels, and cyber risk. In the US, annual GDP growth was 2.6% in 2017, which came in slightly below expectations. The Canadian dollar strengthened, reaching a 4 month high vs. the U.S. dollar.

Canadian corporate spreads finished the week 2 to 3 bps tighter, outperforming the U.S., where IG29 closed -1 to 46.

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Estimates for the week of January 29 – February 2

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
01/31	08:30	IPPI (m/m)	Dec	--	0.0	1.4
01/31	08:30	Raw Materials Price Index (m/m)	Dec	--	-2.5	5.5
01/31	08:30	Real GDP (m/m)	Nov	0.5	0.4	0.0

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
01/29	08:30	PCE Deflator (m/m)	Dec	0.1	0.1	0.2
01/29	08:30	PCE Deflator (y/y)	Dec	1.7	1.7	1.8
01/29	08:30	PCE ex. Food & Energy (m/m)	Dec	0.2	0.2	0.1
01/29	08:30	PCE ex. Food & Energy (y/y)	Dec	1.5	1.5	1.5
01/29	08:30	Personal Spending (m/m)	Dec	0.4	0.4	0.6
01/29	08:30	Personal Income (m/m)	Dec	0.3	0.3	0.3
01/29	10:30	Dallas Fed. Manufacturing Activity	Jan	--	25.4	29.7
01/30	09:00	S&P/Case-Shiller Home Price Index (m/m)	Nov	--	0.6	0.7
01/30	09:00	S&P/Case-Shiller Home Price Index (y/y)	Nov	--	6.4	6.4
01/30	10:00	Consumer Confidence Index	Jan	122	123	122
01/31	07:00	MBA Mortgage Applications (w/w)	JAN 26	--	--	4.5
01/31	08:15	ADP Employment Report (000s m/m)	Jan	200	183	250
01/31	08:30	Employment Cost Index (q/q)	4Q	--	0.6	0.7
01/31	09:45	Chicago PMI	Jan	--	64.0	67.8
01/31	10:00	Pending Home Sales (m/m)	Dec	0.4	0.5	0.2
01/31	14:00	**FOMC Interest Rate Meeting (%)**	**Jan 31**	**1.50**	**1.50**	**1.50**
02/01	08:30	Initial Jobless Claims (000s)	JAN 27	235	235	233
02/01	08:30	Continuing Claims (000s)	JAN 20	1930	1925	1937
02/01	08:30	Productivity (q/q a.r.)	4Q P	--	1.0	3.0
02/01	08:30	Unit Labor Costs (q/q a.r.)	4Q P	--	0.9	-0.2
02/01	10:00	Construction Spending (m/m)	Dec	0.3	0.4	0.8
02/01	10:00	ISM Manufacturing Index	Jan	58.0	58.6	59.3
02/01		Domestic Vehicle Sales (mn a.r.)	Jan	--	13.5	13.7
02/01		Total Vehicle Sales (mn a.r.)	Jan	17.4	17.3	17.8
02/02	08:30	Nonfarm Employment Report (000s m/m)	Jan	200	180	148
02/02	08:30	Unemployment Rate (%)	Jan	4.0	4.1	4.1
02/02	08:30	Household Employment Report (000s m/m)	Jan	--	--	104.0
02/02	08:30	Average Hourly Earnings (m/m)	Jan	--	0.3	0.3
02/02	08:30	Average Hourly Earnings (y/y)	Jan	2.5	2.6	2.5
02/02	08:30	Average Weekly Hours	Jan	--	34.5	34.5
02/02	10:00	Factory Orders (m/m)	Dec	0.7	1.3	1.3
02/02	10:00	U. of Michigan Consumer Sentiment	Jan F	--	95.0	94.4

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To:	"john.s.lee@opg.com"; Mike Manning; Linda Smith; "Sheen.Liu@opg.com"; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Ricky Lai
Cc:	Greg Lawrence (Scotiabank GBM); Fanny Doucet (Scotiabank GBM); Michael Costakos (Scotiabank GBM); Stephen Lepone (Scotiabank GBM); Tiffany Sun (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks (Scotiabank GBM)
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 1/22/2018
Date:	Monday, January 22, 2018 7:54:52 PM
Attachments:	OPG Weekly Indicative Spreads - January 22, 2018.xlsx Ontario Power Generation-Jan-22-2018.pdf estimates.pdf

Good Evening,

Please find attached our indicative new issue spreads.

Thanks,

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Bank Name	Scotiabank
Date	22-Jan-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Sep-22	1-Feb-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.00%	1.25%				
Benchmark Yield	2.36%	2.25%	2.06%	1.80%	-0.01%	0.05%	0.04%	0.03%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+145	+102	+77	+54	-2	0	0	0
Re-Offered Yield	3.81%	3.27%	2.83%	2.34%	-0.03%	0.05%	0.04%	0.03%
Commission (bp)	4.00	5.00	7.00	10.00				
All-in Yield	**3.85%**	**3.32%**	**2.90%**	**2.44%**	**-0.03%**	**0.05%**	**0.04%**	**0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A3/A)	+120	+80	+54	-	-3	1	0	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (A(L)/-/BBB+)	132	89	64	47	-2	0	0	0
EPCOR (A(L)/-/A-)	118	78	53	-	-5	0	0	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27
Benchmark Canada Bond Coupon	2.75%	1.00%
Benchmark Yield	2.37%	2.20%
Curve Adjustment (bp)		
Spread to GoC Curve (bp)	+147	+102
Re-Offered Yield	3.84%	3.22%
Commission (bp)	4.00	5.00
All-in Yield	**3.88%**	**3.27%**

Primary Comparable (S&P/Moody's/ DBRS)	Cur	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A(H)/A3/A)	+123	+79

Other Comparables (S&P/Moody's/ DBRS)	Cur	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (A(L)/-/BBB+)	134	89
EPCOR (A(L)/-/A-)	123	78

Scotiabank
15-Jan-18

rent	
5-year	**2-year**
1-Sep-22	1-Feb-20
1.00%	1.25%
2.02%	1.77%
+77	+54
2.79%	2.31%
7.00	10.00
2.86%	**2.41%**

rent	
5-year	**2-year**
+54	-

rent	
5-year	**2-year**
64	47
53	-

Indicative New Issue Spreads

January-22-18

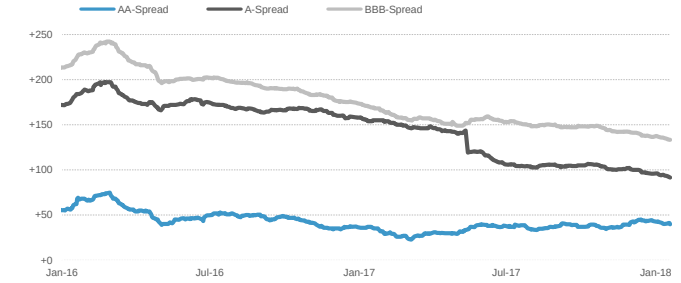
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.25%		1.00%		1.00%		2.75%	
	1-Feb-20		1-Sep-22		1-Jun-27		01-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.80%	0.03%	2.06%	0.04%	2.25%	0.05%	2.36%	-0.01%
Indicative Spread	**+54**	0	**+77**	0	**+102**	0	**+145**	-2
Indicative Re-offer Yield	2.34%	0.03%	2.83%	0.04%	3.27%	0.05%	3.81%	-0.03%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.439%		2.901%		3.317%		3.853%	
All-in Spread to GoC curve (bp)	+64		+84		+107		+149	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
17-Jan	Laurentian Bank of Canada	A(L)/BBB/-	$550M	1.0	+65
18-Jan	H&R Real Estate Investment Trust	BBB(H)/-/-	$250M	5.0	+137
18-Jan	Toyota Credit Canada Inc.	-/AA-/Aa3	$200M	2.0 FRN	3MCDOR+11
18-Jan	Toyota Credit Canada Inc.	-/AA-/Aa3	$400M	5.0	+68
18-Jan	Lloyds Banking Group PLC	-/BBB+/A3	$500M	7.0	+135
19-Jan	Canadian Western Bank	AL/-/-	$250M	1.5	+38

COMPARABLES	Ratings (DBRS/Moody's/S&P)	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Ontario Power Generation	**A(L)/-/BBB+**	**+54**	0	**+77**	0	**+102**	0	**+145**	-2
Hydro One	A(H)/A3/A	-		+54	0	+80	1	+120	-3
Nova Scotia Power	A(L)/-/BBB+	+47	0	+64	0	+89	0	+132	-2
EPCOR	A(L)/-/A-	-		+53	0	+78	0	+118	-5

DEX UNIVERSE SPREADS



MARKET COMMENTARY

The Canadian corporate debt market remained busy this week with 5 issuers pricing a combined total of $2.15B: Laurentian Bank of Canada issued a $550MM 21-month FRN at 3M CDOR + 65 bps, Toyota Credit Canada priced $200MM 2.5 year FRNs and $400MM 5 year senior unsecured notes (at the tightest level we have seen on a CAD corporate FRN in at least 3 years), Lloyds Banking Group PLC executed a $500MM 7 year Maple transaction at CRV + 135 bps, H&R REIT priced a $250MM (upsized from $200MM) 5 year deal at CRV + 137 bps, and Canadian Western Bank raised a $250MM 18-month FRN at 3M CDOR + 38 bps.

South of the border, TD tapped the US market with a US$1.5B 3 year FXD/FRN transaction while CIBC accessed the Euro market with a €1.25B 5 year covered bond offering.

As widely expected, the BoC raised the overnight rate by 25 bps to 1.25%; Scotiabank Economics calls for two additional rate hikes before the end of 2018.

Canadian corporate spreads finished the week unchanged to marginally better, outperforming the U.S., where IG29 closed +1 to 48.

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Estimates for the week of January 22 – 26

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
01/22	08:30	Wholesale Trade (m/m)	Nov	--	--	1.5
01/25	08:30	Retail Sales (m/m)	Nov	0.8	--	1.5
01/25	08:30	Retail Sales ex. Autos (m/m)	Nov	0.5	--	0.8
01/26	08:30	Core CPI - Common (y/y)	Dec	--	--	1.5
01/26	08:30	Core CPI - Median (y/y)	Dec	--	--	1.9
01/26	08:30	Core CPI - Trim (y/y)	Dec	--	--	1.8
01/26	08:30	CPI, All items (m/m)	Dec	-0.4	--	0.3
01/26	08:30	CPI, All items (y/y)	Dec	1.8	--	2.1
01/26	08:30	CPI, All items (index)	Dec	--	--	131

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
01/23	10:00	Richmond Fed Manufacturing Index	Jan	--	18.0	20.0
01/24	10:00	Existing Home Sales (mn a.r.)	Dec	5.55	5.7	5.8
01/24	10:00	Existing Home Sales (m/m)	Dec	-4.5	-2.2	5.6
01/25	08:30	Initial Jobless Claims (000s)	JAN 20	225	249	220
01/25	08:30	Continuing Claims (000s)	JAN 13	1900	1900	1952
01/25	08:30	Wholesale Inventories (m/m)	Dec P	--	--	0.8
01/25	10:00	Leading Indicators (m/m)	Dec	--	0.5	0.4
01/25	10:00	New Home Sales (000s a.r.)	Dec	650	675	733
01/26	08:30	Durable Goods Orders (m/m)	Dec P	0.7	0.9	1.3
01/26	08:30	Durable Goods Orders ex. Trans. (m/m)	Dec P	0.5	0.7	-0.1
01/26	08:30	GDP (q/q a.r.)	4Q A	2.8	2.9	3.2
01/26	08:30	GDP Deflator (q/q a.r.)	4Q A	--	2.4	2.1

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Cc:	Greg Lawrence (Scotiabank GBM); Fanny Doucet (Scotiabank GBM); Michael Costakos (Scotiabank GBM); Stephen Lepone (Scotiabank GBM); Tiffany Sun (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks (Scotiabank GBM)
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 1/8/2018
Date:	Monday, January 08, 2018 7:39:10 PM
Attachments:	OPG Weekly Indicative Spreads - January 8, 2018.xlsx Ontario Power Generation-Jan-8-2018.pdf estimates.pdf

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Good Evening,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

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Scotiabank | Global Banking and Markets

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Bank Name	Scotiabank
Date	8-Jan-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Sep-22	1-Nov-19				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.00%	1.25%				
Benchmark Yield	2.36%	2.18%	2.00%	1.80%	0.04%	0.08%	0.09%	0.08%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+150	+105	+80	+56	-2	-1	-1	-1
Re-Offered Yield	3.86%	3.23%	2.80%	2.36%	0.02%	0.07%	0.08%	0.07%
Commission (bp)	4.00	5.00	7.00	10.00				
All-in Yield	**3.90%**	**3.28%**	**2.87%**	**2.47%**	**0.02%**	**0.07%**	**0.08%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A(H)/A3/A)	+126	+81	+56	-	-1	-3	-3	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (A(L)/-/BBB+)	136	91	66	48	-1	-2	-2	-2
EPCOR (A(L)/-/A-)	126	80	55	-	0	-3	-3	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27
Benchmark Canada Bond Coupon	2.75%	1.00%
Benchmark Yield	2.32%	2.10%
Curve Adjustment (bp)		
Spread to GoC Curve (bp)	+152	+106
Re-Offered Yield	3.84%	3.16%
Commission (bp)	4.00	5.00
All-in Yield	**3.88%**	**3.21%**

Primary Comparable (S&P/Moody's/ DBRS)	Cur	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A(H)/A3/A)	+127	+84

Other Comparables (S&P/Moody's/ DBRS)	Cur	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (A(L)/-/BBB+)	137	93
EPCOR (A(L)/-/A-)	126	83

Scotiabank
18-Dec-17

rent	
5-year	**2-year**
1-Sep-22	1-Nov-19
1.00%	1.25%
1.91%	1.72%
+81	+57
2.72%	2.29%
7.00	10.00
2.79%	**2.39%**

rent	
5-year	**2-year**
+59	-

rent	
5-year	**2-year**
68	50
58	-

Indicative New Issue Spreads

January-08-18

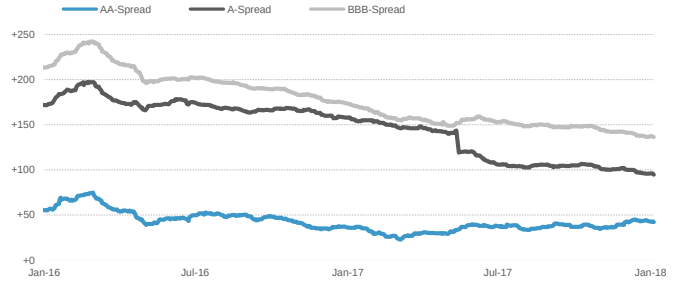
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.25%		1.00%		1.00%		2.75%	
	1-Nov-19		1-Sep-22		1-Jun-27		01-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.80%	0.08%	2.00%	0.09%	2.18%	0.08%	2.36%	0.04%
Indicative Spread	**+56**	-1	**+80**	-1	**+105**	-1	**+150**	-2
Indicative Re-offer Yield	2.36%	0.07%	2.80%	0.08%	3.23%	0.07%	3.86%	0.02%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.465%		2.868%		3.278%		3.899%	
All-in Spread to GoC curve (bp)	+66		+87		+110		+154	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread

COMPARABLES	Ratings (DBRS/Moody's/S&P)	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Ontario Power Generation	**A(L)/-/BBB+**	**+56**	-1	**+80**	-1	**+105**	-1	**+150**	-2
Hydro One	A(H)/A3/A	-		+56	-3	+81	-3	+126	-1
Nova Scotia Power	A(L)/-/BBB+	+48	-2	+66	-2	+91	-2	+136	-1
EPCOR	A(L)/-/A-	-		+55	-3	+80	-3	+126	0

DEX UNIVERSE SPREADS



MARKET COMMENTARY

There were no new issues to report in the Canadian corporate debt market last week as the holiday slowdown remains in effect. New issue volume in the Canadian market is closing off 2017 with a total of $129.9B, marking the busiest year on record and 17% ahead of last year's volume. As 2017 wraps up, the marketing calendar for early 2018 continues to build.

The Scotia Debt Capital Markets team wishes you a Happy New Year!

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Estimates for the week of January 8 – 12

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
01/08	10:30	BoC Senior Loan Officer Survey	4Q	--	--	-0.5
01/08	10:30	Business Outlook Future Sales	4Q	--	--	19.0
01/09	08:15	Housing Starts (000s a.r.)	Dec	210	215	251
01/10	08:30	Building Permits (m/m)	Nov	--	--	3.5
01/11	08:30	New Housing Price Index (m/m)	Nov	--	--	0.1
01/12	08:30	Teranet - National Bank HPI (y/y)	Dec	--	--	9.2

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
01/08	12:40	**Fed's Bostic Speaks on Economic Outlook in Atlanta**				
01/08	13:35	**Fed's Williams Speaks at Inflation Targeting Conference**				
01/08	15:00	Consumer Credit (US$ bn m/m)	Nov	--	17.8	20.5
01/08	16:00	**Fed's Rosengren Speaks at Inflation Targeting Conference**				
01/09	10:00	JOLTS Job Openings (000s)	Nov	--	6025	5996
01/09	10:00	**Fed's Kashkari Speaks on Moderated Panel**				
01/10	07:00	MBA Mortgage Applications (w/w)	JAN 5	--	--	0.7
01/10	08:30	Export Prices (m/m)	Dec	--	0.4	0.7
01/10	08:30	Import Prices (m/m)	Dec	--	0.4	0.7
01/10	09:00	**Fed's Evans Discusses Economy and Policy Outlook**				
01/10	09:10	**Fed's Kaplan Speaks in in moderated Q&A in Dallas**				
01/10	10:00	Wholesale Inventories (m/m)	Nov F	--	0.7	0.7
01/10	13:30	**Fed's Bullard Speaks on U.S. Economic Outlook in St. Louis**				
01/11	08:30	Initial Jobless Claims (000s)	JAN 6	240	245	250
01/11	08:30	Continuing Claims (000s)	DEC 30	1900	1920	1914
01/11	08:30	PPI (m/m)	Dec	0.2	0.2	0.4
01/11	08:30	PPI ex. Food & Energy (m/m)	Dec	0.2	0.2	0.3
01/11	14:00	Treasury Budget (US$ bn)	Dec	--	-46.0	-138.5
01/11	15:30	**Fed's Dudley Speaks on the U.S. Economic Outlook**				
01/12	08:30	CPI (m/m)	Dec	0.1	0.1	0.4
01/12	08:30	CPI (y/y)	Dec	2.1	2.1	2.2
01/12	08:30	CPI (index)	Dec	--	246.4	246.7
01/12	08:30	CPI ex. Food & Energy (m/m)	Dec	0.2	0.2	0.1
01/12	08:30	CPI ex. Food & Energy (y/y)	Dec	1.7	1.7	1.7
01/12	08:30	Retail Sales (m/m)	Dec	0.4	0.5	0.8
01/12	08:30	Retail Sales ex. Autos (m/m)	Dec	0.3	0.4	1.0
01/12	10:00	Business Inventories (m/m)	Nov	--	0.4	-0.1
01/12	16:15	**Fed's Rosengren Gives Keynote Address at UC San Diego Conference**				

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Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks; Scott Ashton
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 05/22/2018
Date:	Tuesday, May 22, 2018 5:56:55 PM
Attachments:	OPG Weekly Indicative Spreads - May 22, 2018.xlsx Ontario Power Generation-May-22-2018.pdf estimates.pdf

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Good Evening,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

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Bank Name	Scotiabank
Date	22-May-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-28	1-Mar-23	1-May-20				
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.75%				
Benchmark Yield	2.50%	2.49%	2.33%	2.05%	0.05%	0.07%	0.07%	0.06%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+160	+115	+90	+66	-5	-5	-5	-5
Re-Offered Yield	4.10%	3.64%	3.23%	2.71%	-0.00%	0.02%	0.02%	0.01%
Commission (bp)	4.00	5.00	7.00	10.00	-	-	-	-
All-in Yield	**4.14%**	**3.69%**	**3.30%**	**2.81%**	**-0.00%**	**0.02%**	**0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A3/A(H))	+135	+98	+73	-	-	1	1	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+/-/A(L))	+146	+109	+84	+66	-3	-2	-2	-
EPCOR (A-/-/A(L))	+136	+99	+74	-	-	1	1	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-28
Benchmark Canada Bond Coupon	2.75%	2.00%
Benchmark Yield	2.45%	2.42%
Curve Adjustment (bp)	-	-
Spread to GoC Curve (bp)	+165	+120
Re-Offered Yield	4.10%	3.62%
Commission (bp)	4.00	5.00
All-in Yield	**4.14%**	**3.67%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A/A3/A(H))	+135	+97

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (BBB+/-/A(L))	+149	+111
EPCOR (A-/-/A(L))	+136	+98

Scotiabank
14-May-18

rent	
5-year	**2-year**
1-Mar-23	1-May-20
1.75%	1.75%
2.26%	1.99%
-	-
+95	+71
3.21%	2.70%
7.00	10.00
3.28%	**2.80%**

5-year	**2-year**
+72	-

5-year	**2-year**
+86	+66
+73	-

Indicative New Issue Spreads

Tuesday, May 22, 2018

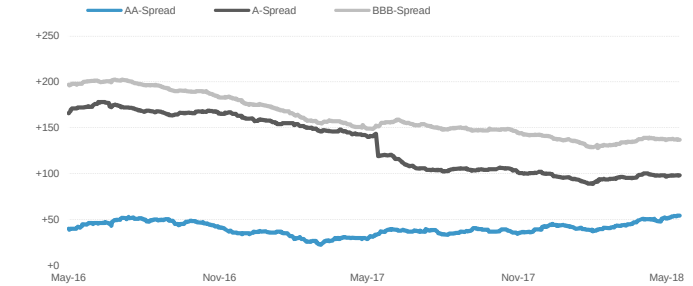
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.75% 1-May-20		1.75% 1-Mar-23		2.00% 1-Jun-28		2.75% 1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	2.05%	0.06%	2.33%	0.07%	2.49%	0.07%	2.50%	0.05%
Indicative Spread	**+66**	-5	**+90**	-5	**+115**	-5	**+160**	-5
Indicative Re-offer Yield	2.71%	0.01%	3.23%	0.02%	3.64%	0.02%	4.10%	0.00%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.81%		3.30%		3.69%		4.14%	
All-in Spread to GoC curve (bp)	+76		+97		+120		+164	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
15-May	Honda Canada Finance	A(H)/A2	$500M	7.0	+102
15-May	River Cree Enterprises	B(H)/B	$100M	7.0	n.a.

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+66**	-5	**+90**	-5	**+115**	-5	**+160**	-5
Hydro One	A(H)/A3/A	-		+73	1	+98	1	+135	0
Nova Scotia Power	A(L)/-/BBB+	+66	0	+84	-2	+109	-2	+146	-3
EPCOR	A(L)/-/A-	-		+74	1	+99	1	+136	0

DEX UNIVERSE SPREADS



MARKET COMMENTARY

A slower week in the Canadian corporate new issue market, with only two issuers tapping the market, raising a combined $600MM. Honda Canada Finance printed a $500MM 7 year deal which represented its longest tenor issued in Canada. River Cree also accessed the market with a $100MM offering in the high yield space. In secondary, tone remained stable, with spreads finishing roughly unchanged while equities squeaked higher. The rates market commanded investor focus with yields across the curve edging higher to the tune of 10 bps. Looking forward, the slowdown in primary activity may not last long given a very well-populated marketing calendar. In addition, bank earnings begin this week, with CIBC kicking off tomorrow. Following the slower week, YTD supply is now tracking just 2% above last year's pace, with $51.3B having priced thus far this year.

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Estimates for the week of May 21 – 25

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
05/22	08:30	Wholesale Trade (m/m)	Mar	--	--	-0.8

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
05/21	12:15	Fed's Bostic Speaks to Atlanta Economics Club				
05/21	14:05	Fed's Harker Speaks in New York				
05/21	17:30	Fed's Kashkari Speaks at Moderated Q&A in Escanaba, MI				
05/22	10:00	Richmond Fed Manufacturing Index	May	--	8.0	-3.0
05/22		Arkansas state primary				
05/22		Georgia state primary				
05/22		Kentucky state primary				
05/22		Texas primary runoff				
05/23	07:00	MBA Mortgage Applications (w/w)	MAY 18	--	--	-2.7
05/23	10:00	New Home Sales (000s a.r.)	Apr	675	677	694
05/23	14:00	FOMC Meeting Minutes				
05/23	14:15	Fed's Kashkari Speaks in Moderated Q&A in North Dakota				
05/24	04:15	Fed's Dudley Speaks on Reference Rate Reform at BoE Event				
05/24	08:30	Initial Jobless Claims (000s)	MAY 19	210	220	222
05/24	08:30	Continuing Claims (000s)	MAY 12	1800	1750	1707
05/24	10:00	Existing Home Sales (mn a.r.)	Apr	5.5	5.6	5.6
05/24	10:00	Existing Home Sales (m/m)	Apr	-1.8	-0.7	1.1
05/24	14:00	Fed's Harker Speaks About Technology's Impact on Labor Market				
05/25	08:30	Durable Goods Orders (m/m)	Apr P	-2.0	-1.4	2.6
05/25	08:30	Durable Goods Orders ex. Trans. (m/m)	Apr P	0.5	0.5	-0.1
05/25	09:20	Fed's Powell Speaks on Financial Stability and Transparency				
05/25	10:00	U. of Michigan Consumer Sentiment	May F	--	98.8	98.8
05/25	11:45	Fed's Kaplan, Evans and Bostic Speak at Dallas Fed				

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To:	"john.s.lee@opg.com"; Mike Manning; Linda Smith; "Sheen.Liu@opg.com"; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Ricky Lai
Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks; Scott Ashton
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 05/14/2018
Date:	Monday, May 14, 2018 3:16:20 PM
Attachments:	Ontario Power Generation-May-14-2018.pdf OPG Weekly Indicative Spreads - May 14, 2018.xlsx estimates.pdf

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Good Afternoon,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

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Scotiabank | Global Banking and Markets

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Indicative New Issue Spreads

Monday, May 14, 2018

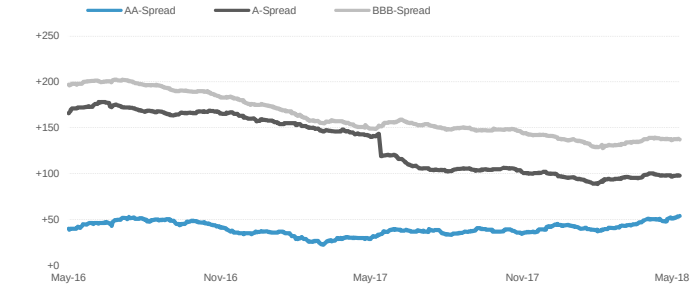
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.75% 1-May-20		1.75% 1-Mar-23		2.00% 1-Jun-28		2.75% 1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.99%	0.07%	2.26%	0.09%	2.42%	0.09%	2.45%	0.04%
Indicative Spread	**+71**	0	**+95**	0	**+120**	0	**+165**	0
Indicative Re-offer Yield	2.70%	0.07%	3.21%	0.09%	3.62%	0.09%	4.10%	0.04%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.80%		3.28%		3.67%		4.14%	
All-in Spread to GoC curve (bp)	+81		+102		+125		+169	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
8-May	Daimler Canada Finance	A/A/A2	$750M	2 / 4	+35 / +92
10-May	First National Financial	AAA/AAA/Aaa	$605M	4.0	+47
7-May	Manulife Financial Corporation	A(L)/A-	$600M	10NC5	+115
7-May	407 International Inc.	A/A	$500M	30.0	+130
10-May	BP Capital Markets Plc	A/A1	$450M	7.0	+113
10-May	Morguard Corporation	BBB(L)	$200M	3.0	+200

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+71**	0	**+95**	0	**+120**	0	**+165**	0
Hydro One	A(H)/A3/A	-		+72	-1	+97	-1	+135	1
Nova Scotia Power	A(L)/-/BBB+	+66	-1	+86	0	+111	0	+149	1
EPCOR	A(L)/-/A-	-		+73	-2	+98	-1	+136	1

DEX UNIVERSE SPREADS



MARKET COMMENTARY

Very active week in primary, with six issuers coming to market, printing $3.1B across a variety of sectors. To that front, the largest deal of the week was Daimler Canada Finance's dual-tranche, $750MM offering of new 4 year notes and a short FRN reopening. Elsewhere in the FIG space, Manulife Financial printed $600MM 10NC5 sub notes, while First National Financial issued ~$600MM of NHA MBS product. The non-financial corporate space saw 407 and Morguard tap the market, alongside a 7 year Maple from BP (its first C$ offering since 2013). Market tone was stable for most of the week, with secondary spreads closing the week unchanged to marginally tighter. Equities outperformed, with the TSX rallying 1.6% on the back of firmer oil prices. Canadian jobs data had little impact on markets Friday, with a 29k increase in full-time jobs offset by a reduction in part-time work. It will be a lighter week for Q1 reporting, with just a few names set to release before bank earnings kick off next week. At week end, 2018YTD supply totals $50B, up 15% vs. last year's pace.

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Bank Name	Scotiabank
Date	14-May-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-28	1-Mar-23	1-May-20				
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.75%				
Benchmark Yield	2.45%	2.42%	2.26%	1.99%	0.04%	0.09%	0.09%	0.07%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+165	+120	+95	+71	-	-	-	-
Re-Offered Yield	4.10%	3.62%	3.21%	2.70%	0.04%	0.09%	0.09%	0.07%
Commission (bp)	4.00	5.00	7.00	10.00	-	-	-	-
All-in Yield	**4.14%**	**3.67%**	**3.28%**	**2.80%**	**0.04%**	**0.09%**	**0.09%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A3/A(H))	+135	+97	+72	-	1	-1	-1	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+/-/A(L))	+149	+111	+86	+66	1	-	-	-1
EPCOR (A-/-/A(L))	+136	+98	+73	-	1	-1	-2	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-28
Benchmark Canada Bond Coupon	2.75%	2.00%
Benchmark Yield	2.41%	2.33%
Curve Adjustment (bp)	-	-
Spread to GoC Curve (bp)	+165	+120
Re-Offered Yield	4.06%	3.53%
Commission (bp)	4.00	5.00
All-in Yield	**4.10%**	**3.58%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A/A3/A(H))	+134	+98

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (BBB+/-/A(L))	+148	+111
EPCOR (A-/-/A(L))	+135	+99

Scotiabank
7-May-18

rent	
5-year	**2-year**
1-Mar-23	1-May-20
1.75%	1.75%
2.17%	1.92%
-	-
+95	+71
3.12%	2.63%
7.00	10.00
3.19%	**2.73%**

5-year	**2-year**
+73	-

5-year	**2-year**
+86	+67
+75	-

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Estimates for the week of May 14 – 18

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
05/14	08:30	Teranet - National Bank HPI (y/y)	Apr	--	--	6.6
05/15	09:00	Existing Home Sales (m/m)	Apr	--	1.5	1.3
05/16	08:30	Manufacturing Shipments (m/m)	Mar	1.0	0.9	1.9
05/16	12:15	**Bank of Canada's Schembri Speaks at the OEA**				
05/17	08:30	International Securities Transactions (C$ bn)	Mar	--	--	4.0
05/18	08:30	CPI, All items (m/m)	Apr	0.2	0.3	0.3
05/18	08:30	CPI, All items (y/y)	Apr	2.1	2.3	2.3
05/18	08:30	CPI, All items (index)	Apr	--	133.3	132.9
05/18	08:30	Core CPI - Common (y/y)	Apr	--	--	1.9
05/18	08:30	Core CPI - Median (y/y)	Apr	--	--	2.1
05/18	08:30	Core CPI - Trim (y/y)	Apr	--	--	2.0
05/18	08:30	Retail Sales (m/m)	Mar	0.4	--	0.4
05/18	08:30	Retail Sales ex. Autos (m/m)	Mar	0.3	--	0.0

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
05/14	02:45	**Fed's Mester Speaks at Bank of France Conference**				
05/14	09:40	**Fed's Bullard Speaks at Crypto Conference in New York**				
05/15	08:00	**Fed's Kaplan discusses Outlook for Energy Market, Economy**				
05/15	08:30	Empire State Manufacturing Index	May	--	15.0	15.8
05/15	08:30	Retail Sales (m/m)	Apr	0.3	0.3	0.6
05/15	08:30	Retail Sales ex. Autos (m/m)	Apr	0.4	0.5	0.2
05/15	10:00	Business Inventories (m/m)	Mar	--	0.1	0.6
05/15	10:00	NAHB Housing Market Index	May	--	69.0	69.0
05/15	10:00	**Fed Nominees Clarida and Bowman Testify Before Senate Panel**				
05/15	13:00	**Fed's Williams to Speak at Economic Club of Minnesota**				
05/15	16:00	Total Net TIC Flows (US$ bn)	Mar	--	--	44.7
05/15	16:00	Net Long-term TIC Flows (US$ bn)	Mar	--	--	49.0
05/15		**Idaho state primary**				
05/15		**Nebraska state primary**				
05/15		**Oregon state primary**				
05/15		**Pennsylvania state primary**				
05/16	07:00	MBA Mortgage Applications (w/w)	MAY 11	--	--	-0.4
05/16	08:30	Building Permits (000s a.r.)	Apr	--	1347	1379
05/16	08:30	Housing Starts (000s a.r.)	Apr	1300	1325	1319
05/16	08:30	Housing Starts (m/m)	Apr	-1.5	0.5	1.9
05/16	08:30	**Fed's Bostic to Give Economic Update**				
05/16	09:15	Capacity Utilization (%)	Apr	--	78.4	78.0
05/16	09:15	Industrial Production (m/m)	Apr	0.4	0.6	0.5
05/16	17:30	**Fed's Bullard Speaks to Media**				
05/17	08:30	Initial Jobless Claims (000s)	MAY 12	210	215	211
05/17	08:30	Continuing Claims (000s)	MAY 5	1780	1775	1790
05/17	08:30	Philadelphia Fed Index	May	22.0	21.0	23.2
05/17	10:00	Leading Indicators (m/m)	Apr	--	0.4	0.3
05/17	10:45	**Fed's Kashkari Speaks at Moderated Q&A in Minneapolis**				
05/17	13:30	**Fed's Kaplan Speaks in Moderated Q&A**				
05/18	03:00	**Fed's Mester Speaks at ECB on Macroprudential, Monetary Policy**				
05/18	09:15	**Fed's Kaplan Speaks in Moderated Q&A**				
05/18	09:15	**Fed's Brainard Speaks About Community Reinvestment Act**				

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Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks; Scott Ashton
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 05/07/2018
Date:	Monday, May 07, 2018 6:45:09 PM
Attachments:	OPG Weekly Indicative Spreads - May 7, 2018.xlsx Ontario Power Generation-May-7-2018.pdf estimates.pdf

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Good Evening,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

Scotiabank | Global Banking and Markets

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Bank Name	Scotiabank
Date	7-May-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-28	1-Mar-23	1-May-20				
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.75%				
Benchmark Yield	2.41%	2.33%	2.17%	1.92%	0.01%	0.02%	0.03%	0.03%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+165	+120	+95	+71	2	2	2	2
Re-Offered Yield	4.06%	3.53%	3.12%	2.63%	0.03%	0.04%	0.05%	0.05%
Commission (bp)	4.00	5.00	7.00	10.00	-	-	-	-
All-in Yield	**4.10%**	**3.58%**	**3.19%**	**2.73%**	**0.03%**	**0.04%**	**0.05%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A3/A(H))	+134	+98	+73	-	-1	1	1	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+/-/A(L))	+148	+111	+86	+67	3	3	2	2
EPCOR (A-/-/A(L))	+135	+99	+75	-	2	2	2	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-28
Benchmark Canada Bond Coupon	2.75%	2.00%
Benchmark Yield	2.40%	2.31%
Curve Adjustment (bp)	-	-
Spread to GoC Curve (bp)	+163	+118
Re-Offered Yield	4.03%	3.49%
Commission (bp)	4.00	5.00
All-in Yield	**4.07%**	**3.54%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A/A3/A(H))	+135	+97

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (BBB+/-/A(L))	+145	+108
EPCOR (A-/-/A(L))	+133	+97

Scotiabank
30-Apr-18

rent	
5-year	**2-year**
1-Mar-23	1-May-20
1.75%	1.75%
2.14%	1.89%
-	-
+93	+69
3.07%	2.58%
7.00	10.00
3.14%	**2.68%**

5-year	**2-year**
+72	-

5-year	**2-year**
+84	+65
+73	-

Indicative New Issue Spreads

Monday, May 07, 2018

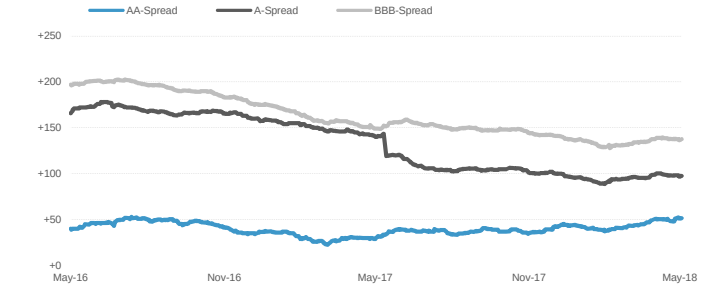
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.75% 1-May-20		1.75% 1-Mar-23		2.00% 1-Jun-28		2.75% 1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.92%	0.03%	2.17%	0.03%	2.33%	0.02%	2.41%	0.01%
Indicative Spread	**+71**	2	**+95**	2	**+120**	2	**+165**	2
Indicative Re-offer Yield	2.63%	0.05%	3.12%	0.05%	3.53%	0.04%	4.06%	0.03%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.73%		3.19%		3.58%		4.10%	
All-in Spread to GoC curve (bp)	+81		+102		+125		+169	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
1-May	Ford Credit Canada	BBB/BBB/Baa2	$1,250M	2.6 / 5	+75 / +155
1-May	CIBC	AA/A+/A1	$900M	1.0	+12
3-May	Mosaic Transit Partners	Baa2	$181M	20 / 35	+176 / +205

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+71**	2	**+95**	2	**+120**	2	**+165**	2
Hydro One	A(H)/A3/A	-		+73	1	+98	1	+134	-1
Nova Scotia Power	A(L)/-/BBB+	+67	2	+86	2	+111	3	+148	3
EPCOR	A(L)/-/A-	-		+75	2	+99	2	+135	2

DEX UNIVERSE SPREADS



MARKET COMMENTARY

A somewhat muted week for new issue supply, with just 3 issuers coming to market, raising a combined $2.3B. Ford Credit Canada printed $1.25B in a dual-tranche transaction which represented the issuer's largest ever Canadian offering. Mosaic Transit Partners issued $181MM of amortizers to finance the construction of the Finch West LRT in Toronto, while CIBC printed a 1 year FRN, raising $900MM. Tone in secondary was somewhat weaker, with spreads moving out generally 3-5bps on active flows. The FOMC rate decision Wednesday had little impact on markets, with the Fed holding rates unchanged as expected, but pointing towards a hike at the June meeting (97% probability currently priced in). Non-farm payroll data on Friday came in slightly weaker than expected, but also failed to create any substantial market noise. Looking ahead to this week, a number of corporate issuers will come out of blackout periods, with bank earnings two weeks away. We will also get Canadian jobs data on Friday, which will influence the Bank of Canada's rate decision at its upcoming meeting at the end of the month (currently 37% probability of a hike priced in). As of week end, 2018YTD new issue supply totals $47.1B, up 16% YoY.

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Estimates for the week of May 7 – 11

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
05/07	04:00	Bank of Canada Deputy Governor Speaks at Event in Portugal				
05/08	08:15	Housing Starts (000s a.r.)	Apr	210.0	220.0	225.2
05/07	15:00	Bank of Canada's Tim Lane Speaks on a Panel in Portugal				
05/09	08:30	Building Permits (m/m)	Mar	--	--	-2.6
05/09	17:15	Bank of Canada's Filipe Dinis Speaks on Cyber Security				
05/10	08:30	New Housing Price Index (m/m)	Mar	--	0.0	-0.2
05/11	08:30	Employment (000s m/m)	Apr	25.0	19.3	32.3
05/11	08:30	Unemployment Rate (%)	Apr	5.8	5.8	5.8
05/11	09:00	Bank of Canada's Wilkins Speaks at Women's Forum Canada				

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
05/06	19:00	Fed's Quarles Speaks at Atlanta Fed's Financial Conference				
05/07	15:00	Consumer Credit (US$ bn m/m)	Mar	--	16.0	10.6
05/07	08:25	Fed's Bostic Makes Welcome at Financial Markets Conference				
05/07	14:00	Fed's Barkin Speaks in Moderated Q&A at GMU				
05/07	15:30	Fed's Kaplan Speaks on Panel at Financial Conference				
05/07	15:30	Fed's Evans Speaks At Atlanta Fed Financial Markets Conference				
05/08	03:15	Fed's Powell to Speak at SNB/IMF Event in Zurich				
05/08	10:00	JOLTS Job Openings (000s)	Mar	--	6100	6052
05/08		Indiana state primary				
05/08		North Carolina state primary				
05/08		Ohio state primary				
05/08		West Virginia state primary				
05/08		President Donald Trump's Schedule				
05/09	07:00	MBA Mortgage Applications (w/w)	MAY 4	--	--	-2.5
05/09	08:30	PPI (m/m)	Apr	0.2	0.2	0.3
05/09	08:30	PPI ex. Food & Energy (m/m)	Apr	0.2	0.2	0.3
05/09	10:00	Wholesale Inventories (m/m)	Mar F	--	0.6	0.5
05/09	13:15	Fed's Bostic Speaks on Economic Outlook and Monetary Policy				
05/10	08:30	CPI (m/m)	Apr	0.3	0.3	-0.1
05/10	08:30	CPI (y/y)	Apr	2.5	2.5	2.4
05/10	08:30	CPI (index)	Apr	--	251	250
05/10	08:30	CPI ex. Food & Energy (m/m)	Apr	0.2	0.2	0.2
05/10	08:30	CPI ex. Food & Energy (y/y)	Apr	2.2	2.2	2.1
05/10	08:30	Initial Jobless Claims (000s)	MAY 5	215	220	211
05/10	08:30	Continuing Claims (000s)	APR 28	1800	1800	1756
05/10	14:00	Treasury Budget (US$ bn)	Apr	--	-5	-209
05/11	08:30	Export Prices (m/m)	Apr	--	0.5	0.0
05/11	08:30	Import Prices (m/m)	Apr	--	0.5	0.0
05/11	10:00	U. of Michigan Consumer Sentiment	May P	98.0	98.3	98.8

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Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks; Scott Ashton
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 04/30/2018
Date:	Monday, April 30, 2018 4:49:28 PM
Attachments:	OPG Weekly Indicative Spreads - April 30, 2018.xlsx Ontario Power Generation-Apr-30-2018.pdf estimates.pdf

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Please find attached our indicative new issue spreads.

Thanks,

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Bank Name	Scotiabank
Date	30-Apr-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-28	1-Mar-23	1-May-20				
Benchmark Canada Bond Coupon	2.75%	2.00%	1.75%	1.75%				
Benchmark Yield	2.40%	2.31%	2.14%	1.89%	-0.04%	-0.06%	-0.05%	-0.03%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+163	+118	+93	+69	-	-	-	-
Re-Offered Yield	4.03%	3.49%	3.07%	2.58%	-0.04%	-0.06%	-0.05%	-0.03%
Commission (bp)	4.00	5.00	7.00	10.00	-	-	-	-
All-in Yield	**4.07%**	**3.54%**	**3.14%**	**2.68%**	**-0.04%**	**-0.06%**	**-0.05%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A3/A(H))	+135	+97	+72	-	-	-1	1	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+/-/A(L))	+145	+108	+84	+65	-	-	1	1
EPCOR (A-/-/A(L))	+133	+97	+73	-	1	-	1	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27
Benchmark Canada Bond Coupon	2.75%	1.00%
Benchmark Yield	2.44%	2.37%
Curve Adjustment (bp)	-	-
Spread to GoC Curve (bp)	+163	+118
Re-Offered Yield	4.07%	3.55%
Commission (bp)	4.00	5.00
All-in Yield	**4.11%**	**3.60%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A/A3/A(H))	+135	+98

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (BBB+/-/A(L))	+145	+108
EPCOR (A-/-/A(L))	+132	+97

Scotiabank
23-Apr-18

rent	
5-year	**2-year**
1-Mar-23	1-May-20
1.75%	1.75%
2.19%	1.92%
-	-
+93	+69
3.12%	2.61%
7.00	10.00
3.19%	**2.71%**

5-year	**2-year**
+71	-

5-year	**2-year**
+83	+64
+72	-

Indicative New Issue Spreads

Monday, April 30, 2018

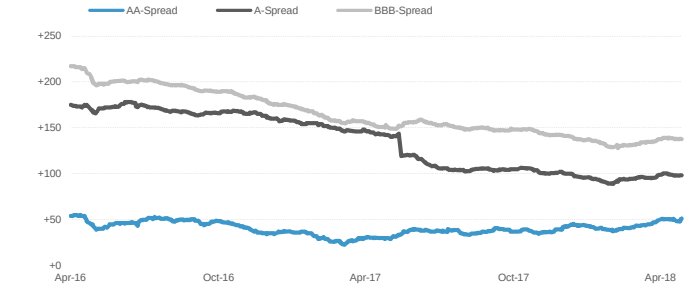
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.75% 1-May-20		1.75% 1-Mar-23		2.00% 1-Jun-28		2.75% 1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.89%	-0.03%	2.14%	-0.05%	2.31%	-0.06%	2.40%	-0.04%
Indicative Spread	**+69**	0	**+93**	0	**+118**	0	**+163**	0
Indicative Re-offer Yield	2.58%	-0.03%	3.07%	-0.05%	3.49%	-0.06%	4.03%	-0.04%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.68%		3.14%		3.54%		4.07%	
All-in Spread to GoC curve (bp)	+79		+100		+123		+167	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
26-Apr	Royal Bank of Canada	AA/AA-/A1	$2,000M	5.0	+77
23-Apr	Canadian Western Bank	A(L)	$250M	3.4	+99
26-Apr	Coast Capital Savings Credit Union	BBB	$200M	10NC5	+282
24-Apr	WTH Car Rental ULC	AAA	$150M	5.0	+110
25-Apr	Chartwell Retirement Residences	BBB(L)	$150M	7.0	+190

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+69**	0	**+93**	0	**+118**	0	**+163**	0
Hydro One	A(H)/A3/A	-		+72	1	+97	-1	+135	0
Nova Scotia Power	A(L)/-/BBB+	+65	1	+84	1	+108	0	+145	0
EPCOR	A(L)/-/A-	-		+73	1	+97	0	+133	1

DEX UNIVERSE SPREADS



MARKET COMMENTARY

Supply was dominated by financials last week, with $2.6B of the $2.75B priced originating from the sector. To that end, RBC priced a $2B 5 year deposit note just before entering into blackout. On the back of its cross-country roadshow, Coast Capital printed its debt IPO via $200MM 10NC5 sub notes. The lone non-financial corporate to issue was Chartwell Retirement Residences, who came to market with $150MM 7 year notes. We could see additional supply this week given tone has remained stable over the past few sessions, and several corporate issuers are set to exit blackout periods. BMW Canada announced a mandate for a $500MM ABS transaction that is expected to launch and price early this week. Market participants will also be watching the FOMC Wednesday for further clues that a June hike remains the likely scenario (only a 6% probability of a hike is priced in for this week vs. 97% for the June meeting). At week end, 2018YTD supply totaled $44.6B, up 18% YoY.

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Estimates for the week of April 30 – May 4

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
04/30	08:30	IPPI (m/m)	Mar	--	--	0.1
04/30	08:30	Raw Materials Price Index (m/m)	Mar	--	--	-0.3
05/01	08:30	Real GDP (m/m)	Feb	0.4	0.3	-0.1
05/01	14:30	Bank of Canada's Poloz Gives Speech in Yellowknife				
05/03	08:30	Merchandise Trade Balance (C$ bn)	Mar	-2.5	--	-2.7

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
04/30	08:30	PCE Deflator (m/m)	Mar	0.0	0.0	0.2
04/30	08:30	PCE Deflator (y/y)	Mar	2.1	2.1	1.8
04/30	08:30	PCE ex. Food & Energy (m/m)	Mar	0.2	0.2	0.2
04/30	08:30	PCE ex. Food & Energy (y/y)	Mar	2.0	2.0	1.6
04/30	08:30	Personal Spending (m/m)	Mar	0.3	0.4	0.2
04/30	08:30	Personal Income (m/m)	Mar	0.4	0.4	0.4
04/30	09:45	Chicago PMI	Apr	--	58.0	57.4
04/30	10:00	Pending Home Sales (m/m)	Mar	--	0.5	3.1
04/30	10:30	Dallas Fed. Manufacturing Activity	Apr	--	25.0	21.4
05/01	10:00	Construction Spending (m/m)	Mar	0.3	0.5	0.1
05/01	10:00	ISM Manufacturing Index	Apr	58.0	58.5	59.3
05/01		Domestic Vehicle Sales (mn a.r.)	Apr	--	13.4	13.4
05/01		Total Vehicle Sales (mn a.r.)	Apr	17.1	17.2	17.4
05/02	07:00	MBA Mortgage Applications (w/w)	APR 27	--	--	-0.2
05/02	08:15	ADP Employment Report (000s m/m)	Apr	200.0	192.5	241.1
05/02	14:00	**FOMC Interest Rate Meeting (%)**	**May 2**	**1.75**	**1.75**	**1.75**
05/02		Treasury's Quarterly Refunding				
05/03	08:30	Initial Jobless Claims (000s)	APR 28	225	--	209
05/03	08:30	Continuing Claims (000s)	APR 21	1840	--	1837
05/03	08:30	Productivity (q/q a.r.)	1Q P	0.8	0.9	0.0
05/03	08:30	Trade Balance (US$ bn)	Mar	-55.6	-55.6	-57.6
05/03	08:30	Unit Labor Costs (q/q a.r.)	1Q P	3.0	3.0	2.5
05/03	10:00	Factory Orders (m/m)	Mar	1.7	1.3	1.2
05/03	10:00	ISM Non-Manufacturing Composite	Apr	58.0	58.0	58.8
05/04	08:30	Nonfarm Employment Report (000s m/m)	Apr	210.0	185	103
05/04	08:30	Unemployment Rate (%)	Apr	4.0	4.0	4.1
05/04	08:30	Household Employment Report (000s m/m)	Apr	--	--	-37.0
05/04	08:30	Average Hourly Earnings (m/m)	Apr	0.2	0.2	0.3
05/04	08:30	Average Hourly Earnings (y/y)	Apr	2.7	2.7	2.7
05/04	08:30	Average Weekly Hours	Apr	--	34.5	34.5
05/04	12:00	Fed's Dudley Speaks with Bloomberg's Matthew Winkler				
05/04	17:30	Quarles Speaks on Liquidity Regulation and Fed's Balance Sheet				
05/04	20:00	Fed's Kaplan Speaks at Conference on Currencies and Capital				

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Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks; Scott Ashton
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 04/23/2018
Date:	Monday, April 23, 2018 6:43:17 PM
Attachments:	OPG Weekly Indicative Spreads - April 23, 2018.xlsx Ontario Power Generation-Apr-23-2018.pdf estimates.pdf

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Good Evening,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

_____

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Bank Name	Scotiabank
Date	23-Apr-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-May-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.75%				
Benchmark Yield	2.44%	2.37%	2.19%	1.92%	0.07%	0.08%	0.06%	-0.00%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+163	+118	+93	+69	-2	-2	-2	-2
Re-Offered Yield	4.07%	3.55%	3.12%	2.61%	0.05%	0.06%	0.04%	-0.02%
Commission (bp)	4.00	5.00	7.00	10.00	-	-	-	-
All-in Yield	**4.11%**	**3.60%**	**3.19%**	**2.71%**	**0.05%**	**0.06%**	**0.04%**	**-0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A3/A(H))	+135	+98	+71	-	-3	-1	-1	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+/-/A(L))	+145	+108	+83	+64	-3	-2	-2	-2
EPCOR (A-/-/A(L))	+132	+97	+72	-	-2	-2	-2	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27
Benchmark Canada Bond Coupon	2.75%	1.00%
Benchmark Yield	2.37%	2.29%
Curve Adjustment (bp)	-	-
Spread to GoC Curve (bp)	+165	+120
Re-Offered Yield	4.02%	3.49%
Commission (bp)	4.00	5.00
All-in Yield	**4.06%**	**3.54%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A/A3/A(H))	+138	+99

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (BBB+/-/A(L))	+148	+110
EPCOR (A-/-/A(L))	+134	+99

Scotiabank
16-Apr-18

rent	
5-year	**2-year**
1-Mar-23	1-Feb-20
1.75%	1.25%
2.13%	1.92%
-	-
+95	+71
3.08%	2.63%
7.00	10.00
3.15%	**2.73%**

5-year	**2-year**
+72	-

5-year	**2-year**
+85	+66
+74	-

Indicative New Issue Spreads

Monday, April 23, 2018

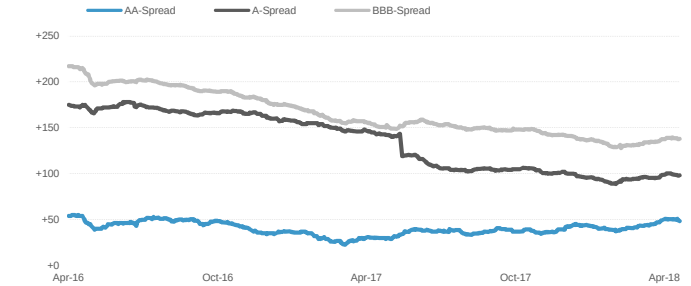
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.75% 1-May-20		1.75% 1-Mar-23		1.00% 1-Jun-27		2.75% 1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.92%	0.00%	2.19%	0.06%	2.37%	0.08%	2.44%	0.07%
Indicative Spread	**+69**	-2	**+93**	-2	**+118**	-2	**+163**	-2
Indicative Re-offer Yield	2.61%	-0.02%	3.12%	0.04%	3.55%	0.06%	4.07%	0.05%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.71%		3.19%		3.60%		4.11%	
All-in Spread to GoC curve (bp)	+79		+100		+123		+167	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
17-Apr	Bank of America	A/A-/A3	$1,500M	4NC3 / 6NC5	+52 / +117
17-Apr	MBARC Credit Canada Inc.	AAA/Aaa	$523M	Various	Various
19-Apr	Fair Hydro Trust	AAA/Aa2	$400M	20.0	+107
17-Apr	CNH Capital Canada Inc.	AAA/Aaa	$399M	Various	Various
17-Apr	Kruger Products L.P.	BB(L)	$125M	7NC3	+379

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+69**	-2	**+93**	-2	**+118**	-2	**+163**	-2
Hydro One	A(H)/A3/A	-		+71	-1	+98	-1	+135	-3
Nova Scotia Power	A(L)/-/BBB+	+64	-2	+83	-2	+108	-2	+145	-3
EPCOR	A(L)/-/A-	-		+72	-2	+97	-2	+132	-2

DEX UNIVERSE SPREADS



MARKET COMMENTARY

Another active week in the Canadian market, with five issuers tapping the market for a combined $2.9B. Supply was concentrated in the financial space, highlighted by Bank of America's dual-tranche jumbo $1.5B Maple, alongside a number of securitization deals, including Fair Hydro's second foray into the debt market. The lone non-financial transaction was Kruger Products' $125MM 7NC3 offering which marked the issuer's first deal since 2011. Market tone remained firm throughout the week, leading to spreads improving a handful of bps across sectors. The Bank of Canada left rates unchanged as expected alongside a moderately hawkish bias, pointing to future hikes later in the year. BNS was active south of the border with a $2B 3 year offering, alongside many of the U.S. banks, which accessed the market after exiting blackout periods. Corporate issuance may begin to pick up this week as several issuers are set to report Q1 earnings. As of week end, 2018YTD issuance totals $41.9B, up 20% vs. last year's record pace.

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CENTRAL BANK PLAYOFFS

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- Events Calendar A5
- Global Central Bank Watch A6

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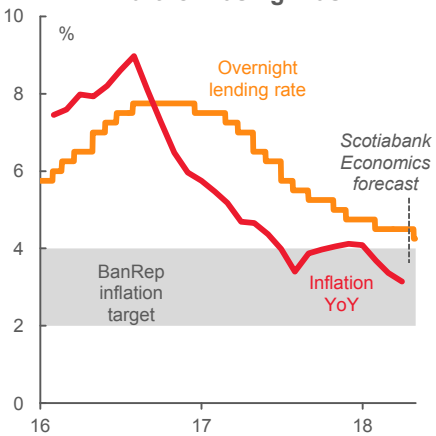
Next Week's Risk Dashboard

- CBs: ECB, BoJ…
- … Riksbank, Colombia, Russia, Turkey
- US, CDN earnings
- GDP: US, UK, France, Spain
- CPI: Australia, France, Spain
- Eurozone surveys
- Mexican Presidential debate
- BoC's Poloz
- US: investment, housing, wages, confidence
- Chinese profits

Chart of the Week

Further Easing Bias?



Sources: Scotiabank Economics, Bloomberg.

Chart of the Week: Prepared by: Raffi Ghazarian, Senior Research Analyst.

Central Bank Playoffs

UNITED STATES — NUTS AND BOLTS

Earnings and data risk should dominate the calendar over the coming week. In this regard, the focus returns to good old nuts and bolts fundamentals. IMF and World Bank meetings also wrap up in Washington this weekend.

Earnings reports from 178 S&P500 firms will arrive over the coming week with a particular emphasis upon tech stocks although the earnings season fans out from the initial focus upon financials. Names will include Alphabet, Whirlpool, Xerox, Coca-Cola, 3M, Caterpillar, Lockheed Martin, Visa, AT&T, Facebook, eBay, Ford, Pepsi, Time Warner, UPS, GM, Intel, Amazon, Microsoft and Starbucks.

Data risk will include the following:

1. Q1 GDP (Friday): Growth of 2.2% is forecast. The Atlanta Fed 'nowcasts' Q1 growth of 2% compared to the NY Fed's 'nowcast' estimate of 2.7% and the St. Louis Fed's 'nowcast' estimate of 3.4%. Soft growth in consumer spending during Q1 explains much of the Q1 GDP softening. Softer Q1 GDP growth this year has nothing to do with residual seasonality in the GDP accounts that can often plague Q1 each year. As chart 1 depicts, consumer spending in Q1 doesn't usually underperform the rest of the year and therefore isn't typically the culprit for soft Q1 GDP growth, though it happens to be this year. A stronger picture for consumer spending is likely into Q2 as income growth partially stemming from tax reforms and associated distributions is realized and spent and transitory distortions like more adverse weather than normal in parts of the country shake out.

2. Investment (Thursday): A rise in Boeing aircraft orders from 30 in February to 197 in March should benefit headline durable goods orders but the bigger issue is whether the strong rise in core orders ex-air and defense during February was a flash in the pan against a previously weakening trend since September, or the start of a sustainable investment rebound as captured through GDP accounts. The improvement in the quarterly growth trend of the core order book has so far stumbled somewhat into 2018 (chart 2).

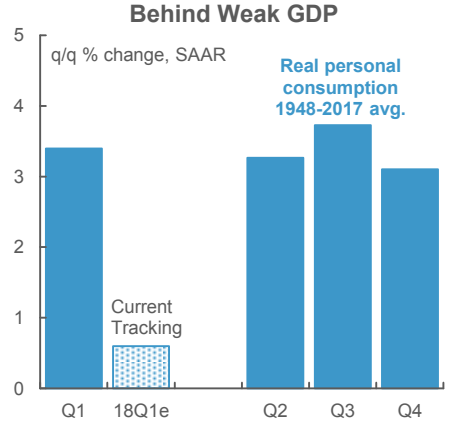
3. Housing: The sales side of the picture is up for a complete update with March prints for home resales (Monday) and new home sales (Tuesday) plus the February reading for the S&P et al measure of repeat sales home prices (Tuesday) all on tap. Both sales measures are seeking to establish a trend in the wake of distortions like the Tax Cuts and Jobs Act and weather. The TCJA lowered the ceiling on mortgage interest deductibility and eliminated HELOCs interest deductibility for which sales appear to have paid a price in addition to the effects of higher mortgage rates.

4. Labour costs (Friday): The employment costs for civilian workers measure has been gently rising over the past year but entirely on the benefits side of the picture. The wages component has been steady and is expected to remain so in the Q1 update. It is among several measures of labour cost pressures that the Fed considers (chart 3).

5. Consumer confidence: The Conference Board's measure (Tuesday) is expected to remain around the highest levels since 2000.

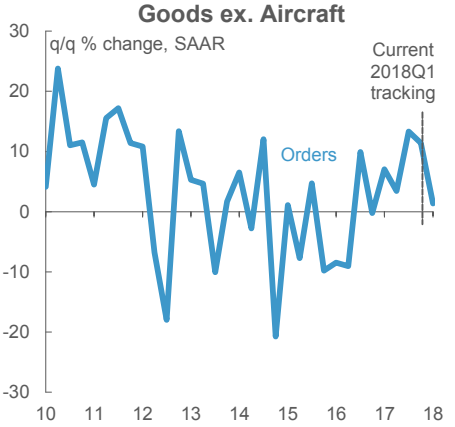
The US auctions two year floating rate notes and 2s, 5s and 7s.

Chart 1 **Soft Q1 US Consumption is not a Seasonal Distortion Behind Weak GDP**



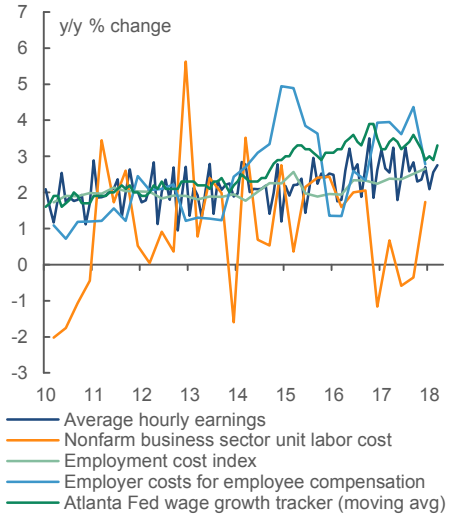
Sources: Scotiabank Economics, BEA.

Chart 2 **US Non-Defence Capital Goods ex. Aircraft**



Source: Scotiabank Economics, US Census Bureau.

Chart 3 **Muted US Wage Growth**



Sources: Scotiabank Economics, BLS, Federal Reserve Bank of Atlanta.

CANADA — SELL IN MAY?

Canada should settle down over the coming week with relatively little on the docket compared to the recent past. Bank of Canada testimony, earnings reports and very limited data risk will marginally inform market tone across asset classes.

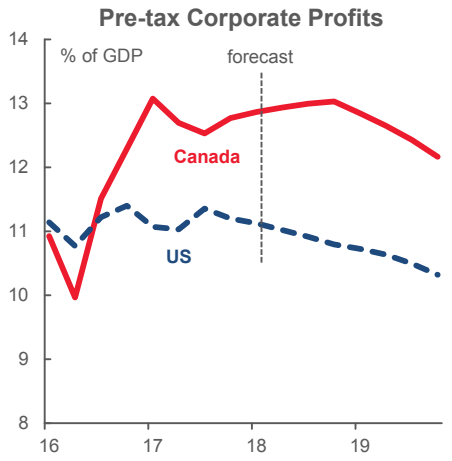
The latest NAFTA guidance from named Mexican and from anonymous US officials points toward momentum for a handshake deal sometime during the first half of May albeit that this guidance has been perennially pushed out to date. The timeframe is tightening, however, given the requirement for the current US Congress to have 6½ months to review the agreement. Regardless, there is unlikely to be a major development on this front over the coming week but if anything arises then pay particular attention to progress—or lack thereof— on auto content negotiations.

BoC Governor Poloz and Senior Deputy Governor Wilkins testify on the outlook and monetary policy before the House of Commons Standing Committee on Finance on Monday afternoon at 3:30pmET. An opening statement is likely to repeat the broad strokes of recent BoC communications that were assessed here.

One question I'd ask would be: what are the criteria that the BoC is searching for in deciding when to hike next? Of course they wouldn't answer by way of what specific readings they are looking for, but broadly speaking is there an overall combination of data-dependent outcomes for growth, inflation and wages that would skew the possible decision toward hiking next month, or at the next meeting on July 11th or later? It's at least worth a shot, though central bankers are schooled in the art of dodging such questions, except when they don't… The issue is of particular relevance on the path to the May 30th BoC meeting given that recent communications stated that "We will be monitoring the data for the second quarter very closely in the weeks ahead" as it anticipates a "strong" Q2 rebound. A May hike remains possible but the likely criteria will include a combination of stronger activity readings and at least holding firm on wage and price evidence which is so far happening (here).

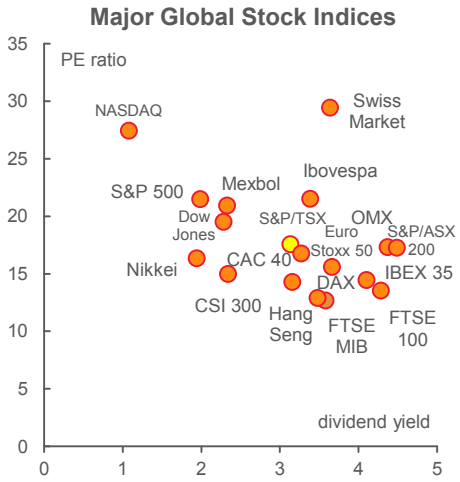
Other possible questions to the Governor could include explaining why the MPR seemed more positive on investment than the Governor was in his press conference and ensuing media interviews later in the day. Does the Governor subscribe more to what the MPR said or his guidance thereafter? Also querying the Governor on whether he still believes the economy is 50% more interest sensitive today than in the past and how this estimate was derived would be useful.

Chart 4



Sources: Scotiabank Economics, BEA, Statistics Canada .

Chart 5



Sources: Scotiabank Economics, Bloomberg.

Data risk will be confined to just Monday's wholesale trade figures for February. Traders usually yawn at the print if they even notice it. The only significance lies in terms of updated growth-tracking given a small 6% weight in GDP. February GDP lands on May 1st. So far, I'm tracking about a 0.4% m/m rise that would be the strongest print in three months pending wholesale. The catalysts include a 0.6% m/m rise in hours worked, given that GDP equals hours worked times labour productivity itself defined as output per hour worked. Also, manufacturing shipment volumes were up 2% m/m, housing starts rose 6.7% and retail sales volumes increased by 0.3%. Export volumes were up 0.6% m/m which may reflect gains in export-intensive sectors that could flow through GDP, and import volumes were up 1.9% m/m which may signal demand-pull strength in import-related activities (such as wholesalers). Transitory growth headwinds that dragged down January's GDP (-0.1%) are expected to reverse and easily add a tenth or two to GDP growth. Recall that mining, quarrying, oil and gas extraction fell by 2.7% m/m in January significantly due to unscheduled maintenance shutdowns that resulted in a 7.1% plunge in non-conventional oil extraction. There were also rail transportation issues that impeded the movement of grains and hit agricultural sector GDP.

Thirty-seven TSX-listed firms release earnings reports over the coming week including Barrick Gold and several other gold plays, CN, Metro, West Fraser and TransCanada. Canada's pre-tax profit cycle scaled to the economy is on somewhat stronger foundations than stateside but the US market is more richly priced (charts 4, 5). The TSX dividend yield is approaching 3%—a full point above the S&P500 and nearly triple that of the Nasdaq—and TSX multiples remain considerably lower.

Canada holds a ten year auction on Wednesday.

LATIN AMERICA — IT'S LOPEZ'S ELECTION TO LOSE

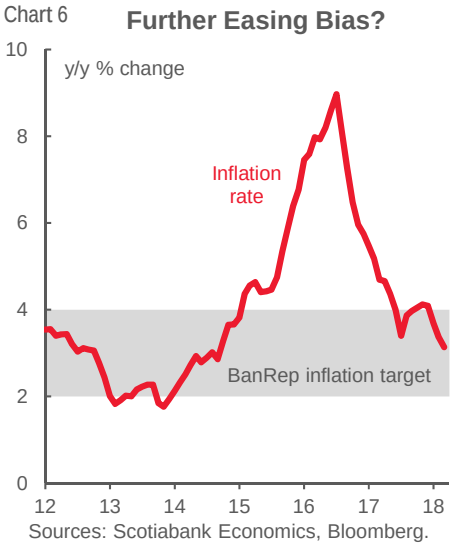
An expected rate cut in Colombia and Mexican politics will dominate regional market influences over the coming week.

Banrep is expected to cut its overnight lending rate by at least 25bps again on Friday. That would bring cumulative easing to 350bps since the end of 2016 and set a new low since August 2014. As chart 6 depicts, Colombian inflation is back within the central bank's policy target range of 2–4%. Finance Minister Cardenas—who sits on BanRep's board—recently stated "There's space for cutting the rate. I think a consensus is being formed about it. So I haven't made up my mind on whether I will suggest 25 or 50, it depends on the data we're seeing."

The first Presidential candidates' debate in Mexico occurs this Sunday. The election is Andres Manuel Lopez Obrador's to lose given the leftist candidate is presently polling about half of voter support (chart 7). Perceptions of relative performance may inform peso positioning into the start of the week.

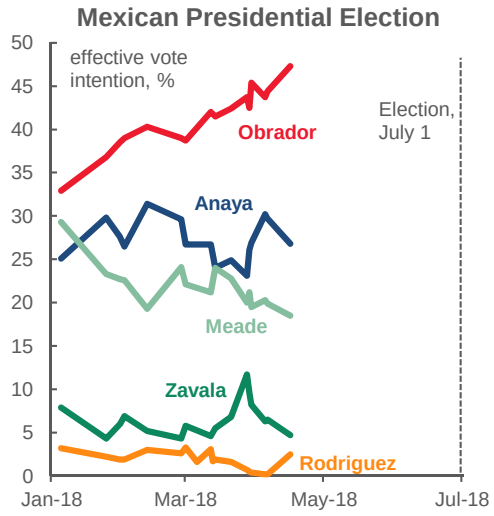
Minutes to the April 12th Banxico meeting (Thursday) at which the central bank held the policy rate at 7.5%, Mexican retail sales (Wednesday) and the unemployment rate (Thursday) round out the Mexican focus over the coming week.

Chart 6



Sources: Scotiabank Economics, Bloomberg.

Chart 7



Source: Bloomberg Poll Tracker.

EUROPE — A BIG WEEK FOR FIVE CENTRAL BANKS

This will be a jam-packed week of European developments with a focus upon growth tracking, inflation updates and several central bank decisions.

First up will be four central bank decisions that may all present global and local market risks.

ECB (Thursday): No policy changes are expected and guidance on policy exits may not yet be forthcoming. Inflation revisions took Eurozone CPI down a tick to 1.3% y/y with core measures hovering around 1% or about half of the 'under 2%' inflation target. Trade tensions and the euro's nearly one-fifth appreciation versus the USD since the start of last year are weighing upon the outlook as solid recent growth begins to ease at the margin.

Riksbank (Thursday): After headline inflation returned to the 2% inflation target but inflation ex-energy remained at 1.5%, the Riksbank is unlikely to alter prior guidance for a hike to be delivered sometime over 2018H2. To date, the Riksbank projects the -0.5% repo rate to only become positive by 2019Q3.

Russia (Friday): An easing bias may be interrupted next Friday given the biting impact of western sanctions on Russia that have driven the ruble lower and raised exchange rate pass-through inflation risk. Bank of Russia's First Deputy Governor Ksenia Yudaeva recently remarked that "the probability of a reduction has declined" and "The trajectory of cuts in the key rate will be adjusted slightly upward. It will be reduced more slowly than we planned earlier."

Turkey (Wednesday): The surprise election call by President Erdogan for June 24th complicates monetary policy as the possibility of the Central Bank staying out of election headlines is confronted by market volatility that has driven the lira lower toward a record low versus the USD. The central bank may jump in to restore currency stability with a hike.

The ECB's bias will also be informed by top-shelf macro data. Another batch of **purchasing managers' indices** for April arrives on Monday. They have been weakening of late along with evidence of a global deceleration (chart 8). To what degree this means GDP growth is also weakening given historical correlations will be clearer when France and Spain release Q1 GDP growth estimates on Friday—the day after the ECB although it would have an advanced understanding of the estimate beforehand. The

Eurozone GDP add-up lands on May 2nd. The same logic applies to the first glimpses at Eurozone CPI in April when **France and Spain release their inflation readings** on the same day as GDP. Of tertiary importance relative to the rest will be updated consumer spending figures for March from France and Spain on Friday and Germany either by late week or into the next. Ditto for German IFO business confidence (Tuesday), German GfK consumer confidence (Thursday) and updated Eurozone confidence readings for April on Friday.

As for Bank of England watchers, the path to the May 10th meeting recently became murkier. Our UK economist/strategist Alan Clarke expects Friday's **GDP growth** to slow to 0.3–0.4% q/q at a seasonally adjusted but non-annualized rate in keeping with PMIs (chart 9). That would mean growth of around 1½% y/y. A downside disappointment could further reduce the market odds of a hike in May but the BoE could see through weather distortions. After core CPI inflation unexpectedly slipped to 2.3% y/y for the weakest reading since last March, the transitory influences of sterling's prior depreciation are shaking out. Adding to the intrigue is a recent BBC interview by BoE Governor Carney who lessened market expectations for a May hike by saying the May meeting will be conducted "conscious that there are other meetings" and that there would only be a few hikes possible in the years ahead. Scotia's UK-based economist/strategist Alan Clarke recently revised his forecast and now expects **the BoE to remain on hold in May.** Please see his note for further elaboration.

ASIA — KOMMUNICATION RISK

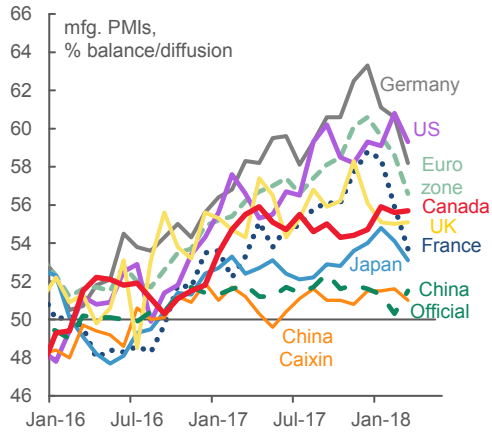
Bank of Japan and RBA watchers will have their appetites whetted by significant developments over the coming week in an otherwise light calendar by way of factors that could influence the global market tone. Ongoing US-China trade and investment tensions remain the wildcard risk into higher risk next month.

The Bank of Japan's latest policy pronouncements are not expected to present a shift in directions or guidance later in the week. Governor Kuroda sparked some market concern in early March when he remarked that 2019 could be the year for exiting policy stimulus and then dialed that back just days later when he said: "Right now it's too early to debate what tools we should use, and what kind of pace we should take. I said that we would be discussing how to move forward with exit. I never said we would be exiting immediately in fiscal 2019." Communications risk is the more likely source of market volatility than substantive changes in policy direction. It's difficult to envisage the scenarios that could motivate a move away from the "around zero" nominal 10 year bond target. Core inflation is still stuck around 1% y/y and hence at about half of the inflation target. The yen is still about 5% firmer versus the USD so far this year. Further, another sales tax increase is planned for October of next year and will likely dampen consumption while sparking transitory inflation and then renewed disinflation. The BoJ's rising share of the JGBs market (chart 10) is not at dysfunctional levels especially in light of the 'around zero' target that substitutes an option to buy as a dare to markets for tangible purchases.

Japan also updates retail sales, industrial output, housing starts and the jobless rate later in the week and all for March along with Tokyo CPI for April.

Chart 8

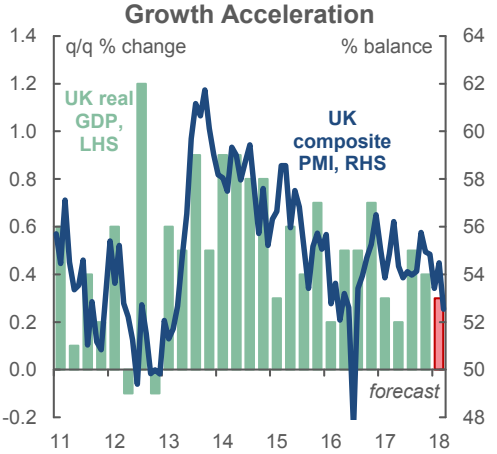
Global Manufacturing



Sources: Scotiabank Economics, Markit, Bloomberg, ISM.

Chart 9

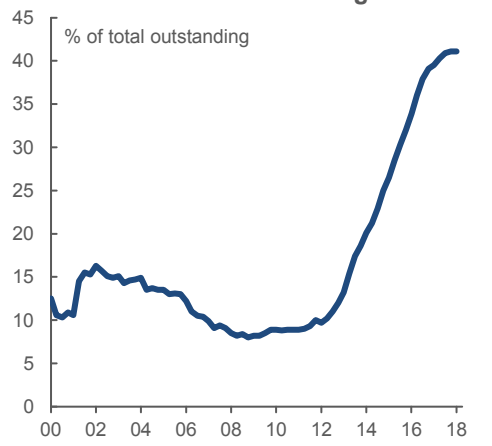
UK PMI Signalling No Growth Acceleration



Sources: Scotiabank Economics, Markit, Bloomberg.

Chart 10

Bank of Japan Government Bond & T-bill Holdings

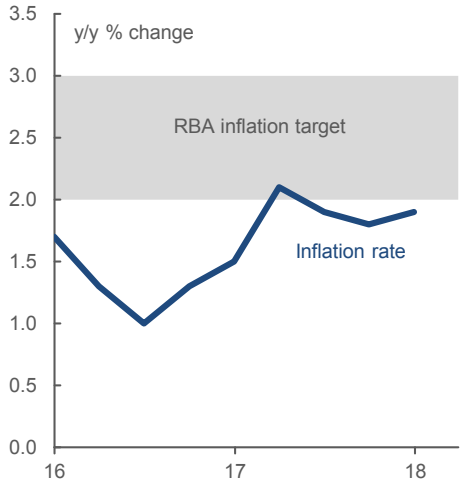


Sources: Scotiabank Economics, Bank of Japan.

Australian CPI (Monday) will be updated with the Q1 reading. Headline CPI is expected to hold at about 1.9% y/y. That lies just beneath the RBA's 2–3% inflation target range (chart 11). The trimmed mean CPI and weighted median CPI measures were at 1.8% and 2% in Q4 respectively with little change expected next week. This speech by Deputy Governor Guy Debelle on the RBA's experience with inflation targeting over time is worth a quick read for RBA watchers.

Chinese industrial profit growth will likely continue to ease when March figures arrive later in the week. The year-ago growth rate peaked at about 28% last September and now we're rebasing to the prior acceleration that makes incremental growth harder to come by as profit levels remain elevated. **GDP growth is expected to hover just beneath 3% in both South Korea (Wednesday evening eastern time) and Taiwan (Friday morning ET).**

Chart 11 **Still on Pause?**



Sources: Scotiabank Economics, Bloomberg.

Key Indicators for the week of April 23 – 27

NORTH AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	04/23	08:30	Wholesale Trade (m/m)	Feb	--	--	0.1
MX	04/23	09:00	Global Economic Indicator IGAE (y/y)	Feb	2.4	2.0	2.2
US	04/23	10:00	Existing Home Sales (mn a.r.)	Mar	5.55	5.55	5.54
US	04/23	10:00	Existing Home Sales (m/m)	Mar	0.2	0.2	3.0
MX	04/24	09:00	Bi-Weekly Core CPI (% change)	Apr 15	0.2	0.1	0.1
MX	04/24	09:00	Bi-Weekly CPI (% change)	Apr 15	-0.2	-0.3	0.0
US	04/24	09:00	S&P/Case-Shiller Home Price Index (m/m)	Feb	--	0.6	0.8
US	04/24	09:00	S&P/Case-Shiller Home Price Index (y/y)	Feb	6.3	6.3	6.4
US	04/24	10:00	Consumer Confidence Index	Apr	126.5	126.0	127.7
US	04/24	10:00	New Home Sales (000s a.r.)	Mar	630.0	626.5	618.0
US	04/24	10:00	Richmond Fed Manufacturing Index	Apr	--	16.0	15.0
US	04/25	07:00	MBA Mortgage Applications (w/w)	APR 20	--	--	4.9
MX	04/25	09:00	Retail Sales (INEGI) (y/y)	Feb	--	--	0.5
US	04/26	08:30	Durable Goods Orders (m/m)	Mar P	0.8	1.2	3.0
US	04/26	08:30	Durable Goods Orders ex. Trans. (m/m)	Mar P	0.4	0.4	1.0
US	04/26	08:30	Initial Jobless Claims (000s)	APR 21	235	--	232
US	04/26	08:30	Continuing Claims (000s)	APR 14	1850	--	1863
US	04/26	08:30	Wholesale Inventories (m/m)	Mar P	--	--	1.0
MX	04/26	09:00	Unemployment Rate (%)	Mar	3.7	--	3.2
US	04/27	08:30	Employment Cost Index (q/q)	1Q	--	0.7	0.6
US	04/27	08:30	GDP (q/q a.r.)	1Q A	2.2	2.0	2.9
US	04/27	08:30	GDP Deflator (q/q a.r.)	1Q A	--	2.2	2.3
MX	04/27	09:00	Trade Balance (US$ mn)	Mar	144.0	--	1062.4
US	04/27	10:00	U. of Michigan Consumer Sentiment	Apr F	--	98.0	97.8

EUROPE

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
FR	04/23	03:00	Manufacturing PMI	Apr P	--	53.5	53.7
FR	04/23	03:00	Services PMI	Apr P	--	56.5	56.9
GE	04/23	03:30	Manufacturing PMI	Apr P	--	57.5	58.2
GE	04/23	03:30	Services PMI	Apr P	--	53.7	53.9
EC	04/23	04:00	Composite PMI	Apr P	--	54.8	55.2
EC	04/23	04:00	Manufacturing PMI	Apr P	--	56.1	56.6
EC	04/23	04:00	Services PMI	Apr P	--	54.6	54.9
GE	04/24	04:00	IFO Business Climate Survey	Apr	--	102.8	103.2
GE	04/24	04:00	IFO Current Assessment Survey	Apr	--	106.0	106.5
GE	04/24	04:00	IFO Expectations Survey	Apr	--	99.5	100.1
UK	04/24	04:30	PSNB ex. Interventions (£ bn)	Mar	1.1	2.9	1.3
UK	04/24	04:30	Public Finances (PSNCR) (£ bn)	Mar	--	--	18.6
UK	04/24	04:30	Public Sector Net Borrowing (£ bn)	Mar	--	1.3	-0.3
TU	04/25	07:00	**Benchmark Repo Rate (%)**	**Apr 25**	**8.00**	**8.00**	**8.00**
GE	04/26	02:00	GfK Consumer Confidence Survey	May	--	10.8	10.9
SP	04/26	03:00	Unemployment Rate (%)	1Q	--	16.2	16.6
SW	04/26	03:30	**Riksbank Interest Rate (%)**	**Apr 26**	**-0.50**	**-0.50**	**-0.50**
SP	04/26	07:00	Budget Balance YTD (€ mn)	Mar	--	--	-10121
EC	04/26	07:45	**ECB Main Refinancing Rate (%)**	**Apr 26**	**0.00**	**0.00**	**0.00**
UK	04/26	19:01	GfK Consumer Confidence Survey	Apr	-5.0	-7.0	-7.0
FR	04/27	01:30	GDP (q/q)	1Q A	--	0.4	0.0
FR	04/27	02:45	Consumer Spending (m/m)	Mar	--	0.5	2.4
FR	04/27	02:45	CPI (m/m)	Apr P	--	0.1	1.0
FR	04/27	02:45	CPI (y/y)	Apr P	--	1.6	1.6
FR	04/27	02:45	CPI - EU Harmonized (m/m)	Apr P	--	0.1	1.1
FR	04/27	02:45	CPI - EU Harmonized (y/y)	Apr P	--	1.7	1.7
FR	04/27	02:45	Producer Prices (m/m)	Mar	--	--	0.1

Forecasts at time of publication.
Source: Bloomberg, Scotiabank Economics.

Key Indicators for the week of April 23 – 27

EUROPE *(continued from previous page)*

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
SP	04/27	03:00	CPI (m/m)	Apr P	--	1.1	0.1
SP	04/27	03:00	CPI (y/y)	Apr P	--	1.2	1.2
SP	04/27	03:00	CPI - EU Harmonized (m/m)	Apr P	--	0.8	1.2
SP	04/27	03:00	CPI - EU Harmonized (y/y)	Apr P	--	1.2	1.3
SP	04/27	03:00	Real GDP (q/q)	1Q P	--	0.7	0.7
SP	04/27	03:00	Real Retail Sales (y/y)	Mar	--	--	2.2
GE	04/27	03:55	Unemployment (000s)	Apr	--	-15.0	-19.0
GE	04/27	03:55	Unemployment Rate (%)	Apr	--	5.3	5.3
UK	04/27	04:30	GDP (q/q)	1Q A	0.3	0.3	0.4
UK	04/27	04:30	Index of Services (m/m)	Feb	0.0	0.1	0.2
EC	04/27	05:00	Business Climate Indicator	Apr	--	1.3	1.3
EC	04/27	05:00	Economic Confidence	Apr	--	112.0	112.6
EC	04/27	05:00	Industrial Confidence	Apr	--	5.9	6.4
RU	04/27	06:30	**One-Week Auction Rate (%)**	**Apr 27**	**7.25**	**7.25**	**7.25**

ASIA-PACIFIC

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
JN	04/22	20:30	Markit/JMMA Manufacturing PMI	Apr P	--	--	53.1
TH	04/22	23:00	Customs Exports (y/y)	Mar	--	5.9	10.3
TH	04/22	23:00	Customs Imports (y/y)	Mar	--	11.5	16.0
TH	04/22	23:00	Customs Trade Balance (US$ mn)	Mar	--	620.0	807.6
SI	04/23	01:00	CPI (y/y)	Mar	0.4	0.5	0.5
TA	04/23	04:00	Industrial Production (y/y)	Mar	--	2.1	-1.9
TA	04/23	04:00	Unemployment Rate (%)	Mar	3.7	3.7	3.7
HK	04/23	04:30	CPI (y/y)	Mar	2.6	2.6	3.1
AU	04/23	21:30	Consumer Prices (y/y)	1Q	2.0	2.0	1.9
JN	04/24	01:00	Coincident Index CI	Feb F	115.6	--	115.6
JN	04/24	01:00	Leading Index CI	Feb F	105.8	--	105.8
JN	04/24	01:00	Supermarket Sales (y/y)	Mar	--	--	1.3
JN	04/24	02:00	Machine Tool Orders (y/y)	Mar F	--	--	28.1
SK	04/24	17:00	Consumer Confidence Index	Apr	--	--	108.1
VN	APR 24-30		CPI (y/y)	Apr	--	3.2	2.7
VN	APR 24-30		Exports (y/y)	Apr	--	--	22.0
VN	APR 24-30		Imports (y/y)	Apr	--	--	13.6
VN	APR 24-30		Industrial Production (y/y)	Apr	--	--	8.7
JN	04/25	00:30	All Industry Activity Index (m/m)	Feb	--	0.5	-1.8
SK	04/25	19:00	GDP (y/y)	1Q P	2.8	2.9	2.8
SI	04/26	01:00	Industrial Production (y/y)	Mar	--	5.3	8.9
HK	04/26	04:30	Exports (y/y)	Mar	--	3.1	1.7
HK	04/26	04:30	Imports (y/y)	Mar	--	5.4	-3.2
HK	04/26	04:30	Trade Balance (HKD bn)	Mar	--	-51.0	-42.7
SK	04/26	17:00	Business Survey- Manufacturing	May	--	--	78.0
SK	04/26	17:00	Business Survey- Non-Manufacturing	May	--	--	80.0
NZ	04/26	18:00	ANZ Consumer Confidence Index	Apr	--	--	128.0
NZ	04/26	18:45	Trade Balance (NZD mn)	Mar	--	200.0	216.9
NZ	04/26	18:45	Exports (NZD bn)	Mar	--	5.0	4.5
NZ	04/26	18:45	Imports (NZD bn)	Mar	--	4.9	4.2
JN	04/26	19:30	Jobless Rate (%)	Mar	2.5	2.5	2.5
JN	04/26	19:30	Tokyo CPI (y/y)	Apr	--	0.8	1.0
JN	04/26	19:50	Industrial Production (m/m)	Mar P	--	0.5	2.0
JN	04/26	19:50	Large Retailers' Sales (y/y)	Mar	--	0.8	0.6
JN	04/26	19:50	Retail Trade (y/y)	Mar	--	1.5	1.7
JN	04/26	19:50	Industrial Production (y/y)	Mar P	--	2.0	1.6
AU	04/26	21:30	Producer Price Index (y/y)	1Q	--	--	1.7
CH	04/26	21:30	Industrial Profits YTD (y/y)	Mar	--	--	10.8
SI	04/26	22:30	Unemployment Rate (%)	1Q	2.1	2.1	2.1
JN	APR 26-27		**BoJ Policy Rate (%)**	**Apr 27**	**-0.10**	**--**	**-0.10**

Forecasts at time of publication.
Source: Bloomberg, Scotiabank Economics.

Key Indicators for the week of April 23 – 27

ASIA-PACIFIC *(continued from previous page)*

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
JN	04/27	00:00	Vehicle Production (y/y)	Mar	--	--	-0.1
JN	04/27	01:00	Housing Starts (y/y)	Mar	--	-4.8	-2.6
JN	04/27	01:00	Construction Orders (y/y)	Mar	--	--	19.2
TA	04/27	04:30	Real GDP (y/y)	1Q P	3.4	2.8	3.3

LATIN AMERICA

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
BZ	04/25	09:30	Current Account (US$ mn)	Mar	--	--	283.2
CO	04/27		**Overnight Lending Rate (%)**	**Apr 27**	**4.25**	**4.25**	**4.50**

Forecasts at time of publication.
Source: Bloomberg, Scotiabank Economics.

Global Auctions for the week of April 23 – 27

NORTH AMERICA

Country	Date	Time	Event
US	04/24	13:00	U.S. to Sell USD32 Bln 2-Year Notes
US	04/25	11:30	U.S. to Sell USD17 Bln 2-Year Floating Rate Notes
CA	04/25	12:00	Canada to Sell CAD2.3 Bln 2% 2028 Bonds
US	04/25	13:00	U.S. to Sell USD35 Bln 5-Year Notes
US	04/26	13:00	U.S. to Sell USD29 Bln 7-Year Notes

EUROPE

Country	Date	Time	Event
BE	04/23	05:30	Belgium to Sell OLO Bonds
NO	04/23	06:00	Bond Auction Offering
IT	04/24	05:00	Italy to Sell Up to 2 Billion Euros of 2020 Zero Bonds
IT	04/24	05:00	Italy to Sell 1.3% 2028 Linkers
IT	04/24	05:00	Italy to Sell 1.25% 2032 Linkers
GE	04/24	05:30	Germany to Sell EUR4 Bln 0% 2020 Bonds
UK	04/24	05:30	U.K. to Sell 750 Million Pounds of 0.125% 2048 Linkers
FI	04/24	06:00	Finland to Sell 0.5% 2027 Bonds
SW	04/26	05:03	Sweden to Sell I/L Bonds
IT	04/27	05:00	Italy to Sell Bonds

ASIA-PACIFIC

Country	Date	Time	Event
AU	04/22	21:00	Australia To Sell AUD500 Mln 3.25% 2029 Bonds
CH	04/23	02:00	Gansu to Sell CNY6.6 Bln 5Y Bonds
JN	04/23	23:45	Japan to Sell 2-Year Bonds
CH	04/24	22:35	China to Sell CNY29 Bln 1-Yr Upsized Bonds
CH	04/24	22:35	China to Sell CNY29 Bln 10-Yr Upsized Bonds
AU	04/26	21:00	Australia To Sell AUD500 Mln 2.25% 2022 Bonds

Source: Bloomberg, Scotiabank Economics.

Events for the week of April 23 – 27

NORTH AMERICA

Country	Date	Time	Event
MX	04/22		Round 1: Presidential Candidates Debate Takes Place in CDMX
CA	04/23	15:30	Bank of Canada's Poloz and Wilkins testify at House Committee
MX	04/26	10:00	Central Bank Monetary Policy Minutes

EUROPE

Country	Date	Time	Event
EC	04/23	10:00	ECB's Coeure Speaks in Frankfurt
SW	04/24	02:00	Swedish FSA Head Speaks About New Mortgage Models
FR	04/24	05:30	ECB's Villeroy Speaks in London
UK	04/24	06:35	BOE Chief Cashier Cleland Moderates Panel on Cash
UK	04/24	09:10	BOE's Woods Speaks on Global Regulation in London
EC	04/25	03:00	ECB's Villeroy, Knot, Lane Speak in Paris
GE	04/25	04:00	German government presents updated economic forecasts
TU	04/25	07:00	**Benchmark Repurchase Rate**
TU	04/25	07:00	Overnight Lending Rate
TU	04/25	07:00	Overnight Borrowing Rate
TU	04/25	07:00	Late Liquidity Lending Rate
SW	04/26	03:30	**Riksbank Interest Rate**
EC	04/26	07:45	**ECB Main Refinancing Rate**
EC	04/26	07:45	ECB Marginal Lending Facility
EC	04/26	07:45	ECB Deposit Facility Rate
FI	04/26	08:00	EU Trade Commissioner Malmstrom Visits Helsinki
EC	04/26	08:30	ECB President Draghi's Media Briefing After Policy Decision
EC	04/26	11:20	ECB's Nouy Speaks in Sofia
EC	04/27	01:45	ECB's Mersch Speaks in Sofia
SW	04/27	02:00	Riksbank's Skingsley in Panel Debate on E-krona
EC	04/27	02:45	ECB's Lautenschlaeger Speaks in Sofia
SZ	04/27	04:00	SNB's Jordan, Studer Speak at Central Bank's AGM in Bern
EC	04/27	04:00	ECB Survey of Professional Forecasters
EC	04/27	04:00	ECB's Mersch Speaks in Sofia
RU	04/27	06:30	**Key Rate**
GE	04/27		Germany Sovereign Debt to be rated by S&P
UK	04/27		United Kingdom Sovereign Debt to be rated by S&P
IT	04/27		Italy Sovereign Debt to be rated by S&P
UK	04/27		United Kingdom Sovereign Debt to be rated by Fitch

ASIA-PACIFIC

Country	Date	Time	Event
AU	04/23	18:00	RBA's Kent Gives Speech in Sydney
JN	APR 26-27		BOJ 10-Yr Yield Target
JN	APR 26-27		BOJ Outlook Report
JN	APR 26-27		**BOJ Policy Balance Rate**

LATIN AMERICA

Country	Date	Time	Event
CO	04/27		**Overnight Lending Rate**

Source: Bloomberg, Scotiabank Economics.

Global Central Bank Watch

NORTH AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Canada – Overnight Target Rate	1.25	May 30, 2018	1.25	1.38
Federal Reserve – Federal Funds Target Rate	1.75	May 2, 2018	1.75	1.75
Banco de México – Overnight Rate	7.50	May 17, 2018	7.50	--

EUROPE

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
European Central Bank – Refinancing Rate	0.00	April 26, 2018	0.00	0.00
Bank of England – Bank Rate	0.50	May 10, 2018	0.50	--
Swiss National Bank – Libor Target Rate	-0.75	June 21, 2018	-0.75	--
Central Bank of Russia – One-Week Auction Rate	7.25	April 27, 2018	7.25	7.25
Sweden Riksbank – Repo Rate	-0.50	April 26, 2018	-0.50	-0.50
Norges Bank – Deposit Rate	0.50	May 3, 2018	0.50	--
Central Bank of Turkey – Benchmark Repo Rate	8.00	April 25, 2018	8.00	8.00

ECB: No policy changes are expected and guidance on policy exits may not yet be forthcoming. Inflation revisions took Eurozone CPI down a tick to 1.3% y/y with core measures hovering around 1% or about half of the 'under 2%' inflation target. Trade tensions and the euro's nearly one-fifth appreciation versus the USD since the start of last year are weighing upon the outlook as solid recent growth begins to ease at the margin.
Riksbank: After headline inflation returned to the 2% inflation target but inflation ex-energy remained at 1.5%, the Riksbank is unlikely to alter prior guidance for a hike to be delivered sometime over 2018H2. To date, the Riksbank projects the -0.5% repo rate to only become positive by 2019Q3.
Russia: An easing bias may be interrupted next Friday given the biting impact of western sanctions on Russia that have driven the ruble lower and raised exchange rate pass-through inflation risk.
Turkey: The surprise election call for June 24th complicates monetary policy as the possibility of staying out of election headlines is confronted by market volatility that has driven the lira lower toward a record low versus the USD. The central bank may jump in to restore currency stability with a hike.

ASIA PACIFIC

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Bank of Japan – Policy Rate	-0.10	April 27, 2018	-0.10	--
Reserve Bank of Australia – Cash Target Rate	1.50	May 1, 2018	1.50	1.50
Reserve Bank of New Zealand – Cash Rate	1.75	May 9, 2018	1.75	1.75
People's Bank of China – Lending Rate	4.35	TBA	--	--
Reserve Bank of India – Repo Rate	6.00	June 6, 2018	6.00	--
Bank of Korea – Bank Rate	1.50	May 24, 2018	1.50	--
Bank of Thailand – Repo Rate	1.50	May 16, 2018	1.50	1.50
Bank Negara Malaysia – Overnight Policy Rate	3.25	May 10, 2018	3.25	--
Bank Indonesia – 7-Day Reverse Repo Rate	4.25	May 17, 2018	4.25	--

The Bank of Japan (BoJ) will hold a monetary policy meeting on April 27, likely leaving the policy stance unchanged given its firm commitment to reaching the 2% y/y inflation target. We estimate that Japan's headline inflation will close 2018 at 1.1% y/y. The planned hike in the consumption tax rate will take inflation above 2% in late 2019. Simultaneously, the tax rate hike will likely adversely impact domestic demand, requiring the BoJ to maintain its ultra-loose monetary policy stance through 2019.

LATIN AMERICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
Banco Central do Brasil – Selic Rate	6.50	May 16, 2018	6.50	--
Banco Central de Chile – Overnight Rate	2.50	May 3, 2018	2.50	--
Banco de la República de Colombia – Lending Rate	4.50	April 27, 2018	4.25	4.25
Banco Central de Reserva del Perú – Reference Rate	2.75	May 10, 2018	2.75	--

BanRep: We expect a 25bps rate cut with the small risk of 50. Finance Minister Cardenas - who sits on BanRep's board - recently stated "There's space for cutting the rate. I think a consensus is being formed about it. So I haven't made up my mind on whether I will suggest 25 or 50, it depends on the data we're seeing."

AFRICA

Rate	Current Rate	Next Meeting	Scotia's Forecasts	Consensus Forecasts
South African Reserve Bank – Repo Rate	6.50	May 24, 2018	6.50	--

Forecasts at time of publication.
Source: Bloomberg, Scotiabank Economics.

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Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks; Scott Ashton
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 04/16/2018
Date:	Monday, April 16, 2018 6:54:33 PM
Attachments:	OPG Weekly Indicative Spreads - April 16, 2018.xlsx Ontario Power Generation-Apr-16-2018.pdf estimates.pdf

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Good Evening,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

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Scotiabank | Global Banking and Markets

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Bank Name	Scotiabank
Date	16-Apr-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Feb-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.37%	2.29%	2.13%	1.92%	0.08%	0.13%	0.12%	0.09%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+165	+120	+95	+71	-5	-5	-5	-5
Re-Offered Yield	4.02%	3.49%	3.08%	2.63%	0.03%	0.08%	0.07%	0.04%
Commission (bp)	4.00	5.00	7.00	10.00	-	-	-	-
All-in Yield	**4.06%**	**3.54%**	**3.15%**	**2.73%**	**0.03%**	**0.08%**	**0.07%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A3/A(H))	+138	+99	+72	-	-3	-1	-1	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+/-/A(L))	+148	+110	+85	+66	-6	-	-	-
EPCOR (A-/-/A(L))	+134	+99	+74	-	-7	-	-	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27
Benchmark Canada Bond Coupon	2.75%	1.00%
Benchmark Yield	2.29%	2.16%
Curve Adjustment (bp)	-	-
Spread to GoC Curve (bp)	+170	+125
Re-Offered Yield	3.99%	3.41%
Commission (bp)	4.00	5.00
All-in Yield	**4.03%**	**3.46%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A/A3/A(H))	+141	+100

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (BBB+/-/A(L))	+154	+110
EPCOR (A-/-/A(L))	+141	+99

Scotiabank
9-Apr-18

rent	
5-year	**2-year**
1-Mar-23	1-Feb-20
1.75%	1.25%
2.01%	1.83%
-	-
+100	+76
3.01%	2.59%
7.00	10.00
3.08%	**2.69%**

5-year	**2-year**
+73	-

5-year	**2-year**
+85	+66
+74	-

Indicative New Issue Spreads

Monday, April 16, 2018

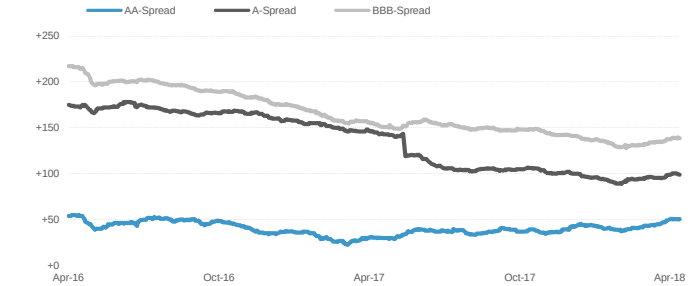
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.25% 1-Feb-20		1.75% 1-Mar-23		1.00% 1-Jun-27		2.75% 1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.92%	0.09%	2.13%	0.12%	2.29%	0.13%	2.37%	0.08%
Indicative Spread	**+71**	-5	**+95**	-5	**+120**	-5	**+165**	-5
Indicative Re-offer Yield	2.63%	0.04%	3.08%	0.07%	3.49%	0.08%	4.02%	0.03%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.73%		3.15%		3.54%		4.06%	
All-in Spread to GoC curve (bp)	+81		+102		+125		+169	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
9-Apr	Enbridge Inc.	BBB(L)/BBB-/Ba2	$750M	60.0	+443
11-Apr	CCL Industries Inc.	-/BBB/Baa2	$300M	10.0	+165
12-Apr	Bank of Nova Scotia	AA/A+/A1	$2,250M	5.0	+84

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+71**	-5	**+95**	-5	**+120**	-5	**+165**	-5
Hydro One	A(H)/A3/A	-		+72	-1	+99	-1	+138	-3
Nova Scotia Power	A(L)/-/BBB+	+66	0	+85	0	+110	0	+148	-6
EPCOR	A(L)/-/A-	-		+74	0	+99	0	+134	-7

DEX UNIVERSE SPREADS



MARKET COMMENTARY

It was a relatively active week in the Canadian debt capital markets as 3 issuers brought a total of $3.3B in supply. The Canadian market has seen ~$39B of issuance this year, placing us 20% ahead of last year's record pace. To kick off the week, Enbridge tapped the market with a $750MM 60NC10 at 6.625%, the first Canadian hybrid transaction of 2018. Following its successful roadshow, CCL Industries, rated BBB/Baa2, completed its inaugural offering of $300MM 10 year notes at CRV + 165bps. The deal was multiple times oversubscribed, with 55 buyers, and 5% late average fills. To wrap up the week, the Bank of Nova Scotia executed a $2.25B 5 year deposit note offering — the second largest deposit note to be issued in the Canadian market. The book reached over ~$4B of interest with 96 buyers, the second largest distribution in at least the past 5 years.

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Estimates for the week of April 9 – 13

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
04/09	08:15	Housing Starts (000s a.r.)	Mar	220.0	--	229.7
04/09	10:30	BoC Senior Loan Officer Survey	1Q	--	--	-6.4
04/09	10:30	Business Outlook Future Sales	1Q	--	--	8.0
04/10	08:30	Building Permits (m/m)	Feb	--	--	5.6
04/12	08:30	New Housing Price Index (m/m)	Feb	--	--	0.0
04/12	08:30	Teranet - National Bank HPI (y/y)	Mar	--	--	7.5
04/12		**Mark Carney speaks at Canada Growth Summit in Toronto**				
04/13	09:00	Existing Home Sales (m/m)	Mar	--	--	-6.5

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
04/10	04:30	**Fed's Kaplan Speaks in Beijing**				
04/10	08:30	PPI (m/m)	Mar	--	0.2	0.2
04/10	08:30	PPI ex. Food & Energy (m/m)	Mar	--	0.2	0.2
04/10	10:00	Wholesale Inventories (m/m)	Feb F	--	0.5	1.1
04/11	07:00	MBA Mortgage Applications (w/w)	APR 6	--	--	-3.3
04/11	08:30	CPI (m/m)	Mar	0.0	0.0	0.2
04/11	08:30	CPI (y/y)	Mar	2.3	2.3	2.2
04/11	08:30	CPI (index)	Mar	--	--	249.0
04/11	08:30	CPI ex. Food & Energy (m/m)	Mar	0.2	0.2	0.2
04/11	08:30	CPI ex. Food & Energy (y/y)	Mar	2.1	2.1	1.8
04/11	14:00	Treasury Budget (US$ bn)	Mar	--	--	49.2
04/11	14:00	**FOMC Meeting Minutes**				
04/12	08:30	Initial Jobless Claims (000s)	APR 7	235	--	215
04/12	08:30	Continuing Claims (000s)	MAR 31	1820	--	1871
04/12	08:30	Export Prices (m/m)	Mar	--	--	0.2
04/12	08:30	Import Prices (m/m)	Mar	--	0.1	0.4
04/12	17:00	**Fed's Kashkari Speaks in Moderated Q&A in Minneapolis**				
04/13	08:00	**Fed's Rosengren Speaks on Economic Outlook**				
04/13	09:00	**Fed's Bullard Speaks on Living Standards across U.S. Cities**				
04/13	10:00	JOLTS Job Openings (000s)	Feb	--	--	6312.0
04/13	10:00	U. of Michigan Consumer Sentiment	Apr P	101.5	101.3	101.4
04/13	13:00	**Fed's Kaplan Speaks in Odessa**				
04/13		**United States of America Sovereign Debt to Be Rated by Moody's**				

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Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks; Scott Ashton
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 04/09/2018
Date:	Monday, April 09, 2018 7:34:36 PM
Attachments:	OPG Weekly Indicative Spreads - April 9, 2018.xlsx Ontario Power Generation-Apr-9-2018.pdf estimates.pdf

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Good Evening,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

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Scotiabank | Global Banking and Markets

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Bank Name	Scotiabank
Date	9-Apr-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Feb-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.29%	2.16%	2.01%	1.83%	0.04%	0.02%	0.01%	0.02%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+170	+125	+100	+76	3	3	3	1
Re-Offered Yield	3.99%	3.41%	3.01%	2.59%	0.07%	0.05%	0.04%	0.03%
Commission (bp)	4.00	5.00	7.00	10.00	-	-	-	-
All-in Yield	**4.03%**	**3.46%**	**3.08%**	**2.69%**	**0.07%**	**0.05%**	**0.04%**	**0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A3/A(H))	+141	+100	+73	-	-2	-	-2	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+/-/A(L))	+154	+110	+85	+66	1	1	1	1
EPCOR (A-/-/A(L))	+141	+99	+74	-	-2	1	1	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27
Benchmark Canada Bond Coupon	2.75%	1.00%
Benchmark Yield	2.25%	2.14%
Curve Adjustment (bp)	-	-
Spread to GoC Curve (bp)	+167	+122
Re-Offered Yield	3.92%	3.36%
Commission (bp)	4.00	5.00
All-in Yield	**3.96%**	**3.41%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A/A3/A(H))	+143	+100

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (BBB+/-/A(L))	+153	+109
EPCOR (A-/-/A(L))	+143	+98

Scotiabank
2-Apr-18

rent	
5-year	**2-year**
1-Mar-23	1-Feb-20
1.75%	1.25%
2.00%	1.81%
-	-
+97	+75
2.97%	2.56%
7.00	10.00
3.04%	**2.66%**

5-year	**2-year**
+75	-

5-year	**2-year**
+84	+65
+73	-

Indicative New Issue Spreads

Monday, April 09, 2018

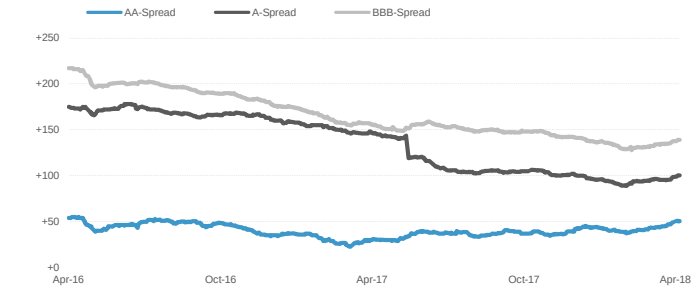
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.25% 1-Feb-20		1.75% 1-Mar-23		1.00% 1-Jun-27		2.75% 1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.83%	0.02%	2.01%	0.01%	2.16%	0.02%	2.29%	0.04%
Indicative Spread	**+76**	1	**+100**	3	**+125**	3	**+170**	3
Indicative Re-offer Yield	2.59%	0.03%	3.01%	0.04%	3.41%	0.05%	3.99%	0.07%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.69%		3.08%		3.46%		4.03%	
All-in Spread to GoC curve (bp)	+86		+107		+130		+174	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
5-Apr	John Deere Canada Funding Inc.	A/A/A2	$200M	3.5	+73
5-Apr	Laurentian Bank of Canada	A(L)/BBB/-	$100M	1.0	1MCDOR+25
6-Apr	Laurentian Bank of Canada	A(L)/BBB/-	$300M	2.5	3MCDOR+85

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+76**	1	**+100**	3	**+125**	3	**+170**	3
Hydro One	A(H)/A3/A	-		+73	-2	+100	0	+141	-2
Nova Scotia Power	A(L)/-/BBB+	+66	1	+85	1	+110	1	+154	1
EPCOR	A(L)/-/A-	-		+74	1	+99	1	+141	-2

DEX UNIVERSE SPREADS



MARKET COMMENTARY

3 issuers accessed the Canadian primary market, raising $600MM collectively. Laurentian Bank represented activity from the banks with two FRN transactions: a $100MM 1-yr FRN and a $300MM 2.5-yr FRN. John Deere was also active and executed a 3.5-yr $300MM transaction. A combination of stable market conditions (at the beginning of the year), general refinancing requirements, and favorable (relative) pricing in the C$ market have resulted in issuers looking at the Canadian market for their funding needs. In secondary market last week, spreads continued to drift wider amidst global market volatility, with both equity and credit indices ending on the back foot. Looking ahead to this week, U.S. CPI readings will pose key data risk on Friday. To date, 2018 supply totals ~$35B, up 17% YoY.

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Estimates for the week of April 9 – 13

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
04/09	08:15	Housing Starts (000s a.r.)	Mar	220.0	--	229.7
04/09	10:30	BoC Senior Loan Officer Survey	1Q	--	--	-6.4
04/09	10:30	Business Outlook Future Sales	1Q	--	--	8.0
04/10	08:30	Building Permits (m/m)	Feb	--	--	5.6
04/12	08:30	New Housing Price Index (m/m)	Feb	--	--	0.0
04/12	08:30	Teranet - National Bank HPI (y/y)	Mar	--	--	7.5
04/12		**Mark Carney speaks at Canada Growth Summit in Toronto**				
04/13	09:00	Existing Home Sales (m/m)	Mar	--	--	-6.5

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
04/10	04:30	**Fed's Kaplan Speaks in Beijing**				
04/10	08:30	PPI (m/m)	Mar	--	0.2	0.2
04/10	08:30	PPI ex. Food & Energy (m/m)	Mar	--	0.2	0.2
04/10	10:00	Wholesale Inventories (m/m)	Feb F	--	0.5	1.1
04/11	07:00	MBA Mortgage Applications (w/w)	APR 6	--	--	-3.3
04/11	08:30	CPI (m/m)	Mar	0.0	0.0	0.2
04/11	08:30	CPI (y/y)	Mar	2.3	2.3	2.2
04/11	08:30	CPI (index)	Mar	--	--	249.0
04/11	08:30	CPI ex. Food & Energy (m/m)	Mar	0.2	0.2	0.2
04/11	08:30	CPI ex. Food & Energy (y/y)	Mar	2.1	2.1	1.8
04/11	14:00	Treasury Budget (US$ bn)	Mar	--	--	49.2
04/11	14:00	**FOMC Meeting Minutes**				
04/12	08:30	Initial Jobless Claims (000s)	APR 7	235	--	215
04/12	08:30	Continuing Claims (000s)	MAR 31	1820	--	1871
04/12	08:30	Export Prices (m/m)	Mar	--	--	0.2
04/12	08:30	Import Prices (m/m)	Mar	--	0.1	0.4
04/12	17:00	**Fed's Kashkari Speaks in Moderated Q&A in Minneapolis**				
04/13	08:00	**Fed's Rosengren Speaks on Economic Outlook**				
04/13	09:00	**Fed's Bullard Speaks on Living Standards across U.S. Cities**				
04/13	10:00	JOLTS Job Openings (000s)	Feb	--	--	6312.0
04/13	10:00	U. of Michigan Consumer Sentiment	Apr P	101.5	101.3	101.4
04/13	13:00	**Fed's Kaplan Speaks in Odessa**				
04/13		**United States of America Sovereign Debt to Be Rated by Moody's**				

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Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks; Scott Ashton
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 04/02/2018
Date:	Monday, April 02, 2018 1:35:51 PM
Attachments:	OPG Weekly Indicative Spreads - April 2, 2018.xlsx Ontario Power Generation-Apr-2-2018.pdf estimates.pdf

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Good Afternoon,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

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Bank Name	Scotiabank
Date	2-Apr-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Feb-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.25%				
Benchmark Yield	2.25%	2.14%	2.00%	1.81%	-0.08%	-0.09%	-0.08%	-0.08%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+167	+122	+97	+75	4	4	4	4
Re-Offered Yield	3.92%	3.36%	2.97%	2.56%	-0.04%	-0.05%	-0.04%	-0.04%
Commission (bp)	4.00	5.00	7.00	10.00	-	-	-	-
All-in Yield	**3.96%**	**3.41%**	**3.04%**	**2.66%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A3/A(H))	+143	+100	+75	-	8	9	9	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+/-/A(L))	+153	+109	+84	+65	7	8	8	8
EPCOR (A-/-/A(L))	+143	+98	+73	-	10	9	9	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27
Benchmark Canada Bond Coupon	2.75%	1.00%
Benchmark Yield	2.33%	2.23%
Curve Adjustment (bp)	-	-
Spread to GoC Curve (bp)	+163	+118
Re-Offered Yield	3.96%	3.41%
Commission (bp)	4.00	5.00
All-in Yield	**4.00%**	**3.46%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A/A3/A(H))	+135	+91

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (BBB+/-/A(L))	+146	+101
EPCOR (A-/-/A(L))	+133	+89

Scotiabank
26-Mar-18

rent	
5-year	**2-year**
1-Mar-23	1-Feb-20
1.75%	1.25%
2.08%	1.89%
-	-
+93	+71
3.01%	2.60%
7.00	10.00
3.08%	**2.70%**

5-year	**2-year**
+66	-

5-year	**2-year**
+76	+57
+64	-

Indicative New Issue Spreads

Monday, April 02, 2018

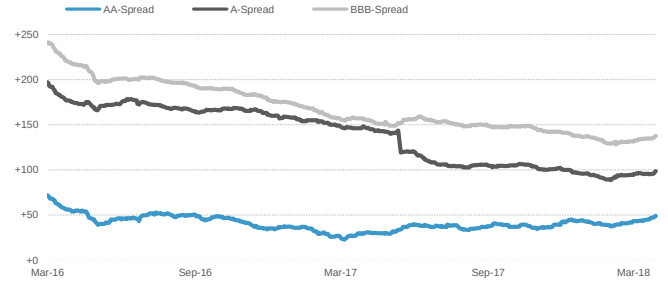
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	1.25%		1.75%		1.00%		2.75%	
	1-Feb-20		1-Mar-23		1-Jun-27		1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.81%	-0.08%	2.00%	-0.08%	2.14%	-0.09%	2.25%	-0.08%
Indicative Spread	**+75**	4	**+97**	4	**+122**	4	**+167**	4
Indicative Re-offer Yield	2.56%	-0.04%	2.97%	-0.04%	3.36%	-0.05%	3.92%	-0.04%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.66%		3.04%		3.41%		3.96%	
All-in Spread to GoC curve (bp)	+85		+104		+127		+171	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
28-Mar	Bank of Nova Scotia	AA/A+/A1	$1,000M	2.0	+18
28-Mar	MCAP RMBS Issuer Corp.	AAA/AAA	$238M	4.5	+100
27-Mar	CIBC	A(L)/BBB/Baa2	$1,500M	10NC5	+140
27-Mar	GTAA	A+/Aa3	$500M	19.0	+100
27-Mar	Northland Power Solar	A(L)	$15M	14.0	+163

COMPARABLES	Ratings (DBRS/Moody's/S&P)	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Ontario Power Generation	**A(L)/-/BBB+**	**+75**	4	**+97**	4	**+122**	4	**+167**	4
Hydro One	A(H)/A3/A	-		+75	9	+100	9	+143	8
Nova Scotia Power	A(L)/-/BBB+	+65	8	+84	8	+109	8	+153	7
EPCOR	A(L)/-/A-	-		+73	9	+98	9	+143	10

DEX UNIVERSE SPREADS



MARKET COMMENTARY

Despite a holiday-shortened week, 5 issuers accessed the Canadian primary market, raising $3.3B. Domestic banks were active, with the Bank of Nova Scotia printing a $1B 2 year FRN, and CIBC issuing $1.5B 10NC5 NVCC notes. GTAA also tapped the market with a $500MM 19 year offering. In secondary, spreads continued to drift wider amidst greater market volatility, with both equity and credit indices lagging. On the marketing front, French bank BPCE wrapped up a non-deal roadshow, while CCL Industries announced it will meet with Canadian investors April 9-10. Looking ahead to this week, Canadian and U.S. employment numbers will pose key data risk on Friday, while several FOMC members speak throughout the week. With calendar Q1 having wrapped up, 2018YTD supply totals $34.5B, up 17% YoY.

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Estimates for the week of April 2 – 6

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
04/05	08:30	Merchandise Trade Balance (C$ bn)	Feb	-2.5	--	-1.9
04/06	08:30	Employment (000s m/m)	Mar	20.0	--	15.4
04/06	08:30	Unemployment Rate (%)	Mar	5.7	--	5.8

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
04/02	10:00	Construction Spending (m/m)	Feb	0.2	0.3	0.0
04/02	10:00	ISM Manufacturing Index	Mar	59.5	60.0	60.8
04/03		Domestic Vehicle Sales (mn a.r.)	Mar	--	13.1	12.9
04/03		Total Vehicle Sales (mn a.r.)	Mar	16.9	16.9	17.0
04/03		**Wisconsin spring election**				
04/04	07:00	MBA Mortgage Applications (w/w)	MAR 30	--	--	4.8
04/04	08:15	ADP Employment Report (000s m/m)	Mar	205.0	202.5	234.7
04/04	10:00	Durable Goods Orders (m/m)	Feb F	--	--	3.1
04/04	10:00	Durable Goods Orders ex. Trans. (m/m)	Feb F	--	--	1.2
04/04	10:00	Factory Orders (m/m)	Feb	1.8	1.7	-1.4
04/04	09:45	**Fed's Bullard Speaks on U.S. Economy and Monetary Policy**				
04/04	10:00	ISM Non-Manufacturing Composite	Mar	58.7	59.0	59.5
04/04	11:00	**Fed's Mester Speaks on Diversity in Economics**				
04/05	08:30	Initial Jobless Claims (000s)	MAR 31	225	--	215
04/05	08:30	Continuing Claims (000s)	MAR 24	1840	--	1871
04/05	08:30	Trade Balance (US$ bn)	Feb	-55.5	-56.0	-56.6
04/05	11:00	**Fed's Bostic Speaks on Financial Literacy**				
04/06	08:30	Nonfarm Employment Report (000s m/m)	Mar	200.0	185.0	313.0
04/06	08:30	Unemployment Rate (%)	Mar	4.0	4.0	4.1
04/06	08:30	Household Employment Report (000s m/m)	Mar	--	--	785.0
04/06	08:30	Average Hourly Earnings (m/m)	Mar	--	0.2	0.1
04/06	08:30	Average Hourly Earnings (y/y)	Mar	2.7	2.7	2.6
04/06	08:30	Average Weekly Hours	Mar	--	34.5	34.5
04/06	15:00	Consumer Credit (US$ bn m/m)	Feb	--	15.0	13.9

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Cc:	D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Michael Costakos; Stephen Lepone (Scotiabank GBM); Andrew Fredericks (Scotiabank GBM); Jenna Dicks; Scott Ashton
Subject:	Ontario Power Generation - Indicative Issuance Spreads for 06/04/2018
Date:	Monday, June 04, 2018 4:05:49 PM
Attachments:	OPG Weekly Indicative Spreads - June 4, 2018.xlsx estimates.pdf Ontario Power Generation-Jun-4-2018.pdf

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Good Evening,

Please find attached our indicative new issue spreads.

Thanks,

D. Gregory Lawrence | Managing Director | Canadian Debt Capital Markets | Scotia Capital Inc.

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Bank Name	Scotiabank
Date	4-Jun-18

Indicative OPG New Issue Spreads	Current				Week over Week			
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-28	1-Jun-23	1-Jun-20				
Benchmark Canada Bond Coupon	2.75%	2.00%	1.50%	3.50%				
Benchmark Yield	2.31%	2.28%	2.15%	1.95%	-0.03%	-0.02%	-0.02%	-0.00%
Curve Adjustment (bp)								
Spread to GoC Curve (bp)	+165	+120	+95	+71	5	5	5	5
Re-Offered Yield	3.96%	3.48%	3.10%	2.66%	0.02%	0.03%	0.03%	0.05%
Commission (bp)	4.00	5.00	7.00	10.00	-	-	-	-
All-in Yield	**4.00%**	**3.53%**	**3.17%**	**2.76%**	**0.02%**	**0.03%**	**0.03%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A3/A(H))	+140	+103	+78	-	4	4	4	-

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+/-/A(L))	+148	+111	+86	+68	2	2	2	2
EPCOR (A-/-/A(L))	+140	+103	+78	-	4	4	4	-

Bank Name
Date

Indicative OPG New Issue Spreads	Cur	
	30-year	10-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-28
Benchmark Canada Bond Coupon	2.75%	2.00%
Benchmark Yield	2.34%	2.30%
Curve Adjustment (bp)	-	-
Spread to GoC Curve (bp)	+160	+115
Re-Offered Yield	3.94%	3.45%
Commission (bp)	4.00	5.00
All-in Yield	**3.98%**	**3.50%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Hydro One (A/A3/A(H))	+136	+99

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	10-year
Nova Scotia Power (BBB+/-/A(L))	+146	+109
EPCOR (A-/-/A(L))	+136	+99

Scotiabank
28-May-18

rent	
5-year	**2-year**
1-Mar-23	1-May-20
1.75%	1.75%
2.17%	1.95%
-	-
+90	+66
3.07%	2.61%
7.00	10.00
3.14%	**2.71%**

5-year	**2-year**
+74	-

5-year	**2-year**
+84	+66
+74	-

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Estimates for the week of June 4 – 8

CANADA

Date	Time	Indicator	Period	BNS	Consensus	Latest
06/05	08:30	Productivity (q/q a.r.)	1Q	--	--	0.2
06/06	08:30	Building Permits (m/m)	Apr	--	--	3.1
06/06	08:30	Merchandise Trade Balance (C$ bn)	Apr	-3.0	--	-4.1
06/08	08:15	Housing Starts (000s a.r.)	May	215.0	--	215.3
06/08	08:30	Employment (000s m/m)	May	30.0	--	-1.1
06/08	08:30	Unemployment Rate (%)	May	5.7	--	5.8
06/08	08:30	Capacity Utilization (%)	1Q	86.4	--	86.0

UNITED STATES

Date	Time	Indicator	Period	BNS	Consensus	Latest
06/04	10:00	Durable Goods Orders (m/m)	Apr F	--	--	-1.7
06/04	10:00	Durable Goods Orders ex. Trans. (m/m)	Apr F	--	--	0.9
06/04	10:00	Factory Orders (m/m)	Apr	-0.9	-0.5	1.6
06/05	10:00	ISM Non-Manufacturing Composite	May	57.5	57.6	56.8
06/05	10:00	JOLTS Job Openings (000s)	Apr	--	--	6550
06/05		Alabama state primary				
06/05		California state primary				
06/05		Iowa state primary				
06/05		Mississippi state primary				
06/05		Montana state primary				
06/05		New Jersey state primary				
06/05		New Mexico state primary				
06/05		South Dakota state primary				
06/06	07:00	MBA Mortgage Applications (w/w)	JUN 1	--	--	-2.9
06/06	08:30	Trade Balance (US$ bn)	Apr	-49.5	-49.6	-49.0
06/06	08:30	Productivity (q/q a.r.)	1Q F	--	0.7	0.7
06/06	08:30	Unit Labor Costs (q/q a.r.)	1Q F	--	2.8	2.7
06/07	08:30	Initial Jobless Claims (000s)	JUN 2	225	223	221
06/07	08:30	Continuing Claims (000s)	MAY 26	1740	--	1726
06/07	15:00	Consumer Credit (US$ bn m/m)	Apr	--	14.5	11.6

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Indicative New Issue Spreads

Monday, June 04, 2018

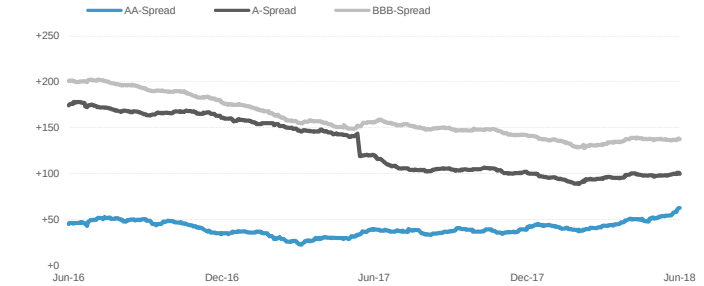
NEW ISSUE SPREADS	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
Canada Benchmark	3.50% 1-Jun-20		1.50% 1-Jun-23		2.00% 1-Jun-28		2.75% 1-Dec-48	
Interpolated Yield (GoC Yield + Roll)	1.95%	0.00%	2.15%	-0.02%	2.28%	-0.02%	2.31%	-0.03%
Indicative Spread	**+71**	5	**+95**	5	**+120**	5	**+165**	5
Indicative Re-offer Yield	2.66%	0.05%	3.10%	0.03%	3.48%	0.03%	3.96%	0.02%
Agency Commission	$0.20		$0.35		$0.40		$0.50	
Agency Commission BPS	+10		+7		+5		+4	
All-in Canada Yield	2.76%		3.17%		3.53%		4.00%	
All-in Spread to GoC curve (bp)	+81		+102		+125		+169	

RECENT NEW ISSUES

Date	Issuer	Ratings	Size	Term	Spread
30-May	HSBC Bank Canada	A(H)	$1,250M	5.3	+108
31-May	Enmax Corp.	A(L)	$300M	10.0	+160
1-Jun	SNC-Lavalin Group Inc.	BBB/BBB	$150M	1.0	3MCDOR+37
30-May	Plenary Justice Abbotsford	-	$76M	32.0	n.a.

COMPARABLES	Ratings	2 Year	WoW	5 Year	WoW	10 Year	WoW	30 Year	WoW
	DBRS/Moody's/S&P								
Ontario Power Generation	**A(L)/-/BBB+**	**+71**	5	**+95**	5	**+120**	5	**+165**	5
Hydro One	A(H)/A3/A	-		+78	4	+103	4	+140	4
Nova Scotia Power	A(L)/-/BBB+	+68	2	+86	2	+111	2	+148	2
EPCOR	A(L)/-/A-	-		+78	4	+103	4	+140	4

DEX UNIVERSE SPREADS



MARKET COMMENTARY

Despite a choppier week, four issuers accessed the market, pricing a combined $1.8B of supply. Bank earnings continued, with BNS, BMO, NBF, and Laurentian Bank all reporting, but the lone bank deal came from HSBC Bank Canada, who tapped the market with a $1.25B 5.25 year deposit note. Away from financials, SNC-Lavalin and Enmax printed a combined $450MM. In secondary, global market tone was volatile, with headlines surrounding U.S. tariffs commanding investor focus. To that end, spreads generally finish a few bps wider, although tone managed to stabilize towards the end of the week. Rates continued to rally, however, supporting all-in yields. The Bank of Canada left rates unchanged as expected, but with a hawkish slant that points towards at least one more rate hike this year. U.S. non-farm payrolls came in stronger than expected as well on Friday, although markets were little changed following. Looking ahead to this week, investors will remain alert to ongoing international trade headlines, while a number of roadshows are set to take place and Canadian jobs data for May is to be released Friday. As of week end, YTD supply totals $58.1B, up 5% YoY.

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Subject:	Post-Budget Commentaries by Moody"s and DBRS
Date:	Thursday, March 29, 2018 11:44:55 AM
Attachments:	Moody"s Ontario post-budget commentary.pdf ON 2018 Budget Commentary DBRS.pdf Moodys_Ontario_Budget2018_pressrelease.pdf

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Attached are the commentaries that DBRS and Moody's have just issued on Ontario following the release of the 2018 Ontario Budget.

DBRS expects the ratings to remain stable in the near term, however, the outlook for the medium to longer term appear less certain. "Without a concerted effort to rebuild flexibility in the credit profile, the Province's ratings appear increasingly likely to come under pressure during the next recession if past policy actions are any indication of the future policy response."

Moody's states that "the return to deficit is credit negative as it raises the likelihood that the province faces a structural deficit in addition to increasing our forecast of the debt burden to accommodate the associated new borrowing." Moody's notes that the rise in debt will also coincide with a period in which interest rates are expected to rise, both of which will impact the province's interest expense. They now expect interest expenses to exceed 9% of revenues in 2019/20, up from the recent low of 8.5% in 2016/17.

As noted previously, Fitch had expressed concern following the Minister's remarks at the Economic Club on March 8th. They indicated that "a return to deficit borrowing during a period of economic growth would be inconsistent with Fitch's current rating expectations". We should be prepared for a rating action from them, whether it's an outlook change from stable, or something more significant, following the release of the Budget.

We will be meeting or speaking to all of the rating agencies over the next few weeks.

MOODY'S INVESTORS SERVICE

ISSUER COMMENT
29 March 2018

Province of Ontario (Canada)

Spending drives province back into deficit, a credit negative

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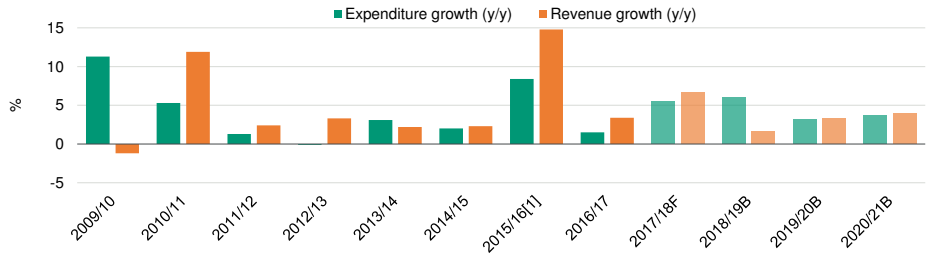
In a pre-election budget released 28 March, the Province of Ontario (Aa2 stable) proposes returning to deficits beginning in 2018/19, after posting its first balanced budget in a decade in 2017/18. The 2018 budget forecasts a deficit of CAD6.7 billion for 2018/19 (4.4% of revenue), and marginally smaller deficits in 2019/20 and 2020/21 (4.2% and 4.0%, respectively). The return to deficit is credit negative as it raises the likelihood that the province faces a structural deficit in addition to increasing our forecast of the debt burden to accommodate the associated new borrowing.

The return to deficits is largely driven by proposed new spending initiatives. Total spending is expected to increase 6.0% in 2018/19, after rising 5.5% in 2017/18. These are the highest consecutive years of spending growth since 2010/11 when the province was undertaking stimulus to combat the global financial crisis (see Exhibit 1).

Exhibit 1

Ontario proposes increasing spending significantly more than revenue growth in 2018/19 followed by roughly equal growth rates in revenues and expenses in outer years



[1] 2015/16 not directly comparable to prior year due to consolidation of schools, hospitals and post secondary institutions
Source: Moody's Investors Service, Provincial public accounts and 2018 budget

While spending growth will slow to the pace of revenue growth in 2019/20, many of the new initiatives proposed by the province could face pressures to expand in scope. For example, the 2018 budget expands coverage of its pharmacare plan to include people aged 65 and over, which could cost nearly CAD1 billion over three years. Other new initiatives include CAD2.2 billion over three years for free preschool for children aged 2.5 years until they start kindergarten. Overall, spending on health and long-term care is expected to increase 5.1% and education 4.4% in 2018/19.

Not included in the above expenditure plans is capital spending. The province plans to spend CAD182 billion over the 10-year period 2018/19-2017/28 on infrastructure, which is a 16.7% increase over the CAD156 billion the province was forecasting to spend over 10 years in

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the 2017 budget. Over half of the capital plan will be spent on public transit and highway infrastructure.

With little new tax measures introduced in the budget (measuring CAD510 million in 2018/19), revenue growth in 2018/19 is expected to be 1.6% after a strong 6.7% increase in 2017/18. The province anticipates economic growth will drive revenue growth over the budget horizon. The province forecasts nominal GDP growth will average 4.0% over the years 2018-2021, just slightly above revenue growth forecasts in 2019/20 and 2020/21. Noticeably, however, the province is forecasting real economic growth to moderate over the medium-term. After posting an expected 2.7% growth in 2017, real GDP will moderate to 2.2% in 2018 and decline further to 1.7% in 2021. We previously indicated that Ontario would be one of the provinces most at risk from lower economic growth should NAFTA fail to be renegotiated. The province also lists NAFTA and the potential to disrupt trade patterns as a risk to its economic forecasts.

The province will require additional borrowings compared to previous plans to fund the new round of deficits and capital spending. Its borrowing forecast for 2018/19 is largely in line with last year's at CAD31.7 billion, but this also reflects CAD11.5 billion pre-borrowed in 2017/18. Over the three year period 2018/19-2020/21, the province will require borrowings of CAD109.7 billion, including refinancing requirements, CAD13 billion higher than the three year period 2017/18-2019/20 forecasted in 2017 budget. As a result, we have revised our debt forecasts upwards to around 237% of revenue through 2019/20.

The rise in debt will also coincide with a period in which interest rates are expected to rise, both of which will impact the province's interest expense. We now expect interest expenses to exceed 9% of revenues in 2019/20, up from the recent low of 8.5% in 2016/17.

Moody's related publications

» **Credit Opinion:** Province of Ontario (Canada): Update to credit analysis, 2 February 2018

» **Issuer Comment:** Province of Ontario: Ontario's planned return to deficits is credit negative, 12 March 2018

» **Sector Comment:** Regional & local governments – Canada: Increase in equalization payments is credit positive for recipient provinces, 13 February 2018

» **Sector In-Depth**: US and Canada: NAFTA exit would weigh on states and provinces more than national economies, 15 March 2018

» **Sector Outlook:** Regional and Local Governments - Canada: 2018 outlook stable on modest economic and revenue growth (Slides), 7 December 2017

» **Methodology:** Regional and Local Governments, 16 January 2018

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Commentary

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DBRS
Insight beyond the rating.

Ontario's 2018 Budget: Billions for the Ballot

DBRS Limited (DBRS) is commenting on the Province of Ontario's (Ontario or the Province; rated AA (low) with a Stable trend by DBRS) 2018 budget, released on March 28, 2018.

After almost a decade of reiterating its commitment to a balanced budget and reducing the Province's debt-to-gross domestic product (GDP) ratio, the Province has introduced a plan that will see it ramp up spending ahead of the June 2018 provincial election, voluntarily pushing itself back into protracted deficit spending and halting the improvement in debt ratios.

The direction of fiscal policy adopted by the Province is distinctly negative for the Province's credit profile. Rather than shifting to a neutral or conservative fiscal policy stance and rebuilding budget and balance sheet flexibility, the Province has made a deliberate decision to pursue expansionary fiscal policy potentially near the peak of the economic cycle.

The budget proposes deficits in the range of $6.5 billion to $6.7 billion in each of the next three years. The plan to return to balance — aptly termed a "recovery plan" — sees the Province gradually reducing the deficit during a subsequent mandate with a target to balance the budget in 2024–25. In total, the budget projects about $32.0 billion in deficit spending and about $90.0 billion in debt-financed capital investment over the next six years. It demonstrates in the clearest terms that the Province is not committed to disciplined, countercyclical fiscal policy. The policy reversal also undermines the credibility of the government's future fiscal policy commitments, including its plan to return to balance.

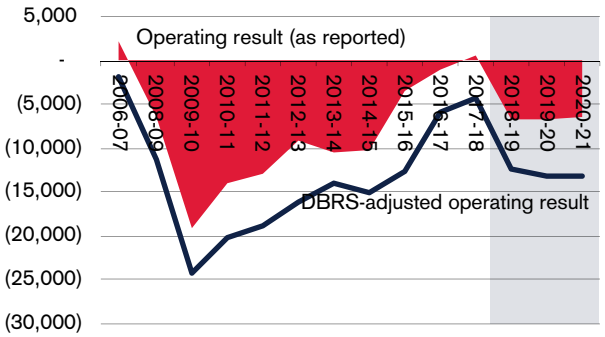
With no willingness to balance the budget at the peak of the business cycle and by systematically expanding government, a return to protracted deficit spending appears all but certain. With interest rates set to rise, economic growth expected to moderate and program spending entrenched, eliminating the budget deficit will prove challenging in the coming years.

Ontario's credit profile stabilized in recent years and was beginning to show modest signs of improvement. Progress will now likely stall or reverse. While DBRS expects the ratings to remain stable in the near term, the outlook for the medium to longer term appear less certain. Without a concerted effort to rebuild flexibility in the credit profile, the Province's ratings appear increasingly likely to come under pressure during the next recession if past policy actions are any indication of the future policy response.

Budget 2018 Take-Aways

- Ontario Liberals are no longer committed to balanced budgets or prudent, countercyclical fiscal policy.
- Credibility of Ontario's future fiscal policy commitments has been undermined by the dramatic fiscal policy reversal.
- Ontario has proposed $20.3 billion in new program spending over the next three years. The budget includes modest tax increases, with the bulk of new spending being debt-financed.
- Deficits are pegged at between $6.5 billion and $6.7 billion in each of the next three years.
- The "responsible fiscal recovery plan" — to a self-imposed problem — begins in 2021–22 and targets a balanced budget in 2024–25.
- Between 2007–08 and 2017–18, DBRS-adjusted debt will have risen by nearly $200 billion. The plan suggests debt will rise by a further $40 billion over the next three years.
- DBRS-adjusted debt-to-GDP appears likely to remain near current levels (42.0% to 43.0%) over the next three years, providing the economic expansion continues. Debt appears certain to remain permanently above pre-recession levels (26.0%) over the longer term.
- **Political uncertainty:** Current polling suggests a change in government may be possible with the June 7, 2018, election. If this were to occur, the fiscal plan could change significantly.
- **Economic risks:** Rising trade protectionism/isolationism, BREXIT, China's economic transition, household indebtedness, rising interest rates and U.S. fiscal policy all pose potential risks to the Ontario economy.

Exhibit 1: Fiscal Outlook
Reported and DBRS-Adjusted Operating Result ($ Millions)



Sources: Province of Ontario and DBRS.

Budget Outlook

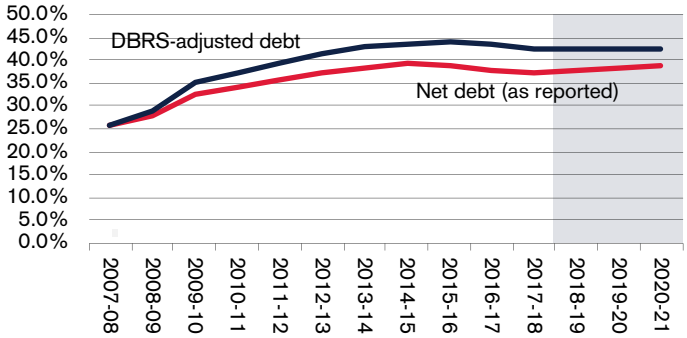
The Province's 2018 budget will not be passed ahead of the June 2018 general provincial election, but it does set out the incumbent Liberal's priorities if elected for another mandate.

Thematically, the focus of the budget is new spending measures consistent with the government's vision for creating fairness and opportunity. The budget includes more $20.3 billion in new spending over the next three years. There are no major economic or tax policy announcements.

The budget projects a deficit of $6.7 billion in 2018–19 or 0.8% of GDP, though, as in past years the budget does incorporate a general budgetary reserve ($700 million) and explicit expense contingencies ($1.6 billion). On a DBRS-adjusted basis (post-capex), this equates to a deficit of about $13.0 billion, or about 1.4% of GDP.

Exhibit 2: Debt Burden

Net Debt and DBRS-Adjusted Debt as a Share of GDP



Sources: Province of Ontario and DBRS.

Total revenue is set to rise modestly (+1.5%). Underlying tax (+4.3) and transfer (+2.7%) revenue growth are moderately strong, but are being offset by declines in government business enterprises' net income and other own-source revenue, both of which are related to policy actions that bumped up revenue in the prior year (e.g., one-time gains from Hydro One share sale, elimination of electricity debt retirement charge, etc.). The budget includes only modest tax policy changes, the most significant of which are changes to the personal income tax rate structure and surtax, which will provide about $500 million in incremental revenue in 2018–19 and between $700 and $800 million in the outer years. There is no concerted effort to increase taxes to pay for the new spending commitments.

Total expense is set to rise strongly (+6.0%) in 2018–19, which follows a similarly strong increase the year before (+5.5%). These are the fastest spending increases since the peak of the financial crisis (2009–10). The 2018 budget outlines $20.3 billion in major, new spending initiatives over three years. These include:

- Increased funding for hospitals/health care (+$1.3 billion);
- Improved services and access to mental health and addictions services (+$1.2 billion);
- Improved affordability/access to childcare, including free preschool for children two and a half and older (+$2.2 billion);
- Social assistance and income security reform (+$2.3 billion);
- Increased support for individuals with development disabilities (+$1.8 billion);
- Free prescription drugs (extension of OHIP+) for senior citizens (+$1.0 billion);
- Senior's healthy home program (+$0.7 billion);
- New drug and dental program for individuals without workplace coverage (+$0.8 billion); and
- More funding for economic development and similar activities (+$0.9 billion).

The new program spending is translating into significant growth in ministry budgets: Health and Long-Term Care (+5.1%), Education (+4.4%), Advanced Education and Skills Development (+5.9%) and Community and Social Services (+7.5%), as well as interest on debt (+4.8%).

Capital spending is set to rise strongly (+22.6%) in 2018–19, with growth in both grants and capital investment. Capital investment by the Province (not included in expense) is budgeted to rise by nearly $3.0 billion to $16.1 billion, which follows a similar-sized increase in the prior year.

The Province has projected deficits in the range of $6.5 billion to $6.7 billion for the 2018–19 to 2020–21 period. These estimates include contingencies and budget reserves. While spending growth is substantial in 2018–19, the Province projects moderation in both revenue and spending growth in subsequent years, with revenue and expense growth ranging between 3.0% and 4.0% annually.

The Province has outlined a plan to return to balance (responsible fiscal recovery plan) with the deficit gradually falling after 2020–21 and the budget eventually being balanced in 2024–25. Given the recent policy reversal and that deficit reduction is set to coincide with the 2022 general election, DBRS questions the credibility of the targets.

While the policy announcements are concerning, DBRS does note that Ontario has exceeded its deficit targets in recent years. The budget incorporates contingencies and the Province has over-estimated debt servicing costs in the past. Moreover, new in-year spending has often been offset by better-than-expected revenue and capital investment tends to be less than budgeted. Ultimately, this has translated into debt often being lower than forecast.

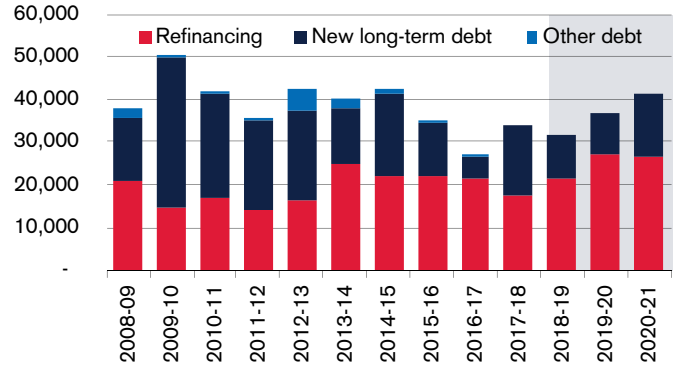
Debt Outlook

The budget suggests the Province's DBRS-adjusted debt burden will remain near current levels (42.0% to 43.0% of GDP) over the next three years. This halts the downward trend in the debt burden that began in 2016–17.

Ontario projects net debt, as reported in financial statements, will rise $16.8 billion (+5.5%) to $325.0 billion in 2018–19, or increase modestly to 37.6% of GDP. The Province announced last year that it would reduce the net debt-to-GDP ratio to 35.0% by 2023–24 and to pre-recession levels in 2030s. The debt reduction goal has now been abandoned, less than a year later.

Exhibit 3: Borrowing Program

Historical Financing Activity and Borrowing Program ($ Millions)



Source: Province of Ontario.

The Province's borrowing requirement for 2018–19 is $31.7 billion, after accounting for $11.5 billion in pre-borrowing completed in 2017–18. This includes $21.5 billion for refinancing, $14.2 billion for capital requirements and the remainder is for various other cash requirements, including the deficit. Over the medium term, the borrowing plan will remain elevated with rising refinancing requirements and persistent deficit spending.

Economic Outlook

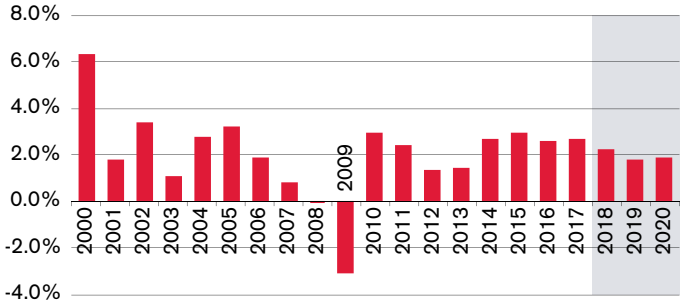
Ontario's economy has continued its broad-based expansion with real GDP growth estimated at 2.7% in 2017.

The Province expects economic expansion to continue over the medium term with household consumption, business investment and government spending driving growth. The labour market is forecast to tighten further over the medium term with unemployment tracking to 5.4% over the next two years. While residential investment has been a significant contributor to growth in recent years, the Province now expects residential investment to moderate, due in part to past policy measures, rising interest rates and the changes in Office of the Superintendent of Financial Institutions mortgage rules.

Economic growth is projected to be 2.2% in 2018 and average 1.9% over the medium term.

Exhibit 4: Economic Growth

Real GDP Growth (%)



Sources: Statistics Canada/Haver Analytics and Province of Ontario.

The economic outlook continues to be supported by a strong U.S. economy, though the Province does face a number of significant economic risks, including U.S. trade and fiscal policy, rising interest rates, Brexit, elevated sovereign indebtedness and China's economic transition.

Qualified Financial Statements

Ontario's budget presentation is broadly consistent with that of its audited public accounts. The Auditor General has, however, qualified the financial statements in each of the last two years and has indicated that she is likely to add a further qualification in 2017–18 if the Province accounts for the Fair Hydro Plan as is currently proposed.

The 2016–17 Audit Report indicated that the deficit was understated by $1.4 billion and that net debt was understated by $12.4 billion (equivalent to 1.6% of nominal GDP). The 2018 Budget does not provide disaggregated balance sheet data, but given the performance of the underlying pension plans in recent years and the budget projection for other net assets, the reported net pension asset appears likely to rise. With Ontario Fair Hydro Trust expected to borrow about $2.0 billion annually over the coming years, the Auditor General would likely argue that the deficit is understated by more than $3.0 billion in 2018–19 and that the net debt is likely understated by between $15.0 and $20.0 billion (1.7% to 2.3% of GDP).

In rating Canadian provinces, DBRS uses an adjusted measure for debt based on the liabilities reported by the Province. For Ontario, DBRS-adjusted debt includes a portion of the Fair Hydro-related borrowings and does not include the value of the net pension asset. For more detail on DBRS's calculation of debt, refer to the methodology, *Rating Canadian Provincial Governments*, available at www.dbrs.com.

June 2018 Provincial Election

The next provincial general election is scheduled for June 7, 2018. Current polls suggest a change in government may be possible, as is the possibility of a minority government. Neither of the opposition parties has yet to release a comprehensive election platform. It is not clear how fiscal policy would evolve under a different government.

The opposition parties have criticized government for the qualified audit opinion and the financing structure used for the Fair Hydro Plan. A change in government could lead to a change in the structure of the Fair Hydro financing or the accounting of the net pension asset. If this were to occur, the reported deficit would likely deteriorate further and net debt would step up. Depending on how a restructuring occurred, DBRS could adjust the DBRS-adjusted debt and deficit measures.

Ontario's *Fiscal Transparency and Accountability Act* requires the government release a pre-election report on the state of the Province's finances. The report, released concurrent with the 2018 budget, outlines the economic assumptions used to develop the Province's fiscal plan, an estimate of revenue and expenses and the Province's debt-to-GDP ratio. The report will be reviewed by the Auditor General for reasonableness. DBRS expects the Auditor General will issue a negative opinion on the report.

Preliminary Assessment

This commentary reflects a preliminary assessment of the Province's budget. DBRS will conduct a formal, in-depth review of the Province in the coming weeks and will publish a rating update at the conclusion of that process.

Appendix — Historical Budget Accuracy

Exhibit A1: Fiscal Projections — Budget vs. Actual
(As Presented by the Province; $ Millions)

	Budgeted					Actual					Variance (Actual to Budget)				
	2013–14	**2014–15**	**2015–16**	**2016–17**	**2017–18**	**2013–14**	**2014–15**	**2015–16**	**2016–17**	**2017–18**	**2013–14**	**2014–15**	**2015–16**	**2016–17**	**2017–18**
Revenue	116,845	118,871	124,390	138,482	150,019	115,911	118,546	128,377	140,734	150,136	(934)	(325)	3,987	2,252	117
Program Expense	117,983	120,366	121,492	130,376	137,773	115,792	118,226	122,439	130,016	137,529	(2,191)	(2,140)	947	(360)	(244)
Interest Expense	10,605	11,010	11,410	12,412	12,246	10,572	10,635	10,967	11,709	11,965	(33)	(375)	(443)	(703)	(281)
Total Expense	128,588	131,376	132,902	142,788	150,019	126,364	128,861	133,406	141,725	149,494	(2,224)	(2,515)	504	(1,063)	(525)
Surplus (Deficit)	**(11,743)**	**(12,505)**	**(8,512)**	**(4,306)**	**–**	**(10,453)**	**(10,315)**	**(5,029)**	**(991)**	**642**	**1,290**	**2,190**	**3,483**	**3,315**	**642**
Capital Investment	12,529	12,167	11,138	13,037	15,566	10,322	11,183	10,922	10,045	13,100	(2,207)	(984)	(216)	(2,992)	(2,466)
Net Debt	**272,810**	**289,251**	**298,864**	**308,315**	**311,921**	**267,190**	**284,576**	**305,233**	**301,648**	**308,203**	**(5,620)**	**(4,675)**	**6,369**	**(6,667)**	**(3,718)**

Budgetary results and debt are consistently better than projected.

Exhibit A2: Economic Assumptions — Budget vs. Actual
(Per Cent or Percentage Points (Variance))

	Budgeted (%)					Actual (%)					Variance (Ppts.)				
	2013	**2014**	**2015**	**2016**	**2017**	**2013**	**2014**	**2015**	**2016**	**2017**	**2013**	**2014**	**2015**	**2016**	**2017**
Nominal GDP Growth	3.0	3.5	4.2	4.0	4.3	2.4	4.1	4.9	4.3	4.4	(0.6)	0.6	0.7	0.3	0.1
Real GDP Growth	1.5	2.1	2.7	2.2	2.3	1.3	2.7	2.5	2.6	2.7	(0.2)	0.6	(0.2)	0.4	0.4

Exhibit A3: DBRS-Adjusted Operating Results and Debt
(As a Share of GDP)

	Budgeted (%)					Actual (%; First Statistics Canada Estimate)					Variance (Ppts.)				
	2013–14	**2014–15**	**2015–16**	**2016–17**	**2017–18**	**2013–14**	**2014–15**	**2015–16**	**2016–17**	**2017–18**	**2013–14**	**2014–15**	**2015–16**	**2016–17**	**2017–18**
DBRS-Adj. Operating Result	(2.7)	(2.1)	(1.7)	(2.6)	(2.3)	(2.2)	(2.0)	(2.8)	(2.4)	-	0.5	0.1	(1.1)	0.2	-
DBRS-Adj. Debt	37.3	38.6	39.6	44.1	44.0	38.2	38.2	42.0	43.0	-	0.9	(0.4)	2.4	(1.1)	-

Methodology and Data: Budgeted and actual amounts for 2013–14 to 2016–17 are taken from Ontario's public accounts. The budgeted reserve has been included in program expense. Budgeted amounts for 2017–18 are taken from the 2017 Budget and the actual amounts for 2017–18 are taken from the 2018 Budget. Budget GDP growth is taken from provincial budgets and the associated actuals are the first GDP estimate (expenditure basis) produced by Statistics Canada. The actual GDP growth for 2017 is the Province's projection in the 2018 Budget. The DBRS-adjusted figures are taken from rating reports, with the actual figure being the estimate/actual taken from the subsequent year's report.

Note:
All figures are in Canadian dollars unless otherwise noted.

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MOODY'S
INVESTORS SERVICE

Announcement: Moody's calls Ontario's planned return to deficits credit negative

Global Credit Research - 29 Mar 2018

Toronto, March 29, 2018 -- Moody's Investors Service notes in a recent report that the planned return to deficits by the Province of Ontario (Aa2 stable) is credit negative. As outlined in the province's recently released 2018 Budget, the forecasted deficit in 2018/19 will reach CAD6.7 billion, equivalent to 4.4% of revenue. This comes after the province recorded a balanced budget in 2017/18, its first since 2007/08. The three year budget horizon forecasts continued deficits with only modest annual improvements.

Moody's notes that the planned return to deficits is credit negative as it will raise borrowing requirements, adding to Ontario's already elevated debt burden, and raises the likelihood that the province is facing a structural deficit.

"The return to deficits is in sharp contrast to past messages the province had provided on maintaining balanced budgets once they were achieved in 2017/18 after a lengthy period of consecutive deficits," noted Michael Yake, Moody's Vice President / Senior Analyst. "Additionally, the deficits are driven primarily by planned new spending initiatives. The inability to accommodate new spending within a framework of maintaining or quickly returning to balanced budgets, at a time when the province's economy is performing well, suggests the province is facing a structural deficit."

After rising 5.5% in 2017/18, spending is forecast to rise 6.0% in 2018/19, which Moody's notes represents the two strongest consecutive years of spending growth since 2010/11 when the province was stimulating the economy after the 2009 financial crisis. Among the new spending initiatives proposed by the province are an expansion to its recently introduced pharmacare program and free preschool for children, initiatives that Moody's says could face future pressure to increase in scope.

The province also increased its 10 year spending plan on capital infrastructure, rising to CAD182 billion from a previous level of CAD156 billion.

Revenue growth is expected to be a modest 1.6% in 2018/19 after increasing 6.7% in 2017/18. Over the budget horizon, revenue growth should trend slightly below nominal GDP growth, which is expected to average 4.0% over the period 2018-2021.

To finance the new series of deficits as well as the increased capital plan, the province will increase its borrowing program from previous forecasts. Moody's forecasts that the province's debt burden, which is measured as net direct and indirect debt as a share of revenue, will remain around 237% through 2019/20.

The increase in debt will also lead to higher interest expense which Moody's forecasts will exceed 9% in 2019/20.

As part of its normal monitoring process, Moody's will evaluate the 2018/19 budget's assumptions, its potential for upside and downside risks and likely impacts on the province's debt burden and liquidity profile.

Moody's research subscribers can access the report "Province of Ontario (Canada): Spending drives province back into deficit, a credit negative" at

https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1118435

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From:	Ken Kandeepan
To:	Carlos Yep
Cc:	Mike Manning
Subject:	RE: Bloomberg: article on fair hydro trust bonds
Date:	Tuesday, June 05, 2018 8:34:35 AM

Thanks, interesting read.
Ken k

From: Carlos Yep
Sent: Tuesday, June 05, 2018 8:26 AM
To: Mike Manning ; Ken Kandeepan
Subject: Bloomberg: article on fair hydro trust bonds
https://www.bloomberg.com/news/articles/2018-06-05/even-investors-are-holding-their-nose-over-ontario-s-hydro-bonds

From:	Stoddart, Jesse - Debt Capital Markets
To:	Brett Kichiy; j.hahnparker@opg.com; dup-john.s.lee@opg.com; ken.hartwick@opg.com; ken.ryfa@opg.com; Kevin Shvarts; Linda Smith; Mike Manning; Ricky Lai; sheen.liu@opg.com
Cc:	Reeves, Geoffrey; Burrows, Scott - Debt Capital Markets; Persaud, Donnie - Debt Capital Markets
Subject:	RE: CIBC Weekly Spread Summary Sheet January 8, 2018 - Ontario Power Generation
Date:	Tuesday, January 09, 2018 3:18:39 PM
Attachments:	01.09.18 FHP.xlsx

Please find attached the indicative new issue levels for the long term debt for the Fair Hydro Program. As noted below, starting next Monday we will be sending this pricing sheet together with the regular OPG corporate spreads.
Thanks,
Jesse

Jesse Stoddart | Analyst | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.
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From: Burrows, Scott - Debt Capital Markets
Sent: Monday, January 08, 2018 4:32 PM
To: Brett.kichiy@ofina.on.ca; j.hahnparker@opg.com; dup-john.s.lee@opg.com; ken.hartwick@opg.com; ken.ryfa@opg.com; Kevin.Shvarts@ofina.on.ca; Linda.Smith@ofina.on.ca; mmanning@ofina.on.ca; Ricky Lai; sheen.liu@opg.com
Cc: Reeves, Geoffrey; Burrows, Scott - Debt Capital Markets; Persaud, Donnie - Debt Capital Markets
Subject: CIBC Weekly Spread Summary Sheet January 8, 2018 - Ontario Power Generation
Please find indicative new issue levels attached. Pricing for the Fair Hydro program will follow from the Fair Hydro team tomorrow, but both pricing indications will be sent together starting next Monday.
Regards,
Scott

Scott Burrows | Managing Director | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.
161 Bay Street, 5th Floor, Toronto, ON, M5J 2S8| Tel: 416 956-3049| Cell: 416 786-4369 | Fax: 416 594-7760 | scott.burrows@cibc.com



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Bank Name	CIBC
Date	10/21/2018

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-	-
Benchmark Yield	2.38%	2.35%	2.29%	2.19%	2.07%	1.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.4	(0.6)	1.5	3.5	1.7	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	**97**	**97**	**93**	**83**	**58**	**43**	0	0	0	0	0	0
Re-Offered Yield	3.35%	3.32%	3.21%	3.03%	2.68%	2.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commission (bp)	2.7	2.7	2.4	2.0	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.38%**	**3.34%**	**3.24%**	**3.05%**	**2.70%**	**2.45%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	67	67	63	58	38	23	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG (BBB+ / - / A(l))	154	--	--	122	87	71	-	--	--	-	-	-
Toronto Hydro (A / - / A)	122	--	--	83	58	47	-	--	--	-	-	-
Nova Scotia Power (BBB+ / - / A(l))	136	--	--	95	68	55	-	--	--	-	-	-
FortisAlberta (A- / Baa1 / A(l))	125	--	--	88	63	--	-	--	--	-	-	--
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	230	--	--	170	118	92	-	--	--	-	-	-
Bruce Power (BBB / Baa2 / BBB)	200	--	--	140	100	--	-	--	--	-	-	--
City of Toronto (- / Aa1 / AA)	93	90	--	73	--	--						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-	-
Benchmark Yield	2.38%	2.35%	2.29%	2.19%	2.07%	1.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.4	(0.6)	1.5	3.5	1.7	-	-	-	-	-	-
Spread to GoC Curve (bp)	**117**	**117**	**113**	**103**	**78**	**63**	0	0	0	0	0	0
Re-Offered Yield	3.55%	3.52%	3.41%	3.23%	2.88%	2.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commission (bp)	2.7	2.7	2.4	2.0	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.58%**	**3.54%**	**3.44%**	**3.25%**	**2.90%**	**2.65%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	67	67	63	58	38	23	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Bank ABS (AAA / - / AAA)	--	--	--	--	70	57	--	--	--	--	-	-
Auto ABS (Ford) (AAA / Aaa / AAA)	--	--	--	--	85	72	--	--	--	--	-	-
NHA MBS (AAA / Aaa / AAA)	--	--	--	--	50	37	--	--	--	--	-	-

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-	-
Benchmark Yield	2.38%	2.35%	2.29%	2.19%	2.07%	1.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.4	(0.6)	1.5	3.5	1.7	-	-	-	-	-	-
Spread to GoC Curve (bp)	**127**	**127**	**123**	**113**	**88**	**73**	0	0	0	0	0	0
Re-Offered Yield	3.65%	3.62%	3.51%	3.33%	2.98%	2.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commission (bp)	2.7	2.7	2.4	2.0	1.7	1.2	-	-	-	-	-	-
All-in Yield	**3.68%**	**3.64%**	**3.54%**	**3.35%**	**3.00%**	**2.75%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))	67	67	63	58	38	23	0	0	--	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year

From:	Thouin, Alena (ENERGY)
To:	Tim Christie (ENERGY); Ken Kandeepan; "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Mike Manning; Malle Hanslep (MOF); Anna Strathy; Ronald Kwan; Veinot, Cindy (TBS); Mark Donaldson (MOF)
Cc:	Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); VINER, JON
Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Thursday, January 11, 2018 12:02:07 PM

Thanks Tim
To that effect, Steve, can you please provide us with the most recent markup that includes Tim's comments from yesterday so Tim's group can obtain the necessary approvals?
Thank you

Alena Thouin
Deputy Director, Legal Services Branch
Ministries of Energy / Infrastructure / Economic Development & Growth /
Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 **Email:** alena.thouin@ontario.ca
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From: Christie, Tim (ENERGY)
Sent: January 11, 2018 11:57 AM
To: Kandeepan, Ken (OFA); 'ASHBOURNE, STEPHEN'; Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Manning, Mike (OFA); Hanslep, Malle (MOF); Strathy, Anna (OFA); Kwan, Ronald (OFA); Veinot, Cindy (TBS); Donaldson, Mark (TBS)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY); Rehob, James (ENERGY); VINER, JON
Subject: RE: Call re Delivery of Reference Documentation to Province
Hi Ken, we still need to run our comments by the DM before they go back to OPG/Torys.
Tim

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January-11-18 10:51 AM
To: 'ASHBOURNE, STEPHEN'; Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Manning, Mike (OFA); Hanslep, Malle (MOF); Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY); Veinot, Cindy (TBS); Donaldson, Mark (TBS)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY); Rehob, James (ENERGY); VINER, JON
Subject: RE: Call re Delivery of Reference Documentation to Province
Hi all
From the perspective of both Mike and I the comments and edits are very factual and should not pose any issues to OPG or the Trust should they choose to accept them. If others are of the same opinion, I suggest that either MOF or MOE Legal forward the marked up version to Torys with cc's to the usual suspects.
Thanks
Ken k

From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: Wednesday, January 10, 2018 2:53 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Mike

Manning <Mike.Manning@ofina.on.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>
Cc: Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Daniel Cayley (ENERGY) <Daniel.Cayley@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; VINER, JON <JON.VINER@blakes.com>
Subject: RE: Call re Delivery of Reference Documentation to Province

Oops. This time with the revisions.

Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

Blake, Cassels & Graydon LLP
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From: ASHBOURNE, STEPHEN
Sent: Wednesday, January 10, 2018 2:51 PM
To: 'Ken Kandeepan'; 'Thouin, Alena (ENERGY)'; 'Tobias P. Whitfield (MOF)'; 'Mike Manning'; 'Malle Hanslep (MOF)'; 'Anna Strathy'; 'Ronald Kwan'; 'Tim Christie (ENERGY)'; 'Veinot, Cindy (TBS)'; 'Mark Donaldson (MOF)'
Cc: 'Sawwaf, Khareem (ENERGY)'; 'Huang, Jackson (MEDG/MRIS)'; 'Daniel Cayley (ENERGY)'; 'Lightbody, Ava (ENERGY)'; 'James Rehob (ENERGY)'; VINER, JON
Subject: RE: Call re Delivery of Reference Documentation to Province

Hi. Here are further revisions to the OM mark-up circulated yesterday, based on comments recently received. This is still a work-in-progress, so please do not on-circulate. Please let us know if you have any questions or concerns.

Thanks, Steve

Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

From: ASHBOURNE, STEPHEN
Sent: Tuesday, January 09, 2018 9:26 AM
To: 'Ken Kandeepan'; 'Thouin, Alena (ENERGY)'; 'Tobias P. Whitfield (MOF)'; 'Mike Manning'; 'Malle Hanslep (MOF)'; 'Anna Strathy'; 'Ronald Kwan'; 'Tim Christie (ENERGY)'; 'Veinot, Cindy (TBS)'; 'Mark Donaldson (MOF)'
Cc: 'Sawwaf, Khareem (ENERGY)'; 'Huang, Jackson (MEDG/MRIS)'; 'Daniel Cayley (ENERGY)'; 'Lightbody, Ava (ENERGY)'; 'James Rehob (ENERGY)'; VINER, JON
Subject: RE: Call re Delivery of Reference Documentation to Province

Hi. Here is a list of items that could be discussed at 9:30, in order to settle on the scope and nature of commenting on the OM:

MOE – Alignment Considerations

1. Simplified references to the OFHPA (general caveat)
2. Scope of descriptions (generally, should be …subject to the OFHPA and the Regulations)
3. "purposes" of the OFHPA (e.g., implies that is rate reduction)
4. Nature and duration of the "moratorium period" (non-legislative)
5. Trust vs. "financing entity" (permit multiple FEs and co-ownership arrangements – minimally described)
6. "Fair Allocation Amount" – amount vs. effect of calculation (imprecise); concept of "Readjustments" missing
7. Financing Plan – refinements (e.g., references to Refinancings)
8. Expectations re FAA – negative until 2024
9. "Ontario's Fair Allocation Plan" – styling
10. OPG appointment as FSM (initial only – ability for Minister to replace)
11. Inclusions into IESO deferrals (precision)
12. Carrying costs vs funding rebates (impact on nature of Investment Asset)???
13. No reference to pre-OFHPA adjustments (piggy bank)
14. Risk Factors – approach to describing legal risks and Protection Agreement as mitigation
15. Technical definitions and descriptions (e.g., carrying costs; forecasts from IESO rather than forecast information; invoicing mechanics; simplifications of definitions; etc.)
16. Limited discussion re contents of "Financing Plan"
17. No real recognition of tail risk and duration mismatch considerations and mitigants/strategies
18. No discussion re OFHPA rights of action, etc.
19. "non-bypassable" (meaning)

OFA - Change of Law Protection Agreement

1. Narrative (e.g., "in favour of the Issuer")
2. Notes do not constitute debt of Province, etc. (confirm description) – additional considerations?
3. Scope of "Approved Obligations" (overbroad)
4. Positive obligations in favour of Province (e.g., apply amounts; credit for applied amounts)
5. Definition of "Protection Events" (align)
6. Rights of Subrogation (needs to be more detailed)

7. Mechanics of Protection Account

8. Limited direct rights of Noteholders (through indenture trustee)

9. Limitations on damages

10. Only passing reference to the "Process Agreement" in OM (but referred to in more detail in the Investor Presentation)

Other

1. Confidentiality (deemed vs. confirmed in writing)

2. Liability for Taxes (priority claim in waterfall; impact on triggers)

3. IESO - descriptions

4. Electricity Market; OEB; OPG

5. Platform (e.g., very broad cross default – beyond generic risk factors?)

6. Interplay between Warehouse and Term issuances

7. Description of 2018 Notes

8. Optional Redemption of Notes (confirm if applicable/acceptable)

FYI, attached is our internal (preliminary) mark-up of the OM. It should not be on-circulated at this stage. We are providing it now in case you would find it useful to have specified illustrations of the foregoing items.

Regards, Steve
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

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From: Anna Strathy
To: Tobias P. Whitfield (MOF)
Cc: Ken Kandeepan; Mike Manning; Ronald Kwan
Subject: RE: Call re Delivery of Reference Documentation to Province
Date: Tuesday, January 09, 2018 8:53:04 AM

Good morning Toby and happy New Year!

Unfortunately, I have a conflict at this time, so I won't be on the call. I'll get the debrief from someone from the OFA on the call.

Thanks, Anna

-----Original Appointment-----
From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Monday, January 08, 2018 1:57 PM
To: Whitfield, Tobias P. (MOF); Ken Kandeepan; Mike Manning; Thouin, Alena (ENERGY); Malle Hanslep (MOF); ASHBOURNE, STEPHEN; Anna Strathy; Ronald Kwan; Tim Christie (ENERGY)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY)
Subject: Call re Delivery of Reference Documentation to Province
When: Tuesday, January 09, 2018 9:30 AM-10:30 AM (UTC-05:00) Eastern Time (US & Canada).
Where: Teleconference

Conference line:

Number: 416-212-8012

Toll Free: 1-866-633-0848

Participant Passcode: 5801207#

From: Whitfield, Tobias P. (MOF)
Sent: January 8, 2018 12:36 PM
To: Kandeepan, Ken (OFA); Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: RE: Call re Delivery of Reference Documentation to Province

We were wondering if this group might be available to discuss the documents that we received from OPG on Friday, perhaps at 9:30 or 10 am tomorrow morning?

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca

Phone: 416-325-1456

-----Original Appointment-----
From: Whitfield, Tobias P. (MOF)
Sent: January 5, 2018 10:44 AM
To: Whitfield, Tobias P. (MOF); 'Ken Kandeepan'; Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS); Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: Call re Delivery of Reference Documentation to Province
When: January 5, 2018 3:00 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Telephone

Please see below teleconference information for call at 3.

Number: 416-212-8012

Toll Free: 1-866-633-0848

Participant Passcode: 5801207#

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: January 5, 2018 10:18 AM

To: Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)

Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.

Thanks

Ken k

-----Original Message-----

From: Mike Manning

Sent: Friday, January 05, 2018 10:08 AM

To: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Around as well.

Mike

-----Original Message-----

From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]

Sent: Friday, January 05, 2018 10:03 AM

To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available as well.

After 11:30

Adding our Energy policy counterparts.

Alena Thouin

Deputy Director, Legal Services Branch

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Whitfield, Tobias P. (MOF)

Sent: January 5, 2018 9:35 AM

To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available any time this morning.

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca

Phone: 416-325-1456

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 9:32 AM

To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.

-----Original Message-----

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

Sent: January-05-18 9:29 AM

To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Thanks for the update, Malle.

I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.

I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.

To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.

Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:

(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,

(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,

(c) eliminating any implied/moral undertakings by the Province to bondholders,

(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,

(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,

(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),

(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,

(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and

(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.

(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)

In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.

Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.

I will be tied up from 930 to 1030, but then free until 1145.

Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

Dir: 416-863-3086

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000, Toronto ON M5L 1A9

Tel: 416-863-2400 Fax: 416-863-2653

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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Friday, January 05, 2018 8:49 AM

To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 8:40 AM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

_____

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From: Mike Manning
To: Ken Kandeepan
Subject: RE: Call re Delivery of Reference Documentation to Province
Date: Monday, January 08, 2018 3:23:30 PM

Around now.
Mike

From: Ken Kandeepan
Sent: Monday, January 08, 2018 3:20 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Subject: FW: Call re Delivery of Reference Documentation to Province

Let me know if you have couple of minutes to discuss or maybe we can loop in Gadi

Thanks

Ken k

From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]
Sent: Monday, January 08, 2018 1:59 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
Subject: RE: Call re Delivery of Reference Documentation to Province

It might be worth you having a conversation with Malle/Tobias before tomorrow's call to sort that out, as it was silly on the last call that no one was responding to Stephen Ashbourne's questions.

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January 8, 2018 1:31 PM
To: Veinot, Cindy (TBS)
Subject: RE: Call re Delivery of Reference Documentation to Province

Well the impetus is coming from Malle Hanslep, the Asst. Legal Director, MOF and Tobias Whitfield a counsel in the same branch with I imagine input from Stephen Ashbourne.

Thanks

Ken k

From: Veinot, Cindy (TBS) [mailto:Cindy.Veinot@ontario.ca]
Sent: Monday, January 08, 2018 1:26 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
Subject: RE: Call re Delivery of Reference Documentation to Province

Hi Ken – who is the lead on this process from MOF – on the call on Friday, it didn't seem like anyone was willing to take that on.

Thx

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January 8, 2018 1:23 PM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Manning, Mike (OFA); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY); Veinot, Cindy (TBS); Donaldson, Mark (TBS)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY); Rehob, James (ENERGY)
Subject: RE: Call re Delivery of Reference Documentation to Province

Likewise

Thanks

Ken k

From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Monday, January 08, 2018 12:41 PM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Cc: Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Daniel Cayley (ENERGY) <Daniel.Cayley@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>
Subject: RE: Call re Delivery of Reference Documentation to Province

We can make ourselves available.

Alena Thouin
Deputy Director, Legal Services Branch
Ministries of Energy / Infrastructure / Economic Development & Growth /
Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 **Email:** alena.thouin@ontario.ca

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From: Whitfield, Tobias P. (MOF)
Sent: January 8, 2018 12:36 PM
To: Kandeepan, Ken (OFA); Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: RE: Call re Delivery of Reference Documentation to Province

We were wondering if this group might be available to discuss the documents that we received from OPG on Friday, perhaps at 9:30 or 10 am tomorrow morning?

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

-----Original Appointment-----
From: Whitfield, Tobias P. (MOF)
Sent: January 5, 2018 10:44 AM
To: Whitfield, Tobias P. (MOF); 'Ken Kandeepan'; Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS); Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: Call re Delivery of Reference Documentation to Province
When: January 5, 2018 3:00 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Telephone

Please see below teleconference information for call at 3.

Number: 416-212-8012
Toll Free: 1-866-633-0848
Participant Passcode: 5801207#

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January 5, 2018 10:18 AM
To: Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.

Thanks

Ken k

-----Original Message-----
From: Mike Manning
Sent: Friday, January 05, 2018 10:08 AM
To: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Around as well.
Mike

-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 10:03 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available as well.

After 11:30

Adding our Energy policy counterparts.

Alena Thouin

Deputy Director, Legal Services Branch

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Whitfield, Tobias P. (MOF)

Sent: January 5, 2018 9:35 AM

To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available any time this morning.

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca

Phone: 416-325-1456

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 9:32 AM

To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.

-----Original Message-----

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

Sent: January-05-18 9:29 AM

To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Thanks for the update, Malle.

I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.

I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.

To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.

Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:

(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,

(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,

(c) eliminating any implied/moral undertakings by the Province to bondholders,

(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,

(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,

(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),

(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,

(h) confirming any “electricity market” disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and

(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.

(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)

In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.

Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.

I will be tied up from 930 to 1030, but then free until 1145.

Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

Dir: 416-863-3086

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000, Toronto ON M5L 1A9

Tel: 416-863-2400 Fax: 416-863-2653

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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Friday, January 05, 2018 8:49 AM

To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 8:40 AM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

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Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

_____

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From:	ASHBOURNE, STEPHEN
To:	Ken Kandeepan; "Thouin, Alena (ENERGY)"; Tobias P. Whitfield (MOF); Mike Manning; Malle Hanslep (MOF); Anna Strathy; Ronald Kwan; Tim Christie (ENERGY); Veinot, Cindy (TBS); Mark Donaldson (MOF)
Cc:	Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); VINER, JON
Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Monday, January 08, 2018 1:50:05 PM

Tomorrow morning is fine for me. Thanks Toby.
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Monday, January 08, 2018 1:23 PM
To: 'Thouin, Alena (ENERGY)'; Tobias P. Whitfield (MOF); Mike Manning; Malle Hanslep (MOF); ASHBOURNE, STEPHEN; Anna Strathy; Ronald Kwan; Tim Christie (ENERGY); Veinot, Cindy (TBS); Mark Donaldson (MOF)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY)
Subject: RE: Call re Delivery of Reference Documentation to Province
Likewise
Thanks
Ken k

From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Monday, January 08, 2018 12:41 PM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Cc: Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Daniel Cayley (ENERGY) <Daniel.Cayley@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>
Subject: RE: Call re Delivery of Reference Documentation to Province
We can make ourselves available.
Alena Thouin
Deputy Director, Legal Services Branch
Ministries of Energy / Infrastructure / Economic Development & Growth /
Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 **Email:** alena.thouin@ontario.ca
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From: Whitfield, Tobias P. (MOF)
Sent: January 8, 2018 12:36 PM
To: Kandeepan, Ken (OFA); Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: RE: Call re Delivery of Reference Documentation to Province
We were wondering if this group might be available to discuss the documents that we received from OPG on Friday, perhaps at 9:30 or 10 am tomorrow morning?
Toby
Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456
-----Original Appointment-----
From: Whitfield, Tobias P. (MOF)
Sent: January 5, 2018 10:44 AM
To: Whitfield, Tobias P. (MOF); 'Ken Kandeepan'; Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS); Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: Call re Delivery of Reference Documentation to Province
When: January 5, 2018 3:00 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Telephone
Please see below teleconference information for call at 3.
Number: 416-212-8012
Toll Free: 1-866-633-0848
Participant Passcode: 5801207#

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January 5, 2018 10:18 AM
To: Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)

Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.
Thanks
Ken k
-----Original Message-----
From: Mike Manning
Sent: Friday, January 05, 2018 10:08 AM
To: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Around as well.
Mike
-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 10:03 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
I am available as well.
After 11:30
Adding our Energy policy counterparts.
Alena Thouin
Deputy Director, Legal Services Branch
Ministries of Energy / Infrastructure / Economic Development & Growth /
Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 Email: alena.thouin@ontario.ca
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-----Original Message-----
From: Whitfield, Tobias P. (MOF)
Sent: January 5, 2018 9:35 AM
To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
I am available any time this morning.
Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456
-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January 5, 2018 9:32 AM
To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.
-----Original Message-----
From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: January-05-18 9:29 AM
To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Thanks for the update, Malle.
I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.
I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.
To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.
Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:
(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,
(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,
(c) eliminating any implied/moral undertakings by the Province to bondholders,
(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,
(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,
(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and

contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),
(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,
(h) confirming any “electricity market” disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and
(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.
(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)
In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.
Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.
I will be tied up from 930 to 1030, but then free until 1145.
Regards, Steve
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086
Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
Tel: 416-863-2400 Fax: 416-863-2653
https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=A4FRvIHct8h_iA1PKpb1pLHhMNORZ6vRN15XI6hpI5k&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=bI-GH3geYz8H122_42BR_aDcMYYJQKnH8lGgqenva50&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=ko9V22NeKbnEMcpBFuzSVtWwSSvVOZxxjYVBohQiPhk&e=
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-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, January 05, 2018 8:49 AM
To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN
Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province
As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.
"“Material Effect” means a material adverse effect on the obligations or the rights of the Province under the Limited Guarantee, the Change of Law Protection Agreement or this Agreement that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any other Transaction Document that forms part of the Reference Documentation at the relevant time, the following: (i) the timing of or circumstances under which related payments would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Financing Entity or the Financing Entity Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Trust Indenture; (vi) compliance by the FSM with the then applicable Financing Plan; (vii) compliance by the FSM or the Financing Entity with the Act or the General Regulation; or (viii) the Province’s rights of subrogation or assignment (including pursuant to Sections 1.05, 2.01 or 5.01 of the Change of Law Protection Agreement) or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation."
Thanks,
Malle
-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-05-18 8:40 AM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Hi Rima,
I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?
Thanks,
Malle
-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-04-18 4:11 PM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province
Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.
Thanks
Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Ramchandani, Rima
Sent: Thursday, January 4, 2018 15:17
To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.
We are planning on delivering the following additional reference documentation to the Province tomorrow:
(1) Supplemental Indenture for the Series 2018-1 Term Notes
(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes
(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes
(4) Agency Agreement
(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)
(6) Term Sheet supplementing the Offering Memorandum
As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.
Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.
Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.
Thanks,
Rima
Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
Torys LLP
79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]
-----Original Message-----
From: LEE John -TREASURY
Sent: Thursday, January 04, 2018 12:18 PM
To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – RE: Waiver Process
Ken/Steen:
We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.
Please advise and we will adjust the work plan accordingly.
John
-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Thursday, January 04, 2018 9:36 AM
To: LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: EXTERNAL – RE: Waiver Process
*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi John
I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:
Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.
Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.
With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days

requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.
Thanks
Ken k
-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: Re: Waiver Process
It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks
Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process
Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.
I am cc'ing our legal counsel to see if they have any suggestions.
Ken k
On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com>> wrote:
Ken:
Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.
Please advise.
John
From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions
I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible.
Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!
Rima
Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions
OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.
Rima
Rima Ramchandani
P. 416.865.7666
From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions
I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.
John

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From:	Ken Kandeepan
To:	"Thouin, Alena (ENERGY)"; Tobias P. Whitfield (MOF); Mike Manning; Malle Hanslep (MOF); ASHBOURNE, STEPHEN; Anna Strathy; Ronald Kwan; Tim Christie (ENERGY); Veinot, Cindy (TBS); Mark Donaldson (MOF)
Cc:	Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY)
Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Monday, January 08, 2018 1:23:18 PM

Likewise
Thanks
Ken k

From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Monday, January 08, 2018 12:41 PM
To: Tobias P. Whitfield (MOF) ; Ken Kandeepan ; Mike Manning ; Malle Hanslep (MOF) ; ASHBOURNE, STEPHEN ; Anna Strathy ; Ronald Kwan ; Tim Christie (ENERGY)
Cc: Sawwaf, Khareem (ENERGY) ; Huang, Jackson (MEDG/MRIS) ; Daniel Cayley (ENERGY) ; Lightbody, Ava (ENERGY) ; James Rehob (ENERGY)
Subject: RE: Call re Delivery of Reference Documentation to Province

We can make ourselves available.

Alena Thouin
Deputy Director, Legal Services Branch
Ministries of Energy / Infrastructure / Economic Development & Growth /
Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 **Email:** alena.thouin@ontario.ca
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From: Whitfield, Tobias P. (MOF)
Sent: January 8, 2018 12:36 PM
To: Kandeepan, Ken (OFA); Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: RE: Call re Delivery of Reference Documentation to Province

We were wondering if this group might be available to discuss the documents that we received from OPG on Friday, perhaps at 9:30 or 10 am tomorrow morning?

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

-----Original Appointment-----
From: Whitfield, Tobias P. (MOF)
Sent: January 5, 2018 10:44 AM
To: Whitfield, Tobias P. (MOF); 'Ken Kandeepan'; Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS); Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: Call re Delivery of Reference Documentation to Province
When: January 5, 2018 3:00 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Telephone
Please see below teleconference information for call at 3.
Number: 416-212-8012
Toll Free: 1-866-633-0848
Participant Passcode: 5801207#

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January 5, 2018 10:18 AM
To: Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.
Thanks
Ken k
-----Original Message-----
From: Mike Manning
Sent: Friday, January 05, 2018 10:08 AM
To: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Around as well.
Mike
-----Original Message-----

From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 10:03 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
I am available as well.
After 11:30
Adding our Energy policy counterparts.
Alena Thouin
Deputy Director, Legal Services Branch
Ministries of Energy / Infrastructure / Economic Development & Growth /
Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 Email: alena.thouin@ontario.ca
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-----Original Message-----
From: Whitfield, Tobias P. (MOF)
Sent: January 5, 2018 9:35 AM
To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
I am available any time this morning.
Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456
-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January 5, 2018 9:32 AM
To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.
-----Original Message-----
From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: January-05-18 9:29 AM
To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Thanks for the update, Malle.
I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.
I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.
To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.
Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:
(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,
(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,
(c) eliminating any implied/moral undertakings by the Province to bondholders,
(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,
(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,
(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),
(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,
(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and
(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.
(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)
In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.
Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.
I will be tied up from 930 to 1030, but then free until 1145.
Regards, Steve
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086
Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
Tel: 416-863-2400 Fax: 416-863-2653
https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=A4FRvIHct8h_jA1PKpb1pLHhMNORZ6vRN15XI6hpI5k&e= |

https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=bI-GH3geYz8H122_42BR_aDcMYYJQKnH8lGqqenva50&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=ko9V22NeKbnEMcpBFuzSVtWwSSvVOZxxjYVBohQiPhk&e=

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-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, January 05, 2018 8:49 AM
To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN
Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,
Malle

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-05-18 8:40 AM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,
Malle

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-04-18 4:11 PM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks
Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message
From: Ramchandani, Rima
Sent: Thursday, January 4, 2018 15:17
To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes
(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes
(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes
(4) Agency Agreement
(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)
(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email

below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.
Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.
Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.
Thanks,
Rima
Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
Torys LLP
79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]
-----Original Message-----
From: LEE John -TREASURY
Sent: Thursday, January 04, 2018 12:18 PM
To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – RE: Waiver Process
Ken/Steen:
We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.
Please advise and we will adjust the work plan accordingly.
John
-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Thursday, January 04, 2018 9:36 AM
To: LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: EXTERNAL – RE: Waiver Process
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_____
Hi John
I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:
Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.
Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.
With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.
Thanks
Ken k
-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: Re: Waiver Process
It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks
Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process
Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.
I am cc'ing our legal counsel to see if they have any suggestions.
Ken k
On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com>> wrote:
Ken:
Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.
Please advise.
John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani
P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Ronald Kwan
To:	Mike Manning; Tobias P. Whitfield (MOF); Ken Kandeepan; Thouin, Alena (ENERGY); Malle Hanslep (MOF); ASHBOURNE, STEPHEN; Anna Strathy; Tim Christie (ENERGY)
Cc:	Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY)
Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Monday, January 08, 2018 12:43:08 PM

Me too.
Ron

From: Mike Manning
Sent: January-08-18 12:42
To: Tobias P. Whitfield (MOF) ; Ken Kandeepan ; Thouin, Alena (ENERGY) ; Malle Hanslep (MOF) ; ASHBOURNE, STEPHEN ; Anna Strathy ; Ronald Kwan ; Tim Christie (ENERGY)
Cc: Sawwaf, Khareem (ENERGY) ; Huang, Jackson (MEDG/MRIS) ; Daniel Cayley (ENERGY) ; Lightbody, Ava (ENERGY)
Subject: RE: Call re Delivery of Reference Documentation to Province
I think I will be available at that time.
Mike

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Monday, January 08, 2018 12:36 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Cc: Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Daniel Cayley (ENERGY) <Daniel.Cayley@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>
Subject: RE: Call re Delivery of Reference Documentation to Province
We were wondering if this group might be available to discuss the documents that we received from OPG on Friday, perhaps at 9:30 or 10 am tomorrow morning?
Toby
Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456
-----Original Appointment-----
From: Whitfield, Tobias P. (MOF)
Sent: January 5, 2018 10:44 AM
To: Whitfield, Tobias P. (MOF); 'Ken Kandeepan'; Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS); Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: Call re Delivery of Reference Documentation to Province
When: January 5, 2018 3:00 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Telephone
Please see below teleconference information for call at 3.
Number: 416-212-8012
Toll Free: 1-866-633-0848
Participant Passcode: 5801207#

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January 5, 2018 10:18 AM
To: Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.
Thanks
Ken k
-----Original Message-----
From: Mike Manning
Sent: Friday, January 05, 2018 10:08 AM
To: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Around as well.
Mike
-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 10:03 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
I am available as well.
After 11:30
Adding our Energy policy counterparts.
Alena Thouin
Deputy Director, Legal Services Branch

Ministries of Energy / Infrastructure / Economic Development & Growth /
Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 Email: alena.thouin@ontario.ca
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-----Original Message-----
From: Whitfield, Tobias P. (MOF)
Sent: January 5, 2018 9:35 AM
To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
I am available any time this morning.
Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456
-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January 5, 2018 9:32 AM
To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.
-----Original Message-----
From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: January-05-18 9:29 AM
To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Thanks for the update, Malle.
I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.
I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.
To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.
Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:
(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,
(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,
(c) eliminating any implied/moral undertakings by the Province to bondholders,
(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,
(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,
(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),
(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,
(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and
(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.
(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)
In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.
Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.
I will be tied up from 930 to 1030, but then free until 1145.
Regards, Steve
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086
Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
Tel: 416-863-2400 Fax: 416-863-2653
https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=A4FRvIHct8h_jA1PKpb1pLHhMNORZ6vRN15XI6hpI5k&e= |
https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=bl-GH3geYz8H122_42BR_aDcMYYJQKnH8lGgqenva50&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=ko9V22NeKbnEMcpBFuzSVtWwSSvVOZxxjYVBohQiPhk&e=
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-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, January 05, 2018 8:49 AM
To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN
Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,
Malle

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-05-18 8:40 AM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,
Malle

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-04-18 4:11 PM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks
Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message
From: Ramchandani, Rima
Sent: Thursday, January 4, 2018 15:17
To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes
(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes
(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes
(4) Agency Agreement
(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)
(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,
Rima

Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]
-----Original Message-----
From: LEE John -TREASURY
Sent: Thursday, January 04, 2018 12:18 PM
To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – RE: Waiver Process
Ken/Steen:
We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.
Please advise and we will adjust the work plan accordingly.
John
-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Thursday, January 04, 2018 9:36 AM
To: LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: EXTERNAL – RE: Waiver Process
*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***
_____
Hi John
I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:
Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.
Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.
With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.
Thanks
Ken k
-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: Re: Waiver Process
It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks
Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process
Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.
I am cc'ing our legal counsel to see if they have any suggestions.
Ken k
On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com>> wrote:
Ken:
Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.
Please advise.
John
From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions
I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as

possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!
Rima
Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions
OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.
Rima
Rima Ramchandani
P. 416.865.7666
From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions
I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.
John

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From:	Mike Manning
To:	Tobias P. Whitfield (MOF); Ken Kandeepan; Thouin, Alena (ENERGY); Malle Hanslep (MOF); ASHBOURNE, STEPHEN; Anna Strathy; Ronald Kwan; Tim Christie (ENERGY)
Cc:	Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY)
Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Monday, January 08, 2018 12:42:23 PM

I think I will be available at that time.
Mike

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Monday, January 08, 2018 12:36 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Cc: Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Daniel Cayley (ENERGY) <Daniel.Cayley@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>
Subject: RE: Call re Delivery of Reference Documentation to Province

We were wondering if this group might be available to discuss the documents that we received from OPG on Friday, perhaps at 9:30 or 10 am tomorrow morning?

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

-----Original Appointment-----
From: Whitfield, Tobias P. (MOF)
Sent: January 5, 2018 10:44 AM
To: Whitfield, Tobias P. (MOF); 'Ken Kandeepan'; Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS); Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: Call re Delivery of Reference Documentation to Province
When: January 5, 2018 3:00 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Telephone

Please see below teleconference information for call at 3.

Number: 416-212-8012
Toll Free: 1-866-633-0848
Participant Passcode: 5801207#

_____
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January 5, 2018 10:18 AM
To: Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.

Thanks

Ken k

-----Original Message-----
From: Mike Manning
Sent: Friday, January 05, 2018 10:08 AM
To: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Around as well.
Mike

-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 10:03 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN

<STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available as well.

After 11:30

Adding our Energy policy counterparts.

Alena Thouin

Deputy Director, Legal Services Branch

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Whitfield, Tobias P. (MOF)

Sent: January 5, 2018 9:35 AM

To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available any time this morning.

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca

Phone: 416-325-1456

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 9:32 AM

To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.

-----Original Message-----

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

Sent: January-05-18 9:29 AM

To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Thanks for the update, Malle.

I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.

I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.

To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.

Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:

(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,

(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,

(c) eliminating any implied/moral undertakings by the Province to bondholders,

(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,

(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,

(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),

(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,

(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and

(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.

(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)

In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.

Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.

I will be tied up from 930 to 1030, but then free until 1145.

Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

Dir: 416-863-3086

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000, Toronto ON M5L 1A9

Tel: 416-863-2400 Fax: 416-863-2653

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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Friday, January 05, 2018 8:49 AM

To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 8:40 AM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Thouin, Alena (ENERGY)
To:	Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Malle Hanslep (MOF); ASHBOURNE, STEPHEN; Anna Strathy; Ronald Kwan; Tim Christie (ENERGY)
Cc:	Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY)
Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Monday, January 08, 2018 12:40:52 PM

We can make ourselves available.

Alena Thouin
Deputy Director, Legal Services Branch
Ministries of Energy / Infrastructure / Economic Development & Growth /
Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 **Email:** alena.thouin@ontario.ca
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From: Whitfield, Tobias P. (MOF)
Sent: January 8, 2018 12:36 PM
To: Kandeepan, Ken (OFA); Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: RE: Call re Delivery of Reference Documentation to Province

We were wondering if this group might be available to discuss the documents that we received from OPG on Friday, perhaps at 9:30 or 10 am tomorrow morning?

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

-----Original Appointment-----
From: Whitfield, Tobias P. (MOF)
Sent: January 5, 2018 10:44 AM
To: Whitfield, Tobias P. (MOF); 'Ken Kandeepan'; Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS); Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: Call re Delivery of Reference Documentation to Province
When: January 5, 2018 3:00 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Telephone
Please see below teleconference information for call at 3.
Number: 416-212-8012
Toll Free: 1-866-633-0848
Participant Passcode: 5801207#

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January 5, 2018 10:18 AM
To: Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.
Thanks
Ken k
-----Original Message-----
From: Mike Manning
Sent: Friday, January 05, 2018 10:08 AM
To: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Around as well.
Mike
-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 10:03 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
I am available as well.
After 11:30
Adding our Energy policy counterparts.
Alena Thouin
Deputy Director, Legal Services Branch
Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 Email: alena.thouin@ontario.ca
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-----Original Message-----
From: Whitfield, Tobias P. (MOF)
Sent: January 5, 2018 9:35 AM
To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
I am available any time this morning.
Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456
-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January 5, 2018 9:32 AM
To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.
-----Original Message-----
From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: January-05-18 9:29 AM
To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Thanks for the update, Malle.
I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.
I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.
To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.
Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:
(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,
(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,
(c) eliminating any implied/moral undertakings by the Province to bondholders,
(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,
(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,
(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),
(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,
(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and
(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.
(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)
In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.
Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.
I will be tied up from 930 to 1030, but then free until 1145.
Regards, Steve
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086
Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
Tel: 416-863-2400 Fax: 416-863-2653
https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=A4FRvIHct8h_iA1PKpb1pLHhMNORZ6vRN15XI6hpI5k&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=bI-GH3geYz8H122_42BR_aDcMYYJQKnH8lGqgenva50&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=ko9V22NeKbnEMcpBFuzSVtWwSSvVOZxxjYVBohQiPhk&e=
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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, January 05, 2018 8:49 AM
To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN
Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,
Malle

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-05-18 8:40 AM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,
Malle

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-04-18 4:11 PM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks
Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message
From: Ramchandani, Rima
Sent: Thursday, January 4, 2018 15:17
To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes
(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes
(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes
(4) Agency Agreement
(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)
(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,
Rima

Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
Torys LLP
79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

-----Original Message-----
From: LEE John -TREASURY
Sent: Thursday, January 04, 2018 12:18 PM
To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – RE: Waiver Process
Ken/Steen:
We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.
Please advise and we will adjust the work plan accordingly.
John
-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Thursday, January 04, 2018 9:36 AM
To: LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: EXTERNAL – RE: Waiver Process
*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***
_____
Hi John
I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:
Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.
Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.
With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.
Thanks
Ken k
-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: Re: Waiver Process
It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks
Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process
Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.
I am cc'ing our legal counsel to see if they have any suggestions.
Ken k
On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com>> wrote:
Ken:
Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.
Please advise.
John
From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions
I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!
Rima

Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions
OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.
Rima
Rima Ramchandani
P. 416.865.7666
From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions
I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.
John

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From:	Whitfield, Tobias P. (MOF)
To:	Ken Kandeepan; Mike Manning; Thouin, Alena (ENERGY); Malle Hanslep (MOF); ASHBOURNE, STEPHEN; Anna Strathy; Ronald Kwan; Tim Christie (ENERGY)
Cc:	Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY)
Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Monday, January 08, 2018 12:36:35 PM

We were wondering if this group might be available to discuss the documents that we received from OPG on Friday, perhaps at 9:30 or 10 am tomorrow morning?

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

-----Original Appointment-----
From: Whitfield, Tobias P. (MOF)
Sent: January 5, 2018 10:44 AM
To: Whitfield, Tobias P. (MOF); 'Ken Kandeepan'; Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS); Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: Call re Delivery of Reference Documentation to Province
When: January 5, 2018 3:00 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Telephone
Please see below teleconference information for call at 3.
Number: 416-212-8012
Toll Free: 1-866-633-0848
Participant Passcode: 5801207#

_____

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January 5, 2018 10:18 AM
To: Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.
Thanks
Ken k
-----Original Message-----
From: Mike Manning
Sent: Friday, January 05, 2018 10:08 AM
To: 'Thouin, Alena (ENERGY)' ; Tobias P. Whitfield (MOF) ; Malle Hanslep (MOF) ; ASHBOURNE, STEPHEN ; Ken Kandeepan ; Anna Strathy ; Ronald Kwan ; Tim Christie (ENERGY)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Around as well.
Mike
-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 10:03 AM
To: Tobias P. Whitfield (MOF) ; Malle Hanslep (MOF) ; ASHBOURNE, STEPHEN ; Mike Manning ; Ken Kandeepan ; Anna Strathy ; Ronald Kwan ; Tim Christie (ENERGY)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
I am available as well.
After 11:30
Adding our Energy policy counterparts.
Alena Thouin
Deputy Director, Legal Services Branch
Ministries of Energy / Infrastructure / Economic Development & Growth /
Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 Email: alena.thouin@ontario.ca
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-----Original Message-----
From: Whitfield, Tobias P. (MOF)
Sent: January 5, 2018 9:35 AM
To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
I am available any time this morning.
Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456
-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January 5, 2018 9:32 AM
To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.
-----Original Message-----
From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: January-05-18 9:29 AM
To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Thanks for the update, Malle.
I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.
I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.
To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.
Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:
(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,
(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,
(c) eliminating any implied/moral undertakings by the Province to bondholders,
(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,
(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,
(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),
(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,
(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and
(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.
(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)
In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.
Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.
I will be tied up from 930 to 1030, but then free until 1145.
Regards, Steve
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086
Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
Tel: 416-863-2400 Fax: 416-863-2653
https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=A4FRvIHct8h_jA1PKpb1pLHhMNORZ6vRN15XI6hpI5k&e= |
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-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, January 05, 2018 8:49 AM
To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN
Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province
As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.
""Material Effect" means a material adverse effect on the obligations or the rights of the Province under the Limited Guarantee, the Change of Law Protection Agreement or this Agreement that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any other Transaction Document that forms part of the Reference Documentation at the relevant time, the following: (i) the timing of or circumstances under which related payments would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Financing Entity or the Financing Entity Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Trust Indenture; (vi) compliance by the FSM with the then applicable Financing Plan; (vii) compliance by the FSM or the Financing Entity with the Act or the General Regulation; or (viii) the Province's rights of subrogation or assignment (including pursuant to Sections 1.05, 2.01 or 5.01 of the Change of Law Protection Agreement) or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation."
Thanks,
Malle
-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-05-18 8:40 AM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy,

Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Hi Rima,
I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?
Thanks,
Malle
-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-04-18 4:11 PM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province
Hi Rima
Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.
Thanks
Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Ramchandani, Rima
Sent: Thursday, January 4, 2018 15:17
To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.
We are planning on delivering the following additional reference documentation to the Province tomorrow:
(1) Supplemental Indenture for the Series 2018-1 Term Notes
(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes
(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes
(4) Agency Agreement
(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)
(6) Term Sheet supplementing the Offering Memorandum
As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.
Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.
Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.
Thanks,
Rima
Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
Torys LLP
79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]
-----Original Message-----
From: LEE John -TREASURY
Sent: Thursday, January 04, 2018 12:18 PM
To: 'Ken Kandeepan'
Cc: WONG Leslie -LAWDIV ; LADAK Lubna -TREASURY ; LAURETA LAPIRA May -TREASURY ; RYFA Ken -TREASURY ; Mike Manning ; Tobias P. Whitfield (MOF) ; Anna Strathy ; Thouin, Alena (ENERGY) ; Malle Hanslep (MOF) ; David McLean (MOF) ; Anna Strathy ; Jonathan Tekle (CAB) ; Ronald Kwan ; Steen Hume (CAB) ; Tim Christie (ENERGY)
Subject: RE: EXTERNAL – RE: Waiver Process
Ken/Steen:
We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.
Please advise and we will adjust the work plan accordingly.
John
-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Thursday, January 04, 2018 9:36 AM
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV ; LADAK Lubna -TREASURY ; LAURETA LAPIRA May -TREASURY ; RYFA Ken -TREASURY ; Mike Manning ; Tobias P. Whitfield (MOF) ; Anna Strathy ; Thouin, Alena (ENERGY) ; Malle Hanslep (MOF) ; David McLean (MOF) ; Anna Strathy ; Jonathan Tekle (CAB) ; Ronald Kwan ; Steen Hume (CAB) ; Tim Christie (ENERGY)
Subject: EXTERNAL – RE: Waiver Process
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Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:
Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.
Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.
With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.
Thanks
Ken k
-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan ; LEE John -TREASURY
Cc: WONG Leslie -LAWDIV ; LADAK Lubna -TREASURY ; LAURETA LAPIRA May -TREASURY ; RYFA Ken -TREASURY ; Mike Manning ; Tobias P. Whitfield (MOF) ; Anna Strathy ; Thouin, Alena (ENERGY)
Subject: Re: Waiver Process
It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks
Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process
Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.
I am cc'ing our legal counsel to see if they have any suggestions.
Ken k
On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY > wrote:
Ken:
Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.
Please advise.
John
From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY >
Cc: Feldman, Michael >; WONG Leslie -LAWDIV >; LADAK Lubna -TREASURY >; LAURETA LAPIRA May -TREASURY >; RYFA Ken -TREASURY >; GO Matthew -TREASURY >; HAHN PARKER Janet -TREASURY >
Subject: RE: EXTERNAL – RE: Diligence Questions
I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!
Rima
Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' >
Cc: Feldman, Michael >; WONG Leslie -LAWDIV >; LADAK Lubna -TREASURY >; LAURETA LAPIRA May -TREASURY >; RYFA Ken -TREASURY >; GO Matthew -TREASURY >; HAHN PARKER Janet -TREASURY >
Subject: RE: EXTERNAL – RE: Diligence Questions
OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.
Rima
Rima Ramchandani
P. 416.865.7666
From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima >
Cc: Feldman, Michael >; WONG Leslie -LAWDIV >; LADAK Lubna -TREASURY >; LAURETA LAPIRA May -TREASURY >; RYFA Ken -TREASURY >; GO Matthew -TREASURY >; HAHN PARKER Janet -TREASURY >
Subject: RE: EXTERNAL – RE: Diligence Questions
I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.
John

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From:	Christie, Tim (ENERGY)
To:	Ken Kandeepan; "ASHBOURNE, STEPHEN"; Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Mike Manning; Malle Hanslep (MOF); Anna Strathy; Ronald Kwan; Veinot, Cindy (TBS); Mark Donaldson (MOF)
Cc:	Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); VINER, JON
Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Thursday, January 11, 2018 11:57:21 AM

Hi Ken, we still need to run our comments by the DM before they go back to OPG/Torys.
Tim

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January-11-18 10:51 AM
To: 'ASHBOURNE, STEPHEN'; Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Manning, Mike (OFA); Hanslep, Malle (MOF); Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY); Veinot, Cindy (TBS); Donaldson, Mark (TBS)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY); Rehob, James (ENERGY); VINER, JON
Subject: RE: Call re Delivery of Reference Documentation to Province
Hi all
From the perspective of both Mike and I the comments and edits are very factual and should not pose any issues to OPG or the Trust should they choose to accept them. If others are of the same opinion, I suggest that either MOF or MOE Legal forward the marked up version to Torys with cc's to the usual suspects.
Thanks
Ken k

From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: Wednesday, January 10, 2018 2:53 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>
Cc: Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Daniel Cayley (ENERGY) <Daniel.Cayley@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; VINER, JON <JON.VINER@blakes.com>
Subject: RE: Call re Delivery of Reference Documentation to Province
Oops. This time with the revisions.
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

Blakes

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
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From: ASHBOURNE, STEPHEN
Sent: Wednesday, January 10, 2018 2:51 PM
To: 'Ken Kandeepan'; 'Thouin, Alena (ENERGY)'; 'Tobias P. Whitfield (MOF)'; 'Mike Manning'; 'Malle Hanslep (MOF)'; 'Anna Strathy'; 'Ronald Kwan'; 'Tim Christie (ENERGY)'; 'Veinot, Cindy (TBS)'; 'Mark Donaldson (MOF)'
Cc: 'Sawwaf, Khareem (ENERGY)'; 'Huang, Jackson (MEDG/MRIS)'; 'Daniel Cayley (ENERGY)'; 'Lightbody, Ava (ENERGY)'; 'James Rehob (ENERGY)'; VINER, JON
Subject: RE: Call re Delivery of Reference Documentation to Province

Hi. Here are further revisions to the OM mark-up circulated yesterday, based on comments recently received. This is still a work-in-progress, so please do not on-circulate. Please let us know if you have any questions or concerns.
Thanks, Steve

Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

From: ASHBOURNE, STEPHEN
Sent: Tuesday, January 09, 2018 9:26 AM
To: 'Ken Kandeepan'; 'Thouin, Alena (ENERGY)'; 'Tobias P. Whitfield (MOF)'; 'Mike Manning'; 'Malle Hanslep (MOF)'; 'Anna Strathy'; 'Ronald Kwan'; 'Tim Christie (ENERGY)'; 'Veinot, Cindy (TBS)'; 'Mark Donaldson (MOF)'
Cc: 'Sawwaf, Khareem (ENERGY)'; 'Huang, Jackson (MEDG/MRIS)'; 'Daniel Cayley (ENERGY)'; 'Lightbody, Ava (ENERGY)'; 'James Rehob (ENERGY)'; VINER, JON
Subject: RE: Call re Delivery of Reference Documentation to Province

Hi. Here is a list of items that could be discussed at 9:30, in order to settle on the scope and nature of commenting on the OM:

MOE – Alignment Considerations

1. Simplified references to the OFHPA (general caveat)

2. Scope of descriptions (generally, should be …subject to the OFHPA and the Regulations)

3. "purposes" of the OFHPA (e.g., implies that is rate reduction)

4. Nature and duration of the "moratorium period" (non-legislative)

5. Trust vs. "financing entity" (permit multiple FEs and co-ownership arrangements – minimally described)

6. "Fair Allocation Amount" – amount vs. effect of calculation (imprecise); concept of "Readjustments" missing

7. Financing Plan – refinements (e.g., references to Refinancings)

8. Expectations re FAA – negative until 2024

9. "Ontario's Fair Allocation Plan" – styling

10. OPG appointment as FSM (initial only – ability for Minister to replace)

11. Inclusions into IESO deferrals (precision)

12. Carrying costs vs funding rebates (impact on nature of Investment Asset)???

13. No reference to pre-OFHPA adjustments (piggy bank)

14. Risk Factors – approach to describing legal risks and Protection Agreement as mitigation

15. Technical definitions and descriptions (e.g., carrying costs; forecasts from IESO rather than forecast information; invoicing mechanics; simplifications of definitions; etc.)

16. Limited discussion re contents of "Financing Plan"

17. No real recognition of tail risk and duration mismatch considerations and mitigants/strategies

18. No discussion re OFHPA rights of action, etc.

19. "non-bypassable" (meaning)

<u>OFA - Change of Law Protection Agreement</u>

1. Narrative (e.g., "in favour of the Issuer")

2. Notes do not constitute debt of Province, etc. (confirm description) – additional considerations?

3. Scope of "Approved Obligations" (overbroad)

4. Positive obligations in favour of Province (e.g., apply amounts; credit for applied amounts)

5. Definition of "Protection Events" (align)

6. Rights of Subrogation (needs to be more detailed)

7. Mechanics of Protection Account

8. Limited direct rights of Noteholders (through indenture trustee)

9. Limitations on damages

10. Only passing reference to the "Process Agreement" in OM (but referred to in more detail in the Investor Presentation)

<u>Other</u>

1. Confidentiality (deemed vs. confirmed in writing)

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Regards, Steve
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

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From:	Ken Kandeepan
To:	"ASHBOURNE, STEPHEN"; "Thouin, Alena (ENERGY)"; Tobias P. Whitfield (MOF); Mike Manning; Malle Hanslep (MOF); Anna Strathy; Ronald Kwan; Tim Christie (ENERGY); Veinot, Cindy (TBS); Mark Donaldson (MOF)
Cc:	Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); VINER, JON
Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Thursday, January 11, 2018 10:50:39 AM

Hi all

From the perspective of both Mike and I the comments and edits are very factual and should not pose any issues to OPG or the Trust should they choose to accept them. If others are of the same opinion, I suggest that either MOF or MOE Legal forward the marked up version to Torys with cc's to the usual suspects.

Thanks

Ken k

From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: Wednesday, January 10, 2018 2:53 PM
To: Ken Kandeepan ; 'Thouin, Alena (ENERGY)' ; Tobias P. Whitfield (MOF) ; Mike Manning ; Malle Hanslep (MOF) ; Anna Strathy ; Ronald Kwan ; Tim Christie (ENERGY) ; Veinot, Cindy (TBS) ; Mark Donaldson (MOF)
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Subject: RE: Call re Delivery of Reference Documentation to Province

Oops. This time with the revisions.

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Partner
stephen.ashbourne@blakes.com
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———————————

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Sent: Wednesday, January 10, 2018 2:51 PM
To: 'Ken Kandeepan'; 'Thouin, Alena (ENERGY)'; 'Tobias P. Whitfield (MOF)'; 'Mike Manning'; 'Malle Hanslep (MOF)'; 'Anna Strathy'; 'Ronald Kwan'; 'Tim Christie (ENERGY)'; 'Veinot, Cindy (TBS)'; 'Mark Donaldson (MOF)'
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From: ASHBOURNE, STEPHEN
Sent: Tuesday, January 09, 2018 9:26 AM
To: 'Ken Kandeepan'; 'Thouin, Alena (ENERGY)'; 'Tobias P. Whitfield (MOF)'; 'Mike Manning'; 'Malle Hanslep (MOF)'; 'Anna Strathy'; 'Ronald Kwan'; 'Tim Christie (ENERGY)'; 'Veinot, Cindy (TBS)'; 'Mark Donaldson (MOF)'
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Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Wednesday, January 10, 2018 2:52:53 PM
Attachments:	23287504-v4-Fair Hydro OM - Blakes Comments.DOCX 23287504-vpdf-Fair Hydro OM - Blakes Comments.PDF

Oops. This time with the revisions.
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This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "****U.S. Securities Act****") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement

January ■, 2018

FAIR HYDRO TRUST
Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (the "**FHPA**"), legislation [that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms).][1] Under the FHPA, OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA.[2] The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See "*Change of Law Protection Agreement*". The Senior Notes will be nonrecourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See "*Risk Factors*".

[1] **Note:** This narrative should be removed or, if necessary, it should track the purposes of the FHPA set out in Section 3 of the Act.

[2] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended or supplemented by supplemental indentures thereto.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly,

purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount & Financing Plan"*, *"Subordinated Debt"*, *"■"*[3] and *"Risk Factors"* of this confidential shelf offering memorandum and *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"*, *"■"*[4] and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval by resolution of the holders of all Series of Senior Notes.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

[3] **Note:** Please complete.

[4] **Note:** Please complete.

- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Power outages could impair payment of the Senior Notes.[5]
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

[5] Is this relevant? Is the concern that the CEA would be spread across a relatively smaller base due to lower usage in a period?

- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

PRIOR TO RECEIVING THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER MUST HAVE ENTERED INTO A CONFIDENTIALITY UNDERTAKING WITH THE ISSUER (IN A FORM ACCEPTABLE TO THE ISSUER) WHICH PROVIDES THAT BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER. ***[NTD: Logistics to be discussed between Dealers and OPG.]***

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at https://www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust governed by the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "**FHPA**"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[6] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[7] for that period. Under the FHPA, OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA and the Regulations.[8] The Issuer is a Financing Entity[9] under the FHPA and the Regulations and the Notes are Funding Obligations being offered for the purposes of the FHPA and the Regulations. See "*Ontario's Fair Hydro Plan — Background*".
Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of series (each a "**Series**"), in one or several offerings (each, an "**Offering**"). A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by

[6] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[7] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

[8] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

[9] **Note**: Elsewhere, the disclosure refers only to the Issuer without adverting to the possibility of other future Financing Entities. To the extent that this simplification suggests in a particular context that other future Financing Entities would not be permitted or similarly treated, references to the Trust should be broadened to encompass the possibility of future Financing Entities.

	reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the master trust indenture dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Trust Indenture**") between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**"), as supplemented by a supplemental indenture dated the date of the issuance of such Series between the Issuer and the Indenture Trustee (a "**Supplemental Indenture**" and collectively with the Master Trust Indenture, the "**Indenture**") authorizing that Series.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a not-for-profit corporation established under the *Electricity Act, 1998* (Ontario). The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market.[10] Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). However, the FHPA provides that the IESO is not permitted to exercise such right before May 1, 2021 is limited under the FHPA. The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may, on a monthly basis, offer to transfer a specified portion of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"Transferor and Servicer"*.
Investment Interest:	Upon acceptance of the transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA and the Regulations. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.
Clean Energy Adjustment:	The FHPA and the Regulations impose an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager based on the calculations and parameters set out in the FHPA. The OEB is required to determine the rates at which Specified Consumers are to be invoiced in order to recover the Clean Energy Adjustment in respected of a specified Reference Period (which is generally a six month period, or a shorter period in certain circumstances). The rates are to be determined by reference to forecasted electricity consumption of Specified Consumers for a period and are expressed as a cent per KWh rate. See

[10] **Note:** Consider also referring to IESO's planning and procurement functions. They may be meaningful here to the extent they impact IESO objectives and governance generally.

"— Statutory Duties of the OEB" below.

The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs, derivative payments, required deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is required to be calculated by the Financial Services manager in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustment is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment during preceding Reference Periods.

The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

[Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.][11]

[11] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) *[limitation on*

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs during the Moratorium Period:

During the Moratorium Period and extending to July 31, 2021,[12] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).[13]

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement, the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for the performance of its obligation under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for

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the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021]. In particular, the suggestion that CEAs cannot be collected in any circumstance during the Moratorium Period goes beyond 21(4) and presumes that there will be no Readjustment.

[12] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending on July 31, 2021.

[13] **Note:** Consider revising to conform with Section 9.3(3) of the General Regulation. This Section provides that "carrying costs" also include derivative payments, etc.

repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount and Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.[14]

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g. OEB licensees) in Ontario's [electricity market][15], including the activities of transmitters and distributors as well as the IESO (all Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided to the OEB by the IESO. See *"— Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA and the Regulations require Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of [the Issuer][16], amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established

[14] **Note:** Add detailed description to correspond to this summary in the detailed portion of the OM.

[15] **Note:** Technically, the IESO administers (supervises) the IESO-administered markets. There is no definition for "electricity market".

[16] **Note:** This and similar references to the Issuer should instead refer to Financing Entities (Investment Interest owners), of which the Trust is the first, and then cross-refer to the concept of co-ownership in order to facilitate additional financings in the future.

for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of [the Issuer][17] until remitted to the IESO for the benefit of [the owners of Investment Interests (initially, only the Issuer)].[18] If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[19] It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.[20]

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required from the IESO is based on a formula as set out in the Master Transfer and Servicing Agreement and will equal: (i) 50% of forecasted Clean Energy Adjustment amounts that are to be collected by such non-investment grade rated Electricity Vendors and held for 45 days prior to the funds being remitted to the Issuer; or (ii) such other amount that satisfies the Rating Agency Condition. See "*The Transferor and Servicer.*"

Management Duties of OPG:

OPG has entered into a management agreement (the "**Management Agreement**") with the Issuer pursuant to which the Issuer has delegated to OPG, as manager (the "**Manager**"), all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer. See "*The Manager*".

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA and the Regulations, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the

[17] **Note:** Please see note 16.

[18] **Note:** Please see note 16.

[19] **Note:** Please consider revising this to conform more closely to Section 17(4) of the FHPA.

[20] **Note:** Please confirm.

Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. See "*The Manager*".

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of [the Issuer][21], to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of [the Issuer] and remit such amounts to [the Issuer] [on a monthly basis, subject to daily remittance being required in certain limited circumstances.][22] In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing forecast information regarding electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts to [the Issuer] and fulfilling certain additional reporting requirements. [Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.][23] However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See "*The Transferor and Servicer.*"

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement in favour of the Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which, provided that the Notes are Approved Obligations, includes payments of amounts that are due and payable in respect of Notes), although the amount of Province of Ontario's payment obligations in a particular period will differ depending on whether an Acceleration has occurred. See "*Change of Law Protection Agreement*". The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation.

Generally, an "Approved Obligation" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance

[21] **Note:** Please see note 16 regarding bracketed references to the "Issuer" in this paragraph..

[22] **Note:** Please consider disclosing which IESO duties are statutory and which arise under the MTSA. For instance, in this sentence, these time requirements arise from the MTSA. Section 9(2) of the General Regulation requires that the IESO remit within a reasonable period of time.

[23] **Note:** Please confirm.

reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

under which Approved Obligations arise; or

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations, such amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations

under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain

refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA and the Regulations by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of certain costs allocated to Specified Consumers in respect of the Ontario government's clean energy initiatives ("**Clean Energy Costs**")[24] in proportion to the relative attribution of the value of benefits determined to be derived by or accruing to Specified Consumers as a result of such clean energy initiatives ("**Clean Energy Benefits**") among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.[25]

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA [, namely, to ensure that present and future Specified Consumers are bearing their share of the costs of providing Clean Energy Benefits].[26] Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be

[24] **Note:** Consider that "Clean Energy Costs" is more thoroughly defined in the Glossary. Through the OM, reconsider instances where there are two different definitions.

[25] **Note:** The description of the fair allocation amount should more closely align to Section 20(1) of the FHPA.

[26] **Note:** The description should more closely align with the stated purposes of the FHPA in Section 3 of the Act.

consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This [means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024.][27] Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount on subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

Use of Proceeds:

The proceeds from each Offering may be used to (i) acquire an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement, (ii) refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) pay Offering and related costs of the Issuer and (iv) fund specific reserve accounts as required.

The Term Sheet for each Offering of Senior Notes will identify the

[27] **Note:** MOE to confirm whether including this sort of prediction is appropriate.

	amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount. In connection with the incurrence of any Series of Notes, the Issuer may

(i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for senior obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for subordinated obligations;
- payments of or accumulations in respect of interest for junior subordinated obligations;
- payment of or accumulations in respect of principal for warehouse obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for senior obligations (other than warehouse obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on senior obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for subordinated obligations;
- fees and other amounts (other than principal and interest) on subordinated obligations;
- payment of or accumulations in respect of principal for junior subordinated obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for subordinated obligations or junior subordinated obligations);
- replenishment of Series Accounts established for subordinated obligations;
- fees and other amounts (other than principal and interest) on junior subordinated obligations;
- replenishment of Series Accounts established for junior subordinated obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and

- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on senior obligations and payments under derivative agreements (other than termination payments), *pari passu*, then subordinated obligations (other than principal) and then junior subordinated obligations (other than principal);
- principal for warehouse obligations;
- *pari passu*, principal on senior obligations (other than warehouse obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for subordinated obligations and then junior subordinated obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario,

	section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103). By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.
Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydropower, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from generating facilities to local areas; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses using lower voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of small scale solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy from a few flexible loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Virtually all generators in Ontario also have bilateral contracts with the IESO that provide for payments in addition to the market price of electricity that is paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario), whose sole shareholder is the Province of Ontario. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold all of the generation assets. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power turbine. OPG's mission is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit

of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for almost half of the total energy generated and injected into Ontario's electricity transmission system, as reported by the IESO. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for operating the real-time electricity markets in Ontario, as well as administering the market rules. The OPA was the counterparty that entered into bilateral power or capacity purchase contracts with generators. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners, but it is governed by an independent Board of Directors whose chair and directors are appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors which are also Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

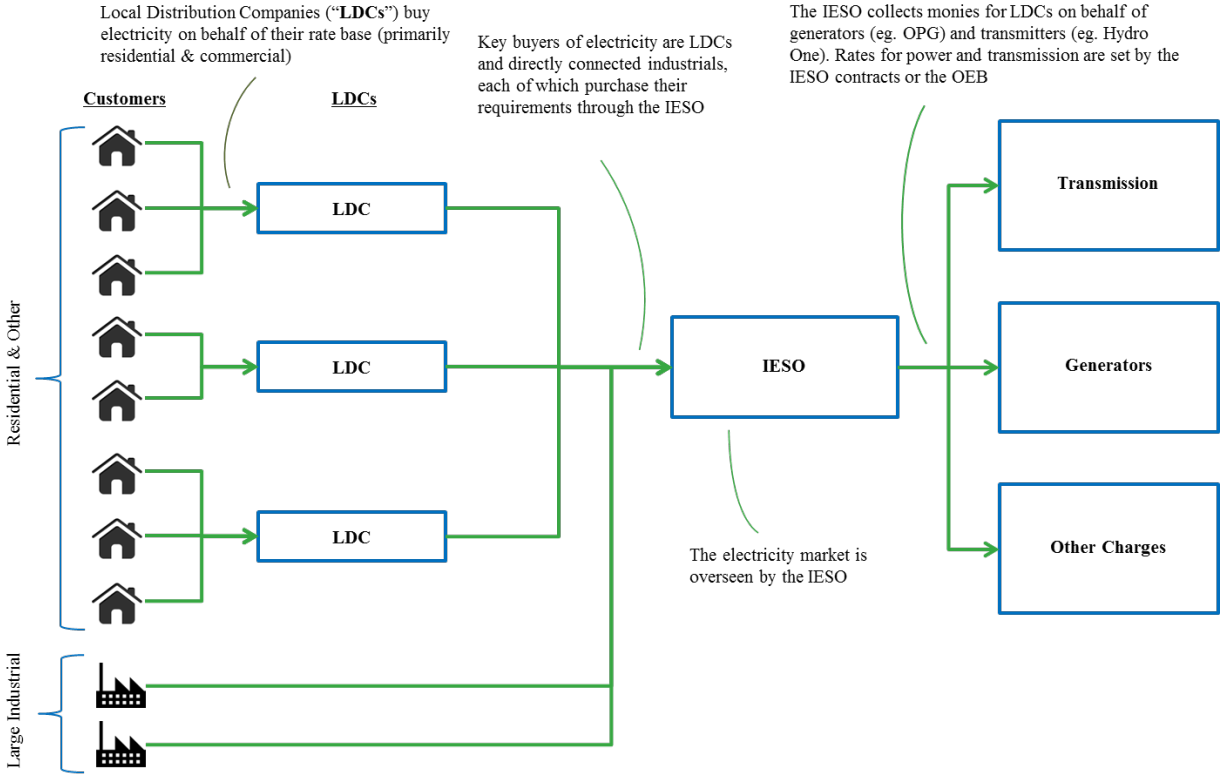
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures involving distributors, transmitters and other entities which it licenses.

The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB. The following diagram depicts a simplified flow of funds between the key industry participants:



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two main components that make up the commodity cost of electricity in Ontario, the hourly Ontario energy price ("**HOEP**") and the global adjustment charge.

- The HOEP is set by the IESO on an hourly basis based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is also paid by loads. It is established monthly by the IESO in accordance with regulations and is used to collect funds used by the IESO to pay certain "out of market" costs that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to certain generators, including OPG, that are entitled to a regulated rate of return based on OEB-established payment amounts. For all loads with a peak demand under 500 kW (in other words, all Specified Consumers),[28] the global adjustment charge is based on electricity usage on a per unit basis.

Prior to the FHPA being passed, the amount collected by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's liabilities, subject to certain periodic true-ups and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, and in accordance with amendments to legislation, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered prices for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in the previous period. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from a licensed retailer pursuant to a retail contract that provides a fixed rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the *Ontario Fair Hydro Plan Act, 2017*[29] (the "**FHPA**")[, legislation that reallocates certain electricity costs over time and provides immediate rate relief to consumers][30]. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[31] less than the rate that would otherwise have been determined by the OEB for that period (the "**Fair Adjustment**").

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

[28] **Note:** Please confirm.

[29] **Note:** The FHPA was Schedule 1 to omnibus legislation entitled the *Fair Hydro Act, 2017*. Further, already defined as the FHPA above.

[30] **Note:** This narrative should be removed, or if necessary, the description of the FHPA should track the purposes of the Act as set out in Section 3 to the Act.

[31] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as the initial Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (such obligations, "**Funding Obligations**") to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, in a variance account.[32] The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). However, in accordance with the FHPA, the IESO is not entitled to collect all or part of the balance recorded in the variance account (which is the basis of the Regulatory Asset) from specified consumers before May 1, 2021. The IESO may, in accordance with the FHPA, transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

[32] **Note:** Please consider disclosure of further details as to what is recorded in the variance account. For instance, paragraph 3 of Section 15 in the General Regulation states that amounts incurred by the IESO on or after May 1, 2017 but before the FHPA came into force may be recorded in the IESO deferral.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment and, as an owner of the Investment Interest, will be entitled to recover its "Finance Amount" (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest from the IESO, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the transfer of a specified portion of the Regulatory Asset from the IESO, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of Investment Interest owners (among other things):[33]

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest, including any rights to receive a payment obligation incurred by the IESO as part of the transfer of the Regulatory Asset (such payment obligations incurred by the IESO being "**Funding Rebates**"); and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers [to cover the cost of financing the shortfall that results from the Fair Adjustment].[34] The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

[33] **Note:** Please consider disclosing in this section that the Investment Asset is a collective right of the Investment Interest owners. While this is explained in a risk factor ("The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities), additional explanation/ disclosure may be warranted here.

[34] **Note:** Consider that the statutory definition of "Clean Energy Adjustment" states that it is "the amount determined under section 15 [of the FHPA] and payable by specified consumers". The FHPA does not expressly state the purpose of the Clean Energy Adjustment.

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment, redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer, or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a funding obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) for any period before May 1, 2021, amounts received during the period in respect of Carrying Costs and Funding Rebates and for any period on and after May 1, 2021, amounts received during the period in respect of Funding Rebates;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax and to which the Issuer is entitled as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustments is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment during the preceding Reference Periods. The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast of electricity consumption of Specified Creditors in respect of such period, based on forecast information provided to the OEB by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the [Issuer],[35] amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the [Issuer] until remitted to the IESO for the benefit of the [the owners of Investment Interests (initially, only the Issuer)]. If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[36] It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.[37] If there are any amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to [the Issuer] during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. [Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and

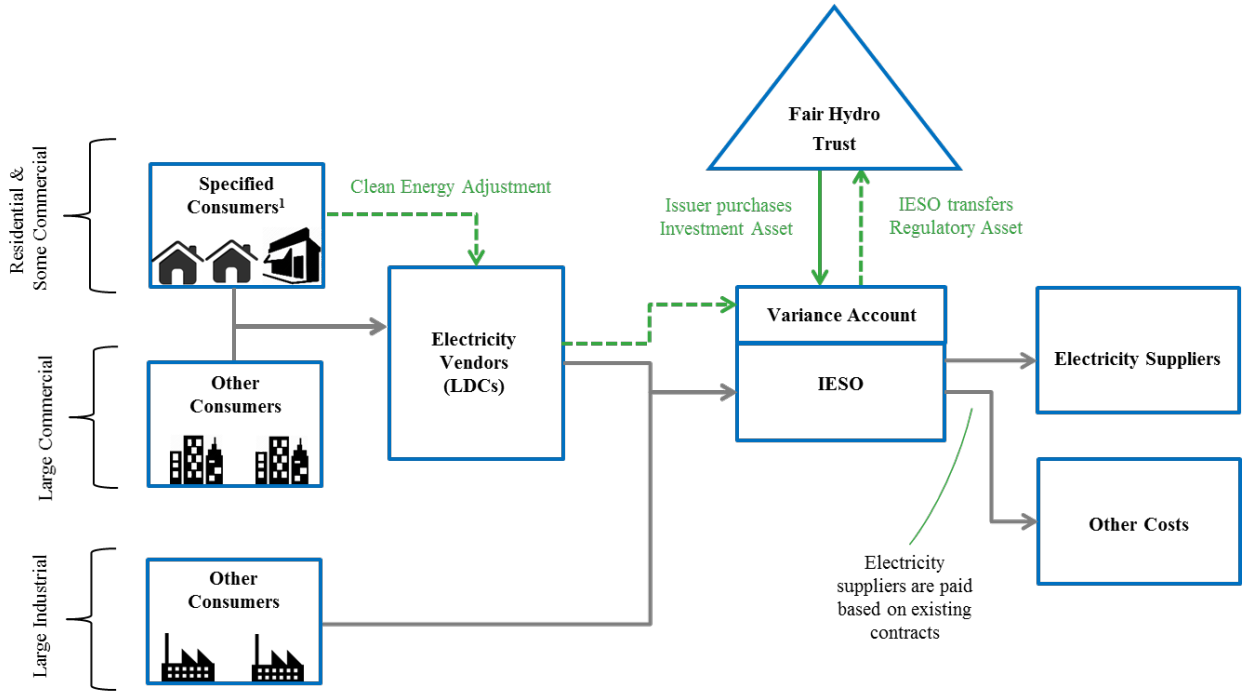
[35] **Note:** Please see note 16 regarding the placement of square brackets around "the Issuer" in this paragraph. The disclosure should indicate that amounts are collected for the Investment Interests owners (and that, as at the date of the OM, the Issuer is the only Investment Interest owner).

[36] **Note:** Please consider revising to conform more closely to Section 17(4) of the FHPA.

[37] **Note:** Please confirm.

remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period.][38] See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, directly to the IESO.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers.[39] Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA , provided

[38] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) [*limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*].

[39] **Note:** Please consider a description of the fair allocation amount that more closely aligns to Section 20(1) of the FHPA.

that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA[, namely, to ensure that present and future Specified Consumers are bearing their fair share of the costs of providing Clean Energy Benefits][40]. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This [means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024.][41] Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount of subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

IESO Payment of Carrying Costs During the Moratorium Period

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. During the Moratorium Period and extending to July 31, 2021,[42] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes).[43] The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying

[40] **Note:** Any description of the purpose of the FHPA should conform with the stated purposes of the Act set out in Section 3.

[41] **Note:** MOE to confirm.

[42] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending July 31, 2021.

[43] **Note:** Consider revising to conform with the definition of "carrying costs" in Section 9.1(3) of the General Regulation.

Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs. Furthermore, as security for the performance of its obligations under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA or the Regulations, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement in favour of the Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account (as hereinafter defined). The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Obligation Secured on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Obligation Secured on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period for purposes of [section 15(1) of the FHPA (in effect as at December 21, 2017), including section 6.1 of the General

Regulation under the FHPA (in effect as at December 21, 2017)][44], divided by the number of months in such Reference Period.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA, in whole or in part, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

[44] Perhaps this should instead cross-reference a more detailed description and explanation of the "Acceleration" mechanics under 6.1 of the Regulation.

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral (as hereinafter defined) and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture and no person entitled under any Obligation Secured (including a Specified Creditor) that ranks equal with or subordinate to the Approved Obligation in respect of which the Province of Ontario is owed a Subrogation Amount will be entitled to make any claim or assert any right in or to the amounts paid or payable to the Province of Ontario, and no such person will have any right to the Collateral or any proceeds therefrom in respect of any Subrogation Amount. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

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

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA or the Regulations; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were Approved Obligations issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to a declaration of trust made December 20, 2017 (the "**Declaration of Trust**"). Computershare Trust Company of Canada (the "**Issuer Trustee**") is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

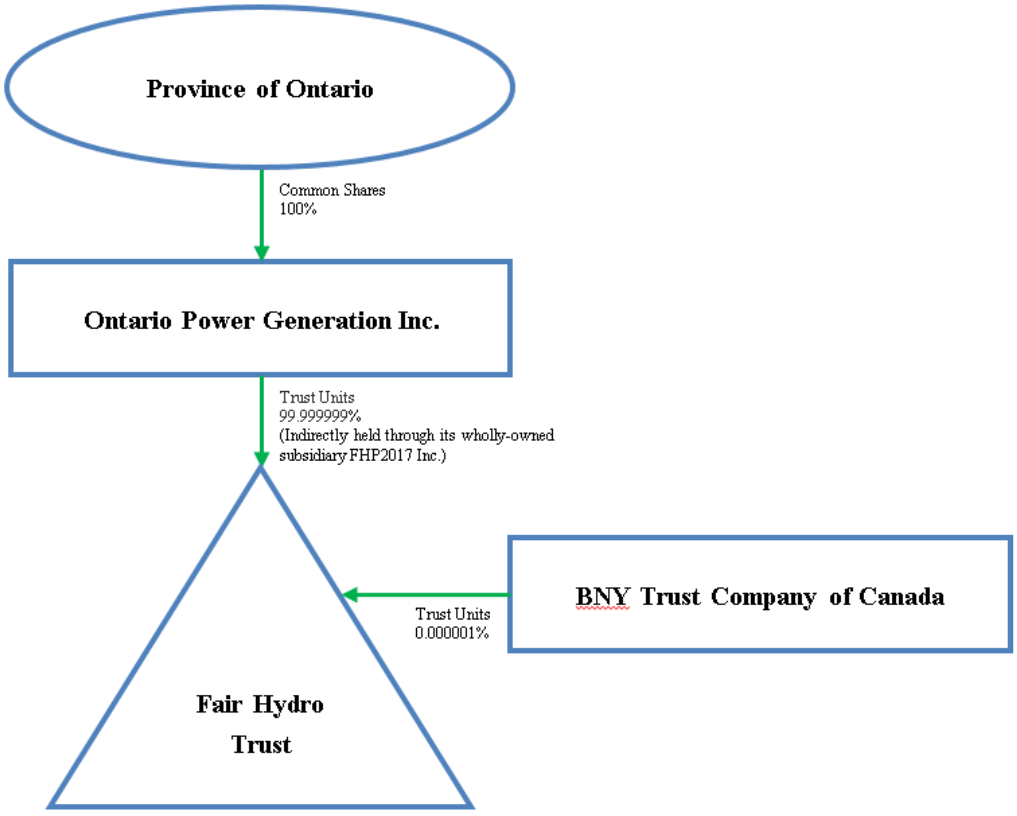
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

OPG has entered into a management agreement with the Issuer dated as of December 20, 2017 (the "**Management Agreement**") pursuant to which the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA and the Regulations, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, [45] the Manager shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA and the Regulations, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests in accordance with the FHPA or for the purposes of a Refinancing;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

[45] Please confirm the source of the right to review electricity vendor records under the Regulations. If this refers to Section 10(4) of the General Regulation, the right is that of the Issuer or the FSM.

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors − Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and Manager of the Issuer.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

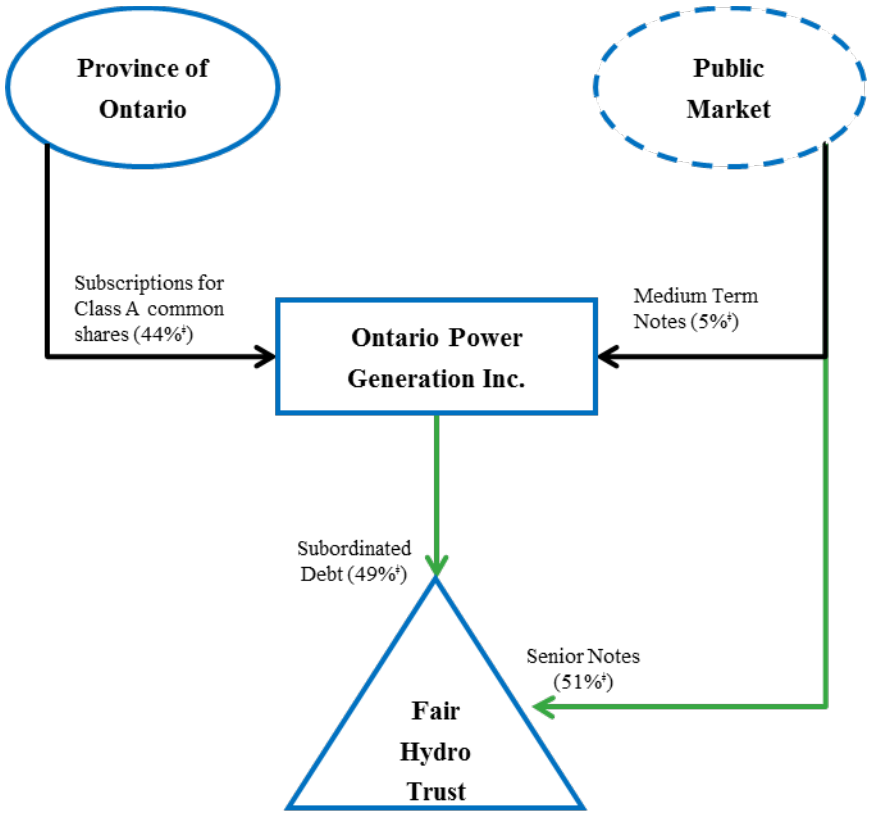
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximate 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes).

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



‡ OPG will acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

THE TRANSFEROR AND SERVICER

The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may periodically transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to transfer to the Issuer its right, title and interest in, to and under a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of collecting the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts collected in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on a monthly basis, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) forecasting the electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer.

While the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that the Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, the IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.[46] However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA or the Regulations, including its obligation to pay the Issuer's Carrying Costs.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes.[47] Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs.

As security for the performance of its obligation to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for transfer to the Issuer in a subsequent period and, upon completion of such transfer, shall become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy

[46] **Note:** Please confirm.

[47] **Note:** Consider a description of "carrying costs" that conforms to the definition set out in Section 9.1(3) of the General Regulation. Also note that the Glossary defines "Carrying Costs" as having the meaning ascribed to the term in the Regulations.

Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no

assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See "*— Subordination Provisions*", "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;

- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;

- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;

- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);

- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and

- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer

may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the United States Internal Revenue Code of 1986, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").[48]

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities

[48] **Note:** Consider also including the floating charge in all of the property, assets and undertaking now owned or hereafter acquired by the Issuer in the definition of Collateral. (s. 2.01(b) of the Master Trust Indenture).

Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for

the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "*— Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required

Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "— *Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law

Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral, and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all

actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "*— Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "*— Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel,[49] each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

[49] **Note:** Please confirm deletion of "external counsel". Please see definition of "Opinion of Counsel" and s. 13.19(c) in Master Trust Indenture.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;

- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;

- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;

- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;

- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;

- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;

- facilitate the issuance of foreign currency Issuer Funding Obligations;

- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;

- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or

- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the

Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "— *Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this "Description of the Senior Notes" section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;
- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s) and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;

- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;

- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;

- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;

- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and

- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Principal Accumulation Date(s) for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than a Principal Payment Date if an optional redemption occurs and may receive principal payments later than a Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on a Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating

thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with

respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA, the Regulations or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA or the Regulations.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA or the Regulations will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit was successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA or the Regulations should no longer be law in Ontario or that the FHPA or Regulations should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See *"Change of Law Protection Agreement"*. However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA or the Regulations referenced in the previous paragraph were amended or revoked through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Province of Ontario, although the remedy of damages is available.[50] Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.[51]

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other Carrying Costs, solely upon the IESO who is obligated under the Regulations to pay these Carrying Costs. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Issuer's Carrying Costs. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs. ***[NTD: IESO credit facility description to be confirmed.]***[52] There can be no assurance that the IESO will continue to have sufficient funds available to pay interest on the Senior Notes or to pay the Issuer's other Carrying Costs during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay interest on the Senior Notes or the Issuer's other Carrying Costs and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a

[50] **Note:** Consider mentioning that section 21 of the *Proceedings Against the Crown Act* (Ontario) prohibits execution, attachment and process against the Province.

[51] **Note:** Consider mentioning, as a mitigant, that section 22 of the *Proceedings Against the Crown Act* (Ontario), which states that "the Minister of Finance shall pay out of the Consolidated Revenue Fund the amount payable by the Crown, (a) under an order of a court that is final and not subject to appeal; (b) under a settlement of a proceeding in a court…".

[52] **Note:** Is there any other information to be added apart from the expiry date?

security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO under the Master Transfer and Servicing Agreement.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other Carrying Costs, solely upon the IESO who is obligated under the Regulations to pay these Carrying Costs. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA and the Regulations.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event and delivery by the Indenture Trustee to the Province of Ontario of a written payment demand. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or other obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA and the Regulations, rights to enforcement of the FHPA, the Regulations and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not

sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform -- Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Funding Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring an Investment Interest. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the transfer by the IESO of a specified portion of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.[53]

[53] **Note:** Consider explaining under this risk factor that the Investment Asset is a bundle of rights and interests held collectively by all investment interest owners.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA, the Regulations and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA, the Regulations and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or forecasting consumption, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of OPG, as Financial Services Manager and as Manager of the Issuer. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA and the Regulations, including determining the Clean Energy Adjustment (inclusive of the True-Up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to

the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated in part based upon a forecast of Specified Consumer usage to be newly developed by the IESO[, adjusted for expected billing lags and charge-offs] [including the effect of delinquencies and write-offs] ***[Confirm whether the IESO forecast takes into account items noted in square brackets.]***. Under the Regulations, the IESO is required to provide to the OEB forecast information regarding electricity consumption of Specified Consumers. The amount and the rate of the Clean Energy Adjustment will depend in part on actual electricity usage and the amount of collections and write-offs for Specified Consumers.[54] If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. Neither the FHPA nor the Regulations require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information to the IESO regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in the FHPA and the Regulations. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment. For example, an Electricity Vendor's conditions of service may permit it to offer equal monthly billing plans to its consumers thereby delaying payments from one month to the next during the year or to enter into arrangements for the payment of arrears. In that event, collection of the Clean Energy Adjustment may be delayed or reduced until an adjustment is made.

[54] **Note:** Please confirm.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment.[55] The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to indemnify holders of Senior Notes, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach and the fact that holders of Senior Notes will be unsecured creditors of OPG or the IESO, as applicable, with respect to any of these indemnification amounts. Neither OPG nor the IESO will indemnify any person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Senior Notes, or for any consequential damages, including any loss of market value of the Senior Notes resulting from a default or a downgrade of the ratings of the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-Up Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°C. Winters include snow and icing conditions that can be damaging to overhead power

[55] **Note:** Please confirm source/ conform to wording in FHPA.

lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior

Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the transfers between the IESO and the Issuer pursuant to the Master Transfer and Servicing Agreement may not be respected as true sales of the Investment Interest.

Ordinarily, the interests of the Issuer as transferee of the Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time an Investment Interest is transferred to the Issuer, which could reduce the amounts that may be available to the Issuer and, consequently, the holders of Senior Notes. Section 27(3) of the FHPA provides that at the time of the transfer to a Financing Entity under the FHPA, such transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the FHPA provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the transfer and the property rights and interests acquired by the transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the FHPA in such circumstances is untested. The IESO will treat the transactions described herein as a transfer of the Regulatory Asset to the Issuer. Such transfers will be made in accordance with Section 26 of the FHPA. Section 27(1) of the FHPA provides that a transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the transferee. As a transfer, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Investment Interest. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under "*Risks Associated with the Unusual Nature of the Investment Asset*".

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.

While the IESO is the servicer under the Master Transfer and Servicing Agreement, collections held by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under "*Risks Associated with the Unusual Nature of the Investment Asset*".

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the FHPA, provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form

part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017*,[56] in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws would generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

[56] The *Fair Hydro Act, 2017* (Ontario), which provided in Schedule 1 the *Ontario Fair Hydro Plan Act, 2017*, amends two other statutes: the *Electricity Act, 1998* (see section 43) and the *Ontario Energy Board Act, 1998* (see section 44).

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the

Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to

verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Description of Senior Notes — Reporting Requirements of Senior Notes"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

  (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

  (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference therein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference therein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the Securities Act (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited

investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer. "Misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer will be liable if the person proves that

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

  (ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

  (iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that;

    (A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

[NTD: Glossary in progress. For ease of reference, Torys is considering adding an index or replacing glossary with an index for terms that are defined in the body.]

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" means the agents designated by the Issuer from time to time and identified in the Term Sheet applicable to such Offering to sell the Senior Notes as described under *"Plan of Distribution"*.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Government of Ontario related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid

in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" has the meaning set out under *"The Issuer"*.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" means The Depositary Trust Company.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to,

bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.[57]

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.[58]

"**FHPA**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" means OPG, in its capacity as financial services manager appointed under the FHPA to perform the duties assigned to it thereunder.[59]

"**Financing Entity**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligation**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

"**Funding Rebate**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

[57] **Note:** Please consider revising the definition of "Fair Adjustment" if this concept is to be used in the OM. The definition of the "Fair Adjustment" indicates that this term only refers to the rate reduction from July 1, 2017 until April 30, 2018. When the term is then later used in narrative [ex. "…the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment…"] it refers to the electricity rates that result from the entire fair hydro program.

[58] **Note:** Please consider a description of the Fair Allocation Amount that more closely aligns to Section 20(1) of the FHPA.

[59] **Note:** Please consider whether there should be disclosure indicating that the FSM is a statutory role from which OPG may be removed.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in

the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer**" means Fair Hydro Trust, a special purpose trust governed under the laws of the Province of Ontario.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" has the meaning set out under *"The Manager"*.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" means *The Securities Act* (Manitoba).

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**MW**" means megawatts.[60]

"**NI 31-103**" means National Instrument 31-103 — *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

"**NI 45-106**" means National Instrument 45-106 — *Prospectus Exemptions*.

"**NL Act**" means the *Securities Act* (Newfoundland and Labrador).

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" means an offering of senior secured notes pursuant to this confidential shelf offering memorandum and the related Term Sheet as described under *"Plan of Distribution"*.

"**Offering Jurisdiction**" means each of the provinces of Canada.

"**OPA**" means Ontario Power Authority.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month.

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

[60] **Note:** Definition not used.

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date occurring on or after the Principal Accumulation Date for such Series, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates after the Principal Accumulation Date for such Series which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts —*

Program Accounts — Protection Account".

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Readjustment amount**" has the meaning ascribed to the term "readjustment amount" in the FHPA and Regulations.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(i) every six-month period following the period mentioned in (a);

(ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under "*The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" means *The Securities Act, 1988* (Saskatchewan).

"**Section 130.1**" means section 130.1 of the *Securities Act* (Ontario).

"**Section 150**" means section 150 of the *Securities Act* (New Brunswick).

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and

Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and

Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Subrogation Amounts**" has the meaning set out under "*Change of Law Protection Agreement — Protection Event*".

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" means FHP2017 Inc., a wholly-owned subsidiary of OPG, and the Indenture Trustee.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "****U.S. Securities Act****") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement — January ■, 2018

FAIR HYDRO TRUST
Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (the "**FHPA**"), legislation [that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms).][1] Under the FHPA, OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA.[2] The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Risk Factors"*.

[1] **Note:** ~~Blakes suggests that that this~~This narrative should be removed or, if necessary, it should track the purposes of the FHPA set out in Section 3 of the Act.

[2] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended or supplemented by supplemental indentures thereto.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with

liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount & Financing Plan"*, *"Subordinated Debt"*, *"■"*[3] and *"Risk Factors"* of this confidential shelf offering memorandum and *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"*, *"■"*[4] and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be ~~significantly~~ impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval by resolution of the holders of all Series of Senior Notes.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

[3] **Note:** Please complete.
[4] **Note:** Please complete.

- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Power outages could impair payment of the Senior Notes.[5]
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

[5] Is this relevant? Is the concern that the CEA would be spread across a relatively smaller base due to lower usage in a period?

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

PRIOR TO RECEIVING THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER MUST HAVE ENTERED INTO A CONFIDENTIALITY UNDERTAKING WITH THE ISSUER (IN A FORM ACCEPTABLE TO THE ISSUER) WHICH PROVIDES THAT BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER. ***[NTD: Logistics to be discussed between Dealers and OPG.]***

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete

certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at https://www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust governed by the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Ontario~~'s~~ Fair Hydro Plan Act:	~~On March 2, 2017, the Province of Ontario announced its Fair Hydro Plan, proposing to lower the average electricity bill for certain eligible customers.[3]~~ On June 1, 2017, the Ontario ~~government~~Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "**FHPA**")~~[, legislation that [reallocates certain electricity costs over time and provides immediate rate relief to~~. The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms)~~].[4] From~~; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[~~5~~6] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[7] for that period. Under the FHPA, OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA and the Regulations.[~~6~~8] The Issuer is a Financing Entity[9] under the FHPA and the Regulations and the Notes are Funding Obligations being offered for the purposes of the FHPA and the Regulations. See *"Ontario's Fair Hydro Plan —*

[3] ~~**Note:** Blakes suggest this narrative is removed. The March 2 announcement describes the lowering of electricity bills as part of a significant system restructuring to address long-standing policy challenges and ensure greater fairness.~~

[4] ~~**Note:** Blakes suggests that that this narrative be removed or, if necessary, it should track the purposes of the FHPA set out in Section 3 of the Act.~~

[~~5~~6] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[7] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

[~~6~~8] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

[9] **Note**: Elsewhere, the disclosure refers only to the Issuer without adverting to the possibility of other future Financing Entities. To the extent that this simplification suggests in a particular context that other future Financing Entities would not be permitted or similarly treated, references to the Trust should be broadened to encompass the possibility of future Financing Entities.

Background".

Summary of the Fair Hydro Financing Program:

The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of series (each a "**Series**"), in one or several offerings (each, an "**Offering**"). A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the master trust indenture dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Trust Indenture**") between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**"), as supplemented by a supplemental indenture dated the date of the issuance of such Series between the Issuer and the Indenture Trustee (a "**Supplemental Indenture**" and collectively with the Master Trust Indenture, the "**Indenture**") authorizing that Series.

Transferor and Servicer:

The Independent Electricity System Operator (the "**IESO**") is a not-for-profit corporation established under the *Electricity Act, 1998* (Ontario). The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market.[10]

Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"), although. However, the FHPA provides that the IESO is not entitledpermitted to exercise thissuch right before May 1, 2021.2021 is limited under the FHPA. The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may, on a monthly basis, offer to transfer a specified portion of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"Transferor and Servicer"*.

Investment Interest:

Upon acceptance of the transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA and the Regulations. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.

Clean Energy Adjustment:

The FHPA and the Regulations impose an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager based on

[10] **Note:** Consider also referring to IESO's planning and procurement functions. They may be meaningful here to the extent they impact IESO objectives and governance generally.

the calculations and parameters set out in the FHPA. The OEB is required to determine the rates at which Specified Consumers are to be invoiced in order to recover the Clean Energy Adjustment in respected of a specified Reference Period (which is generally a six month period, or a shorter period in certain circumstances). The rates are to be determined by reference to forecasted electricity consumption of Specified Consumers for a period and are expressed as a cent per KWh rate. See *"— Statutory Duties of the OEB"* below.

The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs, derivative payments, required deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is required to be calculated by the Financial Services manager in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustment is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment during preceding Reference Periods.

The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

[Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior

Notes, and the Issuer's other ~~carrying costs~~Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.][7][11]

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs during the Moratorium Period:

During the Moratorium Period and extending to July 31, ~~2021,~~[8]2021,[12] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of its ~~carrying costs~~Carrying Costs. Under the Regulations, ~~"carrying costs"~~Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).[9][13]

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of ~~carrying costs~~Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement, the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which ~~can~~is permitted to be used to pay the Issuer's ~~carrying costs~~Carrying Costs. The amounts paid by the IESO to fund these ~~carrying costs~~Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for the performance of its obligation under the Regulations to pay the Issuer's ~~carrying costs~~Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from

[7] ~~**Note:** Blakes suggests that this narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) *[limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*].~~

[11] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) *[limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*]. In particular, the suggestion that CEAs cannot be collected in any circumstance during the Moratorium Period goes beyond 21(4) and presumes that there will be no Readjustment.

[8][12] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending on July 31, 2021.

[9][13] **Note:** Consider revising to conform with Section 9.3(3) of the General Regulation. This Section provides that "carrying costs" also include derivative payments, etc.

Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount and Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.[14]

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g. OEB licensees) in Ontario's [electricity market][15], including the activities of transmitters and distributors as well as the IESO (all Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided to the OEB by the IESO. See *"— Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*Electricity Industry in*

[14] **Note:** Add detailed description to correspond to this summary in the detailed portion of the OM.
[15] **Note:** Technically, the IESO administers (supervises) the IESO-administered markets. There is no definition for "electricity market".

Vendors:

Ontario" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA and the Regulations require Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of [the Issuer][10]~~10~~16, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of [the Issuer][11]~~11~~17 until remitted to the IESO for the benefit of [the owners of Investment Interests (initially, only the Issuer)].[12]~~12~~18 If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[13]~~13~~19 It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.[14]~~14~~20

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required from the IESO is based on a formula as set out in the Master Transfer and Servicing Agreement and will equal: (i) 50% of forecasted Clean Energy Adjustment amounts that are to be collected by such non-investment grade rated Electricity Vendors and held for 45 days prior to the funds being remitted to the Issuer; or (ii) such other amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

OPG has entered into a management agreement (the "**Management Agreement**") with the Issuer pursuant to which the Issuer has delegated to OPG, as manager (the "**Manager**"), all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing

[10]~~10~~16 **Note:** This and similar references to the Issuer should instead refer to Financing Entities (Investment Interest owners), of which the ~~issuer~~Trust is the first, and then cross-refer to the concept of co-ownership in order to facilitate additional financings in the future.
[11]~~11~~17 **Note:** Please see note ~~10~~16.
[12]~~12~~18 **Note:** Please see note ~~10~~16.
[13]~~13~~19 **Note:** Please consider revising this to conform more closely to Section 17(4) of the FHPA.
[14]~~14~~20 **Note:** Please confirm.

financial statements and tax filings on behalf of the Issuer. See *"The Manager"*.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA and the Regulations, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. See *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of [the Issuer][~~15~~21], to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of [the Issuer] and remit such amounts to [the Issuer] [on a monthly basis, subject to daily remittance being required in certain limited circumstances.][~~16~~22] In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing forecast information regarding electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts to [the Issuer] and fulfilling certain additional reporting requirements. [Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.][~~17~~23] However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement in favour of the Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved

[~~15~~21] **Note:** Please see note ~~10~~16 regarding bracketed references to the "Issuer" in this paragraph..

[~~16~~22] **Note:** Please consider disclosing which IESO duties are statutory and which arise under the MTSA. For instance, in this sentence, these time requirements arise from the MTSA. Section 9(2) of the General Regulation requires that the IESO remit within a reasonable period of time.

[~~17~~23] **Note:** Please confirm.

Obligations" when due and payable into the Protection Account (which, provided that the Notes are Approved Obligations, includes payments of amounts that are due and payable in respect of Notes), although the amount of Province of Ontario's payment obligations in a particular period will differ depending on whether an Acceleration has occurred. See "*Change of Law Protection Agreement*". The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation.

Generally, an "Approved Obligation" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount ~~equal to or greater than~~in excess of $5,000,000.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA~~, in whole~~ or ~~in part~~any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA~~, in whole~~ or ~~in part~~any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or

an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations, such amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and

proceeds therefrom.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust

Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA and the Regulations by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of certain costs allocated to Specified Consumers in respect of the Ontario government's clean energy initiatives ("**Clean Energy Costs**")[24] in proportion to the relative attribution of the value of benefits determined to be derived by or accruing to Specified Consumers as a result of such clean energy initiatives ("**Clean Energy Benefits**") among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.~~18~~[25]

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the

[24] **Note:** Consider that "Clean Energy Costs" is more thoroughly defined in the Glossary. Through the OM, reconsider instances where there are two different definitions.

~~18~~[25] **Note:** ~~Please consider a~~The description of the fair allocation amount ~~that~~should more closely ~~aligns~~align to Section 20(1) of the FHPA.

Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA [, namely, to ensure that present and future Specified Consumers are bearing their share of the costs of providing Clean Energy Benefits].[19][26] Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

[Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This [means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024.][20][27] Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount on subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium

[19] ~~**Note:** Please revise to characterize the purpose of the FHPA as consistent~~[26] **Note:** The description should more closely align with the stated purposes of the FHPA in Section 3 of the Act.

[20] ~~**Note to MOE:** Please review in particular~~[27] **Note:** MOE to confirm whether including this sort of prediction is appropriate.

	term notes. Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.
Use of Proceeds:	The proceeds from each Offering may be used to (i) acquire an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement, (ii) refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) pay Offering and related costs of the Issuer and (iv) fund specific reserve accounts as required. The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", *"Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration"*.
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount

equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of ~~carrying costs~~Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay ~~carrying costs~~Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount.

In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for senior obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for subordinated obligations;
- payments of or accumulations in respect of interest for junior subordinated obligations;
- payment of or accumulations in respect of principal for warehouse obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for senior obligations (other than warehouse obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on senior obligations;
- the Manager's fees, expenses and reimbursement amounts;

- payment of or accumulations in respect of principal for subordinated obligations;
- fees and other amounts (other than principal and interest) on subordinated obligations;
- payment of or accumulations in respect of principal for junior subordinated obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for subordinated obligations or junior subordinated obligations);
- replenishment of Series Accounts established for subordinated obligations;
- fees and other amounts (other than principal and interest) on junior subordinated obligations;
- replenishment of Series Accounts established for junior subordinated obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on senior obligations and payments under derivative agreements (other than termination payments), *pari passu*, then subordinated obligations (other than principal) and then junior subordinated obligations (other than principal);
- principal for warehouse obligations;
- *pari passu*, principal on senior obligations (other than warehouse obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for subordinated obligations and then junior subordinated obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency:	Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.
Minimum Subscription:	Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.
Optional Redemption:	Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.
Purchase for Cancellation:	The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.
Distribution Method:	The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103). By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.
Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other

	information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydropower, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from generating facilities to local areas; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses using lower voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of small scale solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy from a few flexible loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Virtually all generators in Ontario also have bilateral contracts with the IESO that provide for payments in addition to the market price of electricity that is paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario), whose sole shareholder is the Province of Ontario. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold all of the generation assets. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power turbine. OPG's mission is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for almost

half of the total energy generated and injected into Ontario's electricity transmission system, as reported by the IESO. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for operating the real-time electricity markets in Ontario, as well as administering the market rules. The OPA was the counterparty that entered into bilateral power or capacity purchase contracts with generators. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners, but it is governed by an independent Board of Directors whose chair and directors are appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors which are also Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

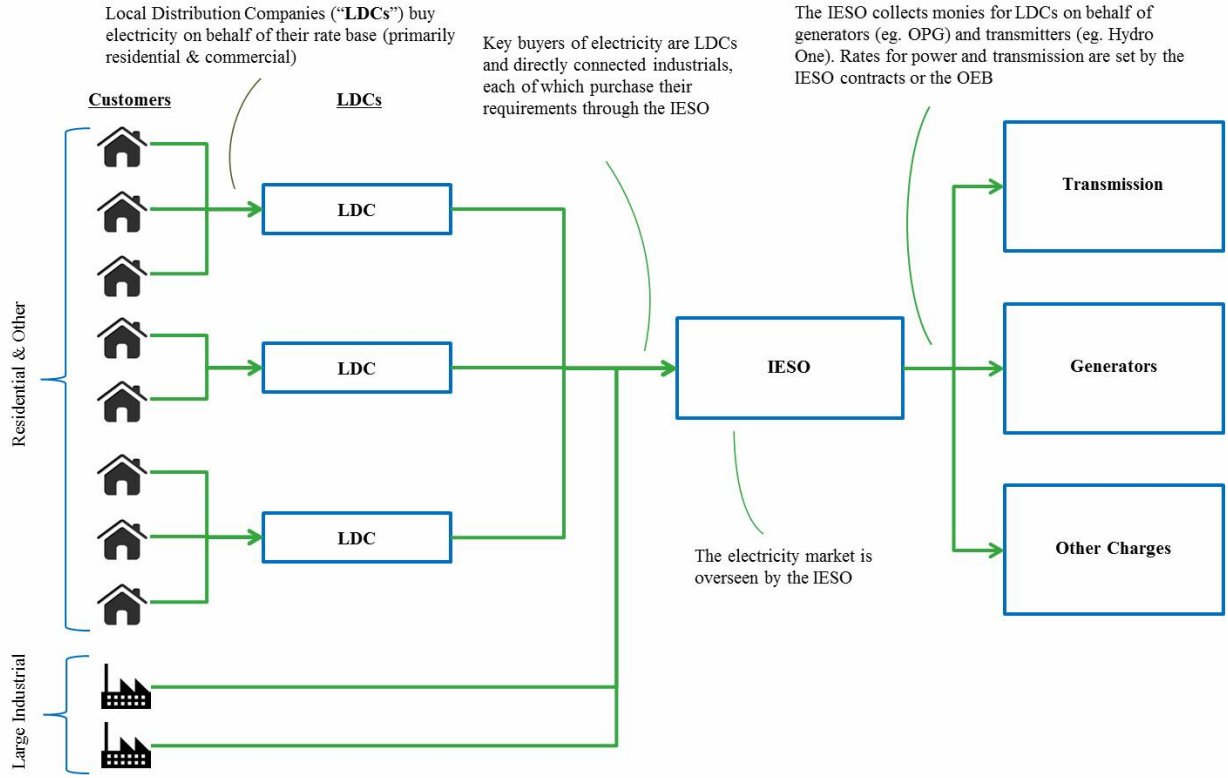
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures involving distributors, transmitters and other entities which it licenses. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution

licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB. The following diagram depicts a simplified flow of funds between the key industry participants:



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two main components that make up the commodity cost of electricity in Ontario, the hourly Ontario energy price ("**HOEP**") and the global adjustment charge.

- The HOEP is set by the IESO on an hourly basis based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is also paid by loads. It is established monthly by the IESO in accordance with regulations and is used to collect funds used by the IESO to pay certain "out of

market" costs that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to certain generators, including OPG, that are entitled to a regulated rate of return based on OEB-established payment amounts. For all loads with a peak demand under 500 kW (in other words, all Specified Consumers),[28] the global adjustment charge is based on electricity usage on a per unit basis.

Prior to the FHPA being passed, the amount collected by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's liabilities, subject to certain periodic true-ups and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, and in accordance with amendments to legislation, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered prices for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in the previous period. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from a licensed retailer pursuant to a retail contract that provides a fixed rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario ~~government~~Legislature passed the *Ontario Fair Hydro Plan Act, 2017*[29] (the "**FHPA**")[, legislation that reallocates certain electricity costs over time and provides immediate rate relief to consumers][~~21~~30]. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[~~22~~31] less than the rate that would otherwise have been determined by the OEB for that period (the "**Fair Adjustment**").

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

[28] **Note:** Please confirm.

[29] **Note:** The FHPA was Schedule 1 to omnibus legislation entitled the *Fair Hydro Act, 2017*. Further, already defined as the FHPA above.

[~~21~~30] **Note:** ~~Blakes suggests that this~~This narrative ~~is~~should be removed, or if necessary, ~~that~~ the description of the FHPA ~~tracks~~should track the purposes of the Act as set out in Section 3 to the Act.

[~~22~~31] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as the initial Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (such obligations, "**Funding Obligations**") to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, in a variance account.~~23~~32 The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**")~~, although~~. However, in accordance with the FHPA, the IESO is not entitled to ~~exercise such right~~collect all or part of the balance recorded in the variance account (which is the basis of the Regulatory Asset) from specified consumers before May 1, 2021. The IESO may, in accordance with the FHPA, transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment and, as an owner of the Investment Interest, will be entitled to recover its "Finance ~~Amounts~~Amount" (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest from the IESO, it is under no obligation to do so.

~~23~~32 **Note:** Please consider disclosure of further details as to what is recorded in the variance account. For instance, paragraph 3 of Section 15 in the General Regulation states that amounts incurred by the IESO on or after May 1, 2017 but before the FHPA came into force may be recorded in the IESO deferral.

If the IESO and a Financing Entity agree to the transfer of a specified portion of the Regulatory Asset from the IESO, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and ~~the Financing Entity's~~an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of Investment Interest owners (among other things):~~2433~~

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest, including any rights to receive a payment obligation incurred by the IESO as part of the transfer of the Regulatory Asset (such payment obligations incurred by the IESO being "**Funding Rebates**"); and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers [to cover the cost of financing the shortfall that results from the Fair Adjustment].[34] The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

~~2433~~ **Note:** Please consider disclosing in this section that the Investment Asset is a collective right of the Investment Interest owners. While this ~~described~~is explained in a risk factor ("The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities), additional explanation/ disclosure may be ~~merited~~warranted here.

[34] **Note:** Consider that the statutory definition of "Clean Energy Adjustment" states that it is "the amount determined under section 15 [of the FHPA] and payable by specified consumers". The FHPA does not expressly state the purpose of the Clean Energy Adjustment.

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment, redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer, or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a funding obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) for any period before May 1, 2021, amounts received during the period in respect of Carrying Costs and Funding Rebates and for any period on and after May 1, 2021, amounts received during the period in respect of Funding Rebates;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax and to which the Issuer is entitled as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustments is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment during the preceding Reference Periods. The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast of electricity consumption of Specified Creditors in respect of such period, based on forecast information provided to the OEB by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the [Issuer],[~~25~~35] amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the [Issuer] until remitted to the IESO for the benefit of the [the owners of Investment Interests (initially, only the Issuer)]. If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[~~26~~36] It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.[~~27~~37] If there are any amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to [the Issuer] during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. [Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other ~~carrying costs~~Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period.][~~28~~38] See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the

[~~25~~35] **Note:** Please see note ~~10~~16 regarding the placement of square brackets around "the Issuer" in this paragraph. The disclosure should indicate that amounts are collected for the Investment Interests owners (and that, as at the date of the OM, the Issuer is the only Investment Interest owner).

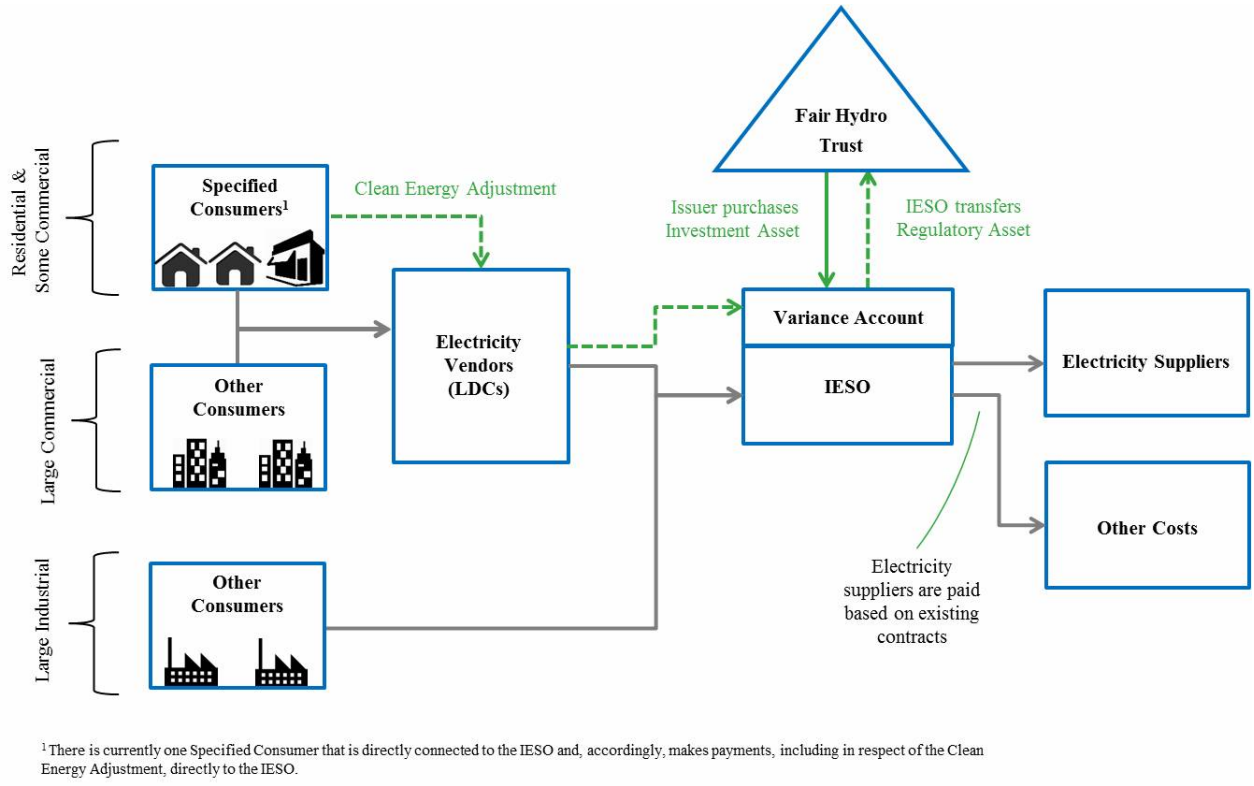
[~~26~~36] **Note:** Please consider revising to conform more closely to Section 17(4) of the FHPA.

[~~27~~37] **Note:** Please confirm.

[~~28~~38] **Note:** ~~Blakes suggests that this~~This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) [*limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*].

Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, directly to the IESO.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers.[2939] Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA , provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would

[2939] **Note:** Please consider a description of the fair allocation amount that more closely aligns to Section 20(1) of the FHPA.

result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA[, namely, to ensure that present and future Specified Consumers are bearing their fair share of the costs of providing Clean Energy Benefits]~~30~~[40]. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

~~[~~Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This [means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024.]~~31~~[41] Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount of subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

IESO Payment of Carrying Costs During the Moratorium Period

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. During the Moratorium Period and extending to July 31, 2021,~~32~~[42] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its ~~"carrying costs". "~~Carrying Costs. Carrying ~~costs"~~Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes).~~33~~[43] The amounts paid by the IESO to fund these ~~carrying costs~~Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of ~~carrying costs~~Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which ~~can~~is permitted to be used to pay the Issuer's ~~carrying costs~~Carrying Costs. Furthermore, as security for the performance of its obligations under the Regulations to pay the Issuer's ~~carrying costs~~Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

~~30~~ ~~Blakes suggest that any~~[40] **Note:** Any description of the purpose of the FHPA ~~strictly conforms~~should conform with the stated purposes of the Act set out in Section 3.

~~31~~[41] **Note:** MOE to ~~**MOE:** Please review~~confirm.

~~32~~[42] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending July 31, 2021.

~~33~~[43] **Note:** Consider revising to conform with the definition of "carrying costs" in Section 9.1(3) of the General Regulation.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA or the Regulations, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement in favour of the Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account (as hereinafter defined). The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Obligation Secured on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Obligation Secured on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period for purposes of [section 15(1) of the FHPA (in effect as at December 21, 2017), including section 6.1 of the General Regulation under the FHPA (in effect as at December 21, 2017)][44], divided by the number of months in such Reference Period.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other

[44] Perhaps this should instead cross-reference a more detailed description and explanation of the "Acceleration" mechanics under 6.1 of the Regulation.

than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA, in whole or in part, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral (as hereinafter defined) and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture and no person entitled under any Obligation Secured (including a Specified Creditor) that ranks equal with or subordinate to the Approved Obligation in respect of which the Province of Ontario is owed a Subrogation Amount will be entitled to make any claim or assert any right in or to the amounts paid or payable to the Province of Ontario, and no such person will have any right to the Collateral or any proceeds therefrom in respect of any Subrogation Amount. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a ~~suspension notice~~Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

A "**Certified Primary Obligation**" means a Primary Obligation: (i) incurred by or on behalf of the Issuer to fund its ownership of an Investment Interest, including any Refinancing, other than a Post-Suspension Refinancing or a Pre-Approved Refinancing (each as defined below), of such a Primary Obligation (for greater certainty, including, in the case of any Certified Primary Obligation permitting funding transactions pursuant to a Funding Obligation Agreement applicable to the Certified Primary Obligation, each individual borrowing or funding utilization thereunder), (ii) incurred by or on behalf of the Issuer upon the Issuer entering into a derivative agreement, in which case the Certified Primary Obligation therefor shall be the Master Agreement applicable to such derivative agreement and not any individual trade confirmation other than a trade confirmation that modifies or

purports to override the express terms or conditions of the related Master Agreement, or (iii) incurred by or on behalf of the Issuer upon entering into a contract that has a term of more than three (3) years which is not terminable by the Issuer giving three (3) years' notice or less and expected (as determined by the Manager, acting reasonably) aggregate payments by the Issuer thereunder during the term of such contract are or would be in excess of $5,000,000 (that, for greater certainty, is not otherwise captured in clauses (i) and (ii) above).

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying ~~that it~~, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA or the Regulations; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were Approved Obligations issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to a declaration of trust made December 20, 2017 (the "**Declaration of Trust**"). Computershare Trust Company of Canada (the "**Issuer Trustee**") is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

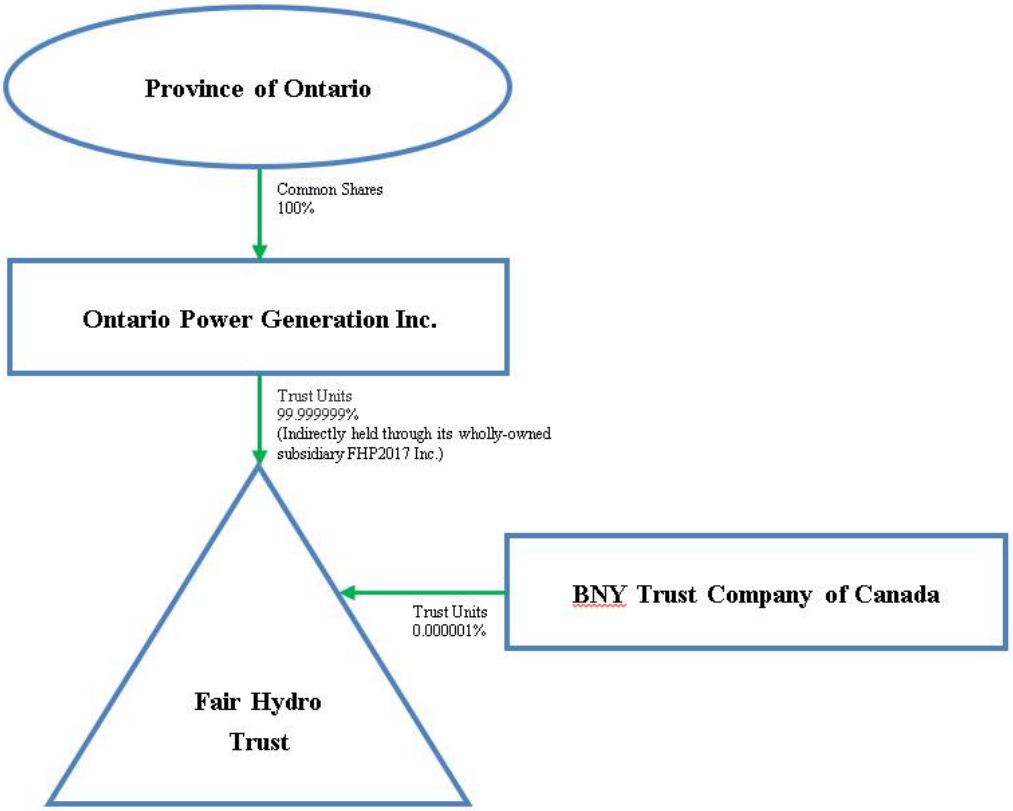
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

OPG has entered into a management agreement with the Issuer dated as of December 20, 2017 (the "**Management Agreement**") pursuant to which the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA

and the Regulations, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, ~~34~~45 the Manager shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA and the Regulations, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests in accordance with the FHPA or for the purposes of a Refinancing;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors − Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and Manager of the Issuer.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer

~~34~~45 Please confirm the source of the right to review electricity vendor records under the Regulations. If this refers to Section 10(4) of the General Regulation, the right is that of the Issuer or the FSM.

under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or ~~carrying costs~~Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

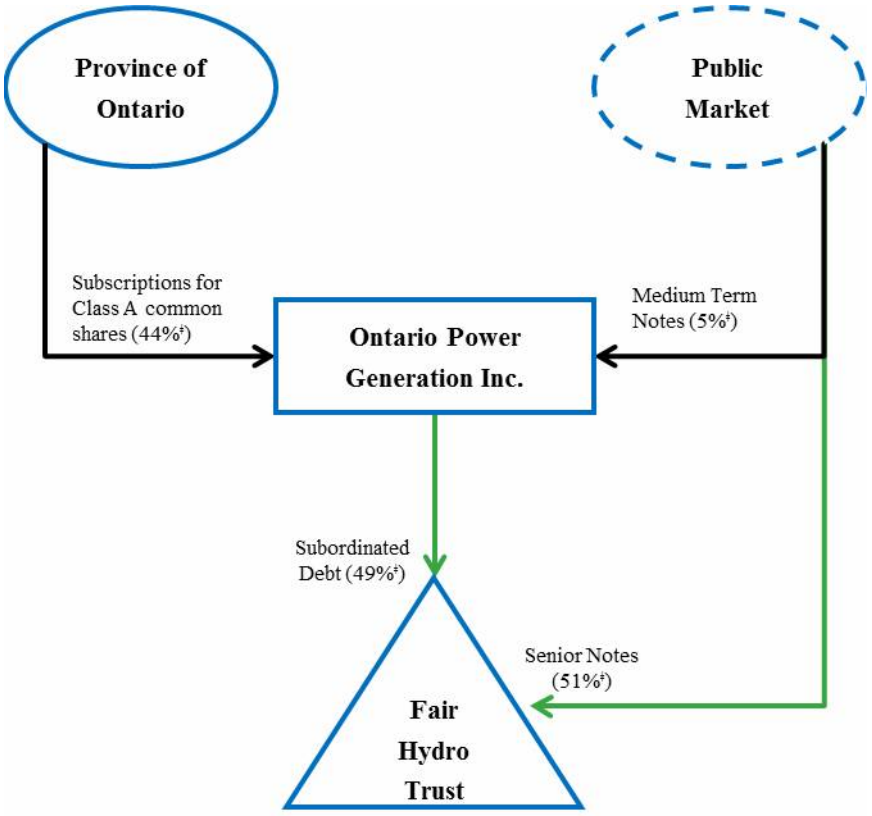
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximate 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes).

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



‡ OPG will acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

THE TRANSFEROR AND SERVICER

The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may periodically transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to transfer to the Issuer its right, title and interest in, to and under a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of collecting the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts collected in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on a monthly basis, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) forecasting the electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer.

While the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that the Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, the IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer,

the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.[~~35~~46] However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA or the Regulations, including its obligation to pay the Issuer's ~~carrying costs~~Carrying Costs.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its ~~carrying costs~~Carrying Costs. Under the Regulations ~~"carrying costs"~~, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes.[~~36~~47] Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of ~~carrying costs~~Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which ~~can~~is permitted to be used to pay the Issuer's ~~carrying costs~~Carrying Costs.

As security for the performance of its obligation to pay the Issuer's ~~carrying costs~~Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO with respect to the global adjustment charge. The amounts paid by the IESO to fund these ~~carrying costs~~Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for transfer to the Issuer in a subsequent period and, upon completion of such transfer, shall become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

[~~35~~46] **Note:** Please confirm.

[~~36~~47] **Note:** Consider a description of "carrying costs" that conforms to the definition set out in Section 9.1(3) of the General Regulation. Also note that the Glossary defines "Carrying Costs" as having the meaning ascribed to the term in the Regulations.

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the

taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);
- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and
- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "— *Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "— *Payment Waterfalls Prior to Acceleration — Collection Account*", "— *Payment Waterfalls Prior to Acceleration — Protection Account*" and "— *Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the United States Internal Revenue Code~~,~~ of 1986, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under

"— *Payment Waterfalls Prior to Acceleration*" and "— *Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").[48]

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be

[48] **Note:** Consider also including the floating charge in all of the property, assets and undertaking now owned or hereafter acquired by the Issuer in the definition of Collateral. (s. 2.01(b) of the Master Trust Indenture).

credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has ~~an~~ been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will ~~not~~ be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "— *Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "— *IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will

be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "—*Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "— *Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral, and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in ~~the~~ any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "— *Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may

only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel ~~of external counsel~~,[49] each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying

[49] **Note:** Please confirm deletion of "external counsel". Please see definition of "Opinion of Counsel" and s. 13.19(c) in Master Trust Indenture.

the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each

Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;
- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;
- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;
- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;
- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;
- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;
- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;
- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;
- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;
- facilitate the issuance of foreign currency Issuer Funding Obligations;
- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;
- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or
- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy

hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and

payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the

principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this "Description of the Senior Notes" section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;
- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s) and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;
- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;
- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;
- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;
- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and
- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Principal Accumulation Date(s) for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than a Principal Payment Date if an optional redemption occurs and may receive principal payments later than a Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on a Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed

(provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee

by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA, the Regulations or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA or the Regulations.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA or the Regulations will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit was successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of

their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or ~~revoked~~repealed. Therefore, the only way for such provisions of the FHPA to be amended or ~~revoked~~repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA or the Regulations should no longer be law in Ontario or that the FHPA or Regulations should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that ~~materially and~~ adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See *"Change of Law Protection Agreement"*. However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA or the Regulations referenced in the previous paragraph were amended or revoked through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Province of Ontario, although the remedy of damages is available.[50] Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the

[50] **Note:** Consider mentioning that section 21 of the *Proceedings Against the Crown Act* (Ontario) prohibits execution, attachment and process against the Province.

Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.[51]

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other ~~carrying costs~~Carrying Costs, solely upon the IESO who is obligated under the Regulations to pay these ~~carrying costs~~Carrying Costs. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Issuer's ~~carrying costs~~Carrying Costs. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring ■, 20■, which ~~can~~is permitted to be used to pay the Issuer's ~~carrying costs~~Carrying Costs. ***[NTD: IESO credit facility description to be confirmed.]***[52] There can be no assurance that the IESO will continue to have sufficient funds available to pay interest on the Senior Notes or to pay the Issuer's other ~~carrying costs~~Carrying Costs during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay interest on the Senior Notes or the Issuer's other ~~carrying costs~~Carrying Costs and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of ~~carrying costs~~Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of ~~carrying costs~~Carrying Costs or enforcement of any security provided by the IESO under the Master Transfer and Servicing Agreement.

[51] **Note:** Consider mentioning, as a mitigant, that section 22 of the *Proceedings Against the Crown Act* (Ontario), which states that "the Minister of Finance shall pay out of the Consolidated Revenue Fund the amount payable by the Crown, (a) under an order of a court that is final and not subject to appeal; (b) under a settlement of a proceeding in a court…".

[52] **Note:** Is there any other information to be added apart from the expiry date?

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other ~~carrying costs~~Carrying Costs, solely upon the IESO who is obligated under the Regulations to pay these ~~carrying costs~~Carrying Costs. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA and the Regulations.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event and delivery by the Indenture Trustee to the Province of Ontario of a written payment demand. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or other obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA and the Regulations, rights to enforcement of the FHPA, the Regulations and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in

principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform -- Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Funding Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring an Investment Interest. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the transfer by the IESO of a specified portion of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.[~~37~~53]

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating

[~~37~~53] **Note:** Consider explaining under this risk factor that the Investment Asset is a bundle of rights and interests held collectively by all investment interest owners.

Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA, the Regulations and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA, the Regulations and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or forecasting consumption, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of OPG, as Financial Services Manager and as Manager of the Issuer. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA and the Regulations, including determining the Clean Energy Adjustment (inclusive of the True-Up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated in part based upon a forecast of Specified Consumer usage to be newly developed by the IESO[, adjusted for expected billing lags and charge-offs] [including the effect of delinquencies and write-offs] ***[Confirm whether the IESO forecast takes into account items noted in square brackets.]***. Under the Regulations, the IESO is required to provide to the OEB forecast information regarding electricity consumption of Specified Consumers. The amount and the rate of the Clean Energy Adjustment will depend in part on actual electricity usage and the amount of collections and write-offs for Specified Consumers.[38~~54~~] If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. Neither the FHPA nor the Regulations require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information to the IESO regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in the FHPA and the Regulations. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment. For example, an Electricity Vendor's conditions of service may permit it to offer equal monthly billing plans to its consumers thereby delaying payments from one month to the next during the year or to enter into arrangements for the payment of arrears. In that event, collection of the Clean Energy Adjustment may be delayed or reduced until an adjustment is made.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to

[38~~54~~] **Note:** Please confirm.

terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment.[3955] The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to indemnify holders of Senior Notes, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach and the fact that holders of Senior Notes will be unsecured creditors of OPG or the IESO, as applicable, with respect to any of these indemnification amounts. Neither OPG nor the IESO will indemnify any person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Senior Notes, or for any consequential damages, including any loss of market value of the Senior Notes resulting from a default or a downgrade of the ratings of the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-Up Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°C. Winters include snow and icing conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

[3955] **Note:** Please confirm source/ conform to wording in FHPA.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the transfers between the IESO and the Issuer pursuant to the Master Transfer and Servicing Agreement may not be respected as true sales of the Investment Interest.

Ordinarily, the interests of the Issuer as transferee of the Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time an Investment Interest is transferred to the Issuer, which could reduce the amounts that may be available to the Issuer and, consequently, the holders of Senior Notes. Section 27(3) of the FHPA provides that at the time of the transfer to a Financing Entity under the FHPA, such transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the FHPA provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the transfer and the property rights and interests acquired by the transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the FHPA in such circumstances is untested. The IESO will treat the transactions described herein as a transfer of the Regulatory Asset to the Issuer. Such transfers will be made in accordance with Section 26 of the FHPA. Section 27(1) of the FHPA provides that a transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the transferee. As a transfer, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Investment Interest. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.

While the IESO is the servicer under the Master Transfer and Servicing Agreement, collections held by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the FHPA, provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these

provisions of the *Electricity Act, 1998* (Ontario), as amended by the ~~FHPA,~~*Fair Hydro Act, 2017*,[56] in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws would generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or ~~guarantee~~guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the

[56] The *Fair Hydro Act, 2017* (Ontario), which provided in Schedule 1 the *Ontario Fair Hydro Plan Act, 2017*, amends two other statutes: the *Electricity Act, 1998* (see section 43) and the *Ontario Energy Board Act, 1998* (see section 44).

Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the

public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations

and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the

acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements

of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Description of Senior Notes — Reporting Requirements of Senior Notes"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable

securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

(i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference therein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference therein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable

grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the Securities Act (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after

the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer. "Misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward

Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

(i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

(ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer will be liable if the person proves that

(i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

(ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that;

(A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf

offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

[NTD: Glossary in progress. For ease of reference, Torys is considering adding an index or replacing glossary with an index for terms that are defined in the body.]

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" means the agents designated by the Issuer from time to time and identified in the Term Sheet applicable to such Offering to sell the Senior Notes as described under *"Plan of Distribution"*.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified

Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Government of Ontario ~~government~~ related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" has the meaning set out under *"The Issuer"*.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" means The Depositary Trust Company.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible

Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.[57]

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.[58]

"**FHPA**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" means OPG, in its capacity as financial services manager appointed under the FHPA to perform the duties assigned to it thereunder.[59]

"**Financing Entity**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as

[57] **Note:** Please consider revising the definition of "Fair Adjustment" if this concept is to be used in the OM. The definition of the "Fair Adjustment" indicates that this term only refers to the rate reduction from July 1, 2017 until April 30, 2018. When the term is then later used in narrative [ex. "…the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment…"] it refers to the electricity rates that result from the entire fair hydro program.

[58] **Note:** Please consider a description of the Fair Allocation Amount that more closely aligns to Section 20(1) of the FHPA.

[59] **Note:** Please consider whether there should be disclosure indicating that the FSM is a statutory role from which OPG may be removed.

required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment ~~Interests, including~~Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligation**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

"**Funding Rebate**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding

Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer**" means Fair Hydro Trust, a special purpose trust ~~established~~governed under the laws of the Province of Ontario.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" has the meaning set out under *"The Manager"*.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" means *The Securities Act* (Manitoba).

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**MW**" means megawatts.[60]

"**NI 31-103**" means National Instrument 31-103 — *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

"**NI 45-106**" means National Instrument 45-106 — *Prospectus Exemptions*.

"**NL Act**" means the *Securities Act* (Newfoundland and Labrador).

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental ~~Indentures~~Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

[60] **Note:** Definition not used.

"**OEB**" means the Ontario Energy Board.

"**Offering**" means an offering of senior secured notes pursuant to this confidential shelf offering memorandum and the related Term Sheet as described under *"Plan of Distribution"*.

"**Offering Jurisdiction**" means each of the provinces of Canada.

"**OPA**" means Ontario Power Authority.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date occurring on or after the Principal Accumulation Date for such Series, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates after the Principal Accumulation Date for such Series which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in

the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Readjustment amount**" has the meaning ascribed to the term "readjustment amount" in the FHPA and Regulations.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(i) every six-month period following the period mentioned in (a);

(ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" means *The Securities Act, 1988* (Saskatchewan).

"**Section 130.1**" means section 130.1 of the *Securities Act* (Ontario).

"**Section 150**" means section 150 of the *Securities Act* (New Brunswick).

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and

Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Subrogation ~~Amount~~Amounts**" has the meaning set out under "*Change of Law Protection Agreement — Protection Event*".

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" means FHP2017 Inc., a wholly-owned subsidiary of OPG, and the Indenture Trustee.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

information: Superintendent of Securities

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

Document comparison by Workshare Compare on Wednesday, January 10, 2018 2:47:14 PM

Input:	
Document 1 ID	PowerDocs://TOR_2528/23287504/2
Description	TOR_2528-#23287504-v2-Fair_Hydro_OM_-_Blakes_Comments
Document 2 ID	PowerDocs://TOR_2528/23287504/4
Description	TOR_2528-#23287504-v4-Fair_Hydro_OM_-_Blakes_Comments
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	252
Deletions	185
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	437

From:	ASHBOURNE, STEPHEN
To:	Ken Kandeepan; "Thouin, Alena (ENERGY)"; Tobias P. Whitfield (MOF); Mike Manning; Malle Hanslep (MOF); Anna Strathy; Ronald Kwan; Tim Christie (ENERGY); Veinot, Cindy (TBS); Mark Donaldson (MOF)
Cc:	Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); VINER, JON
Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Wednesday, January 10, 2018 2:51:08 PM

Hi. Here are further revisions to the OM mark-up circulated yesterday, based on comments recently received. This is still a work-in-progress, so please do not on-circulate. Please let us know if you have any questions or concerns.
Thanks, Steve

Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

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199 Bay Street, Suite 4000, Toronto ON M5L 1A9
Tel: 416-863-2400 Fax: 416-863-2653
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From: ASHBOURNE, STEPHEN
Sent: Tuesday, January 09, 2018 9:26 AM
To: 'Ken Kandeepan'; 'Thouin, Alena (ENERGY)'; 'Tobias P. Whitfield (MOF)'; 'Mike Manning'; 'Malle Hanslep (MOF)'; 'Anna Strathy'; 'Ronald Kwan'; 'Tim Christie (ENERGY)'; 'Veinot, Cindy (TBS)'; 'Mark Donaldson (MOF)'
Cc: 'Sawwaf, Khareem (ENERGY)'; 'Huang, Jackson (MEDG/MRIS)'; 'Daniel Cayley (ENERGY)'; 'Lightbody, Ava (ENERGY)'; 'James Rehob (ENERGY)'; VINER, JON
Subject: RE: Call re Delivery of Reference Documentation to Province
Hi. Here is a list of items that could be discussed at 9:30, in order to settle on the scope and nature of commenting on the OM:

<u>MOE – Alignment Considerations</u>

1. Simplified references to the OFHPA (general caveat)
2. Scope of descriptions (generally, should be …subject to the OFHPA and the Regulations)
3. "purposes" of the OFHPA (e.g., implies that is rate reduction)
4. Nature and duration of the "moratorium period" (non-legislative)
5. Trust vs. "financing entity" (permit multiple FEs and co-ownership arrangements – minimally described)
6. "Fair Allocation Amount" – amount vs. effect of calculation (imprecise); concept of "Readjustments" missing
7. Financing Plan – refinements (e.g., references to Refinancings)
8. Expectations re FAA – negative until 2024
9. "Ontario's Fair Allocation Plan" – styling

10. OPG appointment as FSM (initial only – ability for Minister to replace)

11. Inclusions into IESO deferrals (precision)

12. Carrying costs vs funding rebates (impact on nature of Investment Asset)???

13. No reference to pre-OFHPA adjustments (piggy bank)

14. Risk Factors – approach to describing legal risks and Protection Agreement as mitigation

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1. Narrative (e.g., "in favour of the Issuer")

2. Notes do not constitute debt of Province, etc. (confirm description) – additional considerations?

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7. Description of 2018 Notes

8. Optional Redemption of Notes (confirm if applicable/acceptable)

FYI, attached is our internal (preliminary) mark-up of the OM. It should not be on-circulated at this stage. We are providing it now in case you would find it useful to have specified illustrations of the foregoing items.

Regards, Steve
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

From:	Hanslep, Malle (MOF)
To:	ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com); VINER, JON (JON.VINER@blakes.com)
Cc:	Tobias P. Whitfield (MOF); Thouin, Alena (ENERGY); Mike Manning; Ken Kandeepan; Ronald Kwan; Daniel Cayley (ENERGY); Anna Strathy; Tim Christie (ENERGY); Huang, Jackson (MEDG/MRIS); Sawwaf, Khareem (ENERGY); Mark Donaldson (MOF); Veinot, Cindy (TBS); James Rehob (ENERGY); Lightbody, Ava (ENERGY)
Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Wednesday, January 10, 2018 9:43:20 AM

Hi,
Here are a few minor comments from MOF LSB on the sections that reference the protection agreement.
p. 1 – We reviewed a couple of precedents that used the wording "obligations" of Province in these sorts of provisions so the wording looks fine. E.g. UOIT and 55 School Board Trust
p. 7 - Please check over the wording describing contracts of $5 million – think the correct wording "is in excess of", not "equal to or greater than" based on wording of protection agreement definition – compare it to p. 29 of the OM which contains that the longer description which appears to be correct.
p. 8 – Please check description of paragraph (iii) of definition of protection event. Should it say "Act or any portion", not in whole or in part?
p. 8, 10, 27, 28 29, 30, 31, 47, 52,– no comments
p. 70 – "materially" should be deleted from description of protection event
p. 70 - Could mention that s. 21 of PACA prohibits execution, attachment and process in the nature of against the Province and also s. 22 which includes provision that Minister of Finance shall pay out of the Consolidated Revenue Fund the amount payable by the Crown under any order of a court that is final and not subject to appeal or under a settlement of a proceeding of a court…
……
Also perhaps we should generally review the use of "the Province of Ontario" and the "Crown" to see if we are using interchangeably or why we are using 2 different terms, possibly to mean the same thing in each case. If you have any questions about our comments, we could discuss them tomorrow morning..
Thanks,
Malle

From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: January-09-18 9:26 AM
To: Kandeepan, Ken (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Manning, Mike (OFA); Hanslep, Malle (MOF); Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY); Veinot, Cindy (TBS); Donaldson, Mark (TBS)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY); Rehob, James (ENERGY); VINER, JON
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Regards, Steve
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
Tel: 416-863-2400 Fax: 416-863-2653
blakes.com[blakes.com] | **Twitter**[twitter.com] | **Unsubscribe**[blakes.com]
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From:	ASHBOURNE, STEPHEN
To:	Ken Kandeepan; "Thouin, Alena (ENERGY)"; Tobias P. Whitfield (MOF); Mike Manning; Malle Hanslep (MOF); Anna Strathy; Ronald Kwan; Tim Christie (ENERGY); Veinot, Cindy (TBS); Mark Donaldson (MOF)
Cc:	Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); VINER, JON
Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Tuesday, January 09, 2018 5:14:37 PM
Attachments:	12928399-v1-Fair Hydro Trust - Investor Presentation (pdf mark-up).pdf 12928361-v2-Fair Hydro Trust - Investor Presentation.DOCX

Hi. We have added our comments to the Investor Presentation, attached. Apologies – this document does not seem to permit normal blacklining, so it will be difficult for you to pinpoint all of the suggested changes. In several places, we highlighted/CAPs items for your consideration and confirmation – which should be easily identified in the document even without blacklining. For the time being. please let us know if you have thoughts on those items. In the meantime, we will see what can be done to identify the other drafting changes in the presentation. Thanks, Steve

Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

———————————

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Blake, Cassels & Graydon LLP | Barristers & Solicitors | Patent & Trade-mark Agents
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From: ASHBOURNE, STEPHEN
Sent: Tuesday, January 09, 2018 9:26 AM
To: 'Ken Kandeepan'; 'Thouin, Alena (ENERGY)'; 'Tobias P. Whitfield (MOF)'; 'Mike Manning'; 'Malle Hanslep (MOF)'; 'Anna Strathy'; 'Ronald Kwan'; 'Tim Christie (ENERGY)'; 'Veinot, Cindy (TBS)'; 'Mark Donaldson (MOF)'
Cc: 'Sawwaf, Khareem (ENERGY)'; 'Huang, Jackson (MEDG/MRIS)'; 'Daniel Cayley (ENERGY)'; 'Lightbody, Ava (ENERGY)'; 'James Rehob (ENERGY)'; VINER, JON
Subject: RE: Call re Delivery of Reference Documentation to Province

Hi. Here is a list of items that could be discussed at 9:30, in order to settle on the scope and nature of commenting on the OM:

MOE – Alignment Considerations

1. Simplified references to the OFHPA (general caveat)

2. Scope of descriptions (generally, should be …subject to the OFHPA and the Regulations)

3. "purposes" of the OFHPA (e.g., implies that is rate reduction)

4. Nature and duration of the "moratorium period" (non-legislative)

5. Trust vs. "financing entity" (permit multiple FEs and co-ownership arrangements – minimally described)

6. "Fair Allocation Amount" – amount vs. effect of calculation (imprecise); concept of "Readjustments" missing

7. Financing Plan – refinements (e.g., references to Refinancings)

8. Expectations re FAA – negative until 2024

9. "Ontario's Fair Allocation Plan" – styling

10. OPG appointment as FSM (initial only – ability for Minister to replace)

11. Inclusions into IESO deferrals (precision)

12. Carrying costs vs funding rebates (impact on nature of Investment Asset)???

13. No reference to pre-OFHPA adjustments (piggy bank)

14. Risk Factors – approach to describing legal risks and Protection Agreement as mitigation

15. Technical definitions and descriptions (e.g., carrying costs; forecasts from IESO rather than forecast information; invoicing mechanics; simplifications of definitions; etc.)

16. Limited discussion re contents of "Financing Plan"

17. No real recognition of tail risk and duration mismatch considerations and mitigants/strategies

18. No discussion re OFHPA rights of action, etc.

19. "non-bypassable" (meaning)

<u>OFA - Change of Law Protection Agreement</u>

1. Narrative (e.g., "in favour of the Issuer")

2. Notes do not constitute debt of Province, etc. (confirm description) – additional considerations?

3. Scope of "Approved Obligations" (overbroad)

4. Positive obligations in favour of Province (e.g., apply amounts; credit for applied amounts)

5. Definition of "Protection Events" (align)

6. Rights of Subrogation (needs to be more detailed)

7. Mechanics of Protection Account

8. Limited direct rights of Noteholders (through indenture trustee)

9. Limitations on damages

10. Only passing reference to the "Process Agreement" in OM (but referred to in more detail in the Investor Presentation)

<u>Other</u>

1. Confidentiality (deemed vs. confirmed in writing)

2. Liability for Taxes (priority claim in waterfall; impact on triggers)

3. IESO - descriptions

4. Electricity Market; OEB; OPG

5. Platform (e.g., very broad cross default – beyond generic risk factors?)

6. Interplay between Warehouse and Term issuances

7. Description of 2018 Notes

8. Optional Redemption of Notes (confirm if applicable/acceptable)

FYI, attached is our internal (preliminary) mark-up of the OM. It should not be on-circulated at this stage. We are providing it now in case you would find it useful to have specified illustrations of the foregoing items.

Regards, Steve
Stephen R. Ashbourne
Partner
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Dir: 416-863-3086

Fair Hydro Trust
Investor Presentation

January [xx], 2018

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Presenters

ONTARIO POWER GENERATION

Ken Hartwick
Chief Financial Officer & Senior Vice President – Finance

John Lee
Vice President, Treasurer

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I. Introduction and Transaction Overview

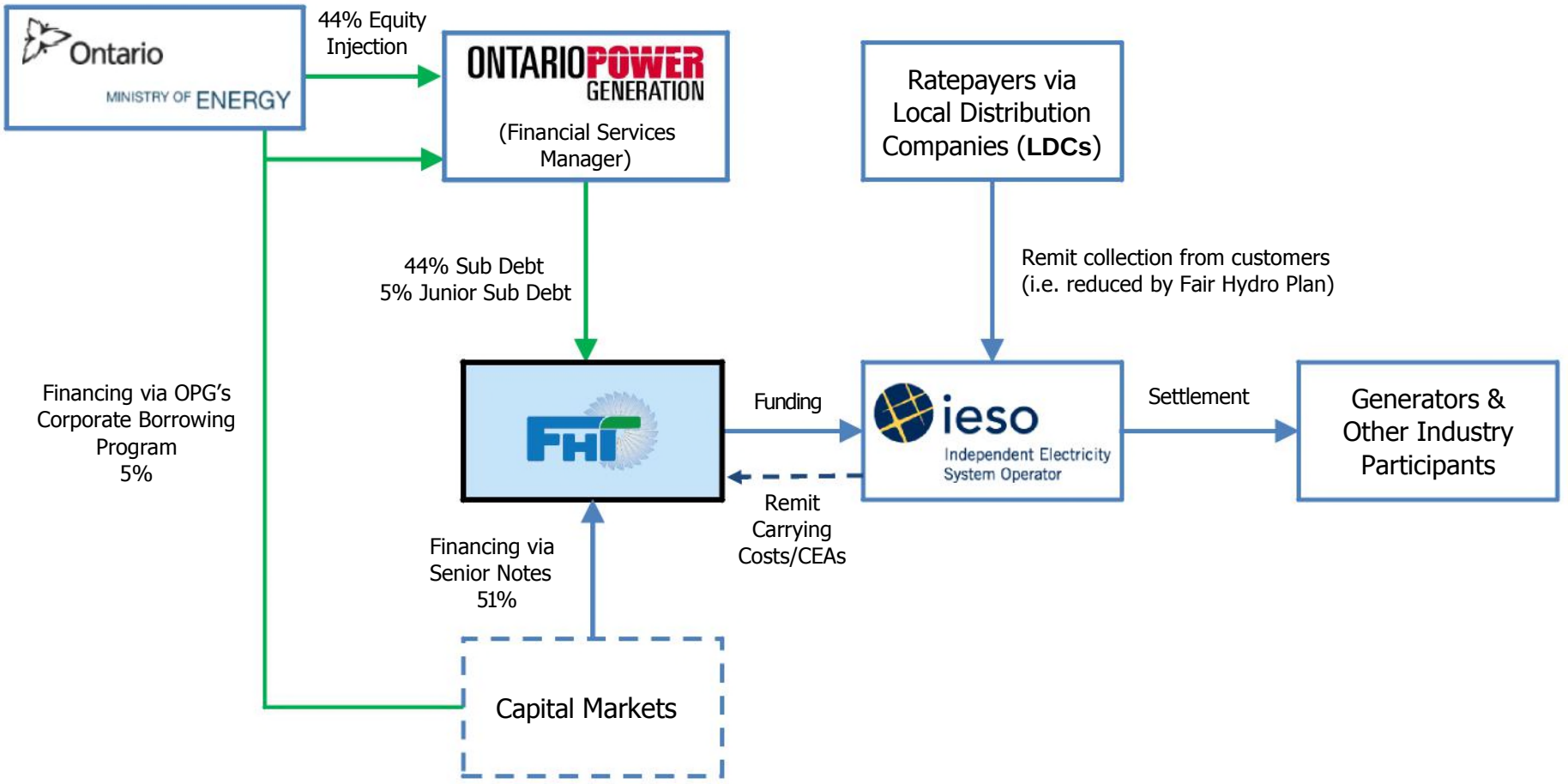
Introduction

Ontario's Fair Hydro Plan	• **[RATHER INTRODUCE BY FOCUSING ON THE ENACTED LEGISLATION. EARLIER PLAN AND ANNOUNCEMENT WERE SUPERCEDED BY MORE DETAILED CONTEXT OF THE LEGISLATION.]** •
Legislation	• On June 1, 2017, the Ontario government passed the *Ontario Fair Hydro Plan Act, 2017 (*the "FHPA" or "Act"). **[TRACK THE PURPOSE LANGUAGE IN OFHPA S.3. RATE REDUCTION IS INCIDENTAL AND NEED NOT BE EMPHASIZED]** • The FHPA is supplemented by regulations related to the implementation of the FHPA (the "Regulations" and (together, with the Regulations, the "[Legislation]'). • The FHPA imposes an irrevocable and non-bypassable charge recoverable from Specified Consumers and referred to as the Clean Energy Adjustment (CEA). The CEA for a period will be determined in accordance with the Legislation by Ontario Power Generation (OPG) in its role as Financial Services Manager under the Act. • The CEA will be determined for each month during successive six month reference periods and will be converted by the Ontario Energy Board (OEB) into a $/kWh rate and added to electricity invoices sent to Specified Consumers. • From [July 1, 2017] to April 30, 2021 (the "Moratorium Period"), no payments in respect of the CEA are expected to be collected. During the Moratorium Period and until July 31, 2021, the Independent Electricity System Operator (IESO) is obligated to pay all funding and [other expenses] of the [Trust][Financing Entities] (excluding principal) (referred to as "Carrying Costs") under the Regulations.
Fair Hydro Trust	• The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") **[OTHER FINANCING ENTITIES?]**through the issuance of senior, subordinated and junior subordinated notes. • Structured to be bankruptcy remote and even though consolidated by OPG on an accounting basis is ring fenced from OPG's other creditors • The FHT term notes will be repaid through the CEA payments received from Specified Consumers or from the proceeds of one or more refinancings.

[1] Primarily Regulated Price Plan-eligible customers.

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt and junior subordinated debt of the Trust in an aggregate amount not to exceed 49% of all outstanding debt



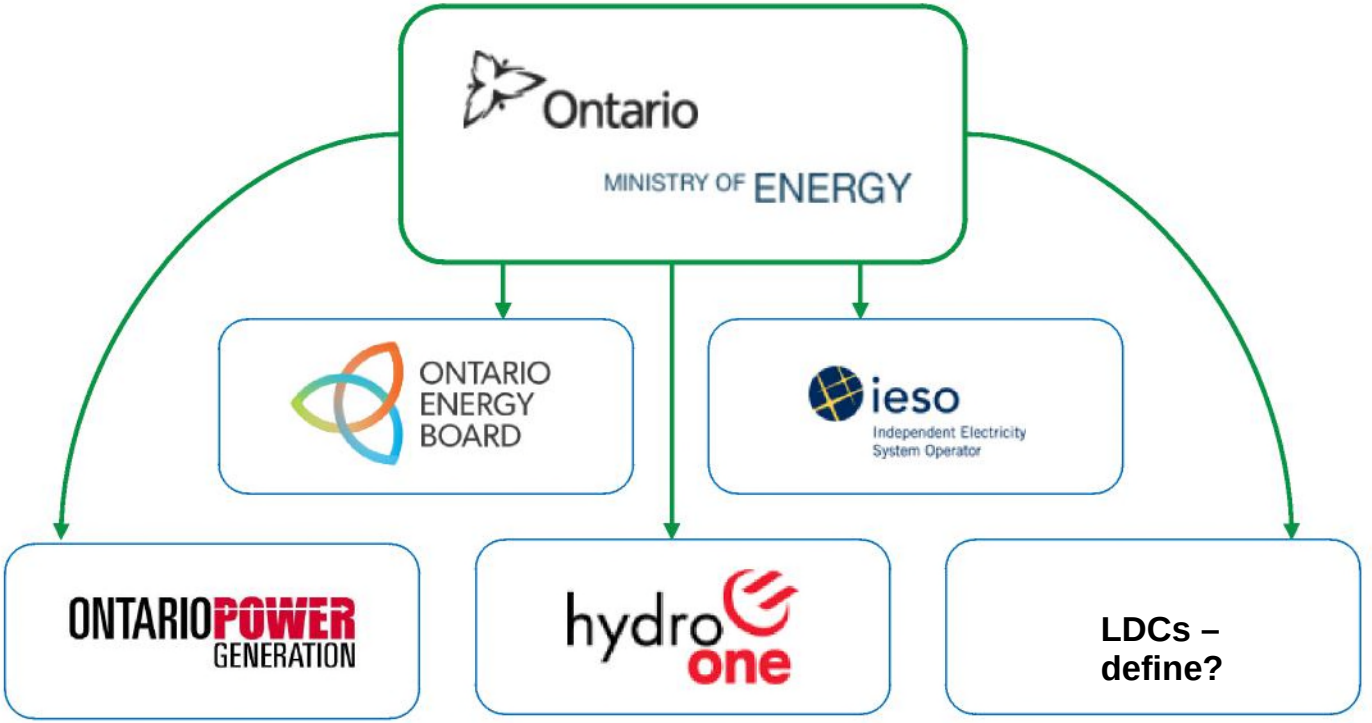
Note: The diagram above is based on subordinated debt of 49% of all outstanding debt; under the Master Trust Indenture, the Trust covenants to maintain the level of subordinated debt plus junior subordinated debt at not less than [35% of all outstanding debt][**ELABORATE**]

Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to exclude the assets and liabilities of OPG, and vice versa. **[NEEDED?]**

II. Ontario Electricity Market

Overview of Ontario's Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in average annual cash flows[1]
- Transmission rates, distribution rates, and OPG's regulated rates are set by the OEB
- Rates for the majority of the remaining generation supply are set by direct contracts with the IESO (e.g. wind, solar, hydroelectric)



[1] Source: "Ontario Planning Outlook – A technical report on the electricity system prepared by the IESO" dated September 1, 2016. The amount represents the mathematical average of the system costs on page 44 in the appendix to the technical report, entitled "Data Tables for the OPO Technical Report".

Key Industry Participants

Participants	Credit Ratings *(DBRS / S&P / Moody's)*	Description
Ontario Ministry of Energy	**AA (l) / A+ / Aa2** [1]	• The Province of Ontario through the Ministry of Energy sets the policy for the electricity system
Ontario Energy Board	**--**	• Independent public regulatory agency established under the *Ontario Energy Board Act, 1998* and has the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • Sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan (RPP); RPP rates are set twice a year (May and November)
Independent Electricity System Operator	**A(h) / -- / Aa2**	• Not-for-profit corporation established under the *Electricity Act, 1998 (Ontario)* • Manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
Ontario Power Generation	**A(l) / BBB+ / --**	• Corporation formed under the *Business Corporation Act (Ontario)*, whose sole shareholder is the Province of Ontario • Principal business is the generation and sale of electricity in Ontario and is Ontario's largest clean energy electricity generator, providing approximately half of the province's electricity
hydro one	**A(h) / A / A3**	• Ontario's largest electricity transmission and distribution company, delivering electricity to over 1.3 million customers across the province, and to large industrial customers and municipal utilities **[RELEVANCE? NOT NAMED IN OM]**

[1] The credit ratings noted are for the Province of Ontario.

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry under the *Energy Competition Act, 1998*, the municipal electricity utilities became municipally-owned business corporations, including LDCs. The majority of LDCs continue to be municipally-owned, while others have been sold to or acquired by Hydro One or [other?] private-sector owners
- An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors

Select Aggregate Market Stats[1]

Number of LDCs in Ontario	65
Residential & Small Commercial[2] Revenue	$18.89 billion
Residential & Small Commercial[2] Metered Usage (kWh)	52.39 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

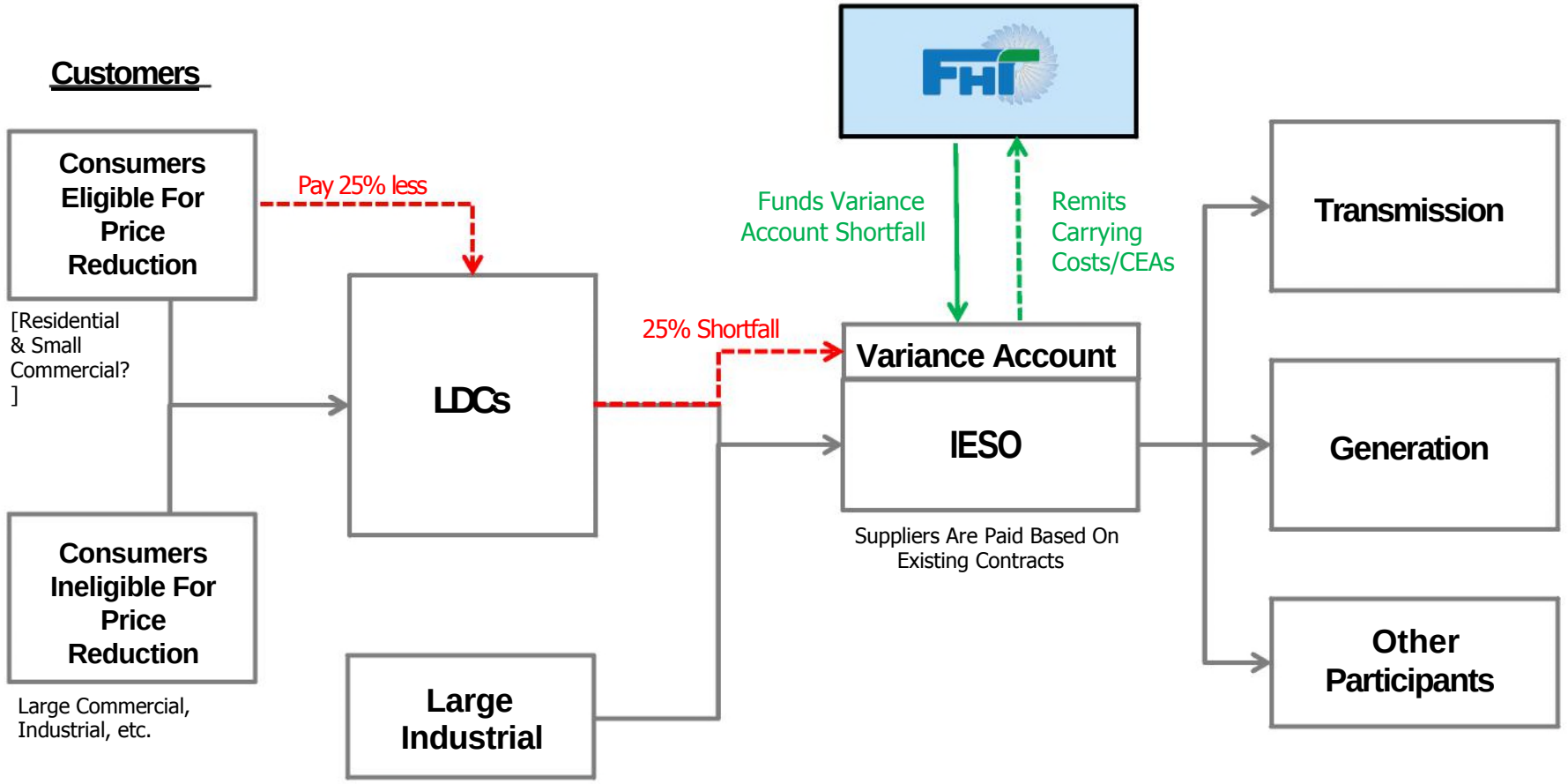
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	Customers[4] *(MM)*	Revenue[4] *(C$MM)*
hydro one	A / A(h) / A3	1.30	$4,533
alectra utilities	A / A / --	0.96	$3,642
TORONTO HYDRO	A / A / --	0.75	$3,886
HydroOttawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	$13,680

1 Source: OEB 2016 Yearbook of Electricity Distributors **[UPDATE?]**
2 Small Commercial includes General Service <50kW Customers
3 Most recent rating reports from S&P, DBRS and Moody's
4 Residential and Small Commercial customers **[COMPARE TO SPECIFIED CONSUMERS?]**

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the shortfall that [results from the Fair Adjustment]**[BE MORE PRECISE. SEE DEFN OF "IESO DEFERRAL"]** and records this amount, together with financing costs, in a variance account
- FHT will **[ACQUIRE INVESTMENT INTEREST TO BE FINANCED …]**finance the **[ACQUIRE INVESTMENT INTEREST, WHICH ENTITLES IT BE PAID AN AMOUNT DETERMINED BY REFERENCE TO]** its costs and the principal and interest on its debt, through CEAs from Specified Consumers



III. Legislative and Regulatory Framework

Legislation Overview

Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to consumers as a result of Ontario's clean energy initiatives; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• **July 1, 2017** – **April 30, 2018** – Specified Consumers charged an invoice amount that is 25%[1] less than the regulated rate that would otherwise have been determined by the OEB; the 25% reduction includes an 8% rebate equivalent to the provincial portion of the HST previously granted by the Ontario government • **May 1, 2018** – **April 30, 2019** - regulated rate established in the first year of the Rate Reduction Period anticipated to increase by the rate of inflation in Ontario • **May 1, 2019** – **April 30, 2021** - rate reductions [will be established by future regulation] **[NOT DETERMINED]** but anticipated to increase by the rate of inflation in Ontario **[NOT CONFIRMED]**

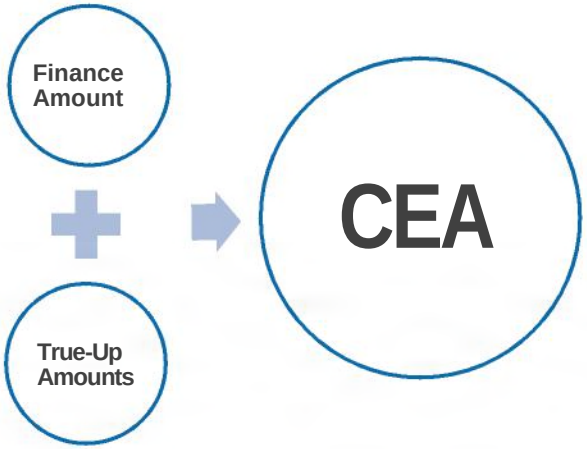
1 Based on a typical Toronto Hydro customer; the amount of the reduction for any given Specified Consumer may vary from this account.

Legislation Overview, cont'd

Regulatory Asset	• Each month the IESO determines [the shortfall that results from the Fair Adjustment] **[REPLACE WITH CONCEPT OF IESO DEFERRAL]** and records this amount, together with the costs of financing the shortfall, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right is the "Regulatory Asset") • The IESO may transfer a specified portion of the Regulatory Asset to [the Trust] for a cash purchase price equal to the corresponding amount recorded in the variance account
Investment Asset and Investment Interests	• The Trust is not obligated to purchase Regulatory Assets from the IESO • If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right is an "Investment Interest") • By acquiring an Investment Interest, [the Trust] will be entitled to recover all of its associated financing costs and acquires the right to impose, invoice, collect, receive and recover CEAs from Specified Consumers in accordance with the Legislation
Moratorium Period *(July 1, 2017 to April 30, 2021)*	• CEAs are [not permitted to be collected from Specified Consumers during this period] **[CONFORM TO LEGISLATION]** • The IESO is obligated to pay [the Trust all Carrying Costs], excluding repayment of principal on any debt obligations, during the Moratorium Period and extending to July 31, 2021. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to Regulations • As security for the performance of its obligations, the IESO has granted the Trust a first-priority security interest in all of its accounts receivable owing by Electricity Vendors to the IESO • The IESO has a $2 billion general credit facility from the Ontario Financing Authority (OFA) which can be used to pay the Carrying Costs **[SUGGESTIVE THAT OFA LINE WILL NECESSARILY BE AVAILABLE TO COVER**

Clean Energy Adjustments

- Under the FHPA, the CEA is the amount payable by Specified Consumers to cover the [cost of financing the shortfall from the Fair Adjustment] **[PRECISION/ALIGN]** and the associated costs of the financing, including payment of principal, operating costs of the Trust and funding of reserve accounts
- CEAs shown on an invoice issued to Specified Consumers represents the amount of the consumers' indebtedness and may not be set off or bypassed

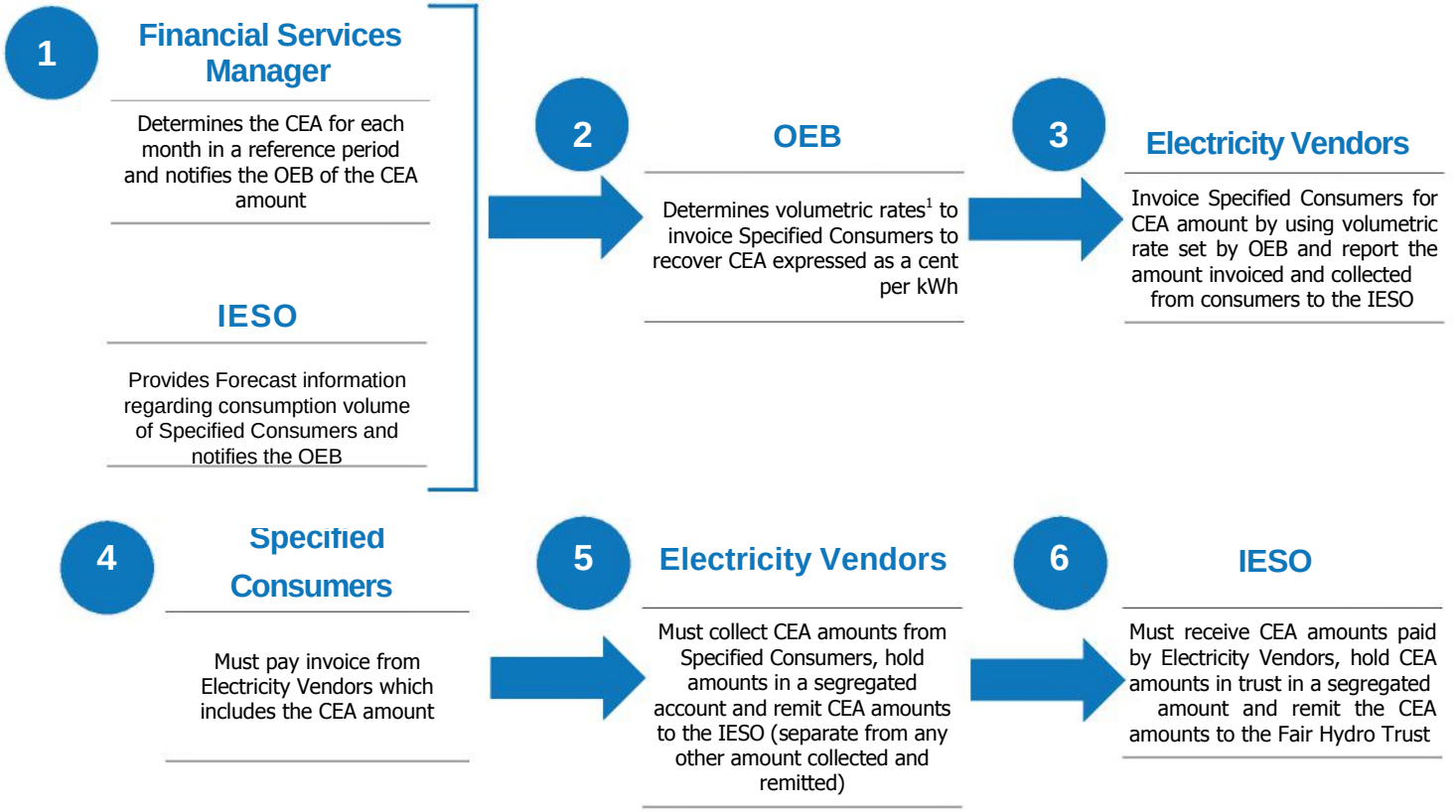


Finance amount = estimate of the amount payable by the Trust mainly in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments

True-up amounts capture the difference between the finance amounts incurred by the Trust and the CEAs collected from Specified Consumers and also include other anticipated shortfalls and differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)

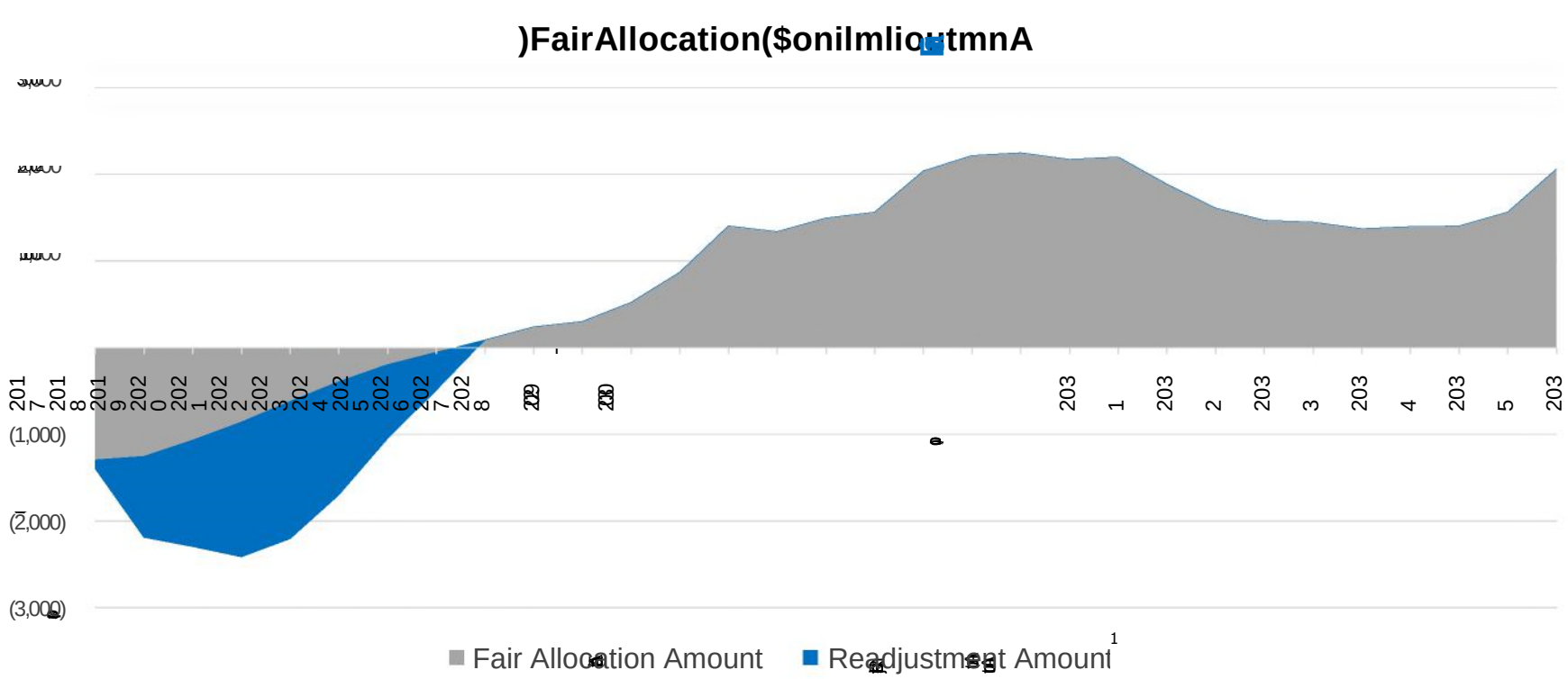
Billing and Collection of CEAs

- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are mitigated through statutory rights in the FHPA, the collection obligations of the IESO under the Master Transfer & Servicing Agreement (MTSA), and the ability to include amounts into the true up mechanism
- IESO is allowed to commingle the CEAs during a monthly period before remitting to FHT. If the IESO's rating is downgraded below investment grade, it will not be allowed to commingle CEAs and will remit within two business days of receipt



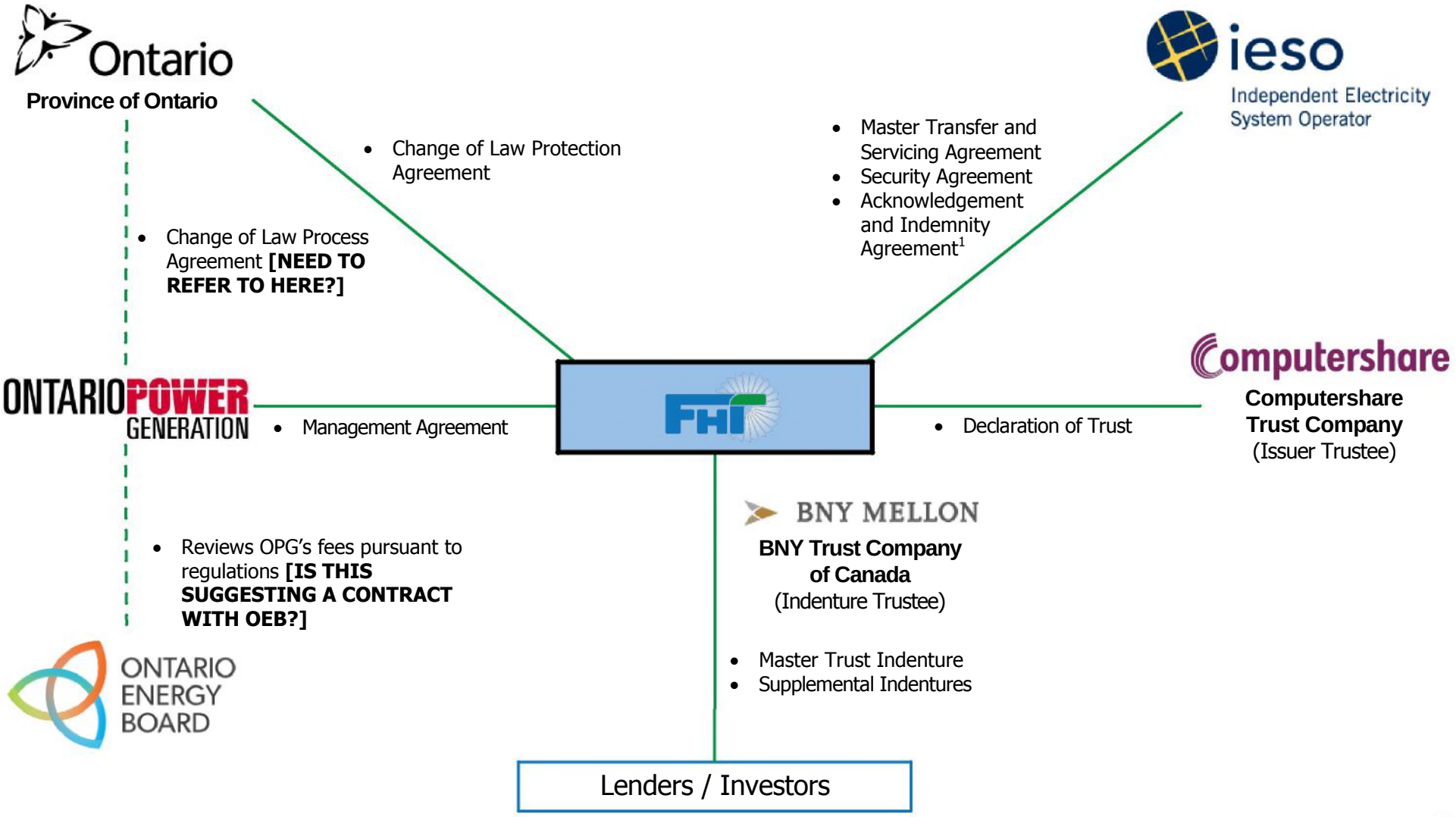
[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers.

SW F FAIR ALLOCATION SHOULD BE INCLUDED. NOT IN OM. CONSIDER ANY TIALITY CONCERNS.



IV. Contractual Framework

Simplified Contractual Structure



1 Agreement between IESO and Indenture Trustee.

Key Agreements

Change of Law Protection Agreement

Parties	• (1) Province of Ontario and (2) Indenture Trustee, as trustee for Specified Creditors[1], and (3) OPG as Financial Services Manager (FSM) and as Manager
Purpose	• Provides assurance to Specified Creditors that upon the occurrence of a Protection Event referred to below, the Province of Ontario will pay all Approved Obligations on behalf of the Trust, with limited rights of acceleration
Key Terms	• **Term**: Continues for as long as any protected obligations of the Trust that are secured under the Master Trust Indenture (MTI) remain outstanding **[CONFORM]** • **Limited Guarantee**: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all Approved Obligations when due and payable (subject to limits on payment obligations following an acceleration) • **Priority of Payments**: The priority application of guarantee payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: For the Limited Guarantee to apply to an obligation of the Trust, OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the incurrence of such obligation (such obligation called "Approved Obligations") • **Suspension Notice**: The Province may deliver a suspension notice upon the occurrence of the acceleration of any indebtedness of the Trust or other [Program Breach] or a default in performance or misrepresentation by OPG as FSM pursuant to certain internal reporting and other requirements contained in a change of law process agreement between OPG and the Province. Any new funding obligations that are incurred during a suspension period will not have the benefit of the Limited Guarantee, except that the Change of Law Protection Agreement applies to Post-Suspension Refinancing of previously issued Pre-Approved Refinancing

[1] **Specified Creditors** are any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Key Agreements

Change of Law Protection Agreement (cont'd)

Protection Events

The occurrence of any of the following events: **[CONFORM TO OM]**

(1)

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

in each case that adversely affects the ability of the Trust to pay its obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount

(2)

- A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is *ultra vires* or invalid in a way that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable

Key Agreements (cont'd)

Master Transfer and Servicing Agreement

Parties	• (1) IESO, as transferor and servicer; (2) Trust
Purpose	• Provides for the transfer, by the IESO to [the Trust] of the Regulatory Asset, and upon such transfer the Trust acquires an Investment Interest and describes the servicing obligations of IESO
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer the specified portions of the Regulatory Asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer. • **Servicing Duties:** The IESO will be responsible for servicing the Investment Interest under the regulations **[DISTINGUISH MTSA FROM REGNS?]**, including collecting CEA amounts from Electricity Vendors and remitting the same to the [Trust], including: – Establishing a segregated account for collecting CEAs and use reasonable efforts to cause Electricity Vendors to do the same; – Collect CEAs from Electricity Vendors; – Remit CEAs monthly to [the Trust] (unless downgraded below investment grade in which case it will remit daily); – Prepare monthly servicer reports; and – Forecast electricity consumption of Specified Consumers • **Moratorium Period:** During the Moratorium Period (until April 30, 2021) and extending to July 31, 2021, the IESO is required by regulation to fund all Carrying Costs of the Trust. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to regulation. • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, as security for the commingling risk of CEAs collected by non-rated or non-investment grade rated Electricity Vendors and not yet remitted to the IESO

Key Agreements (cont'd)

Management Agreement

Parties	• (1) Issuer Trustee, on behalf of the Trust, and (2) OPG, as Manager and acknowledged and accepted by the Indenture Trustee, as trustee for Specified Creditors
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust
Key Terms	• **Duties Include**: – Negotiating and executing program agreements; – Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations; – Review or cause to be reviewed, records of electricity vendors on an annual basis with respect to CEAs (or less frequently in certain circumstances); – Preparing monthly portfolio reports; – Preparing financial statements; and – [Paying taxes on behalf of the Trust]**[CONFIRM OPG'S OBLIGATION RE TAX]** • **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire Investment Interests **[OR IS THIS THE FSM?]** • **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements • **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding • **Management Fees:** OPG is entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer

Key Agreements (cont'd)

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulations to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in all of its accounts receivable owing by Electricity Vendors
Acknowledgement and Indemnity Agreement (IESO)	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee, including the right to enforce the indemnities provided to the issuer with respect to IESO's duties and obligations under the MTSA
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Limited Guarantee under the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as updated from time to time in the Financing Plan) to be exceeded
Declaration of Trust	• Establishes FHT to carry out activities for the exclusive benefit of its unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare) • The Issuer Trustee has delegated substantially all of [the powers and] **[CONFIRM]** duties of managing the Trust to OPG under the Management Agreement

Allocation of Servicing Role and Responsibilities

- **The shared responsibilities of servicing and management roles are summarized below**

	OPG	IESO	LDC
Review Records of LDCs with Respect to CEAs (annually or less frequently in certain circumstances)	□		
Determination of CEA for a Reference Period, including the True-Up Amount	□		
Ongoing Reporting for Trust and Reporting to the Rating Agencies	□		
Management of Ongoing Debt Issuances	□		
Cash Management	□	□	
Preparation of Monthly Servicer Reports		□	
Remittance of CEA to IESO and to the Trust		□	□
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		□	□
Customer Billing			□
Customer Collections			□
Customer Meter Reading			□

V. Financing Program

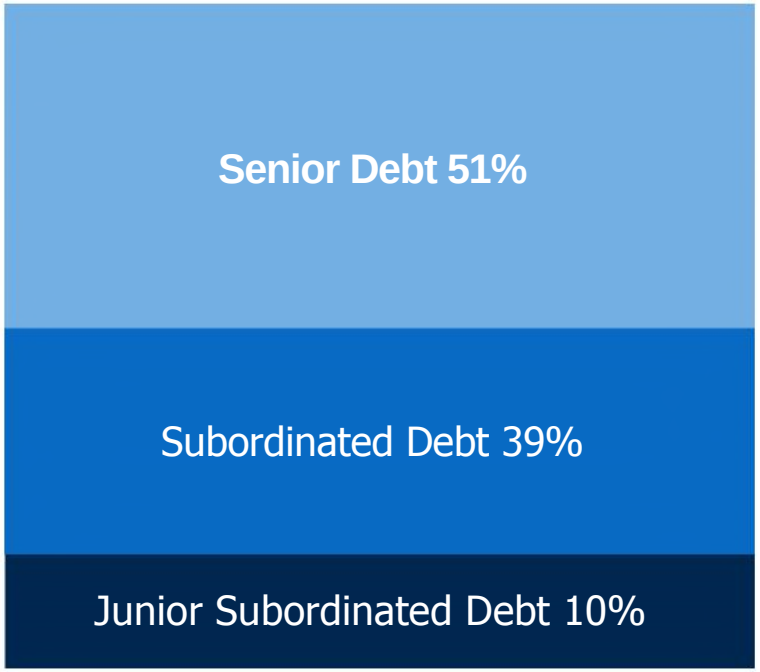
Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program, as the initial FSM appointed under the Act
- Given the size (~[$20]**[CONFIRM]** billion) and longevity (~[10]**[CONFIRM]** years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Initial Warehouse financing (ABCP conduit and bank funded senior debt) and subordinated warehouse debt and junior subordinated warehouse debt funded by OPG will be used to fund monthly [Regulatory Asset purchases] from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- For example, Term debt can take the form of bullet bonds or could be issued as amortizing bonds

Initial Warehouse	• ABCP conduit and bank funded senior debt and subordinated debt funded by OPG will be used by the Trust to fund monthly Regulatory Asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance warehouse financing and the subordinated debt and junior subordinated debt funded by OPG • Both Canadian term debt [and U.S. term debt market will be considered] **[CONFIRM]** • Maturity profiles will be structured to ensure reasonable alignment with the FAA (bullet bonds with sinking funds or amortizing bonds) [DESCRIBE POSSIBLE REFINANCINGS OF SHORTER MATURING DEBT?]
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall **[principal only?]**)

Financing Structure

- The Trust will fund Regulatory Asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51%) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required) will be **[INCURRENCE OR MAINTENANCE REQUIREMENT?]** purchased by OPG, primarily funded by equity injections from the Province (44% of the 49%)



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

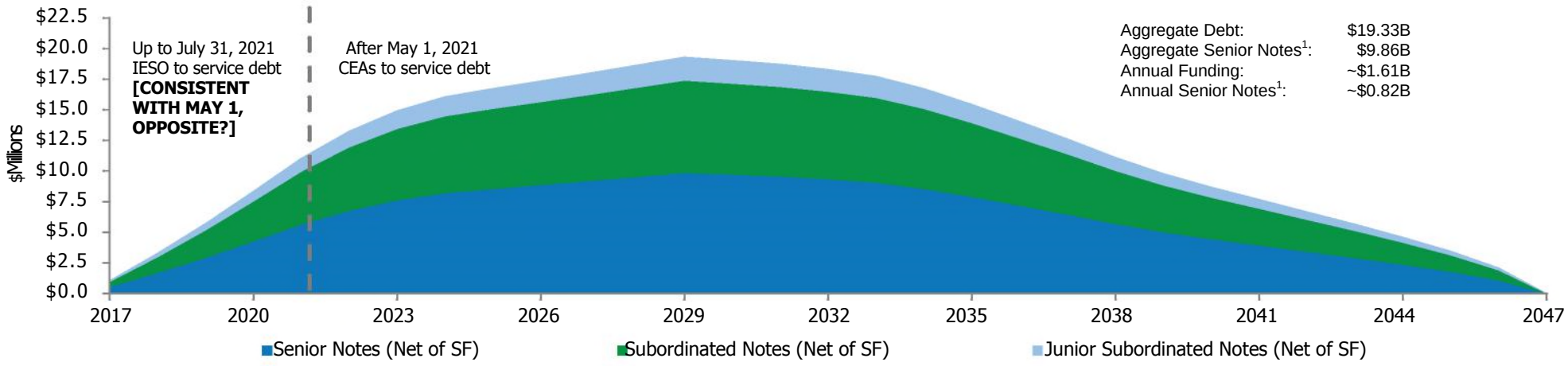
Note: Assumes 49% Subordinated Debt.

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount **[REPAYMENTS, BUT NOT INCURRENCES]** and the [Province's electricity bill reduction targets **[CAN THIS BE SUGGESTED? KNOWN?]**, the following debt profile for the program is expected, peaking at just under $20 billion by 2029 **[CONFIRM]**
- Various tranches of debts will be issued periodically during the period of 2017 - 2028, which are expected to mature over a period after 2029 **[CONFIRM. CONSIDER REFINANCING OF SHORTER MATURITIES?]**

Illustrative Aggregate Funding and Repayment Profile (Annual; Net of Sinking Fund ("SF") Payments)

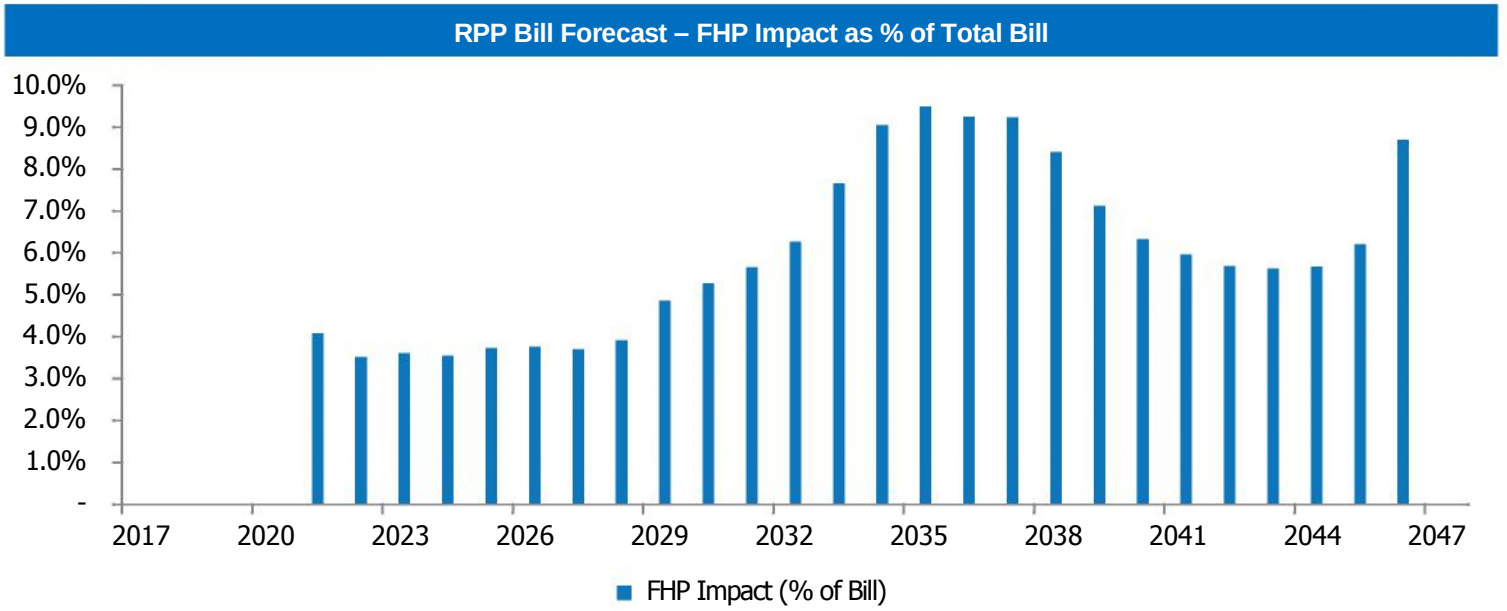


[1] Assumes 51% Senior Notes

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro Program, the CEA for the average residential customer is anticipated to remain below 10% of the total electricity bill **[CAN THIS BE SUGGESTED? KNOWN?]**
- Max CEA as a percent of the total bill is forecast to be 10.1% **[KNOWN? ASSUMPTIONS?]**
- Average CEA as a percent of the total bill is forecast to be 6.9% **[SAME?]**



Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• Governs the terms of the debt issued by FHT and cash flow waterfall and collateral structure for all Trust obligations to all Specified Creditors

Key Terms

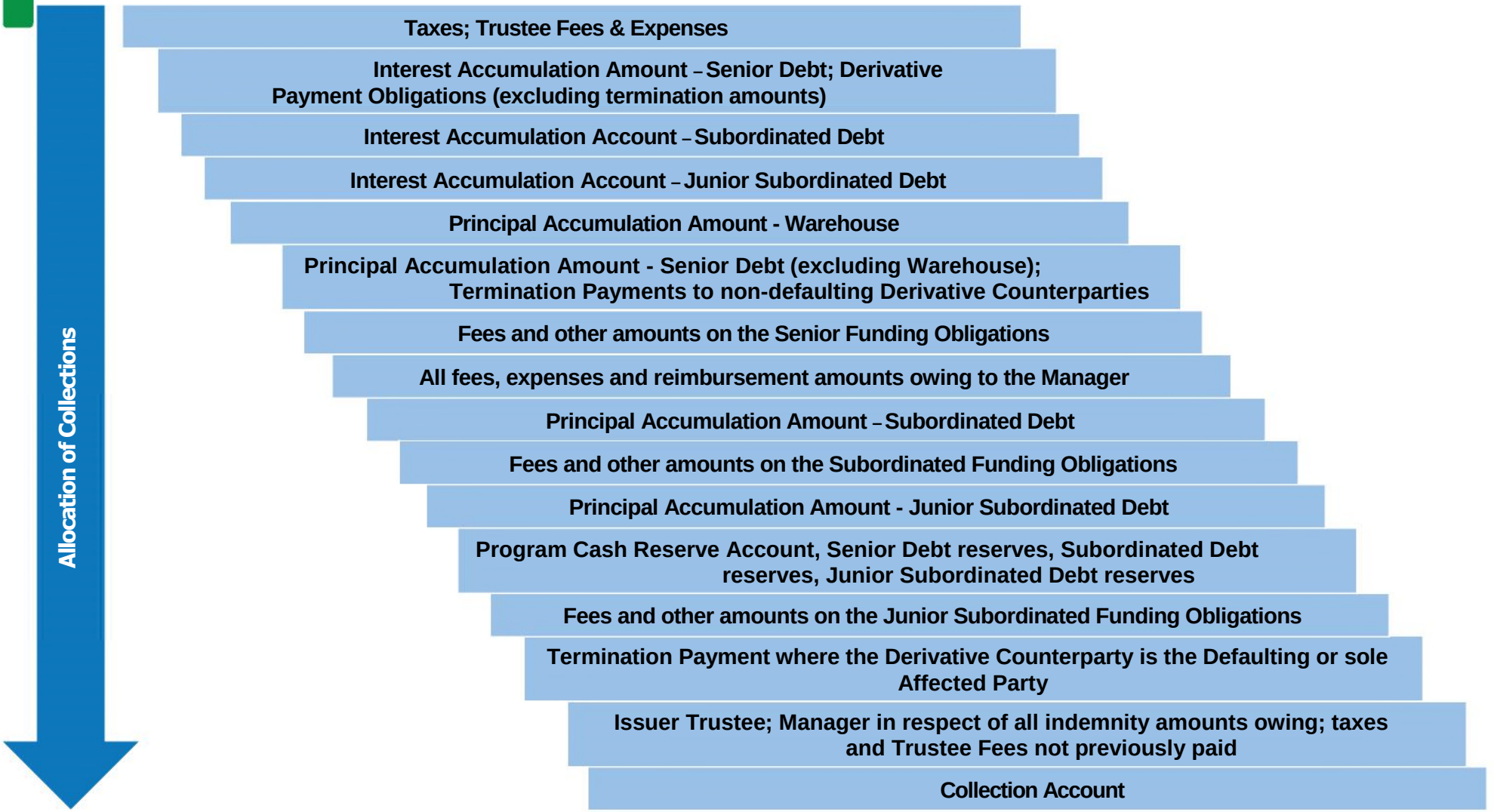
Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments, including: – Note issuances under supplemental indentures – Borrowings under future credit agreements – Sales of notes under note purchase agreements – Letters of Credit/Guarantees under credit enhancement agreements – Liquidity loans under liquidity agreements backing short term notes
Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that: – the incurrence of such additional obligations will not cause an adverse effect – the incurrence of such additional obligations is materially consistent with the Financing Plan • It will also be a condition precedent that (i) each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations and (ii) the Indenture Trustee has received certain assurances as to the applicability of the Change of Law Protection Agreement to such funding obligations

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts
Subordination	• Provides for three different classes of funding obligations – (i) senior – (ii) subordinated – (iii) junior subordinated
Events of Default	• Include payment defaults, representation and covenant breaches, insolvency and Change of Law Protection Agreement ceasing to be in full force and effect against the Province
Acceleration	• Upon an acceleration, CEAs may be insufficient to repay all amounts becoming due in a period. CEAs for a period will be capped under the Regulation at the otherwise scheduled amounts, plus an additional amount if the aggregate of those otherwise scheduled amounts would be less than the FAA for the period • However, the amounts received from CEAs after an acceleration will be allocated to pay senior indebtedness before principal amounts owing on subordinated and junior subordinated indebtedness. Accordingly, the subordination of debt across all series of debt should advance the repayment of the principal amount for senior funding obligations • After an acceleration, all **[CONFIRM. CAN A SERIES ELECT TO DEFER PAYMENT ON ACCELERATION?]** Senior Term Notes will be paid pari passu

Waterfall



Note: This waterfall indicates the priority of payment prior to an Event of Default and acceleration; additional information on the priority of payments after an Event of Default and acceleration can be found in the Offering Memorandum.
Note: After paying interest on the senior debt, no interest payments will be made on the subordinated debt unless there will be sufficient amounts remaining in the Interest Accumulation Account for what should be accumulated for the Senior Notes after making such payments.

VI. Summary of Offering

Summary of Indicative Terms

Initial Fair Hydro Term Issuance	~~Class~~	~~Size~~	~~% of Trust~~	Expected Maturity	Principal Payment Default Date	Rating (DBRS / Moody's)
	Senior Term Notes	$[ ] mm	[ ]%	[ ]	[ ]	AAA (sf) / Aa2 (sf)
	Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
	Jr. Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
ssuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager					
Financial Services Manager	Ontario Power Generation, Inc.					
Servicer	Independent Electricity System Operator					
Source of Repayment	• Moratorium Period: Statutorily mandated remittances (not including principal) from IESO (Up to July 31, 2021) • Post Moratorium Period: Non-bypassable charge from certain residential and commercial customers in Ontario, related collections and reserve accounts (After May 1, 2021)					
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	Principal Accumulation Date ● , 20●			Principal Accumulation Amount $●		
Payment Frequency	Semi-annual					
Interest	Fixed rate					
Senior Note Credit Enhancements	• Semi-annual (or more frequent) True-up • Reserve Account • Subordination					
Program Cash Reserve Account	After Moratorium period, an amount equal to 0.50% of the aggregate amount of all outstanding Senior, Subordinated and Junior Subordinated funding obligations					
True-up	Calculated on at least a semi-annual basis post-moratorium period					
Subordination	Subordinated and Junior Subordinated Notes will be retained by OPG					
Additional Issuance	Master Trust Indenture allows for the issuance of additional notes subject to satisfaction of Rating Agency Condition					

VII. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• Future legislative action to change or challenge/invalidate the Act or the Change of Law Protection Agreement might materially adversely affect a holder's investment in the Notes	• Limited Guarantee provided by the Province of Ontario via the Change of Law Protection Agreement in the Indenture Trustee for lenders/investors in these circumstances
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• True up mechanism may result in a delay, but will be corrected in next True up **[FREQUENCY?]** • Cash reserve and 35%-49% subordination which would first absorb any shortfalls **[Maintenance vs Incurrence?]** • 6-month reference period • Any shortfall in collections are recoverable from all Specified Consumers
Reliance on IESO and LDCs	• During the Moratorium Period, the Trust is dependent on the IESO to pay for all Carrying Costs **[SUGGESTS THAT IESO WILL PAY; NOT PROVIDE CASH FOR TRUST TO PAY]** • Receipt of CEAs dependent on the performance of LDCs and IESO • Limited ability to enforce against or replace an LDC	• Highly regulated industry and LDC and IESO are required under law and regulation to perform duties under FHP • IESO has a very strong credit profile and [very low losses] **[ANY? SOCIALIZED?]** and grants security over all of its accounts receivables as security during the Moratorium Period • IESO will provide a letter of credit/other security to mitigate commingling risks for CEAs held by non-rated or below investment grade rated LDCs until they are remitted to IESO • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	**[SENSITIVE??]** • 20 year repayment period allows for gradual rate increases • Max CEAs as a percent of the total bill is forecast to be ~10% **[KNOWN? CONFIRM?]**

VIII. Investment Highlights

Investment Highlights

- Protection against political risk through the Change of Law Protection Agreement
- Irrevocable & [non-bypassable] **[CLARIFY?]** rate payer charge, recoverable from Specified Consumers across the Province of Ontario
- Repayment risk spread across all Specified Consumers. Full cross-collateralization; collection shortfalls allocated among all Specified Consumers (Joint and Several Liability)
- Robust true-up mechanism **[IF THIS IS COMPARING TO A PRECEDENT DEAL, THEN SHOULD INDICATE THAT COMPARISON]**
- Credit enhancement for senior debt provided via subordinated debt
- Highly regulated market with experienced operating agents (OPG, IESO, and LDCs)
- Strong service territory **[MEANING?]**
- No large user industrial risk exposure **[MEANING?]**

Fair Hydro Trust
Investor Presentation

January [xx], 2018

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Presenters

ONTARIO POWER GENERATION

Ken Hartwick
Chief Financial Officer & Senior Vice President – Finance

John Lee
Vice President, Treasurer

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I. Introduction and Transaction Overview

Introduction

Ontario's Fair Hydro Plan

- **[RATHER INTRODUCE BY FOCUSING ON THE ENACTED LEGISLATION. EARLIER PLAN AND ANNOUNCEMENT WERE SUPERCEDED BY MORE DETAILED CONTEXT OF THE LEGISLATION.]**
-

Legislation

- On June 1, 2017, the Ontario government passed the *Ontario Fair Hydro Plan Act, 2017 (*the "FHPA" or "Act"). **[TRACK THE PURPOSE LANGUAGE IN OFHPA S.3. RATE REDUCTION IS INCIDENTAL AND NEED NOT BE EMPHASIZED]**
- The FHPA is supplemented by regulations related to the implementation of the FHPA (the "Regulations" and (together, with the Regulations, the "[Legislation]').
- The FHPA imposes an irrevocable and non-bypassable charge recoverable from Specified Consumers and referred to as the Clean Energy Adjustment (CEA). The CEA for a period will be determined in accordance with the Legislation by Ontario Power Generation (OPG) in its role as Financial Services Manager under the Act.
- The CEA will be determined for each month during successive six month reference periods and will be converted by the Ontario Energy Board (OEB) into a $/kWh rate and added to electricity invoices sent to Specified Consumers.
- From [July 1, 2017] to April 30, 2021 (the "Moratorium Period"), no payments in respect of the CEA are expected to be collected. During the Moratorium Period and until July 31, 2021, the Independent Electricity System Operator (IESO) is obligated to pay all funding and [other expenses] of the [Trust][Financing Entities] (excluding principal) (referred to as "Carrying Costs") under the Regulations.

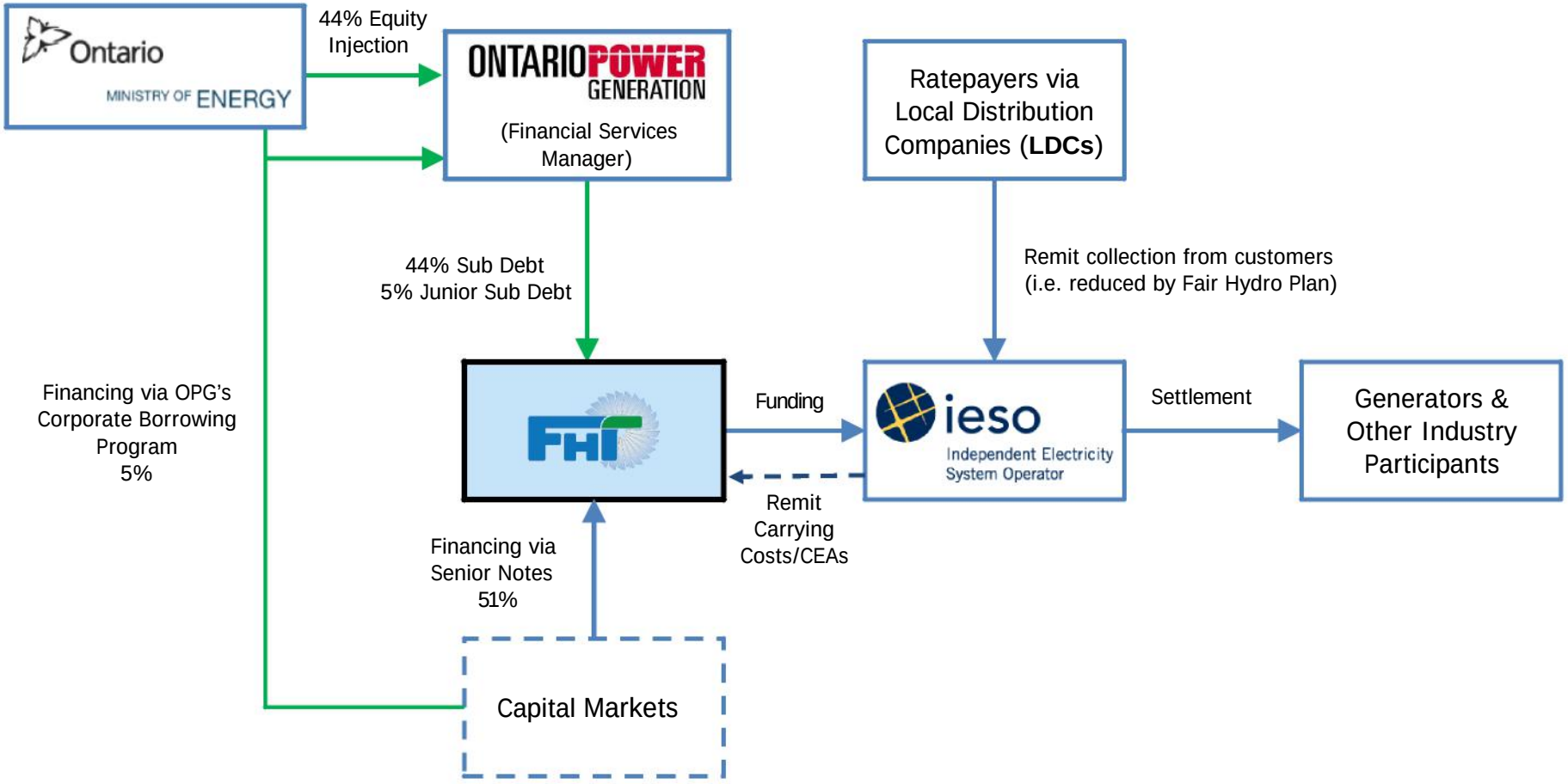
Fair Hydro Trust

- The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") **[OTHER FINANCING ENTITIES?]**through the issuance of senior, subordinated and junior subordinated notes.
- Structured to be bankruptcy remote and even though consolidated by OPG on an accounting basis is ring fenced from OPG's other creditors
- The FHT term notes will be repaid through the CEA payments received from Specified Consumers or from the proceeds of one or more refinancings.

[1] Primarily Regulated Price Plan-eligible customers.

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt and junior subordinated debt of the Trust in an aggregate amount not to exceed 49% of all outstanding debt



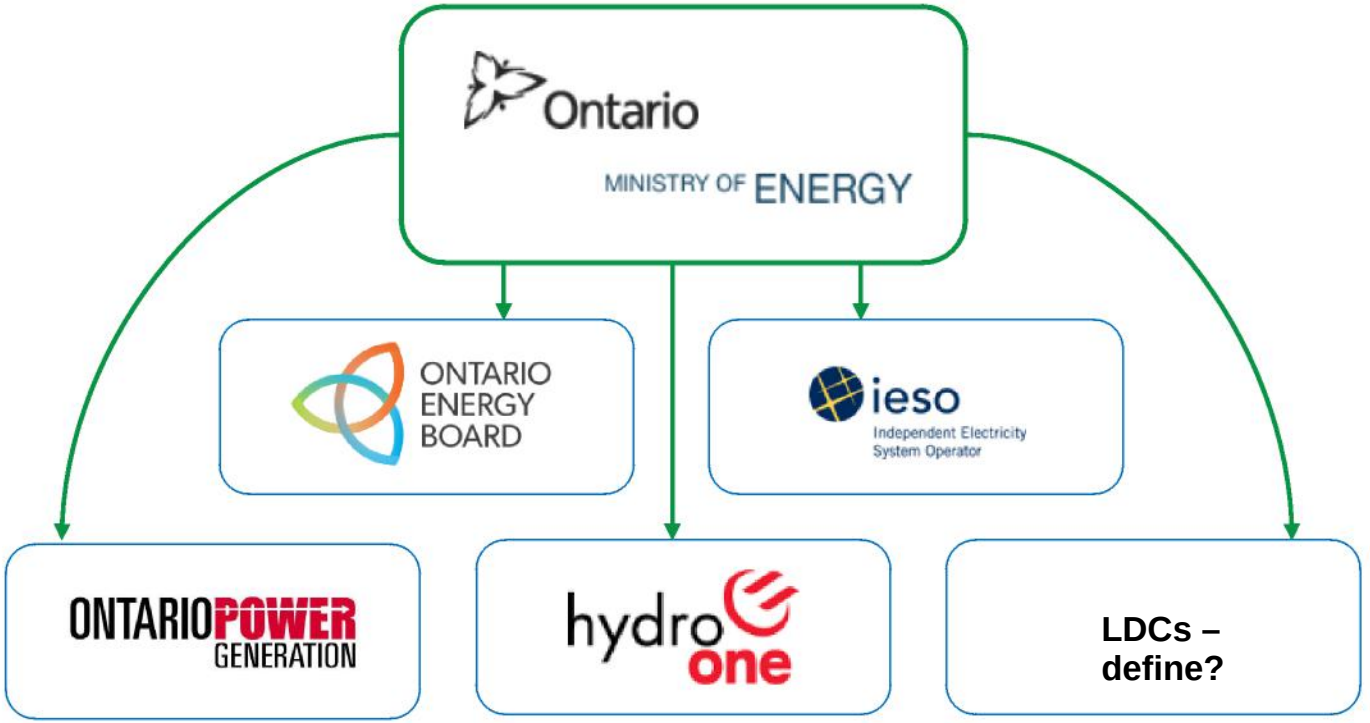
Note: The diagram above is based on subordinated debt of 49% of all outstanding debt; under the Master Trust Indenture, the Trust covenants to maintain the level of subordinated debt plus junior subordinated debt at not less than [35% of all outstanding debt][**ELABORATE]**

Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to exclude the assets and liabilities of OPG, and vice versa. **[NEEDED?]**

II. Ontario Electricity Market

Overview of Ontario's Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in average annual cash flows[1]
- Transmission rates, distribution rates, and OPG's regulated rates are set by the OEB
- Rates for the majority of the remaining generation supply are set by direct contracts with the IESO (e.g. wind, solar, hydroelectric)



[1] Source: "Ontario Planning Outlook – A technical report on the electricity system prepared by the IESO" dated September 1, 2016. The amount represents the mathematical average of the system costs on page 44 in the appendix to the technical report, entitled "Data Tables for the OPO Technical Report".

Key Industry Participants

Participants	Credit Ratings *(DBRS / S&P / Moody's)*	Description
Ontario Ministry of Energy	**AA (l) / A+ / Aa2** [1]	• The Province of Ontario through the Ministry of Energy sets the policy for the electricity system
Ontario Energy Board	**--**	• Independent public regulatory agency established under the *Ontario Energy Board Act, 1998* and has the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • Sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan (RPP); RPP rates are set twice a year (May and November)
IESO Independent Electricity System Operator	**A(h) / -- / Aa2**	• Not-for-profit corporation established under the *Electricity Act, 1998 (Ontario)* • Manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
Ontario Power Generation	**A(l) / BBB+ / --**	• Corporation formed under the *Business Corporation Act (Ontario)*, whose sole shareholder is the Province of Ontario • Principal business is the generation and sale of electricity in Ontario and is Ontario's largest clean energy electricity generator, providing approximately half of the province's electricity
Hydro One	**A(h) / A / A3**	• Ontario's largest electricity transmission and distribution company, delivering electricity to over 1.3 million customers across the province, and to large industrial customers and municipal utilities **[RELEVANCE? NOT NAMED IN OM]**

[1] The credit ratings noted are for the Province of Ontario.

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry under the *Energy Competition Act, 1998*, the municipal electricity utilities became municipally-owned business corporations, including LDCs. The majority of LDCs continue to be municipally-owned, while others have been sold to or acquired by Hydro One or [other?] private-sector owners
- An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors

Select Aggregate Market Stats[1]

Number of LDCs in Ontario	65
Residential & Small Commercial[2] Revenue	$18.89 billion
Residential & Small Commercial[2] Metered Usage (kWh)	52.39 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

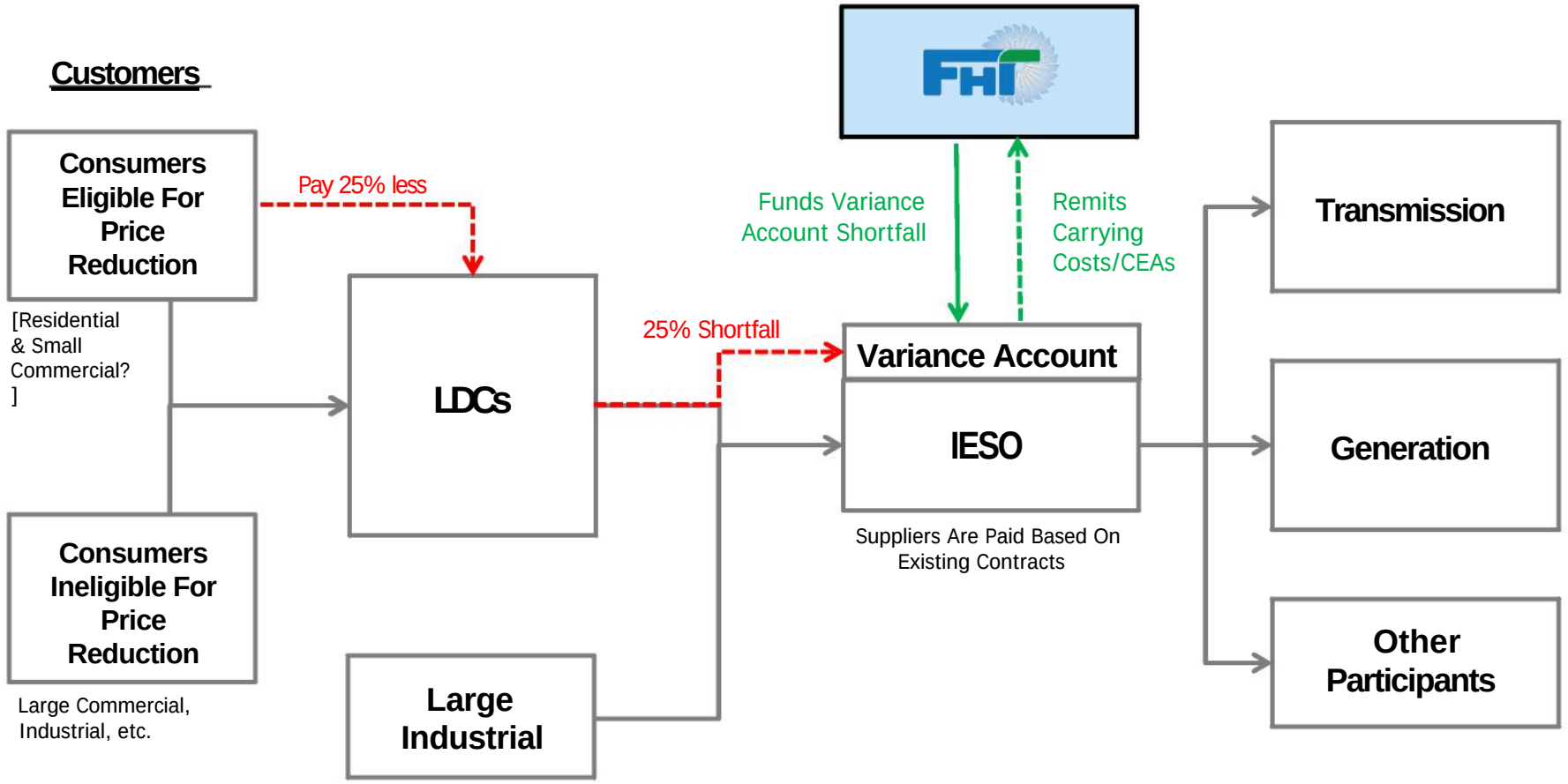
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	Customers[4] *(MM)*	Revenue[4] *(C$MM)*
hydro one	A / A(h) / A3	1.30	$4,533
alectra utilities	A / A / --	0.96	$3,642
TORONTO HYDRO	A / A / --	0.75	$3,886
HydroOttawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	$13,680

1 Source: OEB 2016 Yearbook of Electricity Distributors **[UPDATE?]**
2 Small Commercial includes General Service <50kW Customers
3 Most recent rating reports from S&P, DBRS and Moody's
4 Residential and Small Commercial customers **[COMPARE TO SPECIFIED CONSUMERS?]**

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the shortfall that [results from the Fair Adjustment]**[BE MORE PRECISE. SEE DEFN OF "IESO DEFERRAL"]** and records this amount, together with financing costs, in a variance account
- FHT will **[ACQUIRE INVESTMENT INTEREST TO BE FINANCED …]**finance the **[ACQUIRE INVESTMENT INTEREST, WHICH ENTITLES IT BE PAID AN AMOUNT DETERMINED BY REFERENCE TO]** its costs and the principal and interest on its debt, through CEAs from Specified Consumers



III. Legislative and Regulatory Framework

Legislation Overview

Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to consumers as a result of Ontario's clean energy initiatives; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• **July 1, 2017** – **April 30, 2018** – Specified Consumers charged an invoice amount that is 25%[1] less than the regulated rate that would otherwise have been determined by the OEB; the 25% reduction includes an 8% rebate equivalent to the provincial portion of the HST previously granted by the Ontario government • **May 1, 2018** – **April 30, 2019** - regulated rate established in the first year of the Rate Reduction Period anticipated to increase by the rate of inflation in Ontario • **May 1, 2019** – **April 30, 2021** - rate reductions [will be established by future regulation] **[NOT DETERMINED]** but anticipated to increase by the rate of inflation in Ontario **[NOT CONFIRMED]**

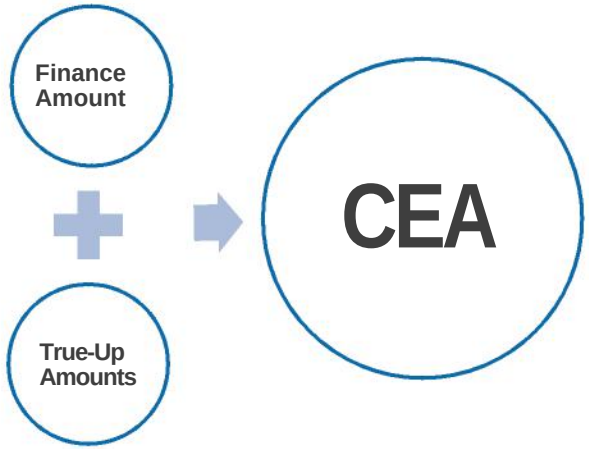
[1] Based on a typical Toronto Hydro customer; the amount of the reduction for any given Specified Consumer may vary from this account.

Legislation Overview, cont'd

Regulatory Asset	• Each month the IESO determines [the shortfall that results from the Fair Adjustment] **[REPLACE WITH CONCEPT OF IESO DEFERRAL]** and records this amount, together with the costs of financing the shortfall, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right is the "Regulatory Asset") • The IESO may transfer a specified portion of the Regulatory Asset to [the Trust] for a cash purchase price equal to the corresponding amount recorded in the variance account
Investment Asset and Investment Interests	• The Trust is not obligated to purchase Regulatory Assets from the IESO • If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right is an "Investment Interest") • By acquiring an Investment Interest, [the Trust] will be entitled to recover all of its associated financing costs and acquires the right to impose, invoice, collect, receive and recover CEAs from Specified Consumers in accordance with the Legislation
Moratorium Period *(July 1, 2017 to April 30, 2021)*	• CEAs are [not permitted to be collected from Specified Consumers during this period] **[CONFORM TO LEGISLATION]** • The IESO is obligated to pay [the Trust all Carrying Costs], excluding repayment of principal on any debt obligations, during the Moratorium Period and extending to July 31, 2021. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to Regulations • As security for the performance of its obligations, the IESO has granted the Trust a first-priority security interest in all of its accounts receivable owing by Electricity Vendors to the IESO • The IESO has a $2 billion general credit facility from the Ontario Financing Authority (OFA) which can be used to pay the Carrying Costs **[SUGGESTIVE THAT OFA LINE WILL NECESSARILY BE AVAILABLE TO COVER**

Clean Energy Adjustments

- Under the FHPA, the CEA is the amount payable by Specified Consumers to cover the [cost of financing the shortfall from the Fair Adjustment] **[PRECISION/ALIGN]** and the associated costs of the financing, including payment of principal, operating costs of the Trust and funding of reserve accounts
- CEAs shown on an invoice issued to Specified Consumers represents the amount of the consumers' indebtedness and may not be set off or bypassed

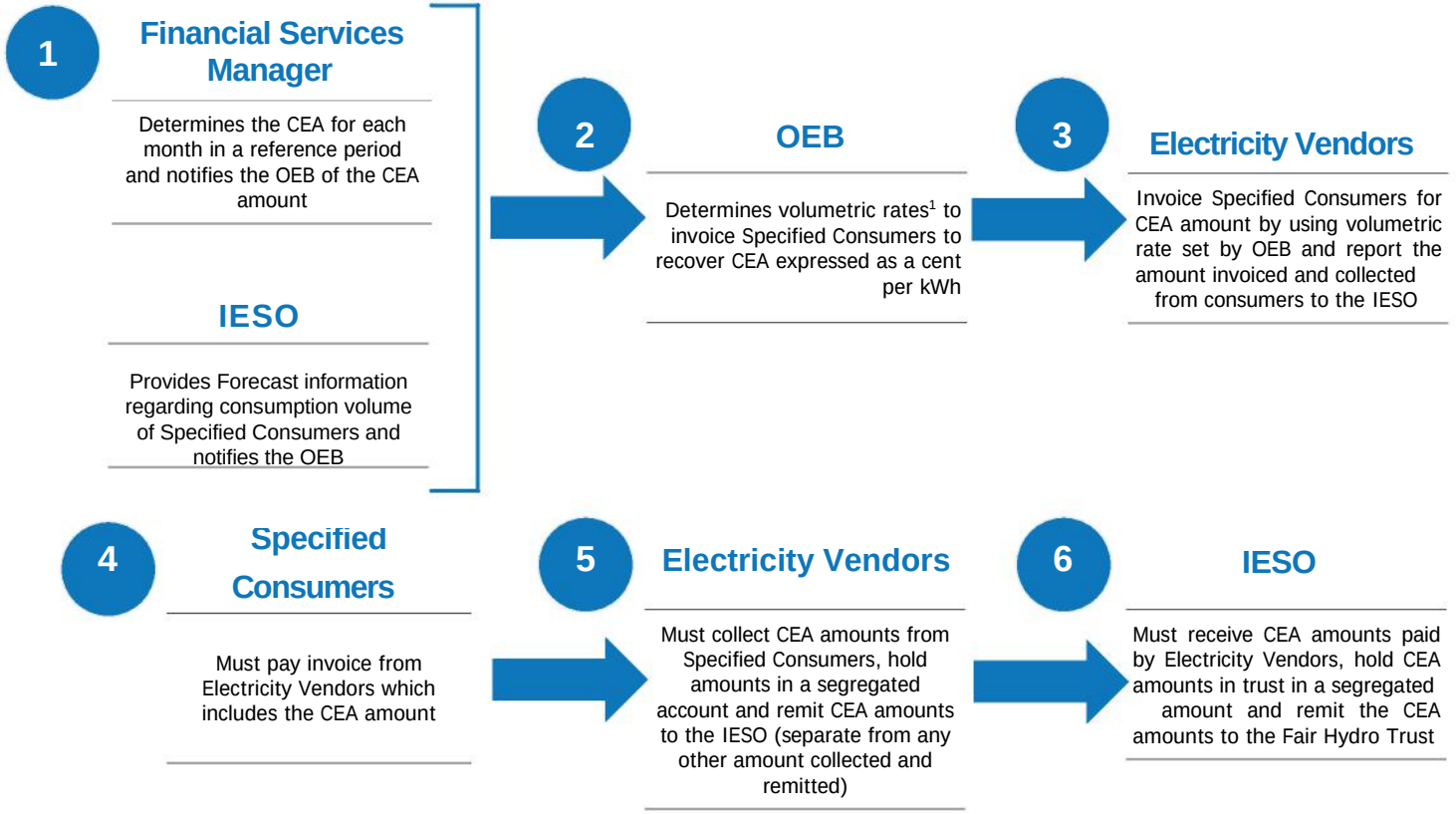


Finance amount = estimate of the amount payable by the Trust mainly in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments

True-up amounts capture the difference between the finance amounts incurred by the Trust and the CEAs collected from Specified Consumers and also include other anticipated shortfalls and differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)

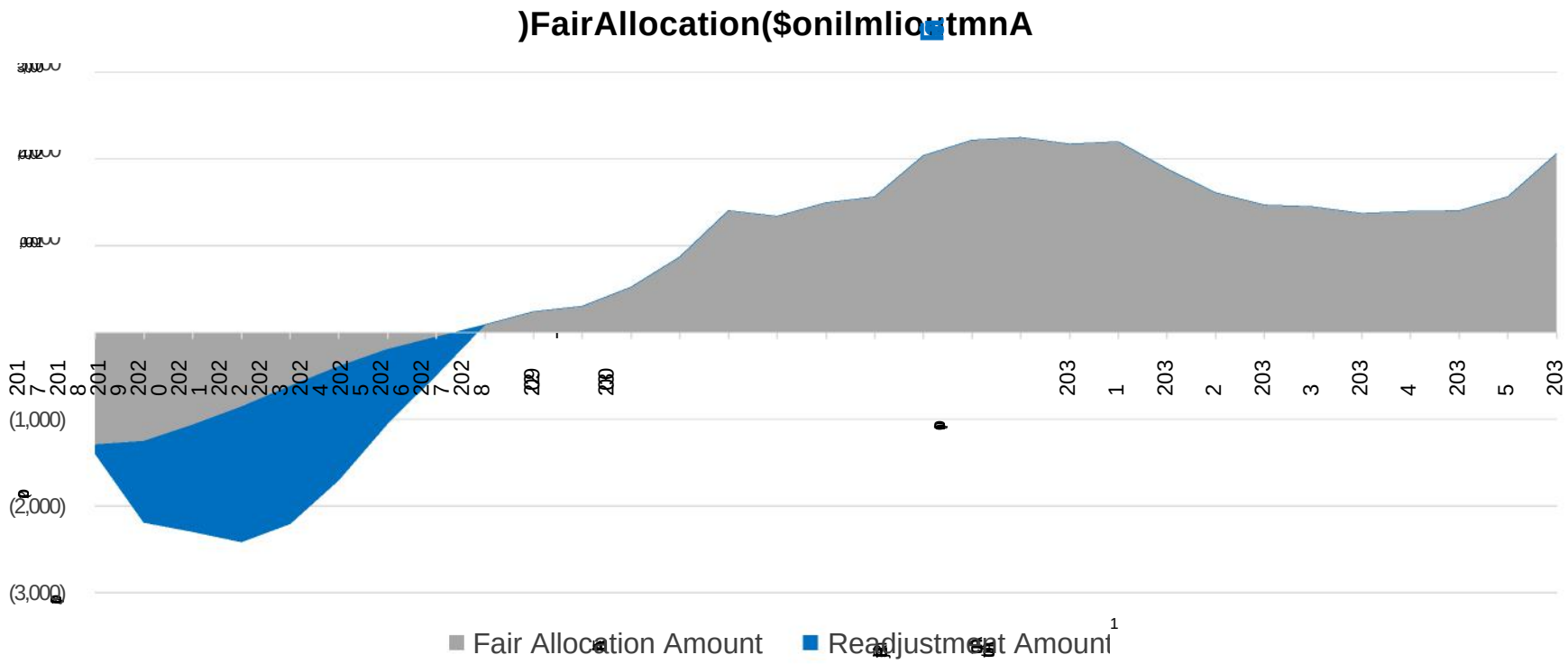
Billing and Collection of CEAs

- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are mitigated through statutory rights in the FHPA, the collection obligations of the IESO under the Master Transfer & Servicing Agreement (MTSA), and the ability to include amounts into the true up mechanism
- IESO is allowed to commingle the CEAs during a monthly period before remitting to FHT. If the IESO's rating is downgraded below investment grade, it will not be allowed to commingle CEAs and will remit within two business days of receipt



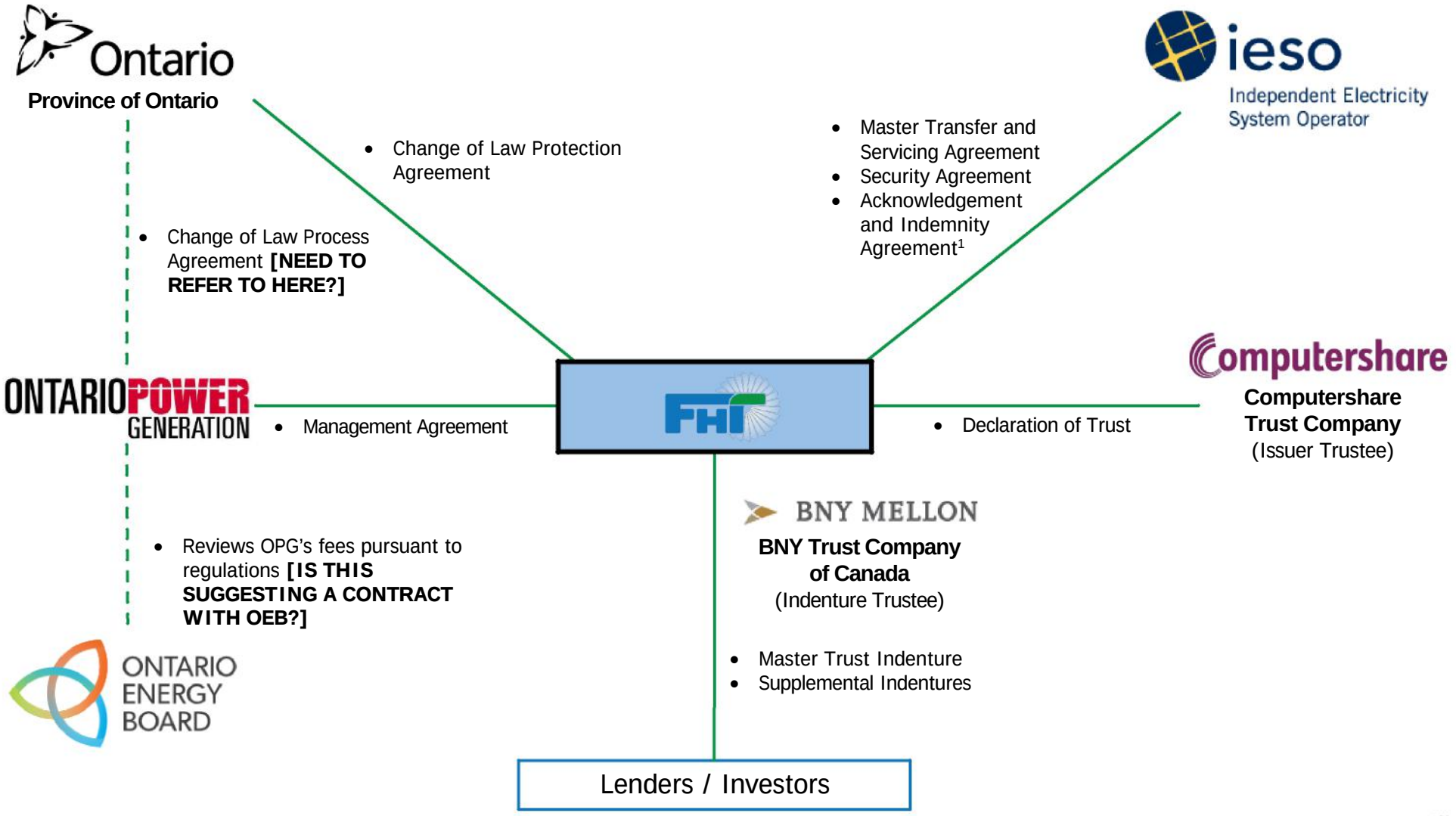
[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers.

[C C(**SW F FAIR ALLOCATION SHOULD BE INCLUDED. NOT IN OM. CONSIDER ANY TIALITY CONCERNS.**



IV. Contractual Framework

Simplified Contractual Structure



[1] Agreement between IESO and Indenture Trustee.

Key Agreements

Change of Law Protection Agreement

Parties	• (1) Province of Ontario and (2) Indenture Trustee, as trustee for Specified Creditors[1], and (3) OPG as Financial Services Manager (FSM) and as Manager
Purpose	• Provides assurance to Specified Creditors that upon the occurrence of a Protection Event referred to below, the Province of Ontario will pay all Approved Obligations on behalf of the Trust, with limited rights of acceleration
Key Terms	• **Term**: Continues for as long as any protected obligations of the Trust that are secured under the Master Trust Indenture (MTI) remain outstanding **[CONFORM]** • **Limited Guarantee**: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all Approved Obligations when due and payable (subject to limits on payment obligations following an acceleration) • **Priority of Payments**: The priority application of guarantee payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: For the Limited Guarantee to apply to an obligation of the Trust, OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the incurrence of such obligation (such obligation called "Approved Obligations") • **Suspension Notice**: The Province may deliver a suspension notice upon the occurrence of the acceleration of any indebtedness of the Trust or other [Program Breach] or a default in performance or misrepresentation by OPG as FSM pursuant to certain internal reporting and other requirements contained in a change of law process agreement between OPG and the Province. Any new funding obligations that are incurred during a suspension period will not have the benefit of the Limited Guarantee, except that the Change of Law Protection Agreement applies to Post-Suspension Refinancing of previously issued Pre-Approved Refinancing

[1] **Specified Creditors** are any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Key Agreements

Change of Law Protection Agreement (cont'd)

Protection Events

The occurrence of any of the following events: **[CONFORM TO OM]**

(1)

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

in each case that adversely affects the ability of the Trust to pay its obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount

(2)

- A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is *ultra vires* or invalid in a way that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable

Key Agreements (cont'd)

Master Transfer and Servicing Agreement

Parties	• (1) IESO, as transferor and servicer; (2) Trust
Purpose	• Provides for the transfer, by the IESO to [the Trust] of the Regulatory Asset, and upon such transfer the Trust acquires an Investment Interest and describes the servicing obligations of IESO
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer the specified portions of the Regulatory Asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer. • **Servicing Duties:** The IESO will be responsible for servicing the Investment Interest under the regulations **[DISTINGUISH MTSA FROM REGNS?]**, including collecting CEA amounts from Electricity Vendors and remitting the same to the [Trust], including: – Establishing a segregated account for collecting CEAs and use reasonable efforts to cause Electricity Vendors to do the same; – Collect CEAs from Electricity Vendors; – Remit CEAs monthly to [the Trust] (unless downgraded below investment grade in which case it will remit daily); – Prepare monthly servicer reports; and – Forecast electricity consumption of Specified Consumers • **Moratorium Period:** During the Moratorium Period (until April 30, 2021) and extending to July 31, 2021, the IESO is required by regulation to fund all Carrying Costs of the Trust. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to regulation. • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, as security for the commingling risk of CEAs collected by non-rated or non-investment grade rated Electricity Vendors and not yet remitted to the IESO

Key Agreements (cont'd)

Management Agreement

Parties	• (1) Issuer Trustee, on behalf of the Trust, and (2) OPG, as Manager and acknowledged and accepted by the Indenture Trustee, as trustee for Specified Creditors
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust
Key Terms	• **Duties Include**: – Negotiating and executing program agreements; – Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations; – Review or cause to be reviewed, records of electricity vendors on an annual basis with respect to CEAs (or less frequently in certain circumstances); – Preparing monthly portfolio reports; – Preparing financial statements; and – [Paying taxes on behalf of the Trust]**[CONFIRM OPG'S OBLIGATION RE TAX]** • **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire Investment Interests **[OR IS THIS THE FSM?]** • **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements • **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding • **Management Fees:** OPG is entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer

Key Agreements (cont'd)

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulations to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in all of its accounts receivable owing by Electricity Vendors
Acknowledgement and Indemnity Agreement (IESO)	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee, including the right to enforce the indemnities provided to the issuer with respect to IESO's duties and obligations under the MTSA
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Limited Guarantee under the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as updated from time to time in the Financing Plan) to be exceeded
Declaration of Trust	• Establishes FHT to carry out activities for the exclusive benefit of its unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare) • The Issuer Trustee has delegated substantially all of [the powers and] **[CONFIRM]** duties of managing the Trust to OPG under the Management Agreement

Allocation of Servicing Role and Responsibilities

- The shared responsibilities of servicing and management roles are summarized below

	OPG	IESO	LDC
Review Records of LDCs with Respect to CEAs (annually or less frequently in certain circumstances)	☐		
Determination of CEA for a Reference Period, including the True-Up Amount	☐		
Ongoing Reporting for Trust and Reporting to the Rating Agencies	☐		
Management of Ongoing Debt Issuances	☐		
Cash Management	☐	☐	
Preparation of Monthly Servicer Reports		☐	
Remittance of CEA to IESO and to the Trust		☐	☐
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		☐	☐
Customer Billing			☐
Customer Collections			☐
Customer Meter Reading			☐

V. Financing Program

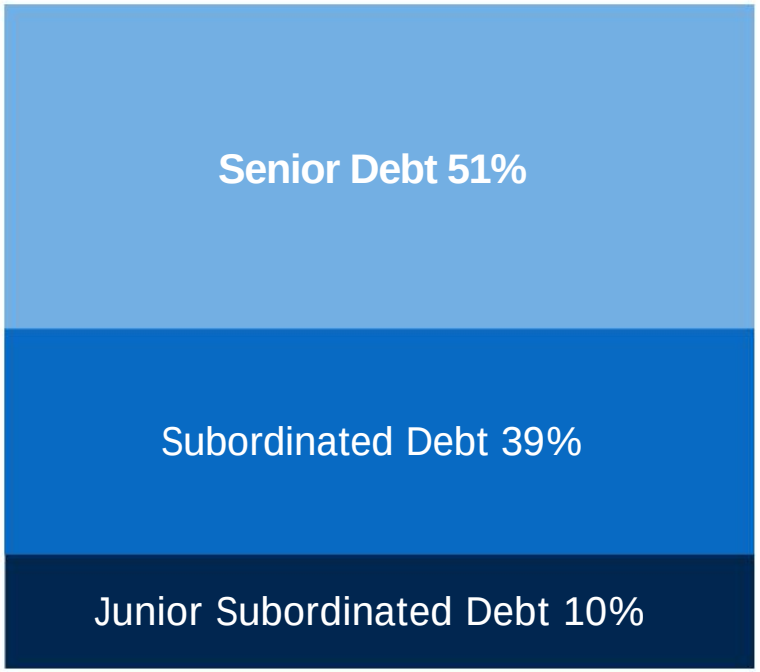
Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program, as the initial FSM appointed under the Act
- Given the size (~[$20]**[CONFIRM]** billion) and longevity (~[10]**[CONFIRM]** years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Initial Warehouse financing (ABCP conduit and bank funded senior debt) and subordinated warehouse debt and junior subordinated warehouse debt funded by OPG will be used to fund monthly [Regulatory Asset purchases] from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- For example, Term debt can take the form of bullet bonds or could be issued as amortizing bonds

Initial Warehouse	• ABCP conduit and bank funded senior debt and subordinated debt funded by OPG will be used by the Trust to fund monthly Regulatory Asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance warehouse financing and the subordinated debt and junior subordinated debt funded by OPG • Both Canadian term debt [and U.S. term debt market will be considered] **[CONFIRM]** • Maturity profiles will be structured to ensure reasonable alignment with the FAA (bullet bonds with sinking funds or amortizing bonds) [DESCRIBE POSSIBLE REFINANCINGS OF SHORTER MATURING DEBT?]
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall **[principal only?]**)

Financing Structure

- The Trust will fund Regulatory Asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51%) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required) will be **[INCURRENCE OR MAINTENANCE REQUIREMENT?]** purchased by OPG, primarily funded by equity injections from the Province (44% of the 49%)



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

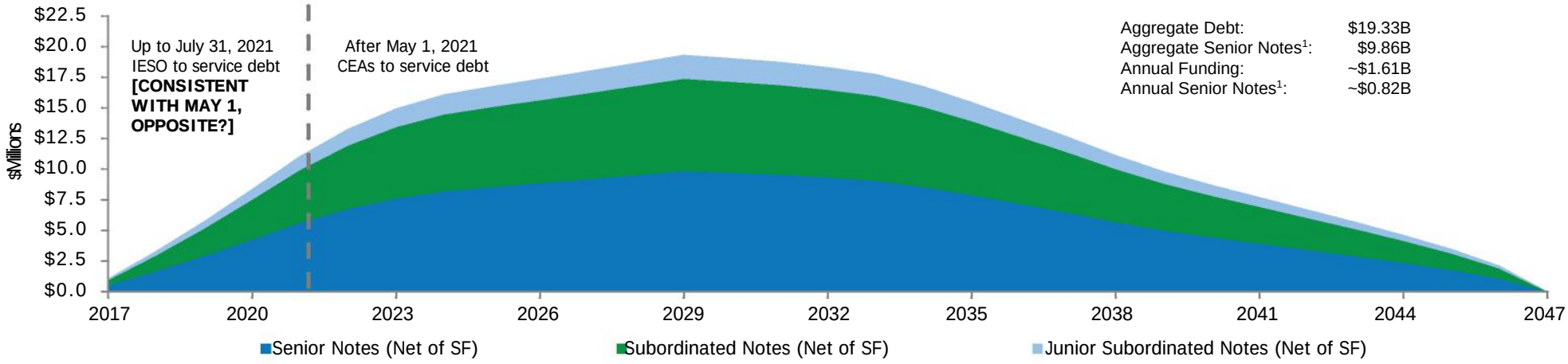
Note: Assumes 49% Subordinated Debt.

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount **[REPAYMENTS, BUT NOT INCURRENCES]** and the [Province's electricity bill reduction targets **[CAN THIS BE SUGGESTED? KNOWN?]**, the following debt profile for the program is expected, peaking at just under $20 billion by 2029 **[CONFIRM]**
- Various tranches of debts will be issued periodically during the period of 2017 - 2028, which are expected to mature over a period after 2029 **[CONFIRM. CONSIDER REFINANCING OF SHORTER MATURITIES?]**

Illustrative Aggregate Funding and Repayment Profile (Annual; Net of Sinking Fund ("SF") Payments)

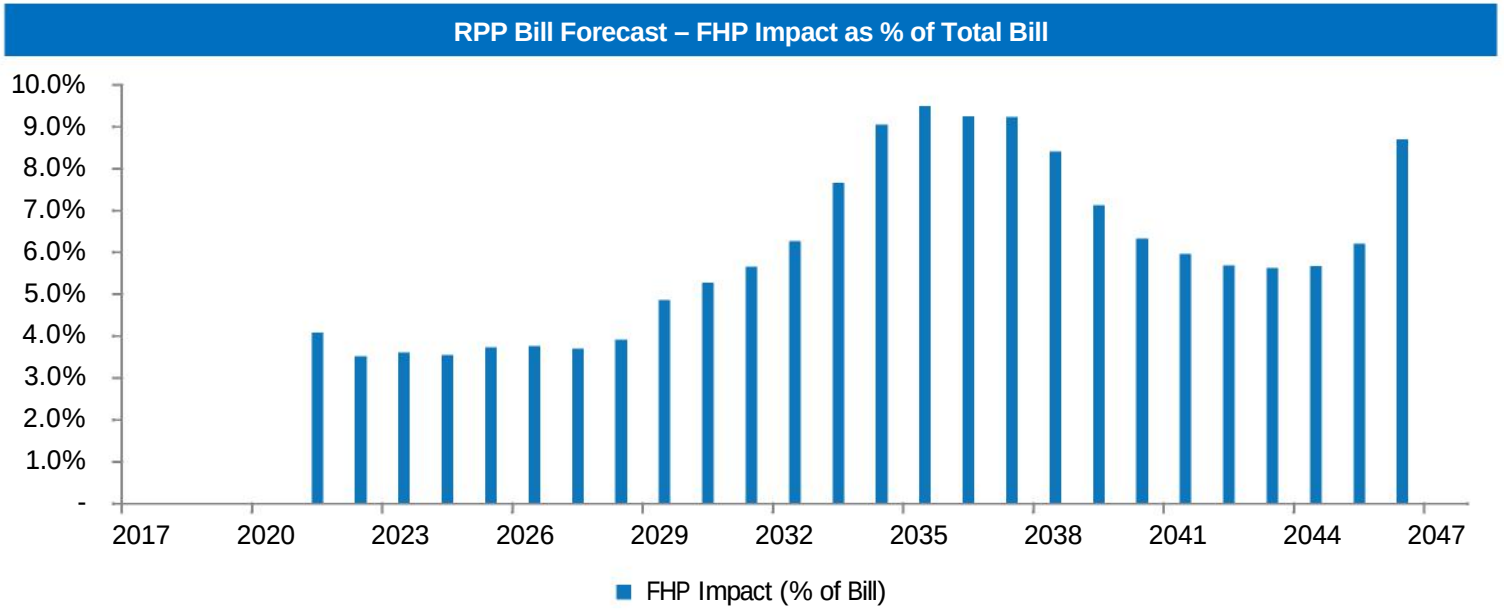


[1] Assumes 51% Senior Notes

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro Program, the CEA for the average residential customer is anticipated to remain below 10% of the total electricity bill **[CAN THIS BE SUGGESTED? KNOWN?]**
- Max CEA as a percent of the total bill is forecast to be 10.1% **[KNOWN? ASSUMPTIONS?]**
- Average CEA as a percent of the total bill is forecast to be 6.9% **[SAME?]**



Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• Governs the terms of the debt issued by FHT and cash flow waterfall and collateral structure for all Trust obligations to all Specified Creditors

Key Terms

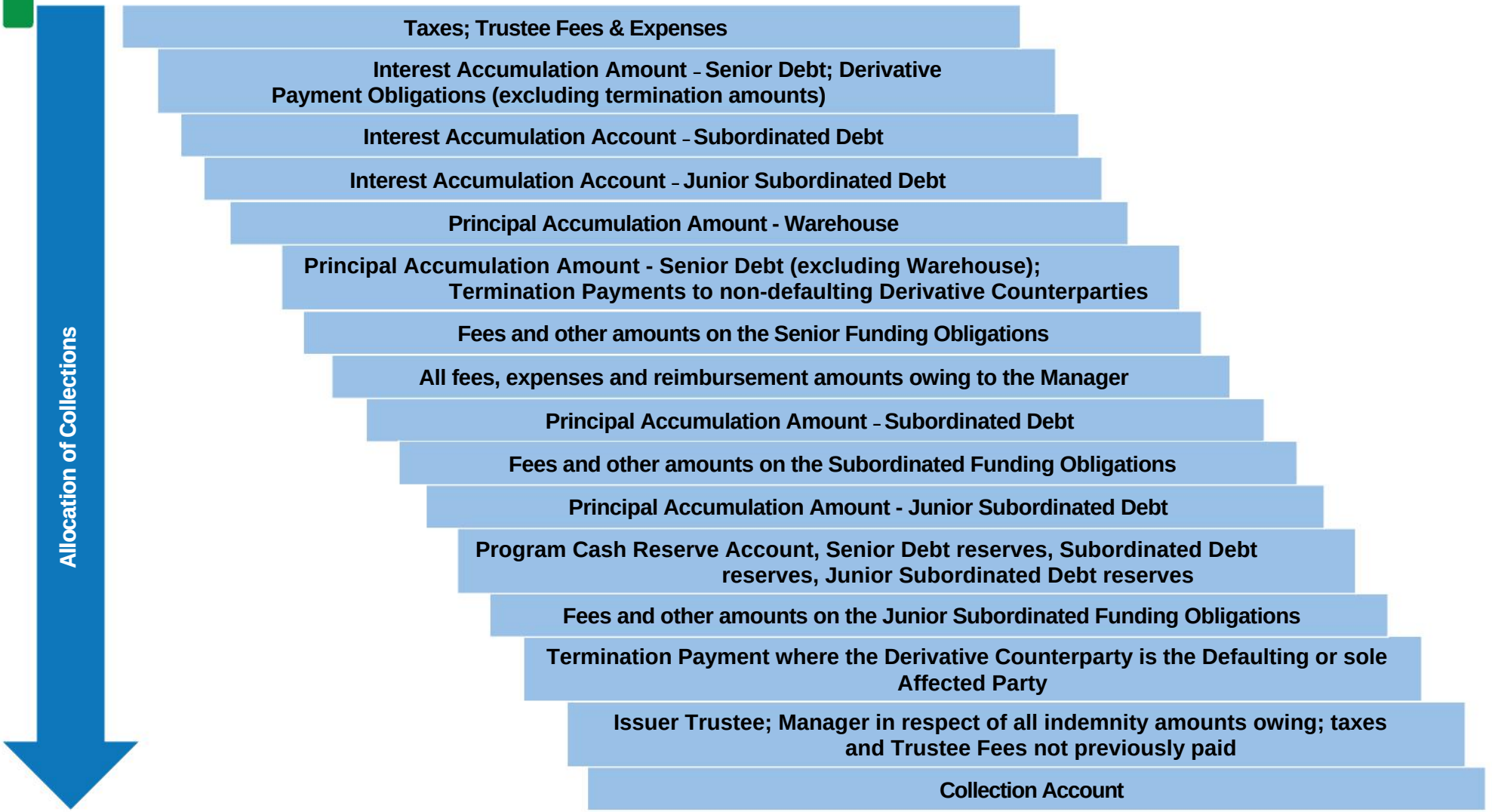
Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments, including: – Note issuances under supplemental indentures – Borrowings under future credit agreements – Sales of notes under note purchase agreements – Letters of Credit/Guarantees under credit enhancement agreements – Liquidity loans under liquidity agreements backing short term notes
Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that: – the incurrence of such additional obligations will not cause an adverse effect – the incurrence of such additional obligations is materially consistent with the Financing Plan • It will also be a condition precedent that (i) each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations and (ii) the Indenture Trustee has received certain assurances as to the applicability of the Change of Law Protection Agreement to such funding obligations

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts
Subordination	• Provides for three different classes of funding obligations – (i) senior – (ii) subordinated – (iii) junior subordinated
Events of Default	• Include payment defaults, representation and covenant breaches, insolvency and Change of Law Protection Agreement ceasing to be in full force and effect against the Province
Acceleration	• Upon an acceleration, CEAs may be insufficient to repay all amounts becoming due in a period. CEAs for a period will be capped under the Regulation at the otherwise scheduled amounts, plus an additional amount if the aggregate of those otherwise scheduled amounts would be less than the FAA for the period • However, the amounts received from CEAs after an acceleration will be allocated to pay senior indebtedness before principal amounts owing on subordinated and junior subordinated indebtedness. Accordingly, the subordination of debt across all series of debt should advance the repayment of the principal amount for senior funding obligations • After an acceleration, all **[CONFIRM. CAN A SERIES ELECT TO DEFER PAYMENT ON ACCELERATION?]** Senior Term Notes will be paid pari passu

Waterfall



Note: This waterfall indicates the priority of payment prior to an Event of Default and acceleration; additional information on the priority of payments after an Event of Default and acceleration can be found in the Offering Memorandum.

Note: After paying interest on the senior debt, no interest payments will be made on the subordinated debt unless there will be sufficient amounts remaining in the Interest Accumulation Account for what should be accumulated for the Senior Notes after making such payments.

VI. Summary of Offering

Summary of Indicative Terms

Initial Fair Hydro Term Issuance	~~Class~~	~~Size~~	~~% of Trust~~	Expected Maturity	Principal Payment Default Date	Rating (DBRS / Moody's)
	Senior Term Notes	$[ ] mm	[ ]%	[ ]	[ ]	AAA (sf) / Aa2 (sf)
	Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
	Jr. Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
ssuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager					
Financial Services Manager	Ontario Power Generation, Inc.					
Servicer	Independent Electricity System Operator					
Source of Repayment	• Moratorium Period: Statutorily mandated remittances (not including principal) from IESO (Up to July 31, 2021) • Post Moratorium Period: Non-bypassable charge from certain residential and commercial customers in Ontario, related collections and reserve accounts (After May 1, 2021)					
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	Principal Accumulation Date ● , 20●			Principal Accumulation Amount $●		
Payment Frequency	Semi-annual					
Interest	Fixed rate					
Senior Note Credit Enhancements	• Semi-annual (or more frequent) True-up • Reserve Account • Subordination					
Program Cash Reserve Account	After Moratorium period, an amount equal to 0.50% of the aggregate amount of all outstanding Senior, Subordinated and Junior Subordinated funding obligations					
True-up	Calculated on at least a semi-annual basis post-moratorium period					
Subordination	Subordinated and Junior Subordinated Notes will be retained by OPG					
Additional Issuance	Master Trust Indenture allows for the issuance of additional notes subject to satisfaction of Rating Agency Condition					

VII. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• Future legislative action to change or challenge/invalidate the Act or the Change of Law Protection Agreement might materially adversely affect a holder's investment in the Notes	• Limited Guarantee provided by the Province of Ontario via the Change of Law Protection Agreement in the Indenture Trustee for lenders/investors in these circumstances
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• True up mechanism may result in a delay, but will be corrected in next True up **[FREQUENCY?]** • Cash reserve and 35%-49% subordination which would first absorb any shortfalls **[Maintenance vs Incurrence?]** • 6-month reference period • Any shortfall in collections are recoverable from all Specified Consumers
Reliance on IESO and LDCs	• During the Moratorium Period, the Trust is dependent on the IESO to pay for all Carrying Costs **[SUGGESTS THAT IESO WILL PAY; NOT PROVIDE CASH FOR TRUST TO PAY]** • Receipt of CEAs dependent on the performance of LDCs and IESO • Limited ability to enforce against or replace an LDC	• Highly regulated industry and LDC and IESO are required under law and regulation to perform duties under FHP • IESO has a very strong credit profile and [very low losses] **[ANY? SOCIALIZED?]** and grants security over all of its accounts receivables as security during the Moratorium Period • IESO will provide a letter of credit/other security to mitigate commingling risks for CEAs held by non-rated or below investment grade rated LDCs until they are remitted to IESO • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	**[SENSITIVE??]** • 20-year repayment period allows for gradual rate increases • Max CEAs as a percent of the total bill is forecast to be ~10% **[KNOWN? CONFIRM?]**

VIII. Investment Highlights

Investment Highlights

- Protection against political risk through the Change of Law Protection Agreement
- Irrevocable & [non-bypassable] **[CLARIFY?]** rate payer charge, recoverable from Specified Consumers across the Province of Ontario
- Repayment risk spread across all Specified Consumers. Full cross-collateralization; collection shortfalls allocated among all Specified Consumers (Joint and Several Liability)
- Robust true-up mechanism **[IF THIS IS COMPARING TO A PRECEDENT DEAL, THEN SHOULD INDICATE THAT COMPARISON]**
- Credit enhancement for senior debt provided via subordinated debt
- Highly regulated market with experienced operating agents (OPG, IESO, and LDCs)
- Strong service territory **[MEANING?]**
- No large user industrial risk exposure **[MEANING?]**

From:	ASHBOURNE, STEPHEN
To:	Ken Kandeepan; "Thouin, Alena (ENERGY)"; Tobias P. Whitfield (MOF); Mike Manning; Malle Hanslep (MOF); Anna Strathy; Ronald Kwan; Tim Christie (ENERGY); Veinot, Cindy (TBS); Mark Donaldson (MOF)
Cc:	Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); VINER, JON
Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Tuesday, January 09, 2018 9:26:26 AM
Attachments:	Fair Hydro OM - Comments.pdf

Hi. Here is a list of items that could be discussed at 9:30, in order to settle on the scope and nature of commenting on the OM:

MOE – Alignment Considerations

1. Simplified references to the OFHPA (general caveat)
2. Scope of descriptions (generally, should be …subject to the OFHPA and the Regulations)
3. "purposes" of the OFHPA (e.g., implies that is rate reduction)
4. Nature and duration of the "moratorium period" (non-legislative)
5. Trust vs. "financing entity" (permit multiple FEs and co-ownership arrangements – minimally described)
6. "Fair Allocation Amount" – amount vs. effect of calculation (imprecise); concept of "Readjustments" missing
7. Financing Plan – refinements (e.g., references to Refinancings)
8. Expectations re FAA – negative until 2024
9. "Ontario's Fair Allocation Plan" – styling
10. OPG appointment as FSM (initial only – ability for Minister to replace)
11. Inclusions into IESO deferrals (precision)
12. Carrying costs vs funding rebates (impact on nature of Investment Asset)???
13. No reference to pre-OFHPA adjustments (piggy bank)
14. Risk Factors – approach to describing legal risks and Protection Agreement as mitigation
15. Technical definitions and descriptions (e.g., carrying costs; forecasts from IESO rather than forecast information; invoicing mechanics; simplifications of definitions; etc.)
16. Limited discussion re contents of "Financing Plan"
17. No real recognition of tail risk and duration mismatch considerations and mitigants/strategies
18. No discussion re OFHPA rights of action, etc.
19. "non-bypassable" (meaning)

OFA - Change of Law Protection Agreement

1. Narrative (e.g., "in favour of the Issuer")

2. Notes do not constitute debt of Province, etc. (confirm description) – additional considerations?

3. Scope of "Approved Obligations" (overbroad)

4. Positive obligations in favour of Province (e.g., apply amounts; credit for applied amounts)

5. Definition of "Protection Events" (align)

6. Rights of Subrogation (needs to be more detailed)

7. Mechanics of Protection Account

8. Limited direct rights of Noteholders (through indenture trustee)

9. Limitations on damages

10. Only passing reference to the "Process Agreement" in OM (but referred to in more detail in the Investor Presentation)

Other

1. Confidentiality (deemed vs. confirmed in writing)

2. Liability for Taxes (priority claim in waterfall; impact on triggers)

3. IESO - descriptions

4. Electricity Market; OEB; OPG

5. Platform (e.g., very broad cross default – beyond generic risk factors?)

6. Interplay between Warehouse and Term issuances

7. Description of 2018 Notes

8. Optional Redemption of Notes (confirm if applicable/acceptable)

FYI, attached is our internal (preliminary) mark-up of the OM. It should not be on-circulated at this stage. We are providing it now in case you would find it useful to have specified illustrations of the foregoing items.

Regards, Steve
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

———————————

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The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement January ■, 2018

FAIR HYDRO TRUST
Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (the "**FHPA**"), legislation [that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms).][1] Under the FHPA, ~~Ontario Power Generation Inc. ("**OPG**")~~OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA.[2] The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or ~~general~~ obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Risk Factors"*.

[1] **Note:** Blakes suggests that that this narrative be removed or, if necessary, it should track the purposes of the FHPA set out in Section 3 of the Act.

[2] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended or supplemented by supplemental indentures thereto.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with

liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount & Financing Plan"*, *"Subordinated Debt"*, *"■"* and *"Risk Factors"* of this confidential shelf offering memorandum and *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"*, *"■"* and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval by resolution of the holders of all Series of Senior Notes.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.
- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Power outages could impair payment of the Senior Notes.
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

PRIOR TO RECEIVING THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER MUST HAVE ENTERED INTO A CONFIDENTIALITY UNDERTAKING WITH THE ISSUER (IN A FORM ACCEPTABLE TO THE ISSUER) WHICH PROVIDES THAT BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER. ***[NTD: Logistics to be discussed between Dealers and OPG.]***

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at https://www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust ~~established under~~governed by the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Ontario's Fair Hydro Plan:	On March 2, 2017, the Province of Ontario announced its Fair Hydro Plan, proposing to lower the average electricity bill for certain eligible customers.[3] On June 1, 2017, the Ontario government passed the Ontario Fair Hydro Plan Act, 2017 (the "**FHPA**")[, legislation that [reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms)].[4] From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[~~1~~5] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") for that period. Under the FHPA, OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA and the Regulations.[6] The Issuer is a Financing Entity under the FHPA and the Regulations and the Notes are Funding Obligations being offered for the purposes of the FHPA and the Regulations. See *"Ontario's Fair Hydro Plan — Background"*.
Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of series (each a "**Series**"), in one or several offerings (each, an "**Offering**"). A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the master trust indenture dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the

[3] **Note:** Blakes suggest this narrative is removed. The March 2 announcement describes the lowering of electricity bills as part of a significant system restructuring to address long-standing policy challenges and ensure greater fairness.

[4] **Note:** Blakes suggests that that this narrative be removed or, if necessary, it should track the purposes of the FHPA set out in Section 3 of the Act.

[~~1~~5] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[6] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

"**Master Trust Indenture**") between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**"), as supplemented by a supplemental indenture dated the date of the issuance of such Series between the Issuer and the Indenture Trustee (a "**Supplemental Indenture**" and collectively with the Master Trust Indenture, the "**Indenture**") authorizing that Series.

Transferor and Servicer:

The Independent Electricity System Operator (the "**IESO**") is a not-for-profit corporation established under the *Electricity Act, 1998* (Ontario). The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market.

Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**")~~.~~, although the IESO is not entitled to exercise this right before May 1, 2021. The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may, on a monthly basis, offer to transfer a specified portion of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"Transferor and Servicer"*.

Investment Interest:

Upon acceptance of the transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the ~~right~~rights specified in the FHPA, including the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA and the Regulations. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.

Clean Energy Adjustment:

The FHPA and the Regulations impose an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager ~~and will be converted by the OEB into a $/kWh rate and added to the electricity invoices sent to~~based on the calculations and parameters set out in the FHPA. The OEB is required to determine the rates at which Specified Consumers are to be invoiced in order to recover the Clean Energy Adjustment in respected of a specified Reference Period (which is generally a six month period, or a shorter period in certain circumstances). The rates are to be determined by reference to forecasted electricity consumption of Specified Consumers for a period and are expressed as a cent per KWh rate. See *"— Statutory Duties of the OEB"* below.

The required Clean Energy Adjustment ~~is an amount~~will be determined by the Financial Services Manager for each month in a Reference Period ~~(which is generally a six month period, subject to more frequent determinations in certain circumstances)~~ and consists of the sum (without duplication) of: (i) the estimated Finance Amount in

respect of the Reference Period, which ~~includes all financing and other expenses of the Issuer for~~will include an estimate of all repayments, redemptions, funding costs, derivative payments, required deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is ~~comprised of~~required to be calculated by the Financial Services manager in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustment is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment during preceding Reference Periods ~~plus other anticipated shortfalls.~~ .

The True-up Amount ~~accounts for~~may also reflect historical and reasonably foreseeable differences between the ~~required Clean Energy Adjustment~~estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs~~,~~; and variations in billings due to variations in electricity consumption ~~and~~. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not ~~be~~been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for ~~such~~a Reference Period.

[Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other carrying costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.][7]

Non-bypassability: The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is

[7] **Note:** Blakes suggests that this narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) [*limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*].

determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs during the Moratorium Period:

During the Moratorium Period and extending to July 31, ~~2021,~~2021,[8] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of its carrying costs. Under the Regulations, "carrying costs" include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).[9]

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of carrying costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement, the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which can be used to pay the Issuer's carrying costs. The amounts paid by the IESO to fund these carrying costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for the performance of its obligation under the Regulations to pay the Issuer's carrying costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated

[8] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending on July 31, 2021.

[9] **Note:** Consider revising to conform with Section 9.3(3) of the General Regulation. This Section provides that "carrying costs" also include derivative payments, etc.

Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment ~~after such time shall~~for a period will be determined without regard to the fact that such amount has become ~~immediately~~ due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount and Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors.

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed ~~in $/~~as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment ~~in respect of the relevant period of time~~ as determined by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast ~~provided by the IESO~~ of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided to the OEB by the IESO. See *"— Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA and the Regulations require Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment ~~commencing May 1, 2021,~~ as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of [the Issuer][10], amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of [the Issuer][11] until ~~deposited with the IESO and remit such amounts~~remitted to the IESO for the benefit of [the owners of Investment Interests (initially, only the Issuer)].[12] If an Electricity Vendor does not receive payment in full of an invoice issued to a

[10] **Note:** This and similar references to the Issuer should instead refer to Investment Interest owners, of which the issuer is the first, and then cross-refer to the concept of co-ownership in order to facilitate additional financings in the future.
[11] **Note:** Please see note 10.
[12] **Note:** Please see note 10.

Specified Consumer, the Electricity Vendor shall allocate ~~the~~any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[13] It is a deemed condition of their distribution license that Electricity Vendors comply with the FHPA.[14]

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required from the IESO is based on a formula as set out in the Master Transfer and Servicing Agreement and will equal: (i) 50% of forecasted Clean Energy Adjustment amounts that are to be collected by such non-investment grade rated Electricity Vendors and held for 45 days prior to the funds being remitted to the Issuer; or (ii) such other amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

OPG has entered into a management agreement (the "**Management Agreement**") with the Issuer pursuant to which the Issuer has delegated to OPG, as manager (the "**Manager**"), all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer. See *"The Manager"*.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA and the Regulations, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management

[13] **Note:** Please consider revising this to conform more closely to Section 17(4) of the FHPA.
[14] **Note:** Please confirm.

and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. See *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of [the Issuer][15], to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of [the Issuer] and remit such amounts to [the Issuer] [on a monthly basis, subject to daily remittance being required in certain limited circumstances.][16] In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including ~~forecasting~~providing forecast information regarding electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts to [the Issuer] and fulfilling certain additional reporting requirements. [Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.][17] However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement in favour of the ~~Issuer and the~~ Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" ~~under~~when due and payable into the ~~Change of Law~~ Protection ~~Agreement and which~~Account (which, provided that the Notes are Approved Obligations, includes payments of amounts that are due and payable in respect of ~~the~~ Notes). The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation.

Generally, an "**Approved Obligation**" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years ~~and which~~that are not terminable by the Issuer on less than

[15] **Note:** Please see note 10 regarding bracketed references to the "Issuer" in this paragraph..

[16] **Note:** Please consider disclosing which IESO duties are statutory and which arise under the MTSA. For instance, in this sentence, these time requirements arise from the MTSA. Section 9(2) of the General Regulation requires that the IESO remit within a reasonable period of time.

[17] **Note:** Please confirm.

three years' notice ~~and on payment~~under which the Manager, acting reasonably, expects aggregate payments by the Issuer ~~of~~during the term of the contract in an amount equal to or ~~less~~greater than $5,000,000.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA, in whole or in part, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under ~~or in connection with,~~ the FHPA, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the ~~Province of Ontario~~Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) ~~there is~~the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or ~~any~~an entity controlled by the Province of Ontario,

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

(b) a court of competent jurisdiction determines that all or a portion of the FHPA or the Regulations, as in effect on the date hereof, is *ultra vires* or invalid in a way that adversely affects the ability of the Issuer to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable

and that has the effect of the Issuer not in fact having sufficient funds to pay such Approved Obligations that have become due and payable, in each case determined after taking into account and having regard to (i) any funds available at such time to apply to such Approved Obligations, including in any finance reserve account, capital account or collateral posting account applicable under a derivative agreement, (ii) the availability of any credit enhancement agreement to which the Issuer is a party and (iii) any reasonably expected potential effect of a True-up Amount in the Reference Period immediately following the occurrence of an event described in this paragraph (b).

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts ~~in respect of Approved Obligations, including the Senior Notes, the~~when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. The Province of Ontario will have ~~a right of subrogation that includes the entitlement to all rights and interests under and in respect of such Approved Obligations, including the security interest in each related Investment Interest and any related property of the Issuer.~~the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations, such amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations

under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee ~~prior to~~on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect ~~for as long as any Senior Notes remain outstanding~~until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant ~~or representation of OPG~~, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions ~~having~~have been taken by or on behalf of the Indenture Trustee to remove the Financial

Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall ~~cease to~~not apply ~~only~~ in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer~~, in each case following delivery of a Suspension Notice~~.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension ~~if~~that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA and the Regulations by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of certain costs allocated to Specified Consumers in respect of the Ontario government's clean energy initiatives ("**Clean Energy Costs**") in proportion to the relative attribution of the value of benefits determined to be derived by or accruing to Specified Consumers as a result of such clean energy initiatives ("**Clean Energy Benefits**") among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.[18]

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations should be incurred by the Issuer or other Financing Entities ~~and having~~for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred ~~so that~~such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA [, namely, to ensure that present and future Specified Consumers are bearing their share of the costs of

[18] **Note:** Please consider a description of the fair allocation amount that more closely aligns to Section 20(1) of the FHPA.

providing Clean Energy Benefits].[19] Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

[Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024.] [20] Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount on subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

Use of Proceeds:

The proceeds from each Offering may be used to (i) acquire an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement, (ii) refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) pay Offering and related

[19] **Note:** Please revise to characterize the purpose of the FHPA as consistent with the stated purposes of the FHPA in Section 3 of the Act.
[20] **Note to MOE:** Please review in particular.

	costs of the Issuer and (iv) fund specific reserve accounts as required. The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of carrying costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay carrying costs after April 2021 to the extent that funds can be so

applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount.

In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for senior obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for subordinated obligations;
- payments of or accumulations in respect of interest for junior subordinated obligations;
- payment of or accumulations in respect of principal for warehouse obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for senior obligations (other than warehouse obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on senior obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for subordinated obligations;
- fees and other amounts (other than principal and interest) on subordinated obligations;
- payment of or accumulations in respect of principal for junior subordinated obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for subordinated obligations or junior subordinated obligations);
- replenishment of Series Accounts established for subordinated obligations;
- fees and other amounts (other than principal and interest) on junior subordinated obligations;
- replenishment of Series Accounts established for junior subordinated obligations;

- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on senior obligations and payments under derivative agreements (other than termination payments), *pari passu*, then subordinated obligations (other than principal) and then junior subordinated obligations (other than principal);
- principal for warehouse obligations;
- *pari passu*, principal on senior obligations (other than warehouse obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for subordinated obligations and then junior subordinated obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private

	contract. Any Senior Notes so purchased shall be cancelled.
Distribution Method:	The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103). By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.
Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydropower, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from generating facilities to local areas; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses using lower voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of small scale solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy from a few flexible loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Virtually all generators in Ontario also have bilateral contracts with the IESO that provide for payments in addition to the market price of electricity that is paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario), whose sole shareholder is the Province of Ontario. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold all of the generation assets. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power turbine. OPG's mission is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for almost

half of the total energy generated and injected into Ontario's electricity transmission system, as reported by the IESO. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for operating the real-time electricity markets in Ontario, as well as administering the market rules. The OPA was the counterparty that entered into bilateral power or capacity purchase contracts with generators. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners, but it is governed by an independent Board of Directors whose chair and directors are appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial public regulatory agency. The *Ontario Energy Board Act* provides the OEB with the authority to regulate Ontario's electricity market, including the activities of Electricity Vendors.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

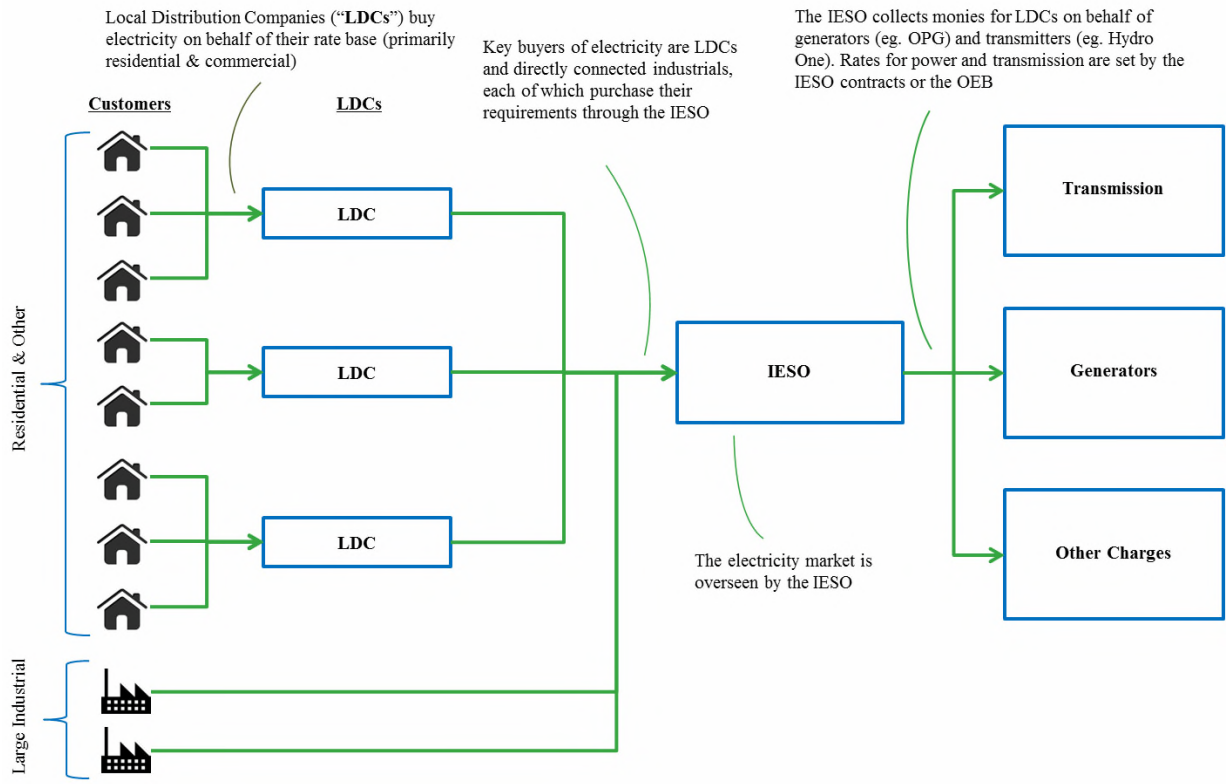
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures involving distributors, transmitters and other entities which it licenses. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with

the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB. The following diagram depicts a simplified flow of funds between the key industry participants:



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two main components that make up the commodity cost of electricity in Ontario, the hourly Ontario energy price ("**HOEP**") and the global adjustment charge.

- The HOEP is set by the IESO on an hourly basis based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is also paid by loads. It is established monthly by the IESO in accordance with regulations and is used to collect funds used by the IESO to pay certain "out of market" costs that are not compensated by the HOEP, including the cost of energy supply contracts

with generators and payments made to certain generators, including OPG, that are entitled to a regulated rate of return based on OEB-established payment amounts. For all loads with a peak demand under 500 kW (in other words, all Specified Consumers), the global adjustment charge is based on electricity usage on a per unit basis.

Prior to the FHPA being passed, the amount collected by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's liabilities, subject to certain periodic true-ups and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered prices for residential and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in the previous period. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from a licensed retailer pursuant to a retail contract that provides a fixed rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario government passed the *Ontario Fair Hydro Plan Act, 2017* (the "**FHPA**")[, legislation that reallocates certain electricity costs over time and provides immediate rate relief to consumers][21]. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[22] less than the rate that would otherwise have been determined by the OEB for that period (the "**Fair Adjustment**").

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming

[21] **Note:** Blakes suggests that this narrative is removed, or if necessary, that the description of the FHPA tracks the purposes of the Act as set out in Section 3 to the Act.

[22] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one ~~of~~or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as the initial Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (such obligations, "**Funding Obligations**") to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, in a variance account.[23] The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**")~~.~~, although the IESO is not entitled to exercise such right before May 1, 2021. The IESO may, in accordance with the FHPA, transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment and, as an owner of the Investment Interest, will be entitled to recover ~~all~~ its "Finance Amounts" (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest from the IESO, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the transfer of a specified portion of the Regulatory Asset from the IESO, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and the

[23] **Note:** Please consider disclosure of further details as to what is recorded in the variance account. For instance, paragraph 3 of Section 15 in the General Regulation states that amounts incurred by the IESO on or after May 1, 2017 but before the FHPA came into force may be recorded in the IESO deferral.

~~Issuer~~Financing Entity's interest therein, an "**Investment Interest**"). The Investment ~~Interest consists of,~~ Asset consists, collectively, of the following rights and interests of Investment Interest owners (among other things):[24]

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest, including any rights to receive a payment obligation incurred by the IESO as part of the transfer of the Regulatory Asset (such payment obligations incurred by the IESO being "**Funding Rebates**"); and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers to cover the cost of financing the shortfall that results from the Fair Adjustment. The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a ~~Reference Period~~period of time is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the ~~Reference Period~~period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the ~~Reference Period~~period;

[24] **Note:** Please consider disclosing in this section that the Investment Asset is a collective right of the Investment Interest owners. While this described explained in a risk factor ("The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities), additional explanation/ disclosure may be merited here.

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment, redemption or repurchase, that are paid or payable during the ~~Reference Period~~period;

(iv) payments required to be made in respect of any derivative agreements during the ~~Reference Period~~period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) ~~fees~~Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the ~~Reference Period; and~~period;

(vii) taxes paid or payable by ~~the Issuer~~or on behalf of the Issuer, incurred directly or indirectly by the Issuer, or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that ~~are paid or~~ payable during the ~~Reference Period;~~period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a funding obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the ~~Reference Period~~period;

(ii) for any period before May 1, 2021, amounts received during the ~~Reference Period in respect of funding rebates~~period in respect of Carrying Costs and Funding Rebates and for any period on and after May 1, 2021, amounts received during the period in respect of Funding Rebates;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the ~~Reference Period~~period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the ~~Reference Period~~period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the ~~Reference Period~~period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax ~~during the Reference Period~~and to which the Issuer is entitled as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA during the period; and

(c) subtracting the sum calculated under (~~a~~b) from the sum calculated under (~~b~~a).

~~The Clean Energy Adjustment will also take into account a true-up comprised of~~In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustments is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment ~~plus other anticipated shortfalls (the "**True-up Amount**")~~during the preceding Reference Periods. The True-up Amount ~~accounts for~~may also reflect historical and reasonably foreseeable differences between the ~~required Clean Energy Adjustment~~estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs~~,~~; and variations in billings due to variations in electricity consumption ~~and~~. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. ~~After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly.~~ The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

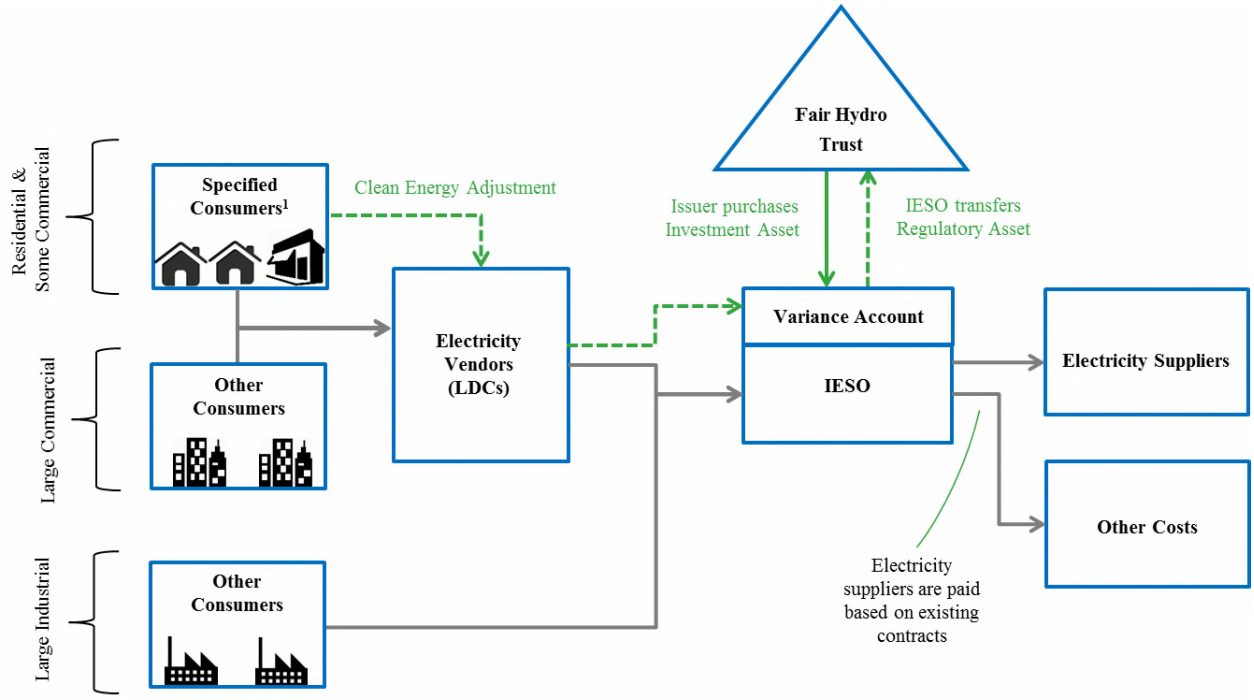
The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a ~~$/~~cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment ~~in respect of the relevant period of time~~ provided by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast of electricity consumption ~~provided by the IESO~~ of Specified ~~Consumers~~Creditors in respect of ~~the period~~such period, based on forecast information provided to the OEB by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the [Issuer],[25] amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the [Issuer] until ~~deposited with the IESO and remit such amounts~~remitted to the IESO for the benefit of the [the owners of Investment Interests (initially, only the Issuer)]. If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate ~~the~~any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[26] It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.[27] If there are any amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to [the Issuer] during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. [Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other carrying costs, will be the amounts the IESO is

[25] **Note:** Please see note 10 regarding the placement of square brackets around "the Issuer" in this paragraph. The disclosure should indicate that amounts are collected for the Investment Interests owners (and that, as at the date of the OM, the Issuer is the only Investment Interest owner).
[26] **Note:** Please consider revising to conform more closely to Section 17(4) of the FHPA.
[27] **Note:** Please confirm.

obligated to pay under the Regulations during such period.][28] See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, directly to the IESO.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers.[29] Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of ~~any~~the first Funding ~~Obligations and the~~Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA , provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the

[28] **Note:** Blakes suggests that this narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) [*limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*].

[29] **Note:** Please consider a description of the fair allocation amount that more closely aligns to Section 20(1) of the FHPA.

purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred ~~so that~~such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA[, namely, to ensure that present and future Specified Consumers are bearing their share of the costs of providing Clean Energy Benefits][30]. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

[Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024.][31] Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount of subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

IESO Payment of Carrying Costs During the Moratorium Period

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. During the Moratorium Period and extending to July 31, 2021,[32] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its "carrying costs". "Carrying costs" include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes).[33] The amounts paid by the IESO to fund these carrying costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of carrying costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See "*The Transferor and Servicer*". The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which can be used to pay the Issuer's carrying costs. Furthermore, as security for the performance of its obligations under the Regulations to pay the Issuer's carrying costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts

[30] Blakes suggest that any description of the purpose of the FHPA strictly conforms with the stated purposes of the Act set out in Section 3.
[31] **Note to MOE:** Please review.
[32] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending July 31, 2021.
[33] **Note:** Consider revising to conform with the definition of "carrying costs" in Section 9.1(3) of the General Regulation.

receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the ~~Ontario government~~Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA or the Regulations, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement in favour of ~~the Issuer and~~ the Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account (as hereinafter defined). The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**". The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA, in whole or in part, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under ~~or in connection with,~~ the FHPA, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the ~~Province of Ontario~~Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) ~~there is~~the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or ~~any~~an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

~~The priority of payments made~~

On a Protection Event and payment by the Province of Ontario ~~under the Change of Law Protection Agreement is governed by the Master Trust Indenture. Upon paying amounts in respect of the Approved Obligations, the Province of Ontario will have a right of subrogation that includes the entitlement to all rights and interests under and in respect of such Approved Obligations, including the security interest in each related Investment Interest and any related property of the Issuer.~~of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and

interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral (as hereinafter defined) and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture and no person entitled under any Obligation Secured (including a Specified Creditor) that ranks equal with or subordinate to the Approved Obligation in respect of which the Province of Ontario is owed a Subrogation Amount will be entitled to make any claim or assert any right in or to the amounts paid or payable to the Province of Ontario, and no such person will have any right to the Collateral or any proceeds therefrom in respect of any Subrogation Amount. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a suspension notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

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

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee ~~prior to~~on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect ~~for as long as any Senior Notes remain outstanding~~until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

If a Suspension Notice has been provided under the Change of Law Protection Agreement (the provision of such notice being a "**Suspension Event**"), the Limited Guarantee shall not apply in respect of: (i) any Primary Obligation incurred, excluding any Post-Suspension Refinancing, or (ii) any amendment of any Primary Obligation

that has a Material Effect, unless otherwise agreed to by the Province of Ontario, in each case, on or after the time such Suspension Notice is delivered.

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

A "**Post-Suspension Refinancing**" means a Funding Obligation that is an Obligation Secured and that is incurred on or after the occurrence of a Suspension Event in compliance with the requirements of the Change of Law Protection Agreement, as a ~~refinancing~~Refinancing of one or more Series of Approved Obligations (including any Pre-Approved Refinancing), in each case the proceeds of which, together with any other funds that may be available, are used solely for the purpose of paying in full such Series of Approved Obligations and any costs and expenses associated with such ~~refinancing~~Refinancing.

A "**Pre-Approved Refinancing**" means a ~~refinancing~~Refinancing of a Certified Primary Obligation in respect of which the Province of Ontario has, prior to the incurrence of such Certified Primary Obligation, agreed shall be an Approved Obligation, subject to compliance with such conditions and requirements as may be specified in such agreement.

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document ~~to which the Limited Guarantee applies and~~ which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA or the Regulations; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were Approved Obligations issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to a declaration of trust made December 20, 2017 (the "**Declaration of Trust**"). Computershare Trust Company of Canada (the "**Issuer Trustee**") is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

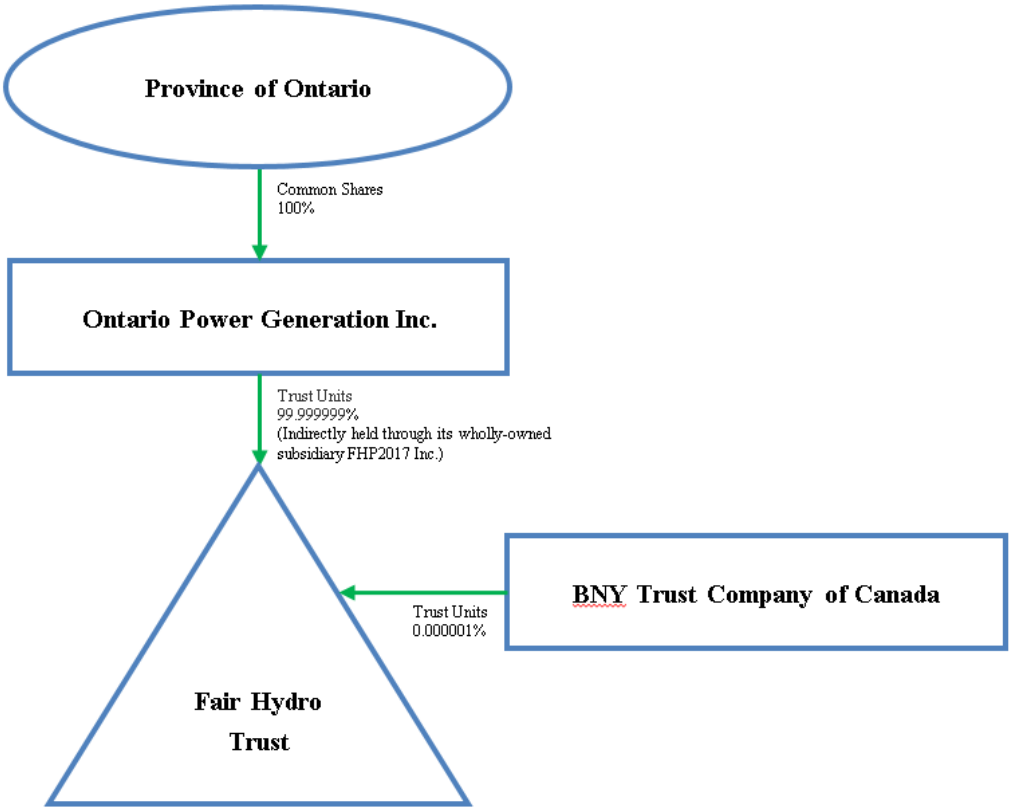
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

OPG has entered into a management agreement with the Issuer dated as of December 20, 2017 (the "**Management Agreement**") pursuant to which the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the

detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA and the Regulations, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations,[34] the Manager shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean

[34] Please confirm the source of the right to review electricity vendor records under the Regulations. If this refers to Section 10(4) of the General Regulation, the right is that of the Issuer or the FSM.

Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA and the Regulations, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests in accordance with the FHPA or for the purposes of a Refinancing;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors – Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and Manager of the Issuer.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program

Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or carrying costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

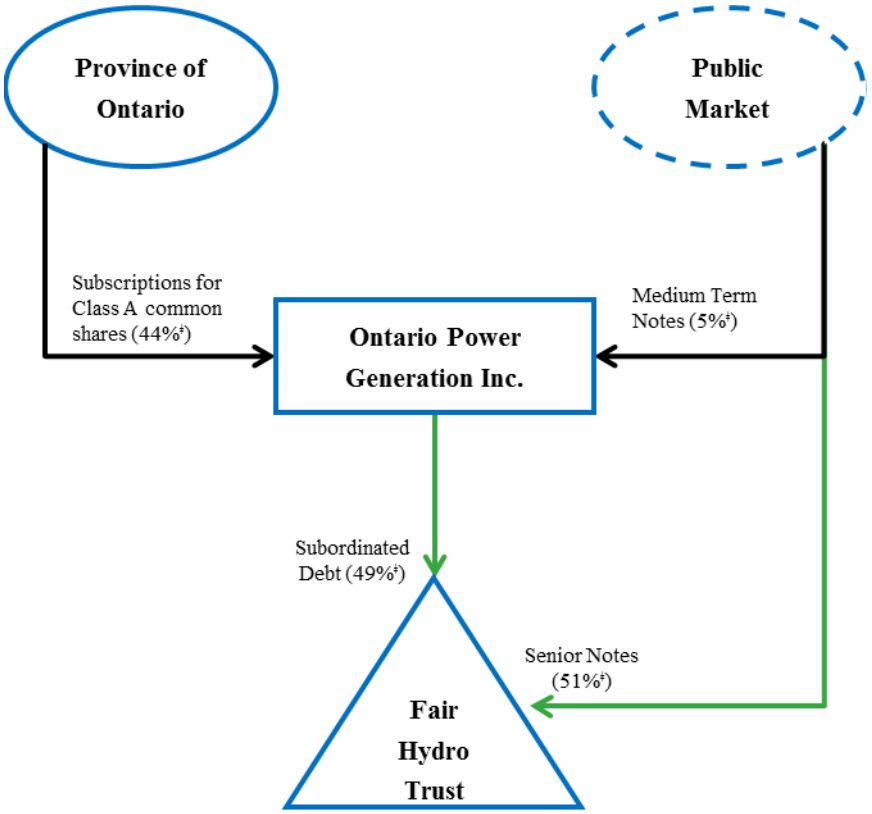
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximate 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes).

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



‡ OPG will acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

THE TRANSFEROR AND SERVICER

The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may periodically transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to transfer to the Issuer its right, title and interest in, to and under a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of collecting the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts collected in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on a monthly basis, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) forecasting the electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer.

While the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that the Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, the IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer,

the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.[35] However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA or the Regulations, including its obligation to pay the Issuer's carrying costs.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its carrying costs. Under the Regulations "carrying costs" include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes.[36] Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of carrying costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which can be used to pay the Issuer's carrying costs.

As security for the performance of its obligation to pay the Issuer's carrying costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO with respect to the global adjustment charge. The amounts paid by the IESO to fund these carrying costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for transfer to the Issuer in a subsequent period and, upon completion of such transfer, shall become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

[35] **Note:** Please confirm.

[36] **Note:** Consider a description of "carrying costs" that conforms to the definition set out in Section 9.1(3) of the General Regulation. Also note that the Glossary defines "Carrying Costs" as having the meaning ascribed to the term in the Regulations.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, *"— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);
- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and
- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and

will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described

below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the Internal Revenue Code, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without

preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has an been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the ~~Collection~~Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. ~~All~~On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario ~~pursuant to~~under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the

sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will not be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the

number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "—*Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of

interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "— *Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the

Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral, and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in the any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "*— Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may

only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel of external counsel, each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably

expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;
- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;
- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;
- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;
- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;
- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;
- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;
- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;
- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;
- facilitate the issuance of foreign currency Issuer Funding Obligations;
- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;
- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or
- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or
- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;
- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or
- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;
- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;
- a reduction in the amount of a discount note payable upon its acceleration;
- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;
- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;
- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or
- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;
- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;
- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;
- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;
- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;
- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the

exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of

such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this "Description of the Senior Notes" section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding*

Obligations". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;
- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s) and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;
- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;
- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;
- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;
- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and
- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Principal Accumulation Date(s) for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than a Principal Payment Date if an optional redemption occurs and may receive principal payments later than a Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on a Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed

(provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee

by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA, the Regulations or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA or the Regulations.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA or the Regulations will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit ~~were successful, it would likely be a Protection Event and the provisions of the Change of Law Protection Agreement would apply. See *"Change of Law Protection Agreement"*. If such successful lawsuit was not, however, a Protection Event~~was

successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the ~~Province of Ontario~~Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or revoked. Therefore, the only way for such provisions of the FHPA to be amended or revoked would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA or the Regulations should no longer be law in Ontario or that the FHPA or Regulations should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment or revocation. Any such action that materially and adversely ~~effects~~affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay ~~its obligations under the Senior Notes~~Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See *"Change of Law Protection Agreement"*. However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA or the Regulations referenced in the previous paragraph were amended or revoked through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Province of Ontario, although the remedy of damages is available. Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the

Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other carrying costs, solely upon the IESO who is obligated under the Regulations to pay these carrying costs. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Issuer's carrying costs. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring ■, 20■, which can be used to pay the Issuer's carrying costs. ***[NTD: IESO credit facility description to be confirmed.]*** There can be no assurance that the IESO will continue to have sufficient funds available to pay interest on the Senior Notes or to pay the Issuer's other carrying costs during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay interest on the Senior Notes or the Issuer's other carrying costs and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of carrying costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of carrying costs or enforcement of any security provided by the IESO under the Master Transfer and Servicing Agreement.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and

the Issuer must rely for payment of all of its other carrying costs, solely upon the IESO who is obligated under the Regulations to pay these carrying costs. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA and the Regulations.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event and delivery by the Indenture Trustee to the Province of Ontario of a written payment demand. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or ~~general~~other obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. ~~However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.~~

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA and the Regulations, rights to enforcement of the FHPA, the Regulations and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform -- Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Funding Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring an Investment Interest. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the transfer by the IESO of a specified portion of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.[37]

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating

[37] **Note:** Consider explaining under this risk factor that the Investment Asset is a bundle of rights and interests held collectively by all investment interest owners.

Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA, the Regulations and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA, the Regulations and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or forecasting consumption, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of OPG, as Financial Services Manager and as Manager of the Issuer. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA and the Regulations, including determining the Clean Energy Adjustment (inclusive of the True-Up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated in part based upon a forecast of Specified Consumer usage to be newly developed by the IESO[, adjusted for expected billing lags and charge-offs] [including the effect of delinquencies and write-offs] ***[Confirm whether the IESO forecast takes into account items noted in square brackets.]***. Under the ~~FHPA~~Regulations, the IESO is required to provide to the OEB forecast information regarding electricity consumption of Specified Consumers. The amount and the rate of the Clean Energy Adjustment will depend in part on actual electricity usage and the amount of collections and write-offs for Specified Consumers.[38] If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. Neither the FHPA nor the Regulations require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information to the IESO regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in the FHPA and the Regulations. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment. For example, an Electricity Vendor's conditions of service may permit it to offer equal monthly billing plans to its consumers thereby delaying payments from one month to the next during the year or to enter into arrangements for the payment of arrears. In that event, collection of the Clean Energy Adjustment may be delayed or reduced until an adjustment is made.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to

[38] **Note:** Please confirm.

terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment.[39] The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to indemnify holders of Senior Notes, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach and the fact that holders of Senior Notes will be unsecured creditors of OPG or the IESO, as applicable, with respect to any of these indemnification amounts. Neither OPG nor the IESO will indemnify any person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Senior Notes, or for any consequential damages, including any loss of market value of the Senior Notes resulting from a default or a downgrade of the ratings of the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-Up Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°C. Winters include snow and icing conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

[39] **Note:** Please confirm source/ conform to wording in FHPA.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the transfers between the IESO and the Issuer pursuant to the Master Transfer and Servicing Agreement may not be respected as true sales of the Investment Interest.

Ordinarily, the interests of the Issuer as transferee of the Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time an Investment Interest is transferred to the Issuer, which could reduce the amounts that may be available to the Issuer and, consequently, the holders of Senior Notes. Section 27(3) of the FHPA provides that at the time of the transfer to a Financing Entity under the FHPA, such transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the FHPA provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the transfer and the property rights and interests acquired by the transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the FHPA in such circumstances is untested. The IESO will treat the transactions described herein as a transfer of the Regulatory Asset to the Issuer. Such transfers will be made in accordance with Section 26 of the FHPA. Section 27(1) of the FHPA provides that a transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the transferee. As a transfer, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Investment Interest. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under "*Risks Associated with the Unusual Nature of the Investment Asset*".

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.

While the IESO is the servicer under the Master Transfer and Servicing Agreement, collections held by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under "*Risks Associated with the Unusual Nature of the Investment Asset*".

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the FHPA, provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these

provisions of the *Electricity Act, 1998* (Ontario), as amended by the FHPA, in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantee of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may

only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations

and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the

acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements

of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Description of Senior Notes — Reporting Requirements of Senior Notes"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable

securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

(i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference therein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference therein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable

grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the Securities Act (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after

the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer. "Misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward

Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

(i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

(ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer will be liable if the person proves that

(i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

(ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that;

(A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf

offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

[NTD: Glossary in progress. For ease of reference, Torys is considering adding an index or replacing glossary with an index for terms that are defined in the body.]

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" means the agents designated by the Issuer from time to time and identified in the Term Sheet applicable to such Offering to sell the Senior Notes as described under *"Plan of Distribution"*.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to

contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Ontario government related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" has the meaning set out under *"The Issuer"*.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" means The Depositary Trust Company.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under "*Capital Markets Platform — Security — Issuer Accounts*".

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act*

(Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.

"**FHPA**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" means OPG, in its capacity as financial services manager appointed under the FHPA to perform the duties assigned to it thereunder.

"**Financing Entity**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether Funding Obligations should be incurred for the purposes of acquiring Investment Interests, including any amendments thereto.

"**Funding Obligation**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

"**Funding Rebate**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from

and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer**" means Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" has the meaning set out under *"The Manager"*.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" means *The Securities Act* (Manitoba).

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer,

and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**MW**" means megawatts.

"**NI 31-103**" means National Instrument 31-103 — *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

"**NI 45-106**" means National Instrument 45-106 — *Prospectus Exemptions*.

"**NL Act**" means the *Securities Act* (Newfoundland and Labrador).

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indentures and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" means an offering of senior secured notes pursuant to this confidential shelf offering memorandum and the related Term Sheet as described under *"Plan of Distribution"*.

"**Offering Jurisdiction**" means each of the provinces of Canada.

"**OPA**" means Ontario Power Authority.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date occurring on or after the Principal Accumulation Date for such Series, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates after the Principal Accumulation Date for such Series which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Readjustment amount**" has the meaning ascribed to the term "readjustment amount" in the FHPA.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(i) every six-month period following the period mentioned in (a);

(ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices.*

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment

Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" means *The Securities Act, 1988* (Saskatchewan).

"**Section 130.1**" means section 130.1 of the *Securities Act* (Ontario).

"**Section 150**" means section 150 of the *Securities Act* (New Brunswick).

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied

for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Subrogation Amount**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" means FHP2017 Inc., a wholly-owned subsidiary of OPG, and the Indenture Trustee.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

information: Superintendent of Securities

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

Document comparison by Workshare Compare on Monday, January 08, 2018 8:40:27 PM

Input:	
Document 1 ID	PowerDocs://TOR_2528/23287504/1
Description	TOR_2528-#23287504-v1-Fair_Hydro_OM_-_Blakes_Comments
Document 2 ID	PowerDocs://TOR_2528/23287504/2
Description	TOR_2528-#23287504-v2-Fair_Hydro_OM_-_Blakes_Comments
Rendering set	standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	343
Deletions	154
Moved from	6
Moved to	6
Style change	0
Format changed	0
Total changes	509

From: Ronald Kwan
To: Anna Strathy; Ken Kandeepan; Mike Manning
Subject: RE: Call re Delivery of Reference Documentation to Province
Date: Tuesday, January 09, 2018 9:25:20 AM

Hi,

In advance of the call, would one of you be able to send me a copy of the materials from last week.

Thanks,

Ron

_____

From: Anna Strathy
Sent: January-09-18 08:53
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Cc: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Subject: RE: Call re Delivery of Reference Documentation to Province

Good morning Toby and happy New Year!

Unfortunately, I have a conflict at this time, so I won't be on the call. I'll get the debrief from someone from the OFA on the call.

Thanks, Anna

-----Original Appointment-----
From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Monday, January 08, 2018 1:57 PM
To: Whitfield, Tobias P. (MOF); Ken Kandeepan; Mike Manning; Thouin, Alena (ENERGY); Malle Hanslep (MOF); ASHBOURNE, STEPHEN; Anna Strathy; Ronald Kwan; Tim Christie (ENERGY)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY)
Subject: Call re Delivery of Reference Documentation to Province
When: Tuesday, January 09, 2018 9:30 AM-10:30 AM (UTC-05:00) Eastern Time (US & Canada).
Where: Teleconference

Conference line:

Number: 416-212-8012

Toll Free: 1-866-633-0848

Participant Passcode: 5801207#

_____

From: Whitfield, Tobias P. (MOF)
Sent: January 8, 2018 12:36 PM
To: Kandeepan, Ken (OFA); Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: RE: Call re Delivery of Reference Documentation to Province

We were wondering if this group might be available to discuss the documents that we received from OPG on Friday, perhaps at 9:30 or 10 am tomorrow morning?

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca

Phone: 416-325-1456

-----Original Appointment-----
From: Whitfield, Tobias P. (MOF)
Sent: January 5, 2018 10:44 AM
To: Whitfield, Tobias P. (MOF); 'Ken Kandeepan'; Manning, Mike (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy,

Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS); Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY)
Subject: Call re Delivery of Reference Documentation to Province
When: January 5, 2018 3:00 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Telephone

Please see below teleconference information for call at 3.

Number: 416-212-8012

Toll Free: 1-866-633-0848

Participant Passcode: 5801207#

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: January 5, 2018 10:18 AM

To: Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)

Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.

Thanks

Ken k

-----Original Message-----

From: Mike Manning

Sent: Friday, January 05, 2018 10:08 AM

To: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Around as well.

Mike

-----Original Message-----

From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]

Sent: Friday, January 05, 2018 10:03 AM

To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available as well.

After 11:30

Adding our Energy policy counterparts.

Alena Thouin

Deputy Director, Legal Services Branch

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Whitfield, Tobias P. (MOF)

Sent: January 5, 2018 9:35 AM

To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available any time this morning.

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca

Phone: 416-325-1456

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 9:32 AM

To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.

-----Original Message-----

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

Sent: January-05-18 9:29 AM

To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Thanks for the update, Malle.

I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.

I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.

To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.

Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:

(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,

(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,

(c) eliminating any implied/moral undertakings by the Province to bondholders,

(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,

(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,

(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),

(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,

(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and

(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.

(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)

In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.

Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.

I will be tied up from 930 to 1030, but then free until 1145.

Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

Dir: 416-863-3086

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000, Toronto ON M5L 1A9

Tel: 416-863-2400 Fax: 416-863-2653

https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=A4FRvIHct8h_jA1PKpb1pLHhMNORZ6vRN15XI6hpI5k&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=bI-GH3geYz8H122_42BR_aDcMYYJQKnH8lGgqenva50&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=ko9V22NeKbnEMcpBFuzSVtWwSSvVOZxxjYVBohQiPhk&e=

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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Friday, January 05, 2018 8:49 AM

To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

""Material Effect" means a material adverse effect on the obligations or the rights of the Province under the Limited Guarantee, the Change of Law Protection Agreement or this Agreement that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any other Transaction Document that forms part of the Reference Documentation at the relevant time, the following: (i) the timing of or circumstances under which related payments would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is

inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Financing Entity or the Financing Entity Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Trust Indenture; (vi) compliance by the FSM with the then applicable Financing Plan; (vii) compliance by the FSM or the Financing Entity with the Act or the General Regulation; or (viii) the Province's rights of subrogation or assignment (including pursuant to Sections 1.05, 2.01 or 5.01 of the Change of Law Protection Agreement) or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation."

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 8:40 AM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

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_____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a

plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA

LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Hanslep, Malle (MOF)
To:	Ken Kandeepan; "ASHBOURNE, STEPHEN"; Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Mike Manning; Anna Strathy; Ronald Kwan; Tim Christie (ENERGY); Veinot, Cindy (TBS); Mark Donaldson (MOF)
Cc:	Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); VINER, JON
Subject:	RE: Call re Delivery of Reference Documentation to Province
Date:	Friday, January 12, 2018 9:34:45 AM

Hi,
MOF LSB doesn't have any further comments on the mark-up. I understand that MOE was reviewing the mark-up yesterday. Do we have an estimated time when the comments will be sent to OPG?
Thanks,
Malle

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January 11, 2018 10:51 AM
To: 'ASHBOURNE, STEPHEN'; Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Manning, Mike (OFA); Hanslep, Malle (MOF); Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY); Veinot, Cindy (TBS); Donaldson, Mark (TBS)
Cc: Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Cayley, Daniel (ENERGY); Lightbody, Ava (ENERGY); Rehob, James (ENERGY); VINER, JON
Subject: RE: Call re Delivery of Reference Documentation to Province
Hi all
From the perspective of both Mike and I the comments and edits are very factual and should not pose any issues to OPG or the Trust should they choose to accept them. If others are of the same opinion, I suggest that either MOF or MOE Legal forward the marked up version to Torys with cc's to the usual suspects.
Thanks
Ken k

From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: Wednesday, January 10, 2018 2:53 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>
Cc: Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Daniel Cayley (ENERGY) <Daniel.Cayley@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; VINER, JON <JON.VINER@blakes.com>
Subject: RE: Call re Delivery of Reference Documentation to Province
Oops. This time with the revisions.
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

Blakes

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
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From: ASHBOURNE, STEPHEN
Sent: Wednesday, January 10, 2018 2:51 PM
To: 'Ken Kandeepan'; 'Thouin, Alena (ENERGY)'; 'Tobias P. Whitfield (MOF)'; 'Mike Manning'; 'Malle Hanslep (MOF)'; 'Anna Strathy'; 'Ronald Kwan'; 'Tim Christie (ENERGY)'; 'Veinot, Cindy (TBS)'; 'Mark Donaldson (MOF)'
Cc: 'Sawwaf, Khareem (ENERGY)'; 'Huang, Jackson (MEDG/MRIS)'; 'Daniel Cayley (ENERGY)'; 'Lightbody, Ava (ENERGY)'; 'James Rehob (ENERGY)'; VINER, JON
Subject: RE: Call re Delivery of Reference Documentation to Province
Hi. Here are further revisions to the OM mark-up circulated yesterday, based on comments recently received. This is still a work-in-progress, so please do not on-circulate. Please let us know if you have any questions or concerns.
Thanks, Steve
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

From: ASHBOURNE, STEPHEN
Sent: Tuesday, January 09, 2018 9:26 AM
To: 'Ken Kandeepan'; 'Thouin, Alena (ENERGY)'; 'Tobias P. Whitfield (MOF)'; 'Mike Manning'; 'Malle Hanslep (MOF)'; 'Anna Strathy'; 'Ronald Kwan'; 'Tim Christie (ENERGY)'; 'Veinot, Cindy (TBS)'; 'Mark Donaldson (MOF)'
Cc: 'Sawwaf, Khareem (ENERGY)'; 'Huang, Jackson (MEDG/MRIS)'; 'Daniel Cayley (ENERGY)'; 'Lightbody, Ava (ENERGY)'; 'James Rehob (ENERGY)'; VINER, JON
Subject: RE: Call re Delivery of Reference Documentation to Province
Hi. Here is a list of items that could be discussed at 9:30, in order to settle on the scope and nature of commenting on the OM:
MOE – Alignment Considerations

1. Simplified references to the OFHPA (general caveat)
2. Scope of descriptions (generally, should be …subject to the OFHPA and the Regulations)
3. "purposes" of the OFHPA (e.g., implies that is rate reduction)
4. Nature and duration of the "moratorium period" (non-legislative)
5. Trust vs. "financing entity" (permit multiple FEs and co-ownership arrangements – minimally described)
6. "Fair Allocation Amount" – amount vs. effect of calculation (imprecise); concept of "Readjustments" missing
7. Financing Plan – refinements (e.g., references to Refinancings)
8. Expectations re FAA – negative until 2024
9. "Ontario's Fair Allocation Plan" – styling
10. OPG appointment as FSM (initial only – ability for Minister to replace)

11. Inclusions into IESO deferrals (precision)

12. Carrying costs vs funding rebates (impact on nature of Investment Asset)???

13. No reference to pre-OFHPA adjustments (piggy bank)

14. Risk Factors – approach to describing legal risks and Protection Agreement as mitigation

15. Technical definitions and descriptions (e.g., carrying costs; forecasts from IESO rather than forecast information; invoicing mechanics; simplifications of definitions; etc.)

16. Limited discussion re contents of "Financing Plan"

17. No real recognition of tail risk and duration mismatch considerations and mitigants/strategies

18. No discussion re OFHPA rights of action, etc.

19. "non-bypassable" (meaning)

<u>OFA - Change of Law Protection Agreement</u>

1. Narrative (e.g., "in favour of the Issuer")

2. Notes do not constitute debt of Province, etc. (confirm description) – additional considerations?

3. Scope of "Approved Obligations" (overbroad)

4. Positive obligations in favour of Province (e.g., apply amounts; credit for applied amounts)

5. Definition of "Protection Events" (align)

6. Rights of Subrogation (needs to be more detailed)

7. Mechanics of Protection Account

8. Limited direct rights of Noteholders (through indenture trustee)

9. Limitations on damages

10. Only passing reference to the "Process Agreement" in OM (but referred to in more detail in the Investor Presentation)

<u>Other</u>

1. Confidentiality (deemed vs. confirmed in writing)

2. Liability for Taxes (priority claim in waterfall; impact on triggers)

3. IESO - descriptions

4. Electricity Market; OEB; OPG

5. Platform (e.g., very broad cross default – beyond generic risk factors?)

6. Interplay between Warehouse and Term issuances

7. Description of 2018 Notes

8. Optional Redemption of Notes (confirm if applicable/acceptable)

FYI, attached is our internal (preliminary) mark-up of the OM. It should not be on-circulated at this stage. We are providing it now in case you would find it useful to have specified illustrations of the foregoing items.

Regards, Steve
Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

From:	Saulnier, Brett
To:	Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); Tim Christie (ENERGY); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; "ASHBOURNE, STEPHEN"; Tim Christie (ENERGY); Malle Hanslep (MOF)
Cc:	Mansoori, Nina
Subject:	RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries (EMAIL 6/6)
Date:	Friday, January 05, 2018 5:44:48 PM
Attachments:	09. Form of Junior Subordinated Supplemental Indenture.docx 10. Blackline Junior Subordinated Indenture.pdf

---

Email 6/6: Junior Subordinated Supplemental Indenture.

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: January-05-18 5:13 PM
To: Mansoori, Nina ; Mayman, Gadi (OFA) ; Thompson, Scott (MOF) ; Strathy, Anna (OFA) ; Manning, Mike (OFA) ; McLean, David (MOF) ; Tekle, Jonathan (MOF) ; Thouin, Alena (ENERGY) ; Whitfield, Tobias P. (MOF) ; Kandeepan, Ken (OFA) ; Hume, Steen (ENERGY) ; Christie, Tim (ENERGY)
Cc: 'John Lee (john.s.lee@opg.com)' ; 'Ken Ryfa (ken.ryfa@opg.com)' ; 'WONG Leslie -LAWDIV' ; LADAK Lubna -TREASURY ; Ramchandani, Rima ; Feldman, Michael ; Saulnier, Brett ; Dost, Mitchell ; Olusoga, Yinka
Subject: Re: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Hi Nina
I am having trouble receiving the email with the attachments because the attachments are large. Is it possible for you to resend the attachments in separate emails? Sorry about that and would appreciate it so I can review.
Thanks
Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Mansoori, Nina
Sent: Friday, January 5, 2018 17:04
To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: 'John Lee (john.s.lee@opg.com)'; 'Ken Ryfa (ken.ryfa@opg.com)'; 'WONG Leslie -LAWDIV'; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka
Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
All – just to clarify - we appreciate the Province will be reviewing the draft OM and may have comments on the disclosure which we would be happy to discuss once you have had a chance to review. Thanks,

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com%3chttp]>
[Torys LLP]<http://www.torys.com[torys.com]>

From: Mansoori, Nina

Sent: January-05-18 4:55 PM
To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; 'Scott.Thompson@ontario.ca' <Scott.Thompson@ontario.ca>; 'Anna.Strathy@ofina.on.ca' <Anna.Strathy@ofina.on.ca>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; 'David.McLean@ontario.ca' <David.McLean@ontario.ca>; 'Jonathan.Tekle@ontario.ca' <Jonathan.Tekle@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; 'Ken.Kandeepan@ofina.on.ca' <Ken.Kandeepan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; 'tim.christine@ontario.ca' <tim.christine@ontario.ca>
Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>
Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Importance: High

All,

Reference is made to the Change of Law Process Agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the Province") and Ontario Power Generation Inc. ("OPG") to be dated as of December 21, 2017 (the "Change of Law Process Agreement"). All capitalized terms used and not defined in this email shall have their respective meanings in the Change of Law Process Agreement.

On behalf of OPG, we have hand-delivered today to the Ministers and the Deputy Ministers the forms of Transaction Documents set out in the attached cover letter. For ease of reference, we also attach these documents here and attach blacklines to the last versions of the term supplemental indentures circulated to you. If you would like a blackline of any other Transaction Document, please send us the version you reviewed last.

We consider these forms settled other than:

· There is one change that has been proposed by the dealers, and which is under discussion, that will impact the term supplemental indentures and will necessitate some additional disclosure to the term sheet. The dealers have advised that following a Principal Payment Date (i.e. the date on which all amounts owing under the notes are expected to be repaid in full), it would be typical for the interest payment dates to accelerate to monthly (instead of semi-annually). Once the dealers and OPG have an opportunity to discuss and come to an agreement on this point next week, the necessary changes to reflect this will be made to the term supplemental indentures and the term sheet

· there are still some bullets in these documents which will be addressed closer to closing (including dates, pricing information and the names of all of the Agents)

· we expect there will be some minor clean up to the OM (including making sure all of our cross-references are correct and that the glossary picks up all defined terms).

Please let us know if you have any questions.

Best Regards,

Nina
P. 416.865.7332

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TERM
JUNIOR SUBORDINATED SERIES 2018-1
SUPPLEMENTAL INDENTURE

between

FAIR HYDRO TRUST

by

COMPUTERSHARE TRUST COMPANY OF CANADA
as Issuer Trustee

and

BNY TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF DECEMBER 21, 2017

AND PROVIDING FOR THE ISSUE OF
●% JUNIOR SUBORDINATED NOTES DUE ●, SERIES 2018-1
OF FAIR HYDRO TRUST

Made as of ●, 2018

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●% JUNIOR SUBORDINATED NOTES DUE ●, SERIES 2018-1

THIS JUNIOR SUBORDINATED NOTES SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2018, between **Computershare Trust Company of Canada** in its capacity as trustee of **Fair Hydro Trust**, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and **BNY Trust Company of Canada**, a trust company existing under the laws of Canada (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of December 21, 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Junior Subordinated Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Junior Subordinated Notes designated as the ●% Junior Subordinated Notes due ●, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2018-1 Junior Subordinated Notes, amended and supplemented

so as to be consistent herewith. The provisions of this Supplemental Indenture are applicable only in respect of the Series 2018-1 Junior Subordinated Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2018-1 Junior Subordinated Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2018-1 Junior Subordinated Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2018-1 JUNIOR SUBORDINATED NOTES

2.1 Creation of Series 2018-1 Junior Subordinated Notes

There is hereby created a Series of Junior Subordinated Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●%Junior Subordinated Notes due ●, Series 2018-1**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2018-1 Junior Subordinated Notes will:

(a) be designated as set out in Section 2.1;

(b) be Junior Subordinated Notes;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have a Stated Principal Amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2018-1 Junior Subordinated Notes may be increased after the date hereof without the consent of any Series 2018-1 Noteholder or any holder of any Notes of any other Class, Series or Tranche, but subject to satisfaction of the Rating Agency Condition;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued as a Registered Note in minimum denominations of $150,000 and integral multiples of 1,000;

(h) be issued as definitive notes and will not be in the form of a Global Note;

(i) be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) bear interest at a rate of ●% per annum;

(k) accrue interest from the later of: (i) ●, 2018 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Series 2018-1 Junior Subordinated Notes;

(l) have interest paid in equal semi-annual instalments (except the initial interest payment) on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing with the Payment Date occurring in the month of April, 2018 in respect of the Series 2018-1 Junior Subordinated Notes issued prior to such date;

(m) subject to the occurrence of an Acceleration Event, mature on, and have ●, 20●, as their sole Principal Payment Date with a principal payment amount on such Principal Payment Date equal to the then Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes;

(n) have ●, 20● as their Principal Payment Default Date;

(o) subject to the occurrence of an Acceleration Event, have ●, 20● as their Principal Accumulation Date;

(p) subject to the occurrence of an Acceleration Event, have the following Principal Accumulation Amounts for each Payment Date on or after their Principal Accumulation Date:

Payment Dates	**Principal Accumulation Amounts**
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●

(q) after the occurrence of an Acceleration Event and for so long as it continues, each Payment Date shall be a Principal Payment Date in respect of the Series 2018-1 Junior Subordinated Notes and the full Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes shall be due and payable on each such Payment Date;

(r) have a Record Date for each Interest Payment Date that is the last day of the calendar month preceding each Interest Payment Date; and

(s) be redeemable and subject to repurchase as provided in Section 2.6 below.

2.3 Delivery

On the date of issuance of the Series 2018-1 Junior Subordinated Notes, Series 2018-1 Junior Subordinated Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any Taxes required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2018-1 Junior Subordinated Notes) will on each Interest Payment Date, make payment of such interest, less any Taxes required by law to be deducted or withheld, by wire transfer to each Series 2018-1 Noteholder as of the Record Date. The payment by such wire transfer will satisfy and discharge the liability for interest upon such Series 2018-1 Junior Subordinated Note to the extent of the sum represented thereby (plus the amount of any Taxes deducted or withheld as aforesaid). Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

By 10:00 a.m. (Toronto time) on the Principal Payment Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order of Series 2018-1 Noteholders on maturity on account of principal. The deposit of such funds will satisfy and discharge the liability for principal of the Series 2018-1 Junior Subordinated Notes to the extent of the sum represented thereby.

2.6 Redemption and Repurchase

(a) Subject to the terms of Section 13.24 of the Trust Indenture, at any time prior to the Par Call Date, the Issuer may redeem the Series 2018-1 Junior Subordinated Notes in whole or, from time to time, in part, on payment of a Redemption Price equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2018-1 Redemption Date. At any time on or after the Par Call Date, the Issuer may redeem the Series 2018-1 Junior Subordinated Notes in whole or, from time to time, in part, on payment of a Redemption Price equal to par, together with accrued and unpaid interest to the Series 2018-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and not less than 15 days before the date fixed for redemption, and will provide a copy of such notice to DBRS and Moody's upon the issuance thereof. Less than all of the Series 2018-1 Junior Subordinated Notes may be redeemed, if so redeemed, in accordance with Section 4.10 of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2018-1 Junior Subordinated Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Less than all of the Series 2018-1 Junior Subordinated

Notes may be purchased, if so purchased, for cancellation in accordance with Section 4.11 of the Trust Indenture.

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2018-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer Indemnified Person by reason of (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer Indemnified Person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section 7.04 or Section 8.13 of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of Taxes, excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other Taxes based on or measured by the net income of any person legally entitled to receive such payments (each a "**Recipient**") as a result of a present or former connection between the Recipient and the jurisdiction of the Governmental Authority imposing such Taxes (other than any such connection arising solely from the Recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); (ii) any withholding or deduction imposed pursuant to (A) Sections 1471 to 1474 of the Internal Revenue Code ("**FATCA**"), or any successor version thereof, or any similar legislation imposed by any other Governmental Authority, or (B) any treaty, law or regulation or other official guidance enacted by Canada implementing FATCA or any intergovernmental agreement with respect to FATCA or any similar legislation imposed by any other Governmental Authority, including, for greater certainty, the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) and Parts XVIII and XIX of the Income Tax Act (collectively, and including FATCA, the "**AEOI Legislation**"); and (iii) any interest, penalties and additions to Taxes in respect of (i) and (ii) (all such excluded Taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a Recipient hereunder, the amounts so

payable to the Recipient shall be increased, and the Recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the Recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Whenever any Taxes are payable on or with respect to amounts distributed to a Recipient, as promptly as possible thereafter the Issuer shall send to such Recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to withholding Taxes under any AEOI Legislation if the Recipient were to fail to comply with the applicable reporting requirements of any AEOI Legislation, such Recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with its obligations under any AEOI Legislation and to determine that such Recipient has complied with its obligations under any AEOI Legislation, or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a Recipient expires or becomes obsolete or inaccurate in any respect, the Recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a Recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2018-1 Junior Subordinated Notes

On or prior to the initial issuance of Series 2018-1 Junior Subordinated Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 3.1 of this Supplemental Indenture shall be true and correct in all material respects, and the Issuer shall be in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Indenture Trustee shall have received (i) the Adherence Compliance Certificate required pursuant to Section 4.02(a) of the Change of Law Protection Agreement with respect to the incurrence of Funding Obligations under this Supplemental Indenture, or (ii) written confirmation from the Province that the Funding Obligations incurred under this Supplemental Indenture constitute Approved Obligations.

2.10 Delivery to Series 2018-1 Noteholder

Promptly following the issuance of the Series 2018-1 Junior Subordinated Notes, the definitive notes representing the Series 2018-1 Junior Subordinated Notes shall be delivered to the Series 2018-1 Noteholders (or as they may direct).

2.11 Acceleration Events

If a Series 2018-1 Event of Default occurs and is continuing, then and in each and every such case, and without regard to whether all Issuer Funding Obligations have been declared due and payable pursuant to Section 8.02(a) of the Trust Indenture, the Series 2018-1 Noteholders may by Ordinary Resolution (with notice of such Ordinary Resolution being provided to the Issuer and the Indenture Trustee) determine to declare the Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes and all interest accrued and unpaid (if any) thereon to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, notwithstanding anything in this Supplemental Indenture or the Trust Indenture to the contrary. The Issuer shall give prompt written notice to DBRS and Moody's of the occurrence of an Acceleration Event.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2018-1 Noteholder that:

(a) no Termination Event has occurred or would result from the purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not Non-residents;

(c) all Tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest; and

(f) to its knowledge, there is no set of circumstances existing at such time that will have an Adverse Effect or will reasonably be expected to have an Adverse Effect.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section 9.07 of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Indenture Trustee (on behalf of the Series 2018-1 Noteholders) hereby acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments to be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2018-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2018-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 15 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (c) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that Computershare Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2018-1 Junior Subordinated Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[Signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture as of the date first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer, **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

BNY TRUST COMPANY OF CANADA, as Indenture Trustee and not in its individual capacity

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means either:

(a) all Issuer Funding Obligations are declared due and payable under Section 8.02 of the Trust Indenture, or

(b) the Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes and all interest accrued and unpaid thereon is declared to be due and payable under Section 2.11.

"**AEOI Legislation**" has the meaning specified in Section 2.8(a).

"**Excluded Taxes**" has the meaning specified in Section 2.8(a).

"**FATCA**" has the meaning specified in Section 2.8(a).

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Junior Subordinated Notes to be redeemed, the yield from the Series 2018-1 Redemption Date to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to the Par Call Date (calculated from the Series 2018-1 Redemption Date), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

"**Indenture Trustee**" has the meaning specified in the recitals of this Supplemental Indenture.

"**Interest Payment Date**" has the meaning specified in Section 2.2(l).

"**Issuer**" has the meaning specified in the recitals of this Supplemental Indenture.

"**Issuer Indemnified Person**" has the meaning specified in Section 2.7.

"**Par Call Date**" means ■, 20■.

"**Recipient**" has the meaning specified in Section 2.8(a).

"**Requisite Series 2018-1 Noteholders**" means Series 2018-1 Noteholders holding, in aggregate, at least 50% of the Series 2018-1 Junior Subordinated Notes then Outstanding.

"Series 2018-1 Canada Yield Price" means a price equal to the price of the Series 2018-1 Junior Subordinated Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the Series 2018-1 Redemption Date specified in the notice of redemption delivered

pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture, plus ●%.

"**Series 2018-1 Event of Default**" means any one of the following events occurs at any time that the Junior Subordinated Funding Obligations constitute the Controlling Class Obligations (whatever the reason for such Series 2018-1 Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

(a) a default by the Issuer in the payment of any interest on any Series 2018-1 Junior Subordinated Notes when such interest becomes due and payable, and continuance of such default for a period of five days following the date on which such interest became due and payable;

(b) a default by the Issuer in the payment of any principal of any Series 2018-1 Junior Subordinated Notes at its Principal Payment Default Date;

(c) any representation or warranty contained in Section 3.1 of this Supplemental Indenture or Section 12.01 of the Trust Indenture proves to be incorrect in any material respect when made and such incorrect representation or warranty if capable of being remedied by the Issuer, has not been remedied for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) a default in the performance, or breach, of any covenant of the Issuer in the Trust Indenture or this Supplemental Indenture in respect of any Series 2018-1 Junior Subordinated Notes (other than an agreement, covenant or warranty a default in the performance of which or the breach of which is elsewhere specifically dealt with in this definition of Series 2018-1 Event of Default), and continuance of such default or breach for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period; or

(e) an event of default or other event occurs and as a result thereof, all or a portion of the principal amount owing in respect of any other Series of Junior Subordinated Funding Obligations has become, or been declared, due and payable before the scheduled payment date, maturity date or redemption date in respect of such other Series of Junior Subordinated Funding Obligations.

"**Series 2018-1 Junior Subordinated Note**" means any one of the Series 2018-1 Junior Subordinated Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Series 2018-1 Noteholder**" means a Person in whose name a Series 2018-1 Junior Subordinated Note is registered in the Note Register.

"**Series 2018-1 Redemption Date**" means a date fixed for redemption of the Series 2018-1 Junior Subordinated Notes pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Termination Event**" means any Acceleration Event or Series 2018-1 Event of Default, or any event which with the giving of notice or the passage of time, or both, could become an Acceleration Event or a Series 2018-1 Event of Default.

"**Trust Indenture**" has the meaning specified in the recitals of this Supplemental Indenture.

SCHEDULE B

FORM OF SERIES 2018-1 JUNIOR SUBORDINATED NOTE

FAIR HYDRO TRUST
(A trust established under the laws of the Province of Ontario)

●% JUNIOR SUBORDINATED NOTE DUE ●, SERIES 2018-1

Fair Hydro Trust (herein referred to as the "**Issuer**"), a trust governed by the laws of Ontario and established under a Declaration of Trust dated as of December 20, 2017, for value received, hereby promises to pay the principal sum of $● to the registered holder hereof on ●, 20● (the "**Principal Payment Date**") or on such earlier date as the principal amount hereof may become due, in accordance with the provisions set forth in the Trust Indenture and the Supplemental Indenture. The Issuer will pay interest on the outstanding principal amount of this Series 2018-1 Junior Subordinated Note in accordance with Section 2.4 of the Supplemental Indenture on each Interest Payment Date (as defined below) at the rate of ●% per annum in equal semi-annual instalments on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing on April ●, 2018 (provided that the initial interest payment payable on April ●, 2018 will be in an aggregate amount equal to $● per $1,000 principal amount) until the principal of this Series 2018-1 Junior Subordinated Note is paid or made available for payment, to the extent funds are available in accordance with the terms of the Supplemental Indenture. The principal of and interest on this Series 2018-1 Junior Subordinated Note are payable in Canadian dollars.

Beginning on the first Payment Date following the occurrence of an Acceleration Event, the principal of this Series 2018-1 Junior Subordinated Note shall be paid in full on each such Payment Date to the extent of funds available for payment therefor pursuant to the Trust Indenture. Such principal of and interest on this Series 2018-1 Junior Subordinated Note shall be paid in the manner specified on the reverse hereof.

Reference is made to the further provisions of this Series 2018-1 Junior Subordinated Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Series 2018-1 Junior Subordinated Note. Although a summary of certain provisions of the Trust Indenture and Supplemental Indenture is set forth below and on the reverse hereof and made a part hereof, this Series 2018-1 Junior Subordinated Note does not purport to summarize the Trust Indenture and Supplemental Indenture and reference is made to the Trust Indenture and Supplemental Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Issuer and the Indenture Trustee. In the event that there is any inconsistency between the provisions of the Trust Indenture or Supplemental Indenture and the provisions hereof, the provisions of the Trust Indenture and Supplemental Indenture shall govern. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture and Supplemental Indenture. Copies of the Trust Indenture and Supplemental Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: BNY Trust Company of Canada, One York Street, 6th Floor, Toronto, Ontario M5J 0B6, Attention: Corporate Trust Administration.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee, by manual signature, this Series 2018-1 Junior Subordinated Note shall not be entitled to any benefit under the Trust Indenture and Supplemental Indenture referred to on the reverse hereof, or be valid for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Series 2018-1 Junior Subordinated Note to be duly executed.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by
ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By: _____

Name:

Title:

By: _____

Name:

Title:

Dated: _____●, 2018

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the ●% Junior Subordinated Notes due ●, Series 2018-1 described in the within-mentioned Trust Indenture and Supplemental Indenture.

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By: _____

Authorized Signatory

By: _____

Authorized Signatory

FAIR HYDRO TRUST

●% JUNIOR SUBORDINATED NOTES DUE ●, SERIES 2018-1

Summary of Terms and Conditions

This Series 2018-1 Subordinated Note is one of a duly authorized Series of Subordinated Notes of the Issuer, designated as the ●% Subordinated Notes due ●, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**"), issued under a trust indenture dated as of December 21, 2017 (as may be amended, supplemented, restated, replaced or otherwise modified from time to time, the "**Trust Indenture**"), between the Issuer and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**," which term includes any successor Indenture Trustee under the Trust Indenture), as amended and supplemented by the Junior Subordinated Series 2018-1 Supplemental Indenture, dated as of ●, 2018 (the "**Supplemental Indenture**"), and representing the right to receive certain payments from the Issuer. Except as set forth in the Supplemental Indenture, the Series 2018-1 Junior Subordinated Note is subject to all of the terms of the Trust Indenture. All terms used in this Series 2018-1 Junior Subordinated Note and not otherwise defined herein shall have the meanings assigned to them in or pursuant to the Supplemental Indenture.

The Series 2018-1 Junior Subordinated Note is and will be equally and ratably secured by the Collateral pledged as security therefor as provided in the Trust Indenture.

"**Payment Date**" means the 15th day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on April 15, 2018.

As described above, all amounts payable on maturity with respect to this Series 2018-1 Junior Subordinated Note shall be due and payable on the Principal Payment Date, in accordance with Section 2.5 of the Supplemental Indenture. All principal payments of the Series 2018-1 Junior Subordinated Note shall be deposited with the Indenture Trustee.

Payments of interest on this Series 2018-1 Junior Subordinated Note are due and payable on each Interest Payment Date or such other date as may be specified in the Supplemental Indenture by wire transfer to each Series 2018-1 Noteholder as of the Record Date. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

The Series 2018-1 Junior Subordinated Notes are redeemable in accordance with Section 2.6 of the Supplemental Indenture and Section 4.10 of the Trust Indenture.

The Indenture Trustee (on behalf of each Series 2018-1 Noteholder), acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments To Be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14

(Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

The Trust Indenture and Supplemental Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Series 2018-1 Noteholders under the Trust Indenture and Supplemental Indenture at any time by the Issuer with the consent of the applicable Person(s) specified therein. The Trust Indenture also contains provisions permitting the applicable Person(s) specified therein to waive compliance by the Issuer with certain provisions of the Trust Indenture and certain past defaults under the Trust Indenture and their consequences with respect to the Series 2018-1 Junior Subordinated Notes. Any such consent or waiver by such Person(s) shall be conclusive and binding upon the Series 2018-1 Noteholders and upon all future holders of this Series 2018-1 Junior Subordinated Note and of any Series 2018-1 Junior Subordinated Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Series 2018-1 Junior Subordinated Note. The Trust Indenture also permits the Issuer and the Indenture Trustee to amend or waive certain terms and conditions set forth in the Trust Indenture without the consent of any other Person.

The term "the Issuer" as used in this Series 2018-1 Junior Subordinated Note includes any successor to the Issuer under the Trust Indenture.

The Series 2018-1 Junior Subordinated Notes are only issuable in registered form in denominations as provided in the Trust Indenture, subject to certain limitations set forth therein.

This Series 2018-1 Junior Subordinated Note, the Trust Indenture and Supplemental Indenture, and all matters arising out of or relating to this Series 2018-1 Junior Subordinated Note, the Trust Indenture or Supplemental Indenture, shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws applicable therein, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such laws.

No reference herein to the Trust Indenture and Supplemental Indenture and no provision of this Series 2018-1 Junior Subordinated Note or of the Trust Indenture and Supplemental Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Series 2018-1 Junior Subordinated Note at the times, place and rate, and in the coin or currency herein prescribed, subject to any duty of the Issuer to deduct or withhold any amounts as required by law, including any applicable Taxes.

REGISTRATION PANEL

(No writing on this panel except
by the Note Registrar)

Date of Registration	In Whose Name Registered	Signature of Note Registrar

TERM
JUNIOR SUBORDINATED SERIES ~~[~~2018-1~~]~~
SUPPLEMENTAL INDENTURE

between

FAIR HYDRO TRUST

by

COMPUTERSHARE TRUST COMPANY OF CANADA
as Issuer Trustee

and

BNY TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF DECEMBER ~~●~~21, 2017

AND PROVIDING FOR THE ISSUE OF
●% JUNIOR SUBORDINATED NOTES DUE ●, SERIES 2018-1
OF FAIR HYDRO TRUST

Made as of ●, 2018

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●% JUNIOR SUBORDINATED NOTES DUE ●, SERIES 2018-1

THIS JUNIOR SUBORDINATED NOTES SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2018, between **Computershare Trust Company of Canada** in its capacity as trustee of **Fair Hydro Trust**, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and **BNY Trust Company of Canada**, a trust company existing under the laws of Canada (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of December ~~●,~~ **21,** 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Junior Subordinated Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Junior Subordinated Notes designated as the ●% Junior Subordinated Notes due ●, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2018-1 Junior Subordinated Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental

Indenture are applicable only in respect of the Series 2018-1 Junior Subordinated Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2018-1 Junior Subordinated Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2018-1 Junior Subordinated Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2018-1 JUNIOR SUBORDINATED NOTES

2.1 Creation of Series 2018-1 Junior Subordinated Notes

There is hereby created a Series of Junior Subordinated Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●%Junior Subordinated Notes due ●, Series 2018-1**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2018-1 Junior Subordinated Notes will:

(a) be designated as set out in Section 2.1;

(b) be Junior Subordinated Notes;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have a Stated Principal Amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2018-1 Junior Subordinated Notes may be increased after the date hereof without the consent of any ~~holder of~~ Series 2018-1 ~~Junior Subordinated Notes~~**Noteholder** or any holder of any Notes of any other Class, Series or Tranche, but subject to satisfaction of the Rating Agency Condition;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued as a Registered Note in minimum denominations of $150,000 and integral multiples of 1,000;

(h) ~~(g)~~ be issued as definitive notes and will not be in the form of a Global Note; ~~**[NTD: To be confirmed.]**~~

(i) ~~(h)~~ be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) ~~(i)~~ bear interest at a rate of ●% per annum;

(k) ~~(j)~~ accrue interest from the later of: (i) ●, 2018 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Series 2018-1 Junior Subordinated Notes;

(l) ~~(k)~~ have interest paid in equal semi-annual instalments ~~[~~(except the initial interest payment)~~]~~ on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing with the Payment Date occurring in the month of ~~[~~April~~]~~, 2018 in respect of the Series 2018-1 Junior Subordinated Notes issued prior to such date;

(m) ~~(l)~~ subject to the occurrence of an Acceleration Event, mature on, and have ●, 20●, as their sole Principal Payment Date with a principal payment amount on such Principal Payment Date equal to the then Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes;

(n) ~~(m)~~ have ●, 20● as their Principal Payment Default Date;

(o) ~~(n)~~ subject to the occurrence of an Acceleration Event, have ●, 20● as their Principal Accumulation Date;

(p) ~~(o)~~ subject to the occurrence of an Acceleration Event, have the following Principal Accumulation ~~Amount~~**Amounts** for each Payment Date on or after their Principal Accumulation Date:

Payment ~~Date~~Dates	**Principal Accumulation ~~Amount~~Amounts**
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●

(q) ~~(p)~~ after the occurrence of an Acceleration Event and for so long as it continues, each Payment Date shall be a Principal Payment Date in respect of the Series 2018-1 Junior Subordinated Notes and the full Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes shall be due and payable on each such Payment Date;

(r) ~~(q)~~ have a Record Date for each Interest Payment Date that is the last day of the calendar month preceding each Interest Payment Date; **and**

(s) ~~(r) [~~be redeemable and subject to repurchase as provided in Section 2.6 below~~]; and(s) [not be subject to defeasance as contemplated by Section 2.08 of the Trust Indenture] [be subject to defeasance in accordance with Section 2.08 of the Trust Indenture]~~.

2.3 Delivery

On the date of issuance of the Series 2018-1 Junior Subordinated Notes, Series 2018-1 Junior Subordinated Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any ~~taxes~~Taxes required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2018-1 Junior Subordinated Notes) will on each Interest Payment Date, make payment of such interest, less any ~~taxes~~Taxes required by law to be deducted or withheld, by wire transfer to each ~~holder of a~~ Series 2018-1 ~~Junior Subordinated Note~~Noteholder as of the Record Date. The payment by such wire transfer will satisfy and discharge the liability for interest upon such Series 2018-1 Junior Subordinated Note to the extent of the sum represented thereby (plus the amount of any ~~taxes~~Taxes deducted or withheld as aforesaid). Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

By 10:00 a.m. (Toronto time) on the Principal Payment Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order of ~~holders of~~ Series 2018-1 ~~Junior Subordinated Notes~~Noteholders on maturity on account of principal. The deposit of such funds will satisfy and discharge the liability for principal of the Series 2018-1 Junior Subordinated Notes to the extent of the sum represented thereby.

2.6 ~~[~~Redemption and Repurchase

~~[NTD: Redemption features to be discussed.]~~

(a) Subject to the terms of Section 13.24 of the Trust Indenture, at any time prior to ~~●, 20●~~ ~~[par call date]~~the Par Call Date, the Issuer may redeem the Series 2018-1 Junior Subordinated Notes in whole or, from time to time, in part, on payment of a ~~redemption price~~Redemption Price equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2018-1 Redemption Date. At any time on or after ~~●, 20●~~ ~~[par call date]~~the Par Call Date, the Issuer may redeem the Series 2018-1 Junior Subordinated Notes in whole or, from time to time, in part, on payment of a ~~redemption price~~Redemption Price equal to par, together with accrued and unpaid interest to the Series 2018-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and

not less than 15 days before the date fixed for redemption, and will provide a copy of such notice to DBRS **and Moody's** upon the issuance thereof. Less than all of the Series 2018-1 Junior Subordinated Notes may be redeemed, if so redeemed, in accordance with Section 4.10 of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2018-1 Junior Subordinated Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Less than all of the Series 2018-1 Junior Subordinated Notes may be purchased, if so purchased, for cancellation in accordance with Section 4.11 of the Trust Indenture.

~~(c) The Series 2018-1 Junior Subordinated Notes will not be subject to repurchase pursuant to any sinking fund or any other required repayment provisions.]~~

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2018-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer Indemnified Person by reason of (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer Indemnified Person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section 7.04 or Section 8.13 of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of Taxes, excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other Taxes based on or measured by the net income of any person legally entitled to receive such payments (each a "**Recipient**") as a result of a present or former connection between the Recipient and the jurisdiction of the Governmental Authority imposing such Taxes (other than any such connection

arising solely from the Recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); (ii) any withholding or deduction imposed pursuant to (A) Sections 1471 to 1474 of the Internal Revenue Code ("**FATCA**"), or any successor version thereof, or any similar legislation imposed by any other Governmental Authority, or (B) any treaty, law or regulation or other official guidance enacted by Canada implementing FATCA or any intergovernmental agreement with respect to FATCA or any similar legislation imposed by any other Governmental Authority, including, for greater certainty, the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) and Parts XVIII and XIX of the Income Tax Act (collectively, and including FATCA, the "**AEOI Legislation**"); and (iii) any interest, penalties and additions to Taxes in respect of (i) and (ii) (all such excluded Taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a Recipient hereunder, the amounts so payable to the Recipient shall be increased, and the Recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the Recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Whenever any Taxes are payable on or with respect to amounts distributed to a Recipient, as promptly as possible thereafter the Issuer shall send to such Recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to withholding Taxes under any AEOI Legislation if the Recipient were to fail to comply with the applicable reporting requirements of any AEOI Legislation, such Recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with its obligations under any AEOI Legislation and to determine that such Recipient has complied with its obligations under any AEOI Legislation, or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a Recipient expires or becomes obsolete or inaccurate in any respect, the Recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a Recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2018-1 Junior Subordinated Notes

On or prior to the initial issuance of Series 2018-1 Junior Subordinated Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in **Section 12.01 of the Trust Indenture and** Section 3.1 of this Supplemental Indenture shall be true and correct in all material respects, **and** the Issuer shall be in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Indenture Trustee shall have received (i) the Adherence Compliance Certificate required pursuant to Section 4.02(a) of the Change of Law Protection Agreement with respect to the incurrence of Funding Obligations under this Supplemental Indenture, or (ii) written confirmation from the Province that the Funding Obligations incurred under this Supplemental Indenture constitute Approved Obligations.

2.10 Delivery to Series 2018-1 Noteholder

Promptly following the issuance of the Series 2018-1 Junior Subordinated Notes, the definitive notes representing the Series 2018-1 Junior Subordinated Notes shall be delivered to the Series 2018-1 Noteholders (or as they may direct).

2.11 Acceleration Events

If a Series 2018-1 Event of Default occurs and is continuing, then and in each and every such case, and without regard to whether all Issuer Funding Obligations have been declared due and payable pursuant to Section 8.02(a) of the Trust Indenture, the Series 2018-1 Noteholders may by Ordinary Resolution (with notice of such Ordinary Resolution being provided to the Issuer and the Indenture Trustee) determine to declare the Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes and all interest accrued and unpaid (if any) thereon to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, notwithstanding anything in this Supplemental Indenture or the Trust Indenture to the contrary. The Issuer shall give prompt written notice to DBRS **and Moody's** of the occurrence of an Acceleration Event.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2018-1 Noteholder that:

(a) no Termination Event has occurred or would result from the purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not Non-residents;

(c) all Tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest; and

(f) to its knowledge, there is no set of circumstances existing at such time that will have an Adverse Effect or will reasonably be expected to have an Adverse Effect.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section 9.07 of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Indenture Trustee (on behalf of the Series 2018-1 Noteholders) hereby acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as ~~a~~ Specified ~~Creditor~~**Creditors** are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments to be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (**The** Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (**Preservation of Information;** Communications to Specified Creditors) and Section 16.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2018-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2018-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 15 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (~~iii~~**c**) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that Computershare Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2018-1 Junior Subordinated Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the

Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[~~signature~~Signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture as of the date first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, ~~as Issuer Trustee~~**in its capacity as trustee** of **FAIR HYDRO TRUST**, ~~by its Manager~~**as Issuer**, **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

BNY TRUST COMPANY OF CANADA, as Indenture Trustee **and not in its individual capacity**

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means either:

(a) all Issuer Funding Obligations are declared due and payable under Section 8.02 of the Trust Indenture, or

(b) the Outstanding Dollar Principal Amount of the Series 2018-1 Junior Subordinated Notes and all interest accrued and unpaid thereon is declared to be due and payable under Section 2.11.

"**AEOI Legislation**" has the meaning specified in Section 2.8(a).

"**Excluded Taxes**" has the meaning specified in Section 2.8(a).

"**FATCA**" has the meaning specified in Section 2.8(a).

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Junior Subordinated Notes to be redeemed, the yield from the Series 2018-1 Redemption Date to ~~● [par call date]~~**the Par Call Date**, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to ~~● [par call date]~~**the Par Call Date** (calculated from the Series 2018-1 Redemption Date) ~~of the Series 2018-1 Junior Subordinated Notes~~, such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

"~~Interest Payment Date~~**Indenture Trustee**" has the meaning **specified in the recitals of this Supplemental Indenture.**

"Interest Payment Date" has the meaning specified in Section 2.2(l).

"**Issuer" has the meaning specified in the recitals of this Supplemental Indenture.**

"Issuer Indemnified Person" has the meaning specified in Section 2.7.

"Par Call Date" means ■, 20■.

"**Recipient**" has the meaning specified in Section 2.8(a).

"**Requisite Series 2018-1 Noteholders**" means Series 2018-1 Noteholders holding, in aggregate, at least ~~[~~50~~]~~% of the Series 2018-1 Junior Subordinated Notes then Outstanding.

"Series 2018-1 Canada Yield Price" means a price equal to the price of the Series 2018-1 Junior Subordinated Notes calculated to provide a yield to ~~● [par call date]~~**the Par Call Date**, compounded semi-annually and calculated in accordance with generally accepted Canadian

financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the Series 2018-1 Redemption Date specified in the notice of redemption delivered pursuant to Section 4.10 of the Trust Indenture **and Section 2.6 of this Supplemental Indenture**, plus ●%.

"**Series 2018-1 Event of Default**" means any one of the following events occurs at any time that the Junior Subordinated Funding Obligations constitute the Controlling Class Obligations (whatever the reason for such Series 2018-1 Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

(a) a default by the Issuer in the payment of any interest on any Series 2018-1 Junior Subordinated Notes when such interest becomes due and payable, and continuance of such default for a period of five days following the date on which such interest became due and payable;

(b) a default by the Issuer in the payment of any principal of any Series 2018-1 Junior Subordinated Notes at its Principal Payment Default Date;

(c) any representation or warranty contained in Section 3.1 of this Supplemental Indenture or Section 12.01 of the Trust Indenture proves to be incorrect in any material respect when made and such incorrect representation or warranty if capable of being remedied by the Issuer, has not been remedied for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) a default in the performance, or breach, of any covenant of the Issuer in the Trust Indenture or this Supplemental Indenture in respect of any Series 2018-1 Junior Subordinated Notes (other than an agreement, covenant or warranty a default in the performance of which or the breach of which is elsewhere specifically dealt with in this definition of Series 2018-1 Event of Default), and continuance of such default or breach for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period; or

(e) an event of default or other event occurs and as a result thereof, all or a portion of the principal amount owing in respect of any other Series of Junior Subordinated Funding Obligations has become, or been declared, due and payable before the scheduled payment date, maturity date or redemption date in respect of such other Series of Junior Subordinated Funding Obligations.

"**Series 2018-1 Junior Subordinated Note**" means any one of the Series 2018-1 Junior Subordinated Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Series 2018-1 Noteholder**" means a Person in whose name a Series 2018-1 Junior Subordinated Note is registered in the Note Register.

"**Series 2018-1 Redemption Date**" means a date fixed for redemption of the Series 2018-1 Junior Subordinated Notes pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Termination Event**" means any Acceleration Event **or Series 2018-1 Event of Default,** or any event which with the giving of notice or the passage of time, or both, could become an Acceleration Event **or a Series 2018-1 Event of Default**.

"Trust Indenture" has the meaning specified in the recitals of this Supplemental Indenture.

SCHEDULE B

[FORM OF NOTE]SERIES 2018-1 JUNIOR SUBORDINATED NOTE

FAIR HYDRO TRUST
(A trust established under the laws of the Province of Ontario)

● % JUNIOR SUBORDINATED NOTE DUE ●, SERIES 2018-1

Fair Hydro Trust (herein referred to as the "Issuer"), a trust governed by the laws of Ontario and established under a Declaration of Trust dated as of December 20, 2017, for value received, hereby promises to pay the principal sum of $● to the registered holder hereof on ●, 20● (the "Principal Payment Date") or on such earlier date as the principal amount hereof may become due, in accordance with the provisions set forth in the Trust Indenture and the Supplemental Indenture. The Issuer will pay interest on the outstanding principal amount of this Series 2018-1 Junior Subordinated Note in accordance with Section 2.4 of the Supplemental Indenture on each Interest Payment Date (as defined below) at the rate of ●% per annum in equal semi-annual instalments on the Payment Dates occurring in the months of April and October in each year (each, an "Interest Payment Date") commencing on April ●, 2018 (provided that the initial interest payment payable on April ●, 2018 will be in an aggregate amount equal to $● per $1,000 principal amount) until the principal of this Series 2018-1 Junior Subordinated Note is paid or made available for payment, to the extent funds are available in accordance with the terms of the Supplemental Indenture. The principal of and interest on this Series 2018-1 Junior Subordinated Note are payable in Canadian dollars.

Beginning on the first Payment Date following the occurrence of an Acceleration Event, the principal of this Series 2018-1 Junior Subordinated Note shall be paid in full on each such Payment Date to the extent of funds available for payment therefor pursuant to the Trust Indenture. Such principal of and interest on this Series 2018-1 Junior Subordinated Note shall be paid in the manner specified on the reverse hereof.

Reference is made to the further provisions of this Series 2018-1 Junior Subordinated Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Series 2018-1 Junior Subordinated Note. Although a summary of certain provisions of the Trust Indenture and Supplemental Indenture is set forth below and on the reverse hereof and made a part hereof, this Series 2018-1 Junior Subordinated Note does not purport to summarize the Trust Indenture and Supplemental Indenture and reference is made to the Trust Indenture and Supplemental Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Issuer and the Indenture Trustee. In the event that there is any inconsistency between the provisions of the Trust Indenture or Supplemental Indenture and the provisions hereof, the provisions of the Trust Indenture and Supplemental Indenture shall govern. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture and Supplemental Indenture. Copies of the Trust Indenture and Supplemental Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: BNY

Trust Company of Canada, One York Street, 6th Floor, Toronto, Ontario M5J 0B6, Attention: Corporate Trust Administration.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee, by manual signature, this Series 2018-1 Junior Subordinated Note shall not be entitled to any benefit under the Trust Indenture and Supplemental Indenture referred to on the reverse hereof, or be valid for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Series 2018-1 Junior Subordinated Note to be duly executed.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By:

Name:

Title:

By:

Name:

Title:

Dated: _____●, 2018

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the ●% Junior Subordinated Notes due ●, Series 2018-1 described in the within-mentioned Trust Indenture and Supplemental Indenture.

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By:

Authorized Signatory

By:

Authorized Signatory

FAIR HYDRO TRUST

●% JUNIOR SUBORDINATED NOTES DUE ●, SERIES 2018-1

Summary of Terms and Conditions

This Series 2018-1 Subordinated Note is one of a duly authorized Series of Subordinated Notes of the Issuer, designated as the ●% Subordinated Notes due ●, Series 2018-1 (the "Series 2018-1 Junior Subordinated Notes"), issued under a trust indenture dated as of December 21, 2017 (as may be amended, supplemented, restated, replaced or otherwise modified from time to time, the "Trust Indenture"), between the Issuer and BNY Trust Company of Canada, as indenture trustee (the "Indenture Trustee," which term includes any successor Indenture Trustee under the Trust Indenture), as amended and supplemented by the Junior Subordinated Series 2018-1 Supplemental Indenture, dated as of ●, 2018 (the "Supplemental Indenture"), and representing the right to receive certain payments from the Issuer. Except as set forth in the Supplemental Indenture, the Series 2018-1 Junior Subordinated Note is subject to all of the terms of the Trust Indenture. All terms used in this Series 2018-1 Junior Subordinated Note and not otherwise defined herein shall have the meanings assigned to them in or pursuant to the Supplemental Indenture.

The Series 2018-1 Junior Subordinated Note is and will be equally and ratably secured by the Collateral pledged as security therefor as provided in the Trust Indenture.

"Payment Date" means the 15th day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on April 15, 2018.

As described above, all amounts payable on maturity with respect to this Series 2018-1 Junior Subordinated Note shall be due and payable on the Principal Payment Date, in accordance with Section 2.5 of the Supplemental Indenture. All principal payments of the Series 2018-1 Junior Subordinated Note shall be deposited with the Indenture Trustee.

Payments of interest on this Series 2018-1 Junior Subordinated Note are due and payable on each Interest Payment Date or such other date as may be specified in the Supplemental Indenture by wire transfer to each Series 2018-1 Noteholder as of the Record Date. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

The Series 2018-1 Junior Subordinated Notes are redeemable in accordance with Section 2.6 of the Supplemental Indenture and Section 4.10 of the Trust Indenture.

The Indenture Trustee (on behalf of each Series 2018-1 Noteholder), acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments To Be Held in Trust), Section 8.11 (Control by Controlling Class

Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

The Trust Indenture and Supplemental Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Series 2018-1 Noteholders under the Trust Indenture and Supplemental Indenture at any time by the Issuer with the consent of the applicable Person(s) specified therein. The Trust Indenture also contains provisions permitting the applicable Person(s) specified therein to waive compliance by the Issuer with certain provisions of the Trust Indenture and certain past defaults under the Trust Indenture and their consequences with respect to the Series 2018-1 Junior Subordinated Notes. Any such consent or waiver by such Person(s) shall be conclusive and binding upon the Series 2018-1 Noteholders and upon all future holders of this Series 2018-1 Junior Subordinated Note and of any Series 2018-1 Junior Subordinated Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Series 2018-1 Junior Subordinated Note. The Trust Indenture also permits the Issuer and the Indenture Trustee to amend or waive certain terms and conditions set forth in the Trust Indenture without the consent of any other Person.

The term "the Issuer" as used in this Series 2018-1 Junior Subordinated Note includes any successor to the Issuer under the Trust Indenture.

The Series 2018-1 Junior Subordinated Notes are only issuable in registered form in denominations as provided in the Trust Indenture, subject to certain limitations set forth therein.

This Series 2018-1 Junior Subordinated Note, the Trust Indenture and Supplemental Indenture, and all matters arising out of or relating to this Series 2018-1 Junior Subordinated Note, the Trust Indenture or Supplemental Indenture, shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws applicable therein, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such laws.

No reference herein to the Trust Indenture and Supplemental Indenture and no provision of this Series 2018-1 Junior Subordinated Note or of the Trust Indenture and Supplemental Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Series 2018-1 Junior Subordinated Note at the times, place and rate, and in the coin or currency herein prescribed, subject to any duty of the Issuer to deduct or withhold any amounts as required by law, including any applicable Taxes.

REGISTRATION PANEL

(No writing on this panel except by the Note Registrar)

Date of Registration	In Whose Name Registered	Signature of Note Registrar

Document comparison by Workshare Compare on January-05-18 11:09:14 AM

Input:	
Document 1 ID	file://C:\Users\bsaulnie\AppData\Local\Temp\Workshare\wmtemp278c\Fair Hydro - Term - Junior Subordinated Supplemental Indenture.docx
Description	Fair Hydro - Term - Junior Subordinated Supplemental Indenture
Document 2 ID	file://C:\Users\bsaulnie\Desktop\New folder\Junior Subordinated Supplemental Indenture.docx
Description	Junior Subordinated Supplemental Indenture
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	105
Deletions	74
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	179

From:	Mansoori, Nina
To:	Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Malle Hanslep (MOF); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); Tim Christie (ENERGY)
Cc:	"John Lee (john.s.lee@opg.com)"; "Ken Ryfa (ken.ryfa@opg.com)"; "WONG Leslie -LAWDIV"; LADAK Lubna - TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka
Subject:	RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Date:	Friday, January 05, 2018 5:04:00 PM

All – just to clarify - we appreciate the Province will be reviewing the draft OM and may have comments on the disclosure which we would be happy to discuss once you have had a chance to review. Thanks,

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

From: Mansoori, Nina
Sent: January-05-18 4:55 PM
To: Mayman, Gadi (OFA) ; 'Scott.Thompson@ontario.ca' ; 'Anna.Strathy@ofina.on.ca' ; 'Mike.Manning@ofina.on.ca' ; 'David.McLean@ontario.ca' ; 'Jonathan.Tekle@ontario.ca' ; 'Hanslep, Malle (MOF)' ; Thouin, Alena (ENERGY) ; Whitfield, Tobias P. (MOF) ; 'Ken.Kandeepan@ofina.on.ca' ; Steen Hume (CAB) ; 'tim.christine@ontario.ca'
Cc: 'John Lee (john.s.lee@opg.com)' ; 'Ken Ryfa (ken.ryfa@opg.com)' ; 'WONG Leslie -LAWDIV' ; LADAK Lubna -TREASURY ; Ramchandani, Rima ; Feldman, Michael ; Saulnier, Brett ; Dost, Mitchell ; Mansoori, Nina ; Olusoga, Yinka
Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Importance: High

All,

Reference is made to the Change of Law Process Agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the Province") and Ontario Power Generation Inc. ("OPG") to be dated as of December 21, 2017 (the "Change of Law Process Agreement"). All capitalized terms used and not defined in this email shall have their respective meanings in the Change of Law Process Agreement.

On behalf of OPG, we have hand-delivered today to the Ministers and the Deputy Ministers the forms of Transaction Documents set out in the attached cover letter. For ease of reference, we also attach these documents here and attach blacklines to the last versions of the term supplemental indentures circulated to you. If you would like a blackline of any other Transaction Document, please send us the version you reviewed last.

We consider these forms settled other than:

- There is one change that has been proposed by the dealers, and which is under discussion, that will impact the term supplemental indentures and will necessitate some additional disclosure to the term sheet. The dealers have advised that following a Principal Payment Date (i.e. the date on which all amounts owing under the notes are expected to be repaid in full), it would be typical for the interest payment dates to

accelerate to monthly (instead of semi-annually). Once the dealers and OPG have an opportunity to discuss and come to an agreement on this point next week, the necessary changes to reflect this will be made to the term supplemental indentures and the term sheet

- there are still some bullets in these documents which will be addressed closer to closing (including dates, pricing information and the names of all of the Agents)
- we expect there will be some minor clean up to the OM (including making sure all of our cross-references are correct and that the glossary picks up all defined terms).

Please let us know if you have any questions.

Best Regards,

Nina
P. 416.865.7332

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From:	Saulnier, Brett
To:	Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); Tim Christie (ENERGY); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; "ASHBOURNE, STEPHEN"; Tim Christie (ENERGY); Malle Hanslep (MOF)
Cc:	Mansoori, Nina
Subject:	RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries (EMAIL 5/6)
Date:	Friday, January 05, 2018 5:44:02 PM
Attachments:	07. Form of Subordinated Supplemental Indenture.docx 08. Blackline Subordinated Supplemental Indenture.pdf

---

Email 5/6: Subordinated Supplemental Indenture

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 5:13 PM

To: Mansoori, Nina <nmansoori@torys.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Thompson, Scott (MOF) <Scott.Thompson@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>

Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Olusoga, Yinka <yolusoga@torys.com>

Subject: Re: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Hi Nina

I am having trouble receiving the email with the attachments because the attachments are large. Is it possible for you to resend the attachments in separate emails? Sorry about that and would appreciate it so I can review.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Mansoori, Nina

Sent: Friday, January 5, 2018 17:04

To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: 'John Lee (john.s.lee@opg.com)'; 'Ken Ryfa (ken.ryfa@opg.com)'; 'WONG Leslie -LAWDIV'; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka

Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

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Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=3Kn0qi6J1plSkT-CJVn9gvgGD1Xriiv-SUCTMz37dgA&s=JIewoofRnhZKMGe7yRxCKxcZ8D7mlhFxQpunMZM5CjA&e= >

[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=3Kn0qi6J1plSkT-CJVn9gvgGD1Xriiv-SUCTMz37dgA&s=JIewoofRnhZKMGe7yRxCKxcZ8D7mlhFxQpunMZM5CjA&e= >

From: Mansoori, Nina

Sent: January-05-18 4:55 PM

To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; 'Scott.Thompson@ontario.ca' <Scott.Thompson@ontario.ca>; 'Anna.Strathy@ofina.on.ca' <Anna.Strathy@ofina.on.ca>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; 'David.McLean@ontario.ca' <David.McLean@ontario.ca>; 'Jonathan.Tekle@ontario.ca' <Jonathan.Tekle@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; 'Ken.Kandeepan@ofina.on.ca' <Ken.Kandeepan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; 'tim.christine@ontario.ca' <tim.christine@ontario.ca>

Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>

Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Importance: High

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Please let us know if you have any questions.

Best Regards,

Nina

P. 416.865.7332

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TERM
SUBORDINATED SERIES 2018-1
SUPPLEMENTAL INDENTURE

between

FAIR HYDRO TRUST

by

COMPUTERSHARE TRUST COMPANY OF CANADA
as Issuer Trustee

and

BNY TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF DECEMBER 21, 2017

AND PROVIDING FOR THE ISSUE OF
●% SUBORDINATED NOTES DUE ●, SERIES 2018-1
OF FAIR HYDRO TRUST

Made as of ●, 2018

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●% SUBORDINATED NOTES DUE ●, SERIES 2018-1

THIS SUBORDINATED NOTES SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2018, between **Computershare Trust Company of Canada** in its capacity as trustee of **Fair Hydro Trust**, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and **BNY Trust Company of Canada**, a trust company existing under the laws of Canada (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of December 21, 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Subordinated Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Subordinated Notes designated as the ●% Subordinated Notes due ●, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2018-1 Subordinated Notes, amended and supplemented so as to

be consistent herewith. The provisions of this Supplemental Indenture are applicable only in respect of the Series 2018-1 Subordinated Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2018-1 Subordinated Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2018-1 Subordinated Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2018-1 SUBORDINATED NOTES

2.1 Creation of Series 2018-1 Subordinated Notes

There is hereby created a Series of Subordinated Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●%Subordinated Notes due ●, Series 2018-1**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2018-1 Subordinated Notes will:

(a) be designated as set out in Section 2.1;

(b) be Subordinated Notes;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have a Stated Principal Amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2018-1 Subordinated Notes may be increased after the date hereof without the consent of any Series 2018-1 Noteholder or any holder of any Notes of any other Class, Series or Tranche, but subject to satisfaction of the Rating Agency Condition;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued as a Registered Note in minimum denominations of $150,000 and integral multiples of 1,000;

(h) be issued as definitive notes and will not be in the form of a Global Note;

(i) be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) bear interest at a rate of ●% per annum;

(k) accrue interest from the later of: (i) ●, 2018 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Series 2018-1 Subordinated Notes;

(l) have interest paid in equal semi-annual instalments (except the initial interest payment) on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing with the Payment Date occurring in the month of April, 2018 in respect of the Series 2018-1 Subordinated Notes issued prior to such date;

(m) subject to the occurrence of an Acceleration Event, mature on, and have ●, 20●, as their sole Principal Payment Date with a principal payment amount on such Principal Payment Date equal to the then Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes;

(n) have ●, 20● as their Principal Payment Default Date;

(o) subject to the occurrence of an Acceleration Event, have ●, 20● as their Principal Accumulation Date;

(p) subject to the occurrence of an Acceleration Event, have the following Principal Accumulation Amounts for each Payment Date on or after their Principal Accumulation Date:

Payment Dates	**Principal Accumulation Amounts**
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●

(q) after the occurrence of an Acceleration Event and for so long as it continues, each Payment Date shall be a Principal Payment Date in respect of the Series 2018-1 Subordinated Notes and the full Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes shall be due and payable on each such Payment Date;

(r) have a Record Date for each Interest Payment Date that is the last day of the calendar month preceding each Interest Payment Date; and

(s) be redeemable and subject to repurchase as provided in Section 2.6 below.

2.3 Delivery

On the date of issuance of the Series 2018-1 Subordinated Notes, Series 2018-1 Subordinated Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any Taxes required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2018-1 Subordinated Notes) will on each Interest Payment Date, make payment of such interest, less any Taxes required by law to be deducted or withheld, by wire transfer to each Series 2018-1 Noteholder as of the Record Date. The payment by such wire transfer will satisfy and discharge the liability for interest upon such Series 2018-1 Subordinated Note to the extent of the sum represented thereby (plus the amount of any Taxes deducted or withheld as aforesaid). Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

By 10:00 a.m. (Toronto time) on the Principal Payment Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order of Series 2018-1 Noteholders on maturity on account of principal. The deposit of such funds will satisfy and discharge the liability for principal of the Series 2018-1 Subordinated Notes to the extent of the sum represented thereby.

2.6 Redemption and Repurchase

(a) Subject to the terms of Section 13.24 of the Trust Indenture, at any time prior to the Par Call Date, the Issuer may redeem the Series 2018-1 Subordinated Notes in whole or, from time to time, in part, on payment of a Redemption Price equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2018-1 Redemption Date. At any time on or after the Par Call Date, the Issuer may redeem the Series 2018-1 Subordinated Notes in whole or, from time to time, in part, on payment of a Redemption Price equal to par, together with accrued and unpaid interest to the Series 2018-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and not less than 15 days before the date fixed for redemption, and will provide a copy of such notice to DBRS and Moody's upon the issuance thereof. Less than all of the Series 2018-1 Subordinated Notes may be redeemed, if so redeemed, in accordance with Section 4.10 of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2018-1 Subordinated Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Less than all of the Series 2018-1 Subordinated Notes may be purchased, if so purchased, for cancellation in accordance with Section 4.11 of the Trust Indenture.

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2018-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer Indemnified Person by reason of (a) any acts, omissions or alleged acts

or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer Indemnified Person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section 7.04 or Section 8.13 of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of Taxes, excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other Taxes based on or measured by the net income of any person legally entitled to receive such payments (each a "**Recipient**") as a result of a present or former connection between the Recipient and the jurisdiction of the Governmental Authority imposing such Taxes (other than any such connection arising solely from the Recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); (ii) any withholding or deduction imposed pursuant to (A) Sections 1471 to 1474 of the Internal Revenue Code ("**FATCA**"), or any successor version thereof, or any similar legislation imposed by any other Governmental Authority, or (B) any treaty, law or regulation or other official guidance enacted by Canada implementing FATCA or any intergovernmental agreement with respect to FATCA or any similar legislation imposed by any other Governmental Authority, including, for greater certainty, the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) and Parts XVIII and XIX of the Income Tax Act (collectively, and including FATCA, the "**AEOI Legislation**"); and (iii) any interest, penalties and additions to Taxes in respect of (i) and (ii) (all such excluded Taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a Recipient hereunder, the amounts so payable to the Recipient shall be increased, and the Recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the Recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Whenever any Taxes are payable on or with respect to amounts distributed to a Recipient, as promptly as possible thereafter the Issuer shall send to such Recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to withholding Taxes under any AEOI Legislation if the Recipient were to fail to comply with the applicable reporting requirements of any AEOI Legislation, such Recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with its obligations under any AEOI Legislation and to determine that such Recipient has complied with its obligations under any AEOI Legislation, or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a Recipient expires or becomes obsolete or inaccurate in any respect, the Recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a Recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2018-1 Subordinated Notes

On or prior to the initial issuance of Series 2018-1 Subordinated Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 3.1 of this Supplemental Indenture shall be true and correct in all material respects, and the Issuer shall be in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Indenture Trustee shall have received (i) the Adherence Compliance Certificate required pursuant to Section 4.02(a) of the Change of Law Protection Agreement with respect to the incurrence of Funding Obligations under this Supplemental Indenture, or (ii) written confirmation from the Province that the Funding Obligations incurred under this Supplemental Indenture constitute Approved Obligations.

2.10 Delivery to Series 2018-1 Noteholder

Promptly following the issuance of the Series 2018-1 Subordinated Notes, the definitive notes representing the Series 2018-1 Subordinated Notes shall be delivered to the Series 2018-1 Noteholders (or as they may direct).

2.11 Acceleration Events

If a Series 2018-1 Event of Default occurs and is continuing, then and in each and every such case, and without regard to whether all Issuer Funding Obligations have been declared due and payable pursuant to Section 8.02(a) of the Trust Indenture, the Series 2018-1 Noteholders may by Ordinary Resolution (with notice of such Ordinary Resolution being provided to the Issuer and the Indenture Trustee) determine to declare the Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes and all interest accrued and unpaid (if any) thereon to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, notwithstanding anything in this Supplemental Indenture or the Trust Indenture to the contrary. The Issuer shall give prompt written notice to DBRS and Moody's of the occurrence of an Acceleration Event.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2018-1 Noteholder that:

(a) no Termination Event has occurred or would result from the purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not Non-residents;

(c) all Tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest; and

(f) to its knowledge, there is no set of circumstances existing at such time that will have an Adverse Effect or will reasonably be expected to have an Adverse Effect.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section 9.07 of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Indenture Trustee (on behalf of the Series 2018-1 Noteholders) hereby acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments to be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2018-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2018-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 15 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (c) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that Computershare Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2018-1 Subordinated Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[Signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture as of the date first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **FAIR HYDRO TRUST**, as Issuer, by **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

BNY TRUST COMPANY OF CANADA, as Indenture Trustee and not in its individual capacity

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means either:

(a) all Issuer Funding Obligations are declared due and payable under Section 8.02 of the Trust Indenture, or

(b) the Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes and all interest accrued and unpaid thereon is declared to be due and payable under Section 2.11.

"**AEOI Legislation**" has the meaning specified in Section 2.8(a).

"**Excluded Taxes**" has the meaning specified in Section 2.8(a).

"**FATCA**" has the meaning specified in Section 2.8(a).

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Subordinated Notes to be redeemed, the yield from the Series 2018-1 Redemption Date to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to the Par Call Date (calculated from the Series 2018-1 Redemption Date), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

"**Indenture Trustee**" has the meaning specified in the recitals of this Supplemental Indenture.

"**Interest Payment Date**" has the meaning specified in Section 2.2(l).

"**Issuer**" has the meaning specified in the recitals of this Supplemental Indenture.

"**Issuer Indemnified Person**" has the meaning specified in Section 2.7.

"**Par Call Date**" means ■, 20■.

"**Recipient**" has the meaning specified in Section 2.8(a).

"**Requisite Series 2018-1 Noteholders**" means Series 2018-1 Noteholders holding, in aggregate, at least 50% of the Series 2018-1 Subordinated Notes then Outstanding.

"Series 2018-1 Canada Yield Price" means a price equal to the price of the Series 2018-1 Subordinated Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the Series 2018-1 Redemption Date specified in the notice of redemption delivered

pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture, plus ●%.

"**Series 2018-1 Event of Default**" means any one of the following events occurs at any time that the Subordinated Funding Obligations constitute the Controlling Class Obligations (whatever the reason for such Series 2018-1 Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

(a) a default by the Issuer in the payment of any interest on any Series 2018-1 Subordinated Notes when such interest becomes due and payable, and continuance of such default for a period of five days following the date on which such interest became due and payable;

(b) a default by the Issuer in the payment of any principal of any Series 2018-1 Subordinated Notes at its Principal Payment Default Date;

(c) any representation or warranty contained in Section 3.1 of this Supplemental Indenture or Section 12.01 of the Trust Indenture proves to be incorrect in any material respect when made and such incorrect representation or warranty if capable of being remedied by the Issuer, has not been remedied for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) a default in the performance, or breach, of any covenant of the Issuer in the Trust Indenture or this Supplemental Indenture in respect of any Series 2018-1 Subordinated Notes (other than an agreement, covenant or warranty a default in the performance of which or the breach of which is elsewhere specifically dealt with in this definition of Series 2018-1 Event of Default), and continuance of such default or breach for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period; or

(e) an event of default or other event occurs and as a result thereof, all or a portion of the principal amount owing in respect of any other Series of Subordinated Funding Obligations has become, or been declared, due and payable before the scheduled payment date, maturity date or redemption date in respect of such other Series of Subordinated Funding Obligations.

"**Series 2018-1 Noteholder**" means a Person in whose name a Series 2018-1 Subordinated Note is registered in the Note Register.

"**Series 2018-1 Redemption Date**" means a date fixed for redemption of the Series 2018-1 Subordinated Notes pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture.

"**Series 2018-1 Subordinated Note**" means any one of the Series 2018-1 Subordinated Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Termination Event**" means any Acceleration Event or Series 2018-1 Event of Default, or any event which with the giving of notice or the passage of time, or both, could become an Acceleration Event or a Series 2018-1 Event of Default.

"**Trust Indenture**" has the meaning specified in the recitals of this Supplemental Indenture.

SCHEDULE B

FORM OF SERIES 2018-1 SUBORDINATED NOTE

FAIR HYDRO TRUST
(A trust established under the laws of the Province of Ontario)

●% SUBORDINATED NOTE DUE ●, SERIES 2018-1

Fair Hydro Trust (herein referred to as the "**Issuer**"), a trust governed by the laws of Ontario and established under a Declaration of Trust dated as of December 20, 2017, for value received, hereby promises to pay the principal sum of $● to the registered holder hereof on ●, 20● (the "**Principal Payment Date**") or on such earlier date as the principal amount hereof may become due, in accordance with the provisions set forth in the Trust Indenture and the Supplemental Indenture. The Issuer will pay interest on the outstanding principal amount of this Series 2018-1 Subordinated Note in accordance with Section 2.4 of the Supplemental Indenture on each Interest Payment Date (as defined below) at the rate of ●% per annum in equal semi-annual instalments on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing on April ●, 2018 (provided that the initial interest payment payable on April ●, 2018 will be in an aggregate amount equal to $● per $1,000 principal amount) until the principal of this Series 2018-1 Subordinated Note is paid or made available for payment, to the extent funds are available in accordance with the terms of the Supplemental Indenture. The principal of and interest on this Series 2018-1 Subordinated Note are payable in Canadian dollars.

Beginning on the first Payment Date following the occurrence of an Acceleration Event, the principal of this Series 2018-1 Subordinated Note shall be paid in full on each such Payment Date to the extent of funds available for payment therefor pursuant to the Trust Indenture. Such principal of and interest on this Series 2018-1 Subordinated Note shall be paid in the manner specified on the reverse hereof.

Reference is made to the further provisions of this Series 2018-1 Subordinated Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Series 2018-1 Subordinated Note. Although a summary of certain provisions of the Trust Indenture and Supplemental Indenture is set forth below and on the reverse hereof and made a part hereof, this Series 2018-1 Subordinated Note does not purport to summarize the Trust Indenture and Supplemental Indenture and reference is made to the Trust Indenture and Supplemental Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Issuer and the Indenture Trustee. In the event that there is any inconsistency between the provisions of the Trust Indenture or Supplemental Indenture and the provisions hereof, the provisions of the Trust Indenture and Supplemental Indenture shall govern. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture and Supplemental Indenture. Copies of the Trust Indenture and Supplemental Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: BNY Trust Company of Canada, One York Street, 6th Floor, Toronto, Ontario M5J 0B6, Attention: Corporate Trust Administration.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee, by manual signature, this Series 2018-1 Subordinated Note shall not be entitled to any benefit under the Trust Indenture and Supplemental Indenture referred to on the reverse hereof, or be valid for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Series 2018-1 Subordinated Note to be duly executed.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by
ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By: _____

Name:

Title:

By: _____

Name:

Title:

Dated: _____●, 2018

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the ●% Subordinated Notes due ●, Series 2018-1 described in the within-mentioned Trust Indenture and Supplemental Indenture.

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By: _____

Authorized Signatory

By: _____

Authorized Signatory

FAIR HYDRO TRUST

●% SUBORDINATED NOTES DUE ●, SERIES 2018-1

Summary of Terms and Conditions

This Series 2018-1 Subordinated Note is one of a duly authorized Series of Subordinated Notes of the Issuer, designated as the ●% Subordinated Notes due ●, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**"), issued under a trust indenture dated as of December 21, 2017 (as may be amended, supplemented, restated, replaced or otherwise modified from time to time, the "**Trust Indenture**"), between the Issuer and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**," which term includes any successor Indenture Trustee under the Trust Indenture), as amended and supplemented by the Subordinated Series 2018-1 Supplemental Indenture, dated as of ●, 2018 (the "**Supplemental Indenture**"), and representing the right to receive certain payments from the Issuer. Except as set forth in the Supplemental Indenture, the Series 2018-1 Subordinated Note is subject to all of the terms of the Trust Indenture. All terms used in this Series 2018-1 Subordinated Note and not otherwise defined herein shall have the meanings assigned to them in or pursuant to the Supplemental Indenture.

The Series 2018-1 Subordinated Note is and will be equally and ratably secured by the Collateral pledged as security therefor as provided in the Trust Indenture.

"**Payment Date**" means the 15th day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on April 15, 2018.

As described above, all amounts payable on maturity with respect to this Series 2018-1 Subordinated Note shall be due and payable on the Principal Payment Date, in accordance with Section 2.5 of the Supplemental Indenture. All principal payments of the Series 2018-1 Subordinated Note shall be deposited with the Indenture Trustee.

Payments of interest on this Series 2018-1 Subordinated Note are due and payable on each Interest Payment Date or such other date as may be specified in the Supplemental Indenture by wire transfer to each Series 2018-1 Noteholder as of the Record Date. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

The Series 2018-1 Subordinated Notes are redeemable in accordance with Section 2.6 of the Supplemental Indenture and Section 4.10 of the Trust Indenture.

The Indenture Trustee (on behalf of each Series 2018-1 Noteholder), acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments To Be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

The Trust Indenture and Supplemental Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Series 2018-1 Noteholders under the Trust Indenture and Supplemental Indenture at any time by the Issuer with the consent of the applicable Person(s) specified therein. The Trust Indenture also contains provisions permitting the applicable Person(s) specified therein to waive compliance by the Issuer with certain provisions of the Trust Indenture and certain past defaults under the Trust Indenture and their consequences with respect to the Series 2018-1 Subordinated Notes. Any such consent or waiver by such Person(s) shall be conclusive and binding upon the Series 2018-1 Noteholders and upon all future holders of this Series 2018-1 Subordinated Note and of any Series 2018-1 Subordinated Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Series 2018-1 Subordinated Note. The Trust Indenture also permits the Issuer and the Indenture Trustee to amend or waive certain terms and conditions set forth in the Trust Indenture without the consent of any other Person.

The term "the Issuer" as used in this Series 2018-1 Subordinated Note includes any successor to the Issuer under the Trust Indenture.

The Series 2018-1 Subordinated Notes are only issuable in registered form in denominations as provided in the Trust Indenture, subject to certain limitations set forth therein.

This Series 2018-1 Subordinated Note, the Trust Indenture and Supplemental Indenture, and all matters arising out of or relating to this Series 2018-1 Subordinated Note, the Trust Indenture or Supplemental Indenture, shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws applicable therein, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such laws.

No reference herein to the Trust Indenture and Supplemental Indenture and no provision of this Series 2018-1 Subordinated Note or of the Trust Indenture and Supplemental Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Series 2018-1 Subordinated Note at the times, place and rate, and in the coin or currency herein prescribed, subject to any duty of the Issuer to deduct or withhold any amounts as required by law, including any applicable Taxes.

REGISTRATION PANEL

(No writing on this panel except
by the Note Registrar)

Date of Registration	In Whose Name Registered	Signature of Note Registrar

TERM
SUBORDINATED SERIES ~~[~~2018-1~~]~~
SUPPLEMENTAL INDENTURE

between

FAIR HYDRO TRUST

by

COMPUTERSHARE TRUST COMPANY OF CANADA
as Issuer Trustee

and

BNY TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF DECEMBER ~~●,~~21, 2017

AND PROVIDING FOR THE ISSUE OF
●% SUBORDINATED NOTES DUE ●, SERIES 2018-1
OF FAIR HYDRO TRUST

Made as of ●, 2018

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●% SUBORDINATED NOTES DUE ●, SERIES 2018-1

THIS SUBORDINATED NOTES SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2018, between **Computershare Trust Company of Canada** in its capacity as trustee of **Fair Hydro Trust**, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and **BNY Trust Company of Canada**, a trust company existing under the laws of Canada (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of December ~~●,~~ **21,** 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Subordinated Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Subordinated Notes designated as the ●% Subordinated Notes due ●, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2018-1 Subordinated Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental

Indenture are applicable only in respect of the Series 2018-1 Subordinated Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2018-1 Subordinated Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2018-1 Subordinated Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2018-1 SUBORDINATED NOTES

2.1 Creation of Series 2018-1 Subordinated Notes

There is hereby created a Series of Subordinated Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●%Subordinated Notes due ●, Series 2018-1**."

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2018-1 Subordinated Notes will:

(a) be designated as set out in Section 2.1;

(b) be Subordinated Notes;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have a Stated Principal Amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2018-1 Subordinated Notes may be increased after the date hereof without the consent of any ~~holder of~~ Series 2018-1 ~~Subordinated Notes~~**Noteholder** or any holder of any Notes of any other Class, Series or Tranche, but subject to satisfaction of the Rating Agency Condition;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued as a Registered Note in minimum denominations of $150,000 and integral multiples of 1,000;

(h) ~~(g)~~ be issued as definitive notes and will not be in the form of a Global Note; ~~**[NTD: To be confirmed.]**~~

(i) ~~(h)~~ be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) ~~(i)~~ bear interest at a rate of ●% per annum;

(k) ~~(j)~~ accrue interest from the later of: (i) ●, 2018 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Series 2018-1 Subordinated Notes;

(l) ~~(k)~~ have interest paid in equal semi-annual instalments ~~[~~(except the initial interest payment)~~]~~ on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing with the Payment Date occurring in the month of ~~[~~April~~]~~, 2018 in respect of the Series 2018-1 Subordinated Notes issued prior to such date;

(m) ~~(l)~~ subject to the occurrence of an Acceleration Event, mature on, and have ●, 20●, as their sole Principal Payment Date with a principal payment amount on such Principal Payment Date equal to the then Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes;

(n) ~~(m)~~ have ●, 20● as their Principal Payment Default Date;

(o) ~~(n)~~ subject to the occurrence of an Acceleration Event, have ●, 20● as their Principal Accumulation Date;

(p) ~~(o)~~ subject to the occurrence of an Acceleration Event, have the following Principal Accumulation ~~Amount~~**Amounts** for each Payment Date on or after their Principal Accumulation Date:

Payment ~~Date~~Dates	**Principal Accumulation ~~Amount~~Amounts**
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●

(q) ~~(p)~~ after the occurrence of an Acceleration Event and for so long as it continues, each Payment Date shall be a Principal Payment Date in respect of the Series 2018-1 Subordinated Notes and the full Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes shall be due and payable on each such Payment Date;

(r) ~~(q)~~ have a Record Date for each Interest Payment Date that is the last day of the calendar month preceding each Interest Payment Date; **and**

(s) ~~(r)~~ ~~[~~be redeemable and subject to repurchase as provided in Section 2.6 below~~]~~; ~~and~~ ~~(s) [not be subject to defeasance as contemplated by Section 2.08 of the Trust~~

~~Indenture] [be subject to defeasance in accordance with Section 2.08 of the Trust Indenture]~~.

2.3 Delivery

On the date of issuance of the Series 2018-1 Subordinated Notes, Series 2018-1 Subordinated Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any ~~taxes~~**Taxes** required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2018-1 Subordinated Notes) will on each Interest Payment Date, make payment of such interest, less any ~~taxes~~**Taxes** required by law to be deducted or withheld, by wire transfer to each ~~holder of a~~ Series 2018-1 ~~Subordinated Note~~**Noteholder** as of the Record Date. The payment by such wire transfer will satisfy and discharge the liability for interest upon such Series 2018-1 Subordinated Note to the extent of the sum represented thereby (plus the amount of any ~~taxes~~**Taxes** deducted or withheld as aforesaid). Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a **Series 2018-1** Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

By 10:00 a.m. (Toronto time) on the Principal Payment Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order of ~~holders of~~ Series 2018-1 ~~Subordinated Notes~~**Noteholders** on maturity on account of principal. The deposit of such funds will satisfy and discharge the liability for principal of the Series 2018-1 Subordinated Notes to the extent of the sum represented thereby.

2.6 ~~[~~Redemption and Repurchase

~~[NTD: Redemption features to be discussed.]~~

(a) Subject to the terms of Section 13.24 of the Trust Indenture, at any time prior to ~~●, 20●~~ ~~[par call date]~~**the Par Call Date**, the Issuer may redeem the Series 2018-1 Subordinated Notes in whole or, from time to time, in part, on payment of a ~~redemption price~~**Redemption Price** equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2018-1 Redemption Date. At any time on or after ~~●, 20●~~ ~~[par call date]~~**the Par Call Date**, the Issuer may redeem the Series 2018-1 Subordinated Notes in whole or, from time to time, in part, on payment of a ~~redemption price~~**Redemption Price** equal to par, together with accrued and unpaid interest to the Series 2018-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and not less than 15 days before the date fixed for redemption, and will provide a copy of such notice to DBRS **and**

Moody's upon the issuance thereof. Less than all of the Series 2018-1 Subordinated Notes may be redeemed, if so redeemed, in accordance with Section 4.10 of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2018-1 Subordinated Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Less than all of the Series 2018-1 Subordinated Notes may be purchased, if so purchased, for cancellation in accordance with Section 4.11 of the Trust Indenture.

~~(c) The Series 2018-1 Subordinated Notes will not be subject to repurchase pursuant to any sinking fund or any other required repayment provisions.]~~

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2018-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer Indemnified Person by reason of (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer Indemnified Person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section 7.04 or Section 8.13 of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of Taxes, excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other Taxes based on or measured by the net income of any person legally entitled to receive such payments (each a "**Recipient**") as a result of a present or former connection between the Recipient and the jurisdiction of the Governmental Authority imposing such Taxes (other than any such connection arising solely from the Recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); (ii) any

withholding or deduction imposed pursuant to (A) Sections 1471 to 1474 of the Internal Revenue Code ("**FATCA**"), or any successor version thereof, or any similar legislation imposed by any other Governmental Authority, or (B) any treaty, law or regulation or other official guidance enacted by Canada implementing FATCA or any intergovernmental agreement with respect to FATCA or any similar legislation imposed by any other Governmental Authority, including, for greater certainty, the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) and Parts XVIII and XIX of the Income Tax Act (collectively, and including FATCA, the "**AEOI Legislation**"); and (iii) any interest, penalties and additions to Taxes in respect of (i) and (ii) (all such excluded Taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a Recipient hereunder, the amounts so payable to the Recipient shall be increased, and the Recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the Recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Whenever any Taxes are payable on or with respect to amounts distributed to a Recipient, as promptly as possible thereafter the Issuer shall send to such Recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to withholding Taxes under any AEOI Legislation if the Recipient were to fail to comply with the applicable reporting requirements of any AEOI Legislation, such Recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with its obligations under any AEOI Legislation and to determine that such Recipient has complied with its obligations under any AEOI Legislation, or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a Recipient expires or becomes obsolete or inaccurate in any respect, the Recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a Recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2018-1 Subordinated Notes

On or prior to the initial issuance of Series 2018-1 Subordinated Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in **Section 12.01 of the Trust Indenture and** Section 3.1 of this Supplemental Indenture shall be true and correct in all material respects, **and** the Issuer shall be in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Indenture Trustee shall have received (i) the Adherence Compliance Certificate required pursuant to Section 4.02(a) of the Change of Law Protection Agreement with respect to the incurrence of Funding Obligations under this Supplemental Indenture, or (ii) written confirmation from the Province that the Funding Obligations incurred under this Supplemental Indenture constitute Approved Obligations.

2.10 Delivery to Series 2018-1 Noteholder

Promptly following the issuance of the Series 2018-1 Subordinated Notes, the definitive notes representing the Series 2018-1 Subordinated Notes shall be delivered to the Series 2018-1 Noteholders (or as they may direct).

2.11 Acceleration Events

If a Series 2018-1 Event of Default occurs and is continuing, then and in each and every such case, and without regard to whether all Issuer Funding Obligations have been declared due and payable pursuant to Section 8.02(a) of the Trust Indenture, the Series 2018-1 Noteholders may by Ordinary Resolution (with notice of such Ordinary Resolution being provided to the Issuer and the Indenture Trustee) determine to declare the Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes and all interest accrued and unpaid (if any) thereon to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, notwithstanding anything in this Supplemental Indenture or the Trust Indenture to the contrary. The Issuer shall give prompt written notice to DBRS **and Moody's** of the occurrence of an Acceleration Event.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2018-1 Noteholder that:

(a) no Termination Event has occurred or would result from the purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not Non-residents;

(c) all Tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest; and

(f) to its knowledge, there is no set of circumstances existing at such time that will have an Adverse Effect or will reasonably be expected to have an Adverse Effect.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section 9.07 of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Indenture Trustee (on behalf of the Series 2018-1 Noteholders) hereby acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and

their entitlements as ~~a~~ Specified ~~Creditor~~**Creditors** are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments to be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (**The** Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (**Preservation of Information;** Communications to Specified Creditors) and Section 16.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2018-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2018-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 15 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (~~iii~~**c**) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that Computershare Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2018-1 Subordinated Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[~~signature~~Signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture as of the date first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, ~~as Issuer Trustee~~**in its capacity as trustee** of **FAIR HYDRO TRUST**, **as Issuer,** by ~~its Manager,~~ **ONTARIO POWER GENERATION INC.**, not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

BNY TRUST COMPANY OF CANADA, as Indenture Trustee **and not in its individual capacity**

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means either:

(a) all Issuer Funding Obligations are declared due and payable under Section 8.02 of the Trust Indenture, or

(b) the Outstanding Dollar Principal Amount of the Series 2018-1 Subordinated Notes and all interest accrued and unpaid thereon is declared to be due and payable under Section 2.11.

"**AEOI Legislation**" has the meaning specified in Section 2.8(a).

"**Excluded Taxes**" has the meaning specified in Section 2.8(a).

"**FATCA**" has the meaning specified in Section 2.8(a).

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Subordinated Notes to be redeemed, the yield from the Series 2018-1 Redemption Date to ~~● [par call date]~~**the Par Call Date**, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to ~~● [par call date]~~**the Par Call Date** (calculated from the Series 2018-1 Redemption Date) ~~of the Series 2018-1 Subordinated Notes~~, such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

"Indenture Trustee" has the meaning specified in the recitals of this Supplemental Indenture.

"**Interest Payment Date**" has the meaning specified in Section 2.2(l).

"Issuer" has the meaning specified in the recitals of this Supplemental Indenture.

"**Issuer Indemnified Person**" has the meaning specified in Section 2.7.

"Par Call Date" means ■, 20■.

"**Recipient**" has the meaning specified in Section 2.8(a).

"**Requisite Series 2018-1 Noteholders**" means Series 2018-1 Noteholders holding, in aggregate, at least ~~[~~50~~]~~% of the Series 2018-1 Subordinated Notes then Outstanding.

"Series 2018-1 Canada Yield Price" means a price equal to the price of the Series 2018-1 Subordinated Notes calculated to provide a yield to ~~● [par call date]~~**the Par Call Date**, compounded semi-annually and calculated in accordance with generally accepted Canadian

financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the Series 2018-1 Redemption Date specified in the notice of redemption delivered pursuant to Section 4.10 of the Trust Indenture **and Section 2.6 of this Supplemental Indenture**, plus ●%.

"**Series 2018-1 Event of Default**" means any one of the following events occurs at any time that the Subordinated Funding Obligations constitute the Controlling Class Obligations (whatever the reason for such Series 2018-1 Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

(a) a default by the Issuer in the payment of any interest on any Series 2018-1 Subordinated Notes when such interest becomes due and payable, and continuance of such default for a period of five days following the date on which such interest became due and payable;

(b) a default by the Issuer in the payment of any principal of any Series 2018-1 Subordinated Notes at its Principal Payment Default Date;

(c) any representation or warranty contained in Section 3.1 of this Supplemental Indenture or Section 12.01 of the Trust Indenture proves to be incorrect in any material respect when made and such incorrect representation or warranty if capable of being remedied by the Issuer, has not been remedied for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) a default in the performance, or breach, of any covenant of the Issuer in the Trust Indenture or this Supplemental Indenture in respect of any Series 2018-1 Subordinated Notes (other than an agreement, covenant or warranty a default in the performance of which or the breach of which is elsewhere specifically dealt with in this definition of Series 2018-1 Event of Default), and continuance of such default or breach for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period; or

(e) an event of default or other event occurs and as a result thereof, all or a portion of the principal amount owing in respect of any other Series of Subordinated Funding Obligations has become, or been declared, due and payable before the scheduled payment date, maturity date or redemption date in respect of such other Series of Subordinated Funding Obligations.

"**Series 2018-1 Noteholder**" means a Person in whose name a Series 2018-1 Subordinated Note is registered in the Note Register.

"**Series 2018-1 Redemption Date**" means a date fixed for redemption of the Series 2018-1 Subordinated Notes pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture.

"**Series 2018-1 Subordinated Note**" means any one of the Series 2018-1 Subordinated Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Termination Event**" means any Acceleration Event **or Series 2018-1 Event of Default,** or any event which with the giving of notice or the passage of time, or both, could become an Acceleration Event **or a Series 2018-1 Event of Default**.

"Trust Indenture" has the meaning specified in the recitals of this Supplemental Indenture.

SCHEDULE B

[FORM OF NOTE]SERIES 2018-1 SUBORDINATED NOTE

FAIR HYDRO TRUST
(A trust established under the laws of the Province of Ontario)

● % SUBORDINATED NOTE DUE ●, SERIES 2018-1

Fair Hydro Trust (herein referred to as the "Issuer"), a trust governed by the laws of Ontario and established under a Declaration of Trust dated as of December 20, 2017, for value received, hereby promises to pay the principal sum of $● to the registered holder hereof on ●, 20● (the "Principal Payment Date") or on such earlier date as the principal amount hereof may become due, in accordance with the provisions set forth in the Trust Indenture and the Supplemental Indenture. The Issuer will pay interest on the outstanding principal amount of this Series 2018-1 Subordinated Note in accordance with Section 2.4 of the Supplemental Indenture on each Interest Payment Date (as defined below) at the rate of ●% per annum in equal semi-annual instalments on the Payment Dates occurring in the months of April and October in each year (each, an "Interest Payment Date") commencing on April ●, 2018 (provided that the initial interest payment payable on April ●, 2018 will be in an aggregate amount equal to $● per $1,000 principal amount) until the principal of this Series 2018-1 Subordinated Note is paid or made available for payment, to the extent funds are available in accordance with the terms of the Supplemental Indenture. The principal of and interest on this Series 2018-1 Subordinated Note are payable in Canadian dollars.

Beginning on the first Payment Date following the occurrence of an Acceleration Event, the principal of this Series 2018-1 Subordinated Note shall be paid in full on each such Payment Date to the extent of funds available for payment therefor pursuant to the Trust Indenture. Such principal of and interest on this Series 2018-1 Subordinated Note shall be paid in the manner specified on the reverse hereof.

Reference is made to the further provisions of this Series 2018-1 Subordinated Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Series 2018-1 Subordinated Note. Although a summary of certain provisions of the Trust Indenture and Supplemental Indenture is set forth below and on the reverse hereof and made a part hereof, this Series 2018-1 Subordinated Note does not purport to summarize the Trust Indenture and Supplemental Indenture and reference is made to the Trust Indenture and Supplemental Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Issuer and the Indenture Trustee. In the event that there is any inconsistency between the provisions of the Trust Indenture or Supplemental Indenture and the provisions hereof, the provisions of the Trust Indenture and Supplemental Indenture shall govern. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture and Supplemental Indenture. Copies of the Trust Indenture and Supplemental Indenture may be requested from the Indenture

Trustee by writing to the Indenture Trustee at: BNY Trust Company of Canada, One York Street, 6th Floor, Toronto, Ontario M5J 0B6, Attention: Corporate Trust Administration.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee, by manual signature, this Series 2018-1 Subordinated Note shall not be entitled to any benefit under the Trust Indenture and Supplemental Indenture referred to on the reverse hereof, or be valid for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Series 2018-1 Subordinated Note to be duly executed.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By:

Name:

Title:

By:

Name:

Title:

Dated: _____●, 2018

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the ●% Subordinated Notes due ●, Series 2018-1 described in the within-mentioned Trust Indenture and Supplemental Indenture.

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By:

Authorized Signatory

By:

Authorized Signatory

FAIR HYDRO TRUST

●% SUBORDINATED NOTES DUE ●, SERIES 2018-1

Summary of Terms and Conditions

This Series 2018-1 Subordinated Note is one of a duly authorized Series of Subordinated Notes of the Issuer, designated as the ●% Subordinated Notes due ●, Series 2018-1 (the "Series 2018-1 Subordinated Notes"), issued under a trust indenture dated as of December 21, 2017 (as may be amended, supplemented, restated, replaced or otherwise modified from time to time, the "Trust Indenture"), between the Issuer and BNY Trust Company of Canada, as indenture trustee (the "Indenture Trustee," which term includes any successor Indenture Trustee under the Trust Indenture), as amended and supplemented by the Subordinated Series 2018-1 Supplemental Indenture, dated as of ●, 2018 (the "Supplemental Indenture"), and representing the right to receive certain payments from the Issuer. Except as set forth in the Supplemental Indenture, the Series 2018-1 Subordinated Note is subject to all of the terms of the Trust Indenture. All terms used in this Series 2018-1 Subordinated Note and not otherwise defined herein shall have the meanings assigned to them in or pursuant to the Supplemental Indenture.

The Series 2018-1 Subordinated Note is and will be equally and ratably secured by the Collateral pledged as security therefor as provided in the Trust Indenture.

"Payment Date" means the 15th day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on April 15, 2018.

As described above, all amounts payable on maturity with respect to this Series 2018-1 Subordinated Note shall be due and payable on the Principal Payment Date, in accordance with Section 2.5 of the Supplemental Indenture. All principal payments of the Series 2018-1 Subordinated Note shall be deposited with the Indenture Trustee.

Payments of interest on this Series 2018-1 Subordinated Note are due and payable on each Interest Payment Date or such other date as may be specified in the Supplemental Indenture by wire transfer to each Series 2018-1 Noteholder as of the Record Date. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

The Series 2018-1 Subordinated Notes are redeemable in accordance with Section 2.6 of the Supplemental Indenture and Section 4.10 of the Trust Indenture.

The Indenture Trustee (on behalf of each Series 2018-1 Noteholder), acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments To Be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13

(Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

The Trust Indenture and Supplemental Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Series 2018-1 Noteholders under the Trust Indenture and Supplemental Indenture at any time by the Issuer with the consent of the applicable Person(s) specified therein. The Trust Indenture also contains provisions permitting the applicable Person(s) specified therein to waive compliance by the Issuer with certain provisions of the Trust Indenture and certain past defaults under the Trust Indenture and their consequences with respect to the Series 2018-1 Subordinated Notes. Any such consent or waiver by such Person(s) shall be conclusive and binding upon the Series 2018-1 Noteholders and upon all future holders of this Series 2018-1 Subordinated Note and of any Series 2018-1 Subordinated Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Series 2018-1 Subordinated Note. The Trust Indenture also permits the Issuer and the Indenture Trustee to amend or waive certain terms and conditions set forth in the Trust Indenture without the consent of any other Person.

The term "the Issuer" as used in this Series 2018-1 Subordinated Note includes any successor to the Issuer under the Trust Indenture.

The Series 2018-1 Subordinated Notes are only issuable in registered form in denominations as provided in the Trust Indenture, subject to certain limitations set forth therein.

This Series 2018-1 Subordinated Note, the Trust Indenture and Supplemental Indenture, and all matters arising out of or relating to this Series 2018-1 Subordinated Note, the Trust Indenture or Supplemental Indenture, shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws applicable therein, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such laws.

No reference herein to the Trust Indenture and Supplemental Indenture and no provision of this Series 2018-1 Subordinated Note or of the Trust Indenture and Supplemental Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Series 2018-1 Subordinated Note at the times, place and rate, and in the coin or currency herein prescribed, subject to any duty of the Issuer to deduct or withhold any amounts as required by law, including any applicable Taxes.

REGISTRATION PANEL

(No writing on this panel except by the Note Registrar)

Date of Registration	In Whose Name Registered	Signature of Note Registrar

Document comparison by Workshare Compare on January-05-18 11:07:31 AM

Input:	
Document 1 ID	file://C:\Users\bsaulnie\AppData\Local\Temp\Workshare\wmtemp2e5c\Fair Hydro - Term - Subordinated Supplemental Indenture.docx
Description	Fair Hydro - Term - Subordinated Supplemental Indenture
Document 2 ID	file://C:\Users\bsaulnie\Desktop\New folder\Subordinated Supplemental Indenture.docx
Description	Subordinated Supplemental Indenture
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	108
Deletions	79
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	187

From:	Saulnier, Brett
To:	Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); Tim Christie (ENERGY); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; "ASHBOURNE, STEPHEN"; Tim Christie (ENERGY); Malle Hanslep (MOF)
Cc:	Mansoori, Nina
Subject:	RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries (EMAIL 4/6)
Date:	Friday, January 05, 2018 5:43:59 PM
Attachments:	05. Form of Senior Supplemental Indenture.docx 06. Blackline Senior Supplemental Indenture.pdf

---

Email 4/6: Term Supplemental Indenture

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 5:13 PM

To: Mansoori, Nina <nmansoori@torys.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Thompson, Scott (MOF) <Scott.Thompson@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>

Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Olusoga, Yinka <yolusoga@torys.com>

Subject: Re: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Hi Nina

I am having trouble receiving the email with the attachments because the attachments are large. Is it possible for you to resend the attachments in separate emails? Sorry about that and would appreciate it so I can review.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Mansoori, Nina

Sent: Friday, January 5, 2018 17:04

To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: 'John Lee (john.s.lee@opg.com)'; 'Ken Ryfa (ken.ryfa@opg.com)'; 'WONG Leslie -LAWDIV'; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka

Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

All – just to clarify - we appreciate the Province will be reviewing the draft OM and may have comments on the disclosure which we would be happy to discuss once you have had a chance to review. Thanks,

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=UZJbJYryb-LtiZpYgahx3RD-KwrXHZ_htsU_ZYW-e_4&s=50x3GhSTUCidp8R87k-4b4dSynX_MRhz5jJsj17YDks&e= >

[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=UZJbJYryb-LtiZpYgahx3RD-KwrXHZ_htsU_ZYW-e_4&s=50x3GhSTUCidp8R87k-4b4dSynX_MRhz5jJsj17YDks&e= >

From: Mansoori, Nina

Sent: January-05-18 4:55 PM

To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; 'Scott.Thompson@ontario.ca' <Scott.Thompson@ontario.ca>; 'Anna.Strathy@ofina.on.ca' <Anna.Strathy@ofina.on.ca>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; 'David.McLean@ontario.ca' <David.McLean@ontario.ca>; 'Jonathan.Tekle@ontario.ca' <Jonathan.Tekle@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; 'Ken.Kandeepan@ofina.on.ca' <Ken.Kandeepan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; 'tim.christine@ontario.ca' <tim.christine@ontario.ca>

Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>

Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Importance: High

All,

Reference is made to the Change of Law Process Agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the Province") and Ontario Power Generation Inc. ("OPG") to be dated as of December 21, 2017 (the "Change of Law Process Agreement"). All capitalized terms used and not defined in this email shall have their respective meanings in the Change of Law Process Agreement.

On behalf of OPG, we have hand-delivered today to the Ministers and the Deputy Ministers the forms of Transaction Documents set out in the attached cover letter. For ease of reference, we also attach these documents here and attach blacklines to the last versions of the term supplemental indentures circulated to you. If you would like a blackline of any other Transaction Document, please send us the version you reviewed last.

We consider these forms settled other than:

· There is one change that has been proposed by the dealers, and which is under discussion, that will impact the term supplemental indentures and will necessitate some additional disclosure to the term sheet. The dealers have advised that following a Principal Payment Date (i.e. the date on which all amounts owing under the notes are expected to be repaid in full), it would be typical for the interest payment dates to accelerate to monthly (instead of semi-annually). Once the dealers and OPG have an opportunity to discuss and come to an agreement on this point

next week, the necessary changes to reflect this will be made to the term supplemental indentures and the term sheet

· there are still some bullets in these documents which will be addressed closer to closing (including dates, pricing information and the names of all of the Agents)

· we expect there will be some minor clean up to the OM (including making sure all of our cross-references are correct and that the glossary picks up all defined terms).

Please let us know if you have any questions.

Best Regards,

Nina

P. 416.865.7332

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TERM

SENIOR SERIES 2018-1 SUPPLEMENTAL INDENTURE

between

FAIR HYDRO TRUST

by

COMPUTERSHARE TRUST COMPANY OF CANADA
as Issuer Trustee

and

BNY TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF DECEMBER 21, 2017

AND PROVIDING FOR THE ISSUE OF
●% SENIOR NOTES DUE ●, SERIES 2018-1
OF FAIR HYDRO TRUST

Made as of ●, 2018

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●% SENIOR NOTES DUE ●, SERIES 2018-1

THIS SENIOR NOTES SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2018, between **Computershare Trust Company of Canada** in its capacity as trustee of **Fair Hydro Trust**, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and **BNY Trust Company of Canada**, a trust company existing under the laws of Canada (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of December 21, 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Senior Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Senior Notes designated as the ●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2018-1 Senior Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental Indenture are applicable only in respect of the Series 2018-1 Senior Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2018-1 Senior Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2018-1 Senior Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2018-1 SENIOR NOTES

2.1 Creation of Series 2018-1 Senior Notes

There is hereby created a Series of Senior Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●% Senior Notes due ●, Series 2018-1.**"

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2018-1 Senior Notes will:

(a) be designated as set out in Section 2.1;

(b) be Senior Notes;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have a Stated Principal Amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2018-1 Senior Notes may be increased after the date hereof without the consent of any Series 2018-1 Noteholder or any holder of any Notes of any other Class, Series or Tranche, but subject to satisfaction of the Rating Agency Condition;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued as a Registered Note in minimum denominations of $150,000 and integral multiples of 1,000;

(h) be issued in the form of a Global Note and the depository thereof shall be the Canadian Depository;

(i) be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) bear interest at a rate of ●% per annum;

(k) accrue interest from the later of: (i) ●, 2018 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Series 2018-1 Senior Notes;

(l) have interest paid in equal semi-annual instalments (except the initial interest payment) on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing with the Payment Date occurring in the month of April, 2018 in respect of the Series 2018-1 Senior Notes issued prior to such date;

(m) subject to the occurrence of an Acceleration Event, mature on, and have ●, 20●, as their sole Principal Payment Date with a principal payment amount on such Principal Payment Date equal to the then Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes;

(n) have ●, 20● as their Principal Payment Default Date;

(o) subject to the occurrence of an Acceleration Event, have ●, 20● as their Principal Accumulation Date;

(p) subject to the occurrence of an Acceleration Event, have the following Principal Accumulation Amounts for each Payment Date on or after their Principal Accumulation Date:

Payment Dates	**Principal Accumulation Amounts**
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●

(q) after the occurrence of an Acceleration Event and for so long as it continues, each Payment Date shall be a Principal Payment Date in respect of the Series 2018-1 Senior Notes and the full Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date;

(r) have a Record Date for each Interest Payment Date that is the last day of the calendar month preceding each Interest Payment Date; and

(s) be redeemable and subject to repurchase as provided in Section 2.6 below.

2.3 Delivery

On the date of issuance of the Series 2018-1 Senior Notes, Series 2018-1 Senior Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any Taxes required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2018-1 Senior Notes) will on each Interest Payment Date, make payment

of such interest, less any Taxes required by law to be deducted or withheld, by wire transfer to each Series 2018-1 Noteholder as of the Record Date. The payment by such wire transfer will satisfy and discharge the liability for interest upon such Series 2018-1 Senior Note to the extent of the sum represented thereby (plus the amount of any Taxes deducted or withheld as aforesaid). Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

By 10:00 a.m. (Toronto time) on the Principal Payment Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order of Series 2018-1 Noteholders on maturity on account of principal. The deposit of such funds will satisfy and discharge the liability for principal of the Series 2018-1 Senior Notes to the extent of the sum represented thereby.

2.6 Redemption and Repurchase

(a) At its option, at any time prior to the Par Call Date, the Issuer may redeem the Series 2018-1 Senior Notes in whole or, from time to time, in part, on payment of a Redemption Price equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2018-1 Redemption Date. At any time on or after the Par Call Date, the Issuer may redeem the Series 2018-1 Senior Notes in whole or, from time to time, in part, on payment of a Redemption Price equal to par, together with accrued and unpaid interest to the Series 2018-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and not less than 15 days before the date fixed for redemption, and will provide a copy of such notice to DBRS and Moody's upon the issuance thereof. Less than all of the Series 2018-1 Senior Notes may be redeemed, if so redeemed, in accordance with Section 4.10 of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2018-1 Senior Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Less than all of the Series 2018-1 Senior Notes may be purchased, if so purchased, for cancellation in accordance with Section 4.11 of the Trust Indenture.

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2018-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer Indemnified Person by reason of: (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability,

expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer Indemnified Person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section 7.04 or Section 8.13 of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of Taxes, excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other Taxes based on or measured by the net income of any person legally entitled to receive such payments (each a "**Recipient**") as a result of a present or former connection between the Recipient and the jurisdiction of the Governmental Authority imposing such Taxes (other than any such connection arising solely from the Recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); (ii) any withholding or deduction imposed pursuant to (A) Sections 1471 to 1474 of the Internal Revenue Code ("**FATCA**"), or any successor version thereof, or any similar legislation imposed by any other Governmental Authority, or (B) any treaty, law or regulation or other official guidance enacted by Canada implementing FATCA or any intergovernmental agreement with respect to FATCA or any similar legislation imposed by any other Governmental Authority, including, for greater certainty, the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) and Parts XVIII and XIX of the Income Tax Act (collectively, and including FATCA, the "**AEOI Legislation**"); and (iii) any interest, penalties and additions to Taxes in respect of (i) and (ii) (all such excluded Taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a Recipient hereunder, the amounts so payable to the Recipient shall be increased, and the Recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the Recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts specified hereunder. Whenever any Taxes are payable on or with respect to amounts distributed to a Recipient, as promptly as possible thereafter the Issuer shall send to such Recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to withholding Taxes under any AEOI Legislation if the Recipient were to fail to comply with the applicable reporting requirements of any AEOI Legislation, such Recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with its obligations under any AEOI Legislation and to determine that such Recipient has complied with its obligations under any AEOI Legislation, or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a Recipient expires or becomes

obsolete or inaccurate in any respect, the Recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a Recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2018-1 Senior Notes

On or prior to the initial issuance of Series 2018-1 Senior Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in Section 12.01 of the Trust Indenture and Section 3.1 of this Supplemental Indenture shall be true and correct in all material respects, and the Issuer shall be in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Series 2018-1 Senior Notes shall have been rated **[AAA(sf)]** by DBRS and **[Aa2(sf)]** by Moody's.

(d) The Indenture Trustee shall have received (i) the Adherence Compliance Certificate required pursuant to Section 4.02(a) of the Change of Law Protection Agreement with respect to the incurrence of Funding Obligations under this Supplemental Indenture, or (ii) written confirmation from the Province that the Funding Obligations incurred under this Supplemental Indenture constitute Approved Obligations.

2.10 Delivery to Depository

Promptly following the issuance of the Series 2018-1 Senior Notes, the Global Note representing such Notes shall be delivered to the Canadian Depository (or as it may direct) for deposit into its book-based system for the benefit of the Note Owners of such Notes.

2.11 Acceleration Events

If a Series 2018-1 Event of Default occurs and is continuing, then and in each and every such case, and without regard to whether all Issuer Funding Obligations have been declared due and payable pursuant to Section 8.02(a) of the Trust Indenture, the Series 2018-1 Noteholders may by Ordinary Resolution (with notice of such Ordinary Resolution being provided to the Issuer and the Indenture Trustee) determine to declare the Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes and all interest accrued and unpaid (if any) thereon to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable,

notwithstanding anything in this Supplemental Indenture or the Trust Indenture to the contrary. The Issuer shall give prompt written notice to DBRS and Moody's of the occurrence of an Acceleration Event.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2018-1 Noteholder that:

(a) no Termination Event has occurred or would result from the purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not Non-residents;

(c) all Tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest; and

(f) to its knowledge, there is no set of circumstances existing at such time that will have an Adverse Effect or will reasonably be expected to have an Adverse Effect.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section 9.07 of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Indenture Trustee (on behalf of the Series 2018-1 Noteholders) hereby acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments to be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2018-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2018-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given, in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 15 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (c) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that Computershare Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with

wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2018-1 Senior Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[Signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture as of the date first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer, by ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

BNY TRUST COMPANY OF CANADA, as Indenture Trustee and not in its individual capacity

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means either:

(a) all Issuer Funding Obligations are declared due and payable under Section 8.02 of the Trust Indenture, or

(b) the Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes and all interest accrued and unpaid thereon is declared to be due and payable under Section 2.11.

"**AEOI Legislation**" has the meaning specified in Section 2.8(a).

"**Excluded Taxes**" has the meaning specified in Section 2.8(a).

"**FATCA**" has the meaning specified in Section 2.8(a).

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes to be redeemed, the yield from the Series 2018-1 Redemption Date to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to the Par Call Date (calculated from the Series 2018-1 Redemption Date), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

"**Indenture Trustee**" has the meaning specified in the recitals of this Supplemental Indenture.

"**Interest Payment Date**" has the meaning specified in Section 2.2(l).

"**Issuer**" has the meaning specified in the recitals of this Supplemental Indenture.

"**Issuer Indemnified Person**" has the meaning specified in Section 2.7.

"**Par Call Date**" means ●, 20●.

"**Recipient**" has the meaning specified in Section 2.8(a).

"**Requisite Series 2018-1 Noteholders**" means Series 2018-1 Noteholders holding, in aggregate, at least 50% of the Series 2018-1 Senior Notes then Outstanding.

"Series 2018-1 Canada Yield Price" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the Series 2018-1 Redemption Date specified in the notice of redemption delivered pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture, plus ●%.

"**Series 2018-1 Event of Default**" means any one of the following events (whatever the reason for such Series 2018-1 Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

(a) a default by the Issuer in the payment of any interest on any Series 2018-1 Senior Notes when such interest becomes due and payable, and continuance of such default for a period of five days following the date on which such interest became due and payable;

(b) a default by the Issuer in the payment of any principal of any Series 2018-1 Senior Notes at its Principal Payment Default Date;

(c) any representation or warranty contained in Section 3.1 of this Supplemental Indenture or Section 12.01 of the Trust Indenture proves to be incorrect in any material respect when made and such incorrect representation or warranty if capable of being remedied by the Issuer, has not been remedied for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) a default in the performance, or breach, of any covenant of the Issuer in the Trust Indenture or this Supplemental Indenture in respect of any Series 2018-1 Senior Notes (other than an agreement, covenant or warranty a default in the performance of which or the breach of which is elsewhere specifically dealt with in this definition of Series 2018-1 Event of Default), and continuance of such default or breach for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period; or

(e) an event of default or other event occurs and as a result thereof, all or a portion of the principal amount owing in respect of any other Series of Senior Funding Obligations has become, or been declared, due and payable before the scheduled payment date, maturity date or redemption date in respect of such other Series of Senior Funding Obligations.

"**Series 2018-1 Noteholder**" means a Person in whose name a Series 2018-1 Senior Note is registered in the Note Register.

"**Series 2018-1 Redemption Date**" means a date fixed for redemption of the Series 2018-1 Senior Notes pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture.

"**Series 2018-1 Senior Note**" means any one of the Series 2018-1 Senior Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Termination Event**" means any Acceleration Event or Series 2018-1 Event of Default, or any event which with the giving of notice or the passage of time, or both, could become an Acceleration Event or a Series 2018-1 Event of Default.

"**Trust Indenture**" has the meaning specified in the recitals of this Supplemental Indenture.

SCHEDULE B

FORM OF SERIES 2018-1 SENIOR NOTE

[FOR GLOBAL NOTES ONLY: THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE TRUST INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF CDS & CO. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO FAIR HYDRO TRUST OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.]

EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — *RESALE OF SECURITIES*, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LAWS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.

IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY.

FAIR HYDRO TRUST

(A trust established under the laws of the Province of Ontario)

No. ● $●

CUSIP: ●

ISIN: ●

GLOBAL NOTE
●% SENIOR NOTE DUE ●, SERIES 2018-1

Fair Hydro Trust (herein referred to as the "**Issuer**"), a trust governed by the laws of Ontario and established under a Declaration of Trust dated as of December 20, 2017, for value received, hereby promises to pay the principal sum of $● to the registered holder hereof on ●, 20● (the "**Principal Payment Date**") or on such earlier date as the principal amount hereof may become due, in accordance with the provisions set forth in the Trust Indenture and the Supplemental Indenture. The Issuer will pay interest on the outstanding principal amount of this Series 2018-1 Senior Note in accordance with Section 2.4 of the Supplemental Indenture on each Interest Payment Date (as defined below) at the rate of ●% per annum in equal semi-annual instalments on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing on April ●, 2018 (provided that the initial interest payment payable on April ●, 2018 will be in an aggregate amount equal to $● per $1,000 principal amount) until the principal of this Series 2018-1 Senior Note is paid or made available for payment,

to the extent funds are available in accordance with the terms of the Supplemental Indenture. The principal of and interest on this Series 2018-1 Senior Note are payable in Canadian dollars.

Beginning on the first Payment Date following the occurrence of an Acceleration Event, the principal of this Series 2018-1 Senior Note shall be paid in full on each such Payment Date to the extent of funds available for payment therefor pursuant to the Trust Indenture. Such principal of and interest on this Series 2018-1 Senior Note shall be paid in the manner specified on the reverse hereof.

Reference is made to the further provisions of this Series 2018-1 Senior Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Series 2018-1 Senior Note. Although a summary of certain provisions of the Trust Indenture and Supplemental Indenture is set forth below and on the reverse hereof and made a part hereof, this Series 2018-1 Senior Note does not purport to summarize the Trust Indenture and Supplemental Indenture and reference is made to the Trust Indenture and Supplemental Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Issuer and the Indenture Trustee. In the event that there is any inconsistency between the provisions of the Trust Indenture or Supplemental Indenture and the provisions hereof, the provisions of the Trust Indenture and Supplemental Indenture shall govern. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture and Supplemental Indenture. Copies of the Trust Indenture and Supplemental Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: BNY Trust Company of Canada, One York Street, 6th Floor, Toronto, Ontario M5J 0B6, Attention: Corporate Trust Administration.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee, by manual signature, this Series 2018-1 Senior Note shall not be entitled to any benefit under the Trust Indenture and Supplemental Indenture referred to on the reverse hereof, or be valid for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Series 2018-1 Senior Note to be duly executed.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

Dated: _____●, 2018

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the ●% Senior Notes due ●, Series 2018-1 described in the within-mentioned Trust Indenture and Supplemental Indenture.

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By: _____
Authorized Signatory

By: _____
Authorized Signatory

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ●, SERIES 2018-1

Summary of Terms and Conditions

This Series 2018-1 Senior Note is one of a duly authorized Series of Senior Notes of the Issuer, designated as the ●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**"), issued under a trust indenture dated as of December 21, 2017 (as may be amended, supplemented, restated, replaced or otherwise modified from time to time, the "**Trust Indenture**"), between the Issuer and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**," which term includes any successor Indenture Trustee under the Trust Indenture), as amended and supplemented by the Senior Series 2018-1 Supplemental Indenture, dated as of ●, 2018 (the "**Supplemental Indenture**"), and representing the right to receive certain payments from the Issuer. Except as set forth in the Supplemental Indenture, the Series 2018-1 Senior Note is subject to all of the terms of the Trust Indenture. All terms used in this Series 2018-1 Senior Note and not otherwise defined herein shall have the meanings assigned to them in or pursuant to the Supplemental Indenture.

The Series 2018-1 Senior Note is and will be equally and ratably secured by the Collateral pledged as security therefor as provided in the Trust Indenture.

"**Payment Date**" means the 15th day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on April 15, 2018.

As described above, all amounts payable on maturity with respect to this Series 2018-1 Senior Note shall be due and payable on the Principal Payment Date, in accordance with Section 2.5 of the Supplemental Indenture. All principal payments of the Series 2018-1 Senior Note shall be deposited with the Indenture Trustee.

Payments of interest on this Series 2018-1 Senior Note are due and payable on each Interest Payment Date or such other date as may be specified in the Supplemental Indenture by wire transfer to each Series 2018-1 Noteholder as of the Record Date. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

The Series 2018-1 Senior Notes are redeemable in accordance with Section 2.6 of the Supplemental Indenture and Section 4.10 of the Trust Indenture.

The Indenture Trustee (on behalf of each Series 2018-1 Noteholder), acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments To Be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

The Trust Indenture and Supplemental Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Series 2018-1 Noteholders under the Trust Indenture and Supplemental Indenture at any time by the Issuer with the consent of the applicable Person(s) specified therein. The Trust Indenture also contains provisions permitting the applicable Person(s) specified therein to waive compliance by the Issuer with certain provisions of the Trust Indenture and certain past defaults under the Trust Indenture and their consequences with respect to the Series 2018-1 Senior Notes. Any such consent or waiver by such Person(s) shall be conclusive and binding upon the Series 2018-1 Noteholders and upon all future holders of this Series 2018-1 Senior Note and of any Series 2018-1 Senior Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Series 2018-1 Senior Note. The Trust Indenture also permits the Issuer and the Indenture Trustee to amend or waive certain terms and conditions set forth in the Trust Indenture without the consent of any other Person.

The term "**the Issuer**" as used in this Series 2018-1 Senior Note includes any successor to the Issuer under the Trust Indenture.

The Series 2018-1 Senior Notes are issuable under the Book-Entry System in minimum denominations of $150,000 and integral multiple of $1,000. The right of beneficial holders of this Series 2018-1 Senior Note to receive fully registered definitive note certificates is restricted. The Series 2018-1 Senior Notes of any authorized denomination may be exchanged, as provided in the Trust Indenture, for Series 2018-1 Senior Notes of an equal aggregate principal amount in any other authorized denomination or denominations.

This Series 2018-1 Senior Note, the Trust Indenture and Supplemental Indenture, and all matters arising out of or relating to this Series 2018-1 Senior Note, the Trust Indenture or Supplemental Indenture, shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws applicable therein, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such laws.

No reference herein to the Trust Indenture and Supplemental Indenture and no provision of this Series 2018-1 Senior Note or of the Trust Indenture and Supplemental Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Series 2018-1 Senior Note at the times, place and rate, and in the coin or currency herein prescribed, subject to any duty of the Issuer to deduct or withhold any amounts as required by law, including any applicable Taxes.

REGISTRATION PANEL

(No writing on this panel except
by the Note Registrar)

Date of Registration	In Whose Name Registered	Signature of Note Registrar

TERM

SENIOR SERIES ~~[~~2018-1~~]~~ SUPPLEMENTAL INDENTURE

between

FAIR HYDRO TRUST

by

COMPUTERSHARE TRUST COMPANY OF CANADA
as Issuer Trustee

and

BNY TRUST COMPANY OF CANADA
as Indenture Trustee

SUPPLEMENTING THE TRUST INDENTURE DATED AS OF DECEMBER ~~●,~~21, 2017

AND PROVIDING FOR THE ISSUE OF
●% SENIOR NOTES DUE ●, SERIES 2018-1
OF FAIR HYDRO TRUST

Made as of ●, 2018

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●% SENIOR NOTES DUE ●, SERIES 2018-1

THIS SENIOR NOTES SUPPLEMENTAL INDENTURE (this "**Supplemental Indenture**") is made as of ●, 2018, between **Computershare Trust Company of Canada** in its capacity as trustee of **Fair Hydro Trust**, a trust existing under the laws of the Province of Ontario (the "**Issuer**") and **BNY Trust Company of Canada**, a trust company existing under the laws of Canada (the "**Indenture Trustee**").

WHEREAS pursuant to the Trust Indenture dated as of December ~~●,~~ **21,** 2017 between the Issuer and the Indenture Trustee (as amended or restated from time to time, the "**Trust Indenture**"), provision was made for the issuance of Senior Notes from time to time in one or more Series by the execution and delivery of a Supplemental Indenture;

AND WHEREAS the parties hereto are entering into this Supplemental Indenture to provide for the creation and issuance of a Series of Senior Notes designated as the ●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**");

AND WHEREAS the foregoing recitals are made as statements of fact by the Issuer and not by the Indenture Trustee.

NOW THEREFORE THIS SUPPLEMENTAL INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

(a) For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Schedule A hereto have the meanings assigned to them in Schedule A and include the plural as well as the singular.

(b) All terms used herein which are defined in the Trust Indenture, either directly or by reference therein, have the meanings assigned to them therein.

1.2 Interpretation

Subject to the next following sentences, this Supplemental Indenture is supplemental to the Trust Indenture and the Trust Indenture shall be read in conjunction with this Supplemental Indenture and all of the provisions of the Trust Indenture shall apply to and shall have effect in connection with this Supplemental Indenture in the same manner as if all of the provisions of the Trust Indenture and of this Supplemental Indenture were contained in one instrument. This Supplemental Indenture shall, unless the context otherwise requires, be subject to the interpretative provisions contained in Article I of the Trust Indenture. If any terms of the Trust Indenture are inconsistent with the express terms or provisions hereof, the terms and provisions of the Trust Indenture shall be, solely in respect of the Series 2018-1 Senior Notes, amended and supplemented so as to be consistent herewith. The provisions of this Supplemental Indenture are applicable only in respect of the Series 2018-1 Senior Notes and not the Notes of any other Series.

1.3 Application of this Supplemental Indenture

With respect to the Series 2018-1 Senior Notes only, the terms of the Trust Indenture are amended, supplemented, modified, restated and replaced to the extent applicable by the terms of this Supplemental Indenture in respect of the Series 2018-1 Senior Notes in accordance with Section 1.2 above.

ARTICLE 2
SERIES 2018-1 SENIOR NOTES

2.1 Creation of Series 2018-1 Senior Notes

There is hereby created a Series of Senior Notes to be issued pursuant to the Trust Indenture and this Supplemental Indenture designated as the "**●% Senior Notes due ●, Series 2018-1.**"

2.2 Principal Terms

In addition to and without limiting all of the provisions of this Supplemental Indenture, the Series 2018-1 Senior Notes will:

(a) be designated as set out in Section 2.1;

(b) be Senior Notes;

(c) not be divided into Tranches;

(d) be unlimited in principal amount but initially will have a Stated Principal Amount of $● to be issued on the date hereof, provided that the principal amount of the Series 2018-1 Senior Notes may be increased after the date hereof without the consent of any ~~holder of~~ Series 2018-1 ~~Senior Notes~~**Noteholder** or any holder of any Notes of any other Class, Series or Tranche, but subject to satisfaction of the Rating Agency Condition;

(e) be denominated in Canadian dollars;

(f) not be listed on any securities exchange;

(g) be issued **as a Registered Note in minimum denominations of $150,000 and integral multiples of 1,000;**

(h) **be issued** in the form of a Global Note and the depository thereof shall be the Canadian Depository;

(i) ~~(h)~~ be substantially in the form of Schedule B, with such appropriate insertions, omissions, substitutions and variations as may be approved by the Indenture Trustee;

(j) ~~(i)~~ bear interest at a rate of ●% per annum;

(k) ~~(j)~~ accrue interest from the later of: (i) ●, 2018 and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the Series 2018-1 Senior Notes;

(l) ~~(k)~~ have interest paid in equal semi-annual instalments ~~[~~(except the initial interest payment)~~]~~ on the Payment Dates occurring in the months of April and October in each year (each, an "**Interest Payment Date**") commencing with the Payment Date occurring in the month of ~~[~~April~~]~~, 2018 in respect of the Series 2018-1 Senior Notes issued prior to such date;

(m) ~~(l)~~ subject to the occurrence of an Acceleration Event, mature on, and have ●, 20●, as their sole Principal Payment Date with a principal payment amount on such Principal Payment Date equal to the then Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes;

(n) ~~(m)~~ have ●, 20● as their Principal Payment Default Date;

(o) ~~(n)~~ subject to the occurrence of an Acceleration Event, have ●, 20● as their Principal Accumulation Date;

(p) ~~(o)~~ subject to the occurrence of an Acceleration Event, have the following Principal Accumulation Amounts for each Payment Date on or after their Principal Accumulation Date:

Payment Dates	Principal Accumulation Amounts
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●
Payment Date in the month of ●	$●

(q) ~~(p)~~ after the occurrence of an Acceleration Event and for so long as it continues, each Payment Date shall be a Principal Payment Date in respect of the Series 2018-1 Senior Notes and the full Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date;

(r) ~~(q)~~ have a Record Date for each Interest Payment Date that is the last day of the calendar month preceding each Interest Payment Date; **and**

(s) ~~(r) [~~be redeemable and subject to repurchase as provided in Section 2.6 below~~]; and(s) [not be subject to defeasance as contemplated by Section 2.08 of the Trust Indenture] [be subject to defeasance in accordance with Section 2.08 of the Trust Indenture]~~.

2.3 Delivery

On the date of issuance of the Series 2018-1 Senior Notes, Series 2018-1 Senior Notes shall be executed, authenticated and delivered by the Issuer in accordance with Section 4.03 of the Trust Indenture.

2.4 Payment of Interest

The Issuer (except in case of payment of interest at maturity or as otherwise provided in the Trust Indenture, at which time payment of interest, less any ~~taxes~~**Taxes** required by law to be deducted or withheld, may at the option of the Issuer be made upon presentation and surrender of the certificate representing the Series 2018-1 Senior Notes) will on each Interest Payment Date, make payment of such interest, less any ~~taxes~~**Taxes** required by law to be deducted or withheld, by wire transfer to each ~~holder of a~~ Series 2018-1 ~~Senior Note~~**Noteholder** as of the Record Date. The payment by such wire transfer will satisfy and discharge the liability for interest upon such Series 2018-1 Senior Note to the extent of the sum represented thereby (plus the amount of any ~~taxes~~**Taxes** deducted or withheld as aforesaid). Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a **Series 2018-1** Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

2.5 Payment of Principal

By 10:00 a.m. (Toronto time) on the Principal Payment Date, the Issuer will deposit with the Indenture Trustee all amounts required to be paid to the order ~~of holders~~ of Series 2018-1 ~~Senior Notes~~**Noteholders** on maturity on account of principal. The deposit of such funds will satisfy and discharge the liability for principal of the Series 2018-1 Senior Notes to the extent of the sum represented thereby.

2.6 ~~[~~Redemption and Repurchase

~~[NTD: Redemption features to be discussed.]~~

(a) At its option, at any time prior to ~~●, 20●~~ ~~[par call date]~~**the Par Call Date**, the Issuer may redeem the Series 2018-1 Senior Notes in whole or, from time to time, in part, on payment of a ~~redemption price~~**Redemption Price** equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the Series 2018-1 Redemption Date. At any time on or after ~~●, 20●~~ ~~[par call date]~~**the Par Call Date**, the Issuer may redeem the Series 2018-1 Senior Notes in whole or, from time to time, in part, on payment of a ~~redemption price~~**Redemption Price** equal to par, together with accrued and unpaid interest to the Series 2018-1 Redemption Date. The Issuer will give notice of redemption not more than 60 days and not less than 15 days before the date fixed for redemption, and will provide a copy of such notice to DBRS **and Moody's** upon the issuance thereof. Less than all of the Series 2018-1 Senior Notes may be redeemed, if so redeemed, in accordance with Section 4.10 of the Trust Indenture.

(b) The Issuer will be entitled at any time and from time to time to purchase for cancellation Series 2018-1 Senior Notes in the market (which may include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by private contract at any price. Less than all of the Series 2018-1 Senior Notes may be purchased, if so purchased, for cancellation in accordance with Section 4.11 of the Trust Indenture.

~~(c) The Series 2018-1 Senior Notes will not be subject to repurchase pursuant to any sinking fund or any other required repayment provisions].~~

2.7 Indemnification by the Issuer

The Issuer agrees to indemnify and hold harmless the Indenture Trustee and each Series 2018-1 Noteholder and each of their respective officers, directors, agents and employees (each, an "**Issuer Indemnified Person**") from and against any loss, liability, expense, damage or injury suffered or sustained by such Issuer Indemnified Person by reason of: (a) any acts, omissions or alleged acts or omissions arising out of, or relating to, activities of the Issuer pursuant to the Program Agreements to which it is a party; (b) a breach of any representation or warranty made or deemed made by the Issuer (or any of its officers) in any Program Agreement; or (c) a failure by the Issuer to comply with any applicable law or regulation or to perform its covenants, agreements, duties or obligations required to be performed or observed by it in accordance with the provisions of the Program Agreements, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees and other reasonable costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, except to the extent such loss, liability, expense, damage or injury resulted from the gross negligence, bad faith or willful misconduct of such Issuer Indemnified Person or its officers, directors, agents, principals, employees or employers or includes any Excluded Taxes; provided that any payments made by the Issuer pursuant to this Section 2.7 shall be made solely from funds available pursuant to Section 7.04 or Section 8.13 of the Trust Indenture, shall be non-recourse other than with respect to such funds, and shall not constitute a claim against the Issuer to the extent that such funds are insufficient to make such payment.

2.8 Taxes

(a) All payments by or on account of any obligation of the Issuer hereunder shall, to the extent allowed by law, be made free and clear of, and without deduction or withholding for or on account of Taxes, excluding (i) income taxes (including branch profit taxes, minimum taxes and taxes computed under alternative methods, at least one of which is based on or measured by net income), franchise taxes (imposed in lieu of income taxes), or any other Taxes based on or measured by the net income of any person legally entitled to receive such payments (each a "**Recipient**") as a result of a present or former connection between the Recipient and the jurisdiction of the Governmental Authority imposing such Taxes (other than any such connection arising solely from the Recipient having executed, delivered or performed its obligations or received a payment under, disposed of, or enforced, this Supplemental Indenture); (ii) any withholding or deduction imposed pursuant to (A) Sections 1471 to 1474 of the Internal Revenue Code ("**FATCA**"), or any successor version thereof, or any similar legislation imposed by any other Governmental Authority, or (B) any treaty, law or regulation or other official guidance enacted by Canada implementing FATCA or any intergovernmental agreement with respect to FATCA or any similar legislation imposed by any other Governmental Authority, including, for greater certainty, the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) and Parts XVIII and XIX of the Income Tax Act (collectively, and including FATCA, the "**AEOI Legislation**"); and (iii) any interest, penalties and additions to Taxes in respect of (i) and (ii) (all such excluded Taxes being hereinafter called "**Excluded Taxes**"). If any Taxes, other than Excluded Taxes, are required to be withheld from any amounts payable to a Recipient hereunder, the amounts so payable to the Recipient shall be increased, and the Recipient shall be entitled to be paid by the Issuer the amount of such increase to the extent necessary to yield to the Recipient (after payment of all such Taxes other than Excluded Taxes) interest or any such other amounts payable hereunder or thereunder at the rates or in the amounts

specified hereunder. Whenever any Taxes are payable on or with respect to amounts distributed to a Recipient, as promptly as possible thereafter the Issuer shall send to such Recipient a certified copy of an original official receipt showing payment thereof.

(b) If a payment by or on account of any obligation of the Issuer hereunder would be subject to withholding Taxes under any AEOI Legislation if the Recipient were to fail to comply with the applicable reporting requirements of any AEOI Legislation, such Recipient shall deliver to the Issuer at the time or times prescribed by law and at such time or times reasonably requested by the Issuer such documentation prescribed by applicable law and such additional documentation reasonably requested by the Issuer as may be necessary for the Issuer to comply with its obligations under any AEOI Legislation and to determine that such Recipient has complied with its obligations under any AEOI Legislation, or to determine the amount to deduct and withhold from such payment. If any form or certification it previously delivered by a Recipient expires or becomes obsolete or inaccurate in any respect, the Recipient shall update such form or certification or promptly notify the Issuer in writing of its legal inability to do so.

(c) If a Recipient is legally entitled to receive a refund of any Taxes (other than Excluded Taxes) as to which it has been indemnified or with respect to which additional amounts have been paid to it hereunder or it is legally entitled to receive a credit or deduction with respect to such Taxes or with respect to such additional amounts that have been paid hereunder (in each case pursuant to Section 2.8(a)), it shall use commercially reasonable efforts to obtain or claim such refund, credit or deduction and pay over such refund or the value of such credit or deduction to the Issuer, together with any interest thereon.

2.9 Conditions Precedent to Issuance of Series 2018-1 Senior Notes

On or prior to the initial issuance of Series 2018-1 Senior Notes hereunder, the following conditions precedent shall be satisfied:

(a) Each of the conditions precedent set forth in Section 5.01 of the Trust Indenture in respect of the incurrence of Funding Obligations under this Supplemental Indenture shall have been satisfied.

(b) The representations and warranties set forth in Section **12.01 of the Trust Indenture and Section** 3.1 of this Supplemental Indenture shall be true and correct in all material respects, **and** the Issuer shall be in compliance in all material respects with all of its covenants and obligations under the Program Agreements to which it is a party.

(c) The Series 2018-1 Senior Notes ~~will~~**shall** have been rated **[AAA(~~sp~~sf)]** by DBRS and **[~~Aaa(sp~~Aa2(sf)]** by Moody's.

(d) The Indenture Trustee shall have received (i) the Adherence Compliance Certificate required pursuant to Section 4.02(a) of the Change of Law Protection Agreement with respect to the incurrence of Funding Obligations under this Supplemental Indenture, or (ii) written confirmation from the Province that the Funding Obligations incurred under this Supplemental Indenture constitute Approved Obligations.

2.10 Delivery to Depository

Promptly following the issuance of the Series 2018-1 Senior Notes, the Global Note representing such Notes shall be delivered to the **Canadian** Depository (or as it may direct) for deposit into its book-based system for the benefit of the Note Owners of such Notes.

2.11 Acceleration Events

If a Series 2018-1 Event of Default occurs and is continuing, then and in each and every such case, and without regard to whether all Issuer Funding Obligations have been declared due and payable pursuant to Section 8.02(a) of the Trust Indenture, the Series 2018-1 Noteholders may by Ordinary Resolution (with notice of such Ordinary Resolution being provided to the Issuer and the Indenture Trustee) determine to declare the Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes and all interest accrued and unpaid (if any) thereon to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, notwithstanding anything in this Supplemental Indenture or the Trust Indenture to the contrary. The Issuer shall give prompt written notice to DBRS **and Moody's** of the occurrence of an Acceleration Event.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Indenture Trustee and each Series 2018-1 Noteholder that:

(a) no Termination Event has occurred or would result from the purchase of the Issuer Investment Interest on the date hereof;

(b) the Issuer Trustee and the Issuer are not Non-residents;

(c) all Tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes, assessments and other governmental charges in respect of the Issuer;

(d) the Issuer has not changed its name;

(e) the Issuer has complied in all material respects with all laws in respect of the conduct of its business and ownership of its property including the Issuer Investment Interest; and

(f) to its knowledge, there is no set of circumstances existing at such time that will have an Adverse Effect or will reasonably be expected to have an Adverse Effect.

3.2 Survival

The representations and warranties set out in this Article 3 shall survive the execution hereof.

ARTICLE 4
GENERAL

4.1 Acceptance of Trust

The Indenture Trustee accepts the trusts in this Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this Supplemental Indenture and in accordance with the Trust Indenture.

4.2 Confirmation of Trust Indenture

The Trust Indenture, as amended and supplemented by this Supplemental Indenture, is in all respects confirmed.

4.3 Indenture Trustee Not Bound to Act

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, acting reasonably, determines that such act may cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Supplemental Indenture has resulted in non-compliance with any applicable anti-money laundering, anti-terrorism or economic sanction legislation, regulation or guideline, then it shall have the right to resign pursuant to the terms of Section 9.07 of the Trust Indenture, provided that (i) the Indenture Trustee's written notice of resignation shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Indenture Trustee's satisfaction within 15 Business Days of the receipt of such notice of resignation, then such notice shall not be effective.

4.4 Successor and Assigns

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.5 Specified Creditors

The Indenture Trustee (on behalf of the Series 2018-1 Noteholders) hereby acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as ~~a~~ Specified ~~Creditor~~**Creditors** are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments to be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 8.14 (Limited Recourse), Article IX (**The** Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (**Preservation of Information;** Communications to Specified Creditors) and Section 16.01 (No Petition).

4.6 Waiver

Without limiting the requirements of Section 11.02 of the Trust Indenture, no waiver of any provision of this Supplemental Indenture or consent to any departure by the Issuer from any

provision of this Supplemental Indenture will be effective (in whole or in part) unless in writing and signed by the Requisite Series 2018-1 Noteholders. Such waiver will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Requisite Series 2018-1 Noteholders.

4.7 Notice

All notices, requests, instructions and demands to or upon any party hereto to be effective shall be given , in the case of the Issuer and the Indenture Trustee, in the manner set forth in Article 15 of the Trust Indenture.

4.8 No Waiver: Remedies

No failure on the part of any party to exercise, and no delay in exercising, any power, right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any such power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by applicable law.

4.9 Entire Agreement

This Supplemental Indenture, the Trust Indenture and the other Program Agreements contain the entire agreement between the parties relative to the subject matter hereof and supersede all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth in this Supplemental Indenture, the Trust Indenture and the other Program Agreements.

4.10 Governing Law and Attornment

This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the parties hereby attorn to the jurisdiction of the courts of Ontario.

4.11 Expenses

The Issuer agrees to pay on demand to the Indenture Trustee: (a) all reasonable costs and expenses in connection with the preparation, execution, and delivery of this Supplemental Indenture; (b) all reasonable costs and expenses in connection with any amendments of or waivers or consents under this Supplemental Indenture or the Program Agreements, including in each case the reasonable fees and out-of-pocket expenses of counsel with respect thereto, and (~~iii~~**c**) all reasonable costs and expenses (including reasonable fees and expenses of counsel), if any, in connection with the enforcement of this Supplemental Indenture or any of the Program Agreements, and the other documents delivered thereunder or in connection therewith.

4.12 Further Assurances

Each of the parties hereto upon the request of the other party or parties hereto shall do, execute, acknowledge and deliver or cause to be done, executed acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and

assurances as may be reasonably necessary or desirable to effect or complete the consummation of the transactions contemplated by this Supplemental Indenture.

4.13 Limitation of Liability of Issuer Trustee

Each party hereto other than the Issuer acknowledges that the Issuer is a trust, and that Computershare Trust Company of Canada is the Issuer Trustee. The other parties hereto agree that the Issuer Trustee will not be subject to any liability whatsoever to them, in tort, contract or otherwise, in connection with the Issuer's assets or the trust activities, for any action taken or permitted by it to be taken, or for its failure to take any action; provided that the foregoing limitation will not apply in respect of any action or failure to act arising from or in connection with wilful misconduct, negligence or reckless disregard of a duty by the Issuer Trustee. The Issuer Trustee in doing anything or permitting anything to be done in respect of assets or the trust activities is, and shall be conclusively deemed to be, acting as trustee of the Issuer and not in any other capacity. Except as to the extent provided in this Section 4.13, the Issuer Trustee will not be subject to any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Issuer, arising out of anything done or permitted by it to be done or its failure to take any action in respect of the Issuer's assets or the trust activities and resort will be had solely to the Collateral for the payment or performance thereof. No property or assets of the Issuer Trustee, whether owned in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedure with regard to any obligation under this Supplemental Indenture. Nothing contained in this Section 4.13 shall be construed so as to limit the liability of the Issuer under this Supplemental Indenture. This Supplemental Indenture, and every deed, transfer, assignment, agreement or other instrument made pursuant hereto including, without limitation, the Series 2018-1 Senior Notes, made or purporting to be made by or creating an obligation of the Issuer or the Issuer Trustee on behalf of, or as trustee of, the Issuer shall be deemed and construed for all purposes as if made by the Issuer Trustee, in and only in its capacity as trustee of the Issuer. Any obligations of the Issuer Trustee hereunder or thereunder are non-recourse to the Issuer Trustee in its personal capacity.

4.14 Execution in Counterparts

This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and the counterparts together shall constitute one and the same instrument. This Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

4.15 Delivery of Executed Copies

Each party acknowledges delivery of an executed copy of this Supplemental Indenture.

[~~signature~~Signature page follows]

IN WITNESS WHEREOF the parties hereto have duly executed this Supplemental Indenture as of the date first above written.

COMPUTERSHARE TRUST COMPANY OF CANADA, ~~as Issuer Trustee~~in its capacity as trustee of
FAIR HYDRO TRUST, as Issuer, by ~~its Manager,~~
ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By: _____
Name:
Title:

By: _____
Name:
Title:

BNY TRUST COMPANY OF CANADA, as Indenture Trustee and not in its individual capacity

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

DEFINITIONS

"**Acceleration Event**" means either:

(a) all Issuer Funding Obligations are declared due and payable under Section 8.02 of the Trust Indenture, or

(b) the Outstanding Dollar Principal Amount of the Series 2018-1 Senior Notes and all interest accrued and unpaid thereon is declared to be due and payable under Section ~~2.10~~**2.11**.

"**AEOI Legislation**" has the meaning specified in Section 2.8(a).

"**Excluded Taxes**" has the meaning specified in Section 2.8(a).

"**FATCA**" has the meaning specified in Section 2.8(a).

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes to be redeemed, the yield from the Series 2018-1 Redemption Date to ● ~~[par call date]~~**the Par Call Date**, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to ● ~~[par call date]~~**the Par Call Date** (calculated from the Series 2018-1 Redemption Date)~~ of the Series 2018-1 Senior Notes~~, such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

"**Indenture Trustee" has the meaning specified in the recitals of this Supplemental Indenture.**

"**Interest Payment Date**" has the meaning specified in Section 2.2(l).

"Issuer" has the meaning specified in the recitals of this Supplemental Indenture.

"**Issuer Indemnified Person**" has the meaning specified in Section 2.7.

"Par Call Date" means ●, 20●.

"**Recipient**" has the meaning specified in Section 2.8(a).

"**Requisite Series 2018-1 Noteholders**" means Series 2018-1 Noteholders holding, in aggregate, at least ~~[~~50~~]~~% of the Series 2018-1 Senior Notes then Outstanding.

"Series 2018-1 Canada Yield Price" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to ● ~~[par call date]~~**the Par Call Date**, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third

Business Day preceding the Series 2018-1 Redemption Date specified in the notice of redemption delivered pursuant to Section 4.10 of the Trust Indenture **and Section 2.6 of this Supplemental Indenture**, plus ●%.

"**Series 2018-1 Event of Default**" means any one of the following events (whatever the reason for such Series 2018-1 Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

(a) a default by the Issuer in the payment of any interest on any Series 2018-1 Senior Notes when such interest becomes due and payable, and continuance of such default for a period of five days following the date on which such interest became due and payable;

(b) a default by the Issuer in the payment of any principal of any Series 2018-1 Senior Notes at its Principal Payment Default Date;

(c) any representation or warranty contained in Section 3.1 of this Supplemental Indenture or Section 12.01 of the Trust Indenture proves to be incorrect in any material respect when made and such incorrect representation or warranty if capable of being remedied by the Issuer, has not been remedied for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) a default in the performance, or breach, of any covenant of the Issuer in the Trust Indenture or this Supplemental Indenture in respect of any Series 2018-1 Senior Notes (other than an agreement, covenant or warranty a default in the performance of which or the breach of which is elsewhere specifically dealt with in this definition of Series 2018-1 Event of Default), and continuance of such default or breach for a period of 60 days after notice thereof has been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by a Series 2018-1 Noteholder, a written notice specifying such default or breach and requesting it to be remedied and stating that such notice is a "Notice of Default" hereunder and, as a result of such default, the interests of such Series 2018-1 Noteholder is materially and adversely affected and continue to be materially and adversely affected during the 60-day period; or

(e) an event of default or other event occurs and as a result thereof, all or a portion of the principal amount owing in respect of any other Series of Senior Funding Obligations has become, or been declared, due and payable before the scheduled payment date, maturity date or redemption date in respect of such other Series of Senior Funding Obligations.

"**Series 2018-1 Noteholder**" means a Person in whose name a Series 2018-1 Senior Note is registered in the Note Register.

"**Series 2018-1 Redemption Date**" means a date fixed for redemption of the Series 2018-1 Senior Notes pursuant to Section 4.10 of the Trust Indenture and Section 2.6 of this Supplemental Indenture.

"**Series 2018-1 Senior Note**" means any one of the Series 2018-1 Senior Notes, executed by the Issuer and authenticated and delivered by or on behalf of the Indenture Trustee, substantially in the form of Schedule B.

"**Supplemental Indenture**" means this Supplemental Indenture, together with the Schedules hereto, as amended, supplemented, modified, restated or replaced from time to time, together with all schedules hereto and the expressions "hereof," "herein," "hereto," "hereunder," "hereby" and similar expressions refer to this Supplemental Indenture and not to any Article, Section, paragraph, subparagraph or clause hereof.

"**Termination Event**" means any Acceleration Event **or Series 2018-1 Event of Default,** or any event which with the giving of notice or the passage of time, or both, could become an Acceleration Event **or a Series 2018-1 Event of Default**.

"Trust Indenture" has the meaning specified in the recitals of this Supplemental Indenture.

SCHEDULE B

FORM OF SERIES 2018-1 SENIOR NOTE

[~~FORM OF NOTE~~]

~~SERIES 2018-1 SENIOR NOTE~~FOR GLOBAL NOTES ONLY: THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE TRUST INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF CDS & CO. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO FAIR HYDRO TRUST OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.]

EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — *RESALE OF SECURITIES*, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LAWS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.

IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY.

FAIR HYDRO TRUST
(A trust established under the laws of the Province of Ontario)

No. ● $●
CUSIP: ●
ISIN: ●

GLOBAL NOTE
● % SENIOR NOTE DUE ●, SERIES 2018-1

Fair Hydro Trust (herein referred to as the "Issuer"), a trust governed by the laws of Ontario and established under a Declaration of Trust dated as of December 20, 2017, for value received, hereby promises to pay the principal sum of $● to the registered holder hereof on ●, 20● (the "Principal Payment Date") or on such earlier date as the principal amount hereof may become due, in accordance with the provisions set forth in the Trust Indenture and the Supplemental Indenture. The Issuer will pay interest on the outstanding principal amount of this Series 2018-1 Senior Note in accordance with Section 2.4 of the

Supplemental Indenture on each Interest Payment Date (as defined below) at the rate of ●% per annum in equal semi-annual instalments on the Payment Dates occurring in the months of April and October in each year (each, an "Interest Payment Date") commencing on April ●, 2018 (provided that the initial interest payment payable on April ●, 2018 will be in an aggregate amount equal to $● per $1,000 principal amount) until the principal of this Series 2018-1 Senior Note is paid or made available for payment, to the extent funds are available in accordance with the terms of the Supplemental Indenture. The principal of and interest on this Series 2018-1 Senior Note are payable in Canadian dollars.

Beginning on the first Payment Date following the occurrence of an Acceleration Event, the principal of this Series 2018-1 Senior Note shall be paid in full on each such Payment Date to the extent of funds available for payment therefor pursuant to the Trust Indenture. Such principal of and interest on this Series 2018-1 Senior Note shall be paid in the manner specified on the reverse hereof.

Reference is made to the further provisions of this Series 2018-1 Senior Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Series 2018-1 Senior Note. Although a summary of certain provisions of the Trust Indenture and Supplemental Indenture is set forth below and on the reverse hereof and made a part hereof, this Series 2018-1 Senior Note does not purport to summarize the Trust Indenture and Supplemental Indenture and reference is made to the Trust Indenture and Supplemental Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Issuer and the Indenture Trustee. In the event that there is any inconsistency between the provisions of the Trust Indenture or Supplemental Indenture and the provisions hereof, the provisions of the Trust Indenture and Supplemental Indenture shall govern. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture and Supplemental Indenture. Copies of the Trust Indenture and Supplemental Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: BNY Trust Company of Canada, One York Street, 6th Floor, Toronto, Ontario M5J 0B6, Attention: Corporate Trust Administration.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee, by manual signature, this Series 2018-1 Senior Note shall not be entitled to any benefit under the Trust Indenture and Supplemental Indenture referred to on the reverse hereof, or be valid for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Series 2018-1 Senior Note to be duly executed.

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of FAIR HYDRO TRUST, as Issuer by ONTARIO POWER GENERATION INC., not in its individual capacity but solely as Manager

By:
Name:
Title:

By:
Name:
Title:

Dated: ●, 2018

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the ●% Senior Notes due ●, Series 2018-1 described in the within-mentioned Trust Indenture and Supplemental Indenture.

BNY TRUST COMPANY OF CANADA, as Indenture Trustee

By:
Authorized Signatory

By:
Authorized Signatory

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ●, SERIES 2018-1

Summary of Terms and Conditions

This Series 2018-1 Senior Note is one of a duly authorized Series of Senior Notes of the Issuer, designated as the ●% Senior Notes due ●, Series 2018-1 (the "Series 2018-1 Senior Notes"), issued under a trust indenture dated as of December 21, 2017 (as may be amended, supplemented, restated, replaced or otherwise modified from time to time, the "Trust Indenture"), between the Issuer and BNY Trust Company of Canada, as indenture trustee (the "Indenture Trustee," which term includes any successor Indenture Trustee under the Trust Indenture), as amended and supplemented by the Senior Series 2018-1 Supplemental Indenture, dated as of ●, 2018 (the "Supplemental Indenture"), and representing the right to receive certain payments from the Issuer. Except as set forth in the Supplemental Indenture, the Series 2018-1 Senior Note is subject to all of the terms of the Trust Indenture. All terms used in this Series 2018-1 Senior Note and not otherwise defined herein shall have the meanings assigned to them in or pursuant to the Supplemental Indenture.

The Series 2018-1 Senior Note is and will be equally and ratably secured by the Collateral pledged as security therefor as provided in the Trust Indenture.

"Payment Date" means the 15th day of each calendar month, or, if any such date is not a Business Day, the next succeeding Business Day, commencing on April 15, 2018.

As described above, all amounts payable on maturity with respect to this Series 2018-1 Senior Note shall be due and payable on the Principal Payment Date, in accordance with Section 2.5 of the Supplemental Indenture. All principal payments of the Series 2018-1 Senior Note shall be deposited with the Indenture Trustee.

Payments of interest on this Series 2018-1 Senior Note are due and payable on each Interest Payment Date or such other date as may be specified in the Supplemental Indenture by wire transfer to each Series 2018-1 Noteholder as of the Record Date. Notwithstanding the foregoing, the Issuer, at its option, may cause the amount payable in respect of interest to be paid to a Series 2018-1 Noteholder in any other manner reasonably acceptable to the Indenture Trustee.

The Series 2018-1 Senior Notes are redeemable in accordance with Section 2.6 of the Supplemental Indenture and Section 4.10 of the Trust Indenture.

The Indenture Trustee (on behalf of each Series 2018-1 Noteholder), acknowledges and agrees that the Series 2018-1 Noteholders are Specified Creditors under the Trust Indenture and their entitlements as Specified Creditors are subject to the provisions applicable to Specified Creditors under the Trust Indenture including, without limitation, Section 7.12 (Payments To Be Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Sections 7.04 through 7.11 and 8.13

(Payment Priorities), Section 8.14 (Limited Recourse), Article IX (The Indenture Trustee) (including all limitations of liability thereunder), Section 9.14 (Preservation of Information; Communications to Specified Creditors) and Section 16.01 (No Petition).

The Trust Indenture and Supplemental Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Series 2018-1 Noteholders under the Trust Indenture and Supplemental Indenture at any time by the Issuer with the consent of the applicable Person(s) specified therein. The Trust Indenture also contains provisions permitting the applicable Person(s) specified therein to waive compliance by the Issuer with certain provisions of the Trust Indenture and certain past defaults under the Trust Indenture and their consequences with respect to the Series 2018-1 Senior Notes. Any such consent or waiver by such Person(s) shall be conclusive and binding upon the Series 2018-1 Noteholders and upon all future holders of this Series 2018-1 Senior Note and of any Series 2018-1 Senior Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Series 2018-1 Senior Note. The Trust Indenture also permits the Issuer and the Indenture Trustee to amend or waive certain terms and conditions set forth in the Trust Indenture without the consent of any other Person.

The term "the Issuer" as used in this Series 2018-1 Senior Note includes any successor to the Issuer under the Trust Indenture.

The Series 2018-1 Senior Notes are issuable under the Book-Entry System in minimum denominations of $150,000 and integral multiple of $1,000. The right of beneficial holders of this Series 2018-1 Senior Note to receive fully registered definitive note certificates is restricted. The Series 2018-1 Senior Notes of any authorized denomination may be exchanged, as provided in the Trust Indenture, for Series 2018-1 Senior Notes of an equal aggregate principal amount in any other authorized denomination or denominations.

This Series 2018-1 Senior Note, the Trust Indenture and Supplemental Indenture, and all matters arising out of or relating to this Series 2018-1 Senior Note, the Trust Indenture or Supplemental Indenture, shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws applicable therein, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such laws.

No reference herein to the Trust Indenture and Supplemental Indenture and no provision of this Series 2018-1 Senior Note or of the Trust Indenture and Supplemental Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Series 2018-1 Senior Note at the times, place and rate, and in the coin or currency herein prescribed, subject to any duty of the Issuer to deduct or withhold any amounts as required by law, including any applicable Taxes.

REGISTRATION PANEL

(No writing on this panel except by the Note Registrar)

Date of Registration	In Whose Name Registered	Signature of Note Registrar

Document comparison by Workshare Compare on January-05-18 11:06:41 AM

Input:	
Document 1 ID	file://C:\Users\bsaulnie\AppData\Local\Temp\Workshare\wmtemp2e5c\Fair Hydro - Term - Senior Supplemental Indenture.docx
Description	Fair Hydro - Term - Senior Supplemental Indenture
Document 2 ID	file://C:\Users\bsaulnie\Desktop\New folder\Senior Supplemental Indenture.docx
Description	Senior Supplemental Indenture
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	146
Deletions	79
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	225

From:	Saulnier, Brett
To:	Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); Tim Christie (ENERGY); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; "ASHBOURNE, STEPHEN"; Tim Christie (ENERGY); Malle Hanslep (MOF)
Cc:	Mansoori, Nina
Subject:	RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries (EMAIL 1/6)
Date:	Friday, January 05, 2018 5:42:56 PM
Attachments:	Cover Letter.pdf 01. Form of Confidential Offering Memorandum.docx

---

Hi all,
Further to Malle's email below, please find attached the cover letter and OM. I will follow up with separate emails for the remaining documents. Malle, if you could confirm once you receive all six emails and the following documents, it would be much appreciated:

1. Cover Letter
2. Offering Memorandum
3. Investor Presentation
4. Term Sheet
5. Senior Supplemental Indenture (with blackline)
6. Subordinated Supplemental Indenture (with blackline)
7. Junior Subordinated Supplemental Indenture (with blackline)

Thanks,
Brett
Brett Saulnier
On Jan 5, 2018, at 3:13 PM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca> wrote:

> Hi Nina
>
> I am having trouble receiving the email with the attachments because the attachments are large. Is it possible for you to resend the attachments in separate emails? Sorry about that and would appreciate it so I can review.
>
> Thanks
>
> Malle
>
> Sent from my BlackBerry 10 smartphone on the Rogers network.
> From: Mansoori, Nina
> Sent: Friday, January 5, 2018 17:04
> To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
> Cc: 'John Lee (john.s.lee@opg.com)'; 'Ken Ryfa (ken.ryfa@opg.com)'; 'WONG Leslie -LAWDIV'; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka
> Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
>
> All – just to clarify - we appreciate the Province will be reviewing the draft OM

and may have comments on the disclosure which we would be happy to discuss once you have had a chance to review. Thanks,

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada |
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[Torys LLP]<http://www.torys.com[torys.com]>

From: Mansoori, Nina
Sent: January-05-18 4:55 PM
To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; 'Scott.Thompson@ontario.ca' <Scott.Thompson@ontario.ca>; 'Anna.Strathy@ofina.on.ca' <Anna.Strathy@ofina.on.ca>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; 'David.McLean@ontario.ca' <David.McLean@ontario.ca>; 'Jonathan.Tekle@ontario.ca' <Jonathan.Tekle@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; 'Ken.Kandeepan@ofina.on.ca' <Ken.Kandeepan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; 'tim.christine@ontario.ca' <tim.christine@ontario.ca>
Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>
Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Importance: High

All,

Reference is made to the Change of Law Process Agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the Province") and Ontario Power Generation Inc. ("OPG") to be dated as of December 21, 2017 (the "Change of Law Process Agreement"). All capitalized terms used and not defined in this email shall have their respective meanings in the Change of Law Process Agreement.

On behalf of OPG, we have hand-delivered today to the Ministers and the Deputy Ministers the forms of Transaction Documents set out in the attached cover letter. For ease of reference, we also attach these documents here and attach blacklines to the last versions of the term supplemental indentures circulated to you. If you would like a blackline of any other Transaction Document, please send us the version you reviewed last.

We consider these forms settled other than:

· There is one change that has been proposed by the dealers, and which is under discussion, that will impact the term supplemental indentures and will necessitate some additional disclosure to the term sheet. The dealers have advised that following a Principal Payment Date (i.e. the date on which all amounts owing under the notes are expected to be repaid in full), it would be typical for the interest payment dates to accelerate to monthly (instead of semi-annually). Once the dealers and OPG have an opportunity to discuss and come to an agreement on this point next week, the necessary changes to reflect this will be made to the term supplemental indentures and the term sheet

· there are still some bullets in these documents which will be addressed closer to closing (including dates, pricing information and the names of all of the Agents)

· we expect there will be some minor clean up to the OM (including making sure all of our cross-references are correct and that the glossary picks up all defined terms).

Please let us know if you have any questions.

Best Regards,
Nina
P. 416.865.7332

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TORYS LLP

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Brett Saulnier
bsaulnier@torys.com
P. 416.865.8148

January 5, 2018

HAND DELIVERED

Ministry of Finance
7 Queen's Park Crescent, 7th Floor
Toronto, Ontario M7A 1Y7

Attention: Minister of Finance
Deputy Minister of Finance

Ministry of Energy
Hearst Block 4th Floor, 900 Bay Street
Toronto, Ontario M7A 2E1

Attention: Minister of Energy
Deputy Ministry of Energy

Dear Sirs/Mesdames:

Re: Fair Hydro Plan – Deliveries under Change of Law Process Agreement

Reference is made to the Change of Law Process Agreement dated as of December 21, 2017 between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance, and Ontario Power Generation Inc. (the "**Change of Law Process Agreement**"). Capitalized terms used and not defined herein shall have their respective meanings in the Change of Law Process Agreement.

On behalf of Ontario Power Generation Inc. and pursuant to section 2.01(b) of the Change of Law Process Agreement, please find enclosed the following Transaction Documents:

- Form of confidential shelf offering memorandum, including the form of investor presentation attached as Exhibit 1 thereto and the form of term sheet incorporated by reference therein;
- Form of Agency Agreement among, *inter alios*, Fair Hydro Trust, Ontario Power Generation Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc.;
- Form of Term Senior Supplemental Indenture between Fair Hydro Trust and BNY Trust Company of Canada;
- Form of Term Subordinated Supplemental Indenture between Fair Hydro Trust and BNY Trust Company of Canada; and

- Form of Term Junior Subordinated Supplemental Indenture between Fair Hydro Trust and BNY Trust Company of Canada.

Yours truly,



Brett Saulnier

Encl.

cc: Rima Ramchandani, *Torys LLP*
John Lee, *Ontario Power Generation Inc.*
Lubna Ladak, *Ontario Power Generation Inc.*
Leslie Wong, *Ontario Power Generation Inc.*

24716882.2

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "****U.S. Securities Act****") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement

January ■, 2018

FAIR HYDRO TRUST

Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (the "**FHPA**"), legislation that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms). Under the FHPA, Ontario Power Generation Inc. ("**OPG**") is appointed as financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt or general obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Risk Factors"*.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this

confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended or supplemented by supplemental indentures thereto.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the

investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount & Financing Plan"*, *"Subordinated Debt"*, *"■"* and *"Risk Factors"* of this confidential shelf offering memorandum and *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"*, *"■"* and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval by resolution of the holders of all Series of Senior Notes.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.
- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Power outages could impair payment of the Senior Notes.
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

PRIOR TO RECEIVING THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER MUST HAVE ENTERED INTO A CONFIDENTIALITY UNDERTAKING WITH THE ISSUER (IN A FORM ACCEPTABLE TO THE ISSUER) WHICH PROVIDES THAT BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER. ***[NTD: Logistics to be discussed between Dealers and OPG.]***

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Ontario's Fair Hydro Plan:	On March 2, 2017, the Province of Ontario announced its Fair Hydro Plan, proposing to lower the average electricity bill for certain eligible customers. On June 1, 2017, the Ontario government passed the Ontario Fair Hydro Plan Act, 2017 (the "**FHPA**"), legislation that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms). From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[1] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") for that period. Under the FHPA, OPG is appointed as financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA and the Regulations. The Issuer is a Financing Entity under the FHPA and the Regulations and the Notes are Funding Obligations being offered for the purposes of the FHPA and the Regulations. See *"Ontario's Fair Hydro Plan — Background"*.
Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of series (each a "**Series**"), in one or several offerings (each, an "**Offering**"). A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the master trust indenture dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Trust Indenture**") between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**"), as supplemented by a supplemental indenture dated the date of the issuance of such Series between the Issuer and the Indenture Trustee (a "**Supplemental Indenture**" and collectively with the Master Trust Indenture, the "**Indenture**") authorizing that Series.

[1] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a not-for-profit corporation established under the *Electricity Act, 1998* (Ontario). The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market. Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may, on a monthly basis, offer to transfer a specified portion of the Regulatory Asset to the Issuer. See *"Transferor and Servicer"*.
Investment Interest:	Upon acceptance of the transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the right to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA and the Regulations. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.
Clean Energy Adjustment:	The FHPA and the Regulations impose an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager and will be converted by the OEB into a $/kWh rate and added to the electricity invoices sent to Specified Consumers. See *"— Statutory Duties of the OEB"* below. The required Clean Energy Adjustment is an amount determined by the Financial Services Manager for each month in a Reference Period (which is generally a six-month period, subject to more frequent determinations in certain circumstances) and consists of the sum of: (i) the estimated Finance Amount in respect of the Reference Period, which includes all financing and other expenses of the Issuer for such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period. The "**True-up Amount**" is comprised of any Finance Amounts not previously received in respect of the Clean Energy Adjustment during preceding Reference Periods plus other anticipated shortfalls. The True-up Amount accounts for historical and reasonably foreseeable differences between the required Clean Energy Adjustment amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs, variations in billings due to variations in electricity consumption and amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all

Funding Obligations and other Finance Amounts have not be paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for such Reference Period.

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other carrying costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs during the Moratorium Period:

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of its carrying costs. Under the Regulations, "carrying costs" include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of carrying costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement, the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which can be used to pay the Issuer's carrying costs. The amounts paid by the IESO to fund these carrying costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for the performance of its obligation under the Regulations to pay the Issuer's carrying costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors

with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment after such time shall be determined without regard to the fact that such amount has become immediately due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount and Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors.

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are invoiced to recover the Clean Energy Adjustment. The rates are expressed in $/kWh and determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment in respect of the relevant period of time as determined by the Financial Services Manager by (ii) the forecast provided by the IESO of electricity consumption of Specified Consumers. See *"— Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA and the Regulations require Electricity Vendors to invoice Specified Consumers for a charge in respect of the Clean Energy

Adjustment commencing May 1, 2021, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of the Issuer, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, hold such amounts in trust for the benefit of the Issuer until deposited with the IESO and remit such amounts to the IESO for the benefit of the Issuer. If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate the payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice. It is a deemed condition of their distribution license that Electricity Vendors comply with the FHPA.

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required from the IESO is based on a formula as set out in the Master Transfer and Servicing Agreement and will equal: (i) 50% of forecasted Clean Energy Adjustment amounts that are to be collected by such non-investment grade rated Electricity Vendors and held for 45 days prior to the funds being remitted to the Issuer; or (ii) such other amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

OPG has entered into a management agreement (the "**Management Agreement**") with the Issuer pursuant to which the Issuer has delegated to OPG, as manager (the "**Manager**"), all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer. See *"The Manager"*.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA and the Regulations, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on

	behalf of the Issuer and any other Financing Entities. Subject to OEB approval, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. See *"The Manager"*.
Statutory and Servicing Duties of the IESO:	Following the Moratorium Period, the IESO is required, as agent of the Issuer, to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of the Issuer and remit such amounts to the Issuer on a monthly basis, subject to daily remittance being required in certain limited circumstances. In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including forecasting electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts to the Issuer and fulfilling certain additional reporting requirements. Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*
Change of Law Protection Agreement:	Pursuant to the Change of Law Protection Agreement in favour of the Issuer and the Indenture Trustee, upon a Protection Event, the Province of Ontario is required to make payments in respect of all "Approved Obligations" under the Change of Law Protection Agreement and which includes payments in respect of the Notes. Generally, an "**Approved Obligation**" under the Change of Law Protection Agreement includes all obligations of the Issuer, including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years and which are not terminable by the Issuer on less than three years' notice and on payment by the Issuer of an amount equal to or less than $5,000,000.
Protection Event:	Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement: (a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA, in whole or in part, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under or in connection with, the FHPA, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Province of Ontario, an official of the government or board or commission appointed by the Lieutenant Governor in Council makes or amends any regulation; or

(v) there is a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or any entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event is referred to as the "**Limited Guarantee**". Upon paying amounts in respect of Approved Obligations, including the Senior Notes, the Province of Ontario will have a right of subrogation that includes the entitlement to all rights and interests under and in respect of such Approved Obligations, including the security interest in each related Investment Interest and any related property of the Issuer.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee prior to the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect for as long as any Senior Notes remain outstanding.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant or representation of OPG to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the

Limited Guarantee; or (iii) if the Financial Services Manager is no longer the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall cease to apply only in respect of obligations incurred by the Issuer and certain material amendments of outstanding obligations of the Issuer, in each case following delivery of a Suspension Notice.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension if the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA and the Regulations by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of certain costs allocated to Specified Consumers in respect of the Ontario government's clean energy initiatives ("**Clean Energy Costs**") in proportion to the relative attribution of the value of benefits determined to be derived by or accruing to Specified Consumers as a result of such clean energy initiatives ("**Clean Energy Benefits**") among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether Funding Obligations should be incurred by the Issuer or other Financing Entities and having regard to certain principles, including that Funding Obligations should be incurred so that the estimated Finance Amount that would become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA, namely, to ensure that present and future Specified Consumers are bearing their share of the costs of providing Clean Energy Benefits. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current

	Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024. Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount on subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes. The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.
Subordinated Debt:	Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes. Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.
Use of Proceeds:	The proceeds from each Offering may be used to (i) acquire an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement, (ii) refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) pay Offering and related costs of the Issuer and (iv) fund specific reserve accounts as required. The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.

Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of carrying costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay carrying costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount. In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering. See "*Capital Markets Platform — Security*".
Priority of Payments:	Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts

available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for senior obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for subordinated obligations;
- payments of or accumulations in respect of interest for junior subordinated obligations;
- payment of or accumulations in respect of principal for warehouse obligations (see "*Warehouse Facilities*");
- accumulations in respect of principal for senior obligations (other than warehouse obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on senior obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for subordinated obligations;
- fees and other amounts (other than principal and interest) on subordinated obligations;
- payment of or accumulations in respect of principal for junior subordinated obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for subordinated obligations or junior subordinated obligations);
- replenishment of Series Accounts established for subordinated obligations;
- fees and other amounts (other than principal and interest) on junior subordinated obligations;
- replenishment of Series Accounts established for junior subordinated obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on senior obligations and payments under derivative agreements (other than termination payments), *pari passu*, then

subordinated obligations (other than principal) and then junior subordinated obligations (other than principal);

- principal for warehouse obligations;
- *pari passu*, principal on senior obligations (other than warehouse obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for subordinated obligations and then junior subordinated obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103).

By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.

Book-Entry Form: The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in

	accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydropower, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from generating facilities to local areas; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses using lower voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of small scale solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy from a few flexible loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Virtually all generators in Ontario also have bilateral contracts with the IESO that provide for payments in addition to the market price of electricity that is paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario), whose sole shareholder is the Province of Ontario. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold all of the generation assets. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power turbine. OPG's mission is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers

and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for almost half of the total energy generated and injected into Ontario's electricity transmission system, as reported by the IESO. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for operating the real-time electricity markets in Ontario, as well as administering the market rules. The OPA was the counterparty that entered into bilateral power or capacity purchase contracts with generators. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners, but it is governed by an independent Board of Directors whose chair and directors are appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial public regulatory agency. The *Ontario Energy Board Act* provides the OEB with the authority to regulate Ontario's electricity market, including the activities of Electricity Vendors.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

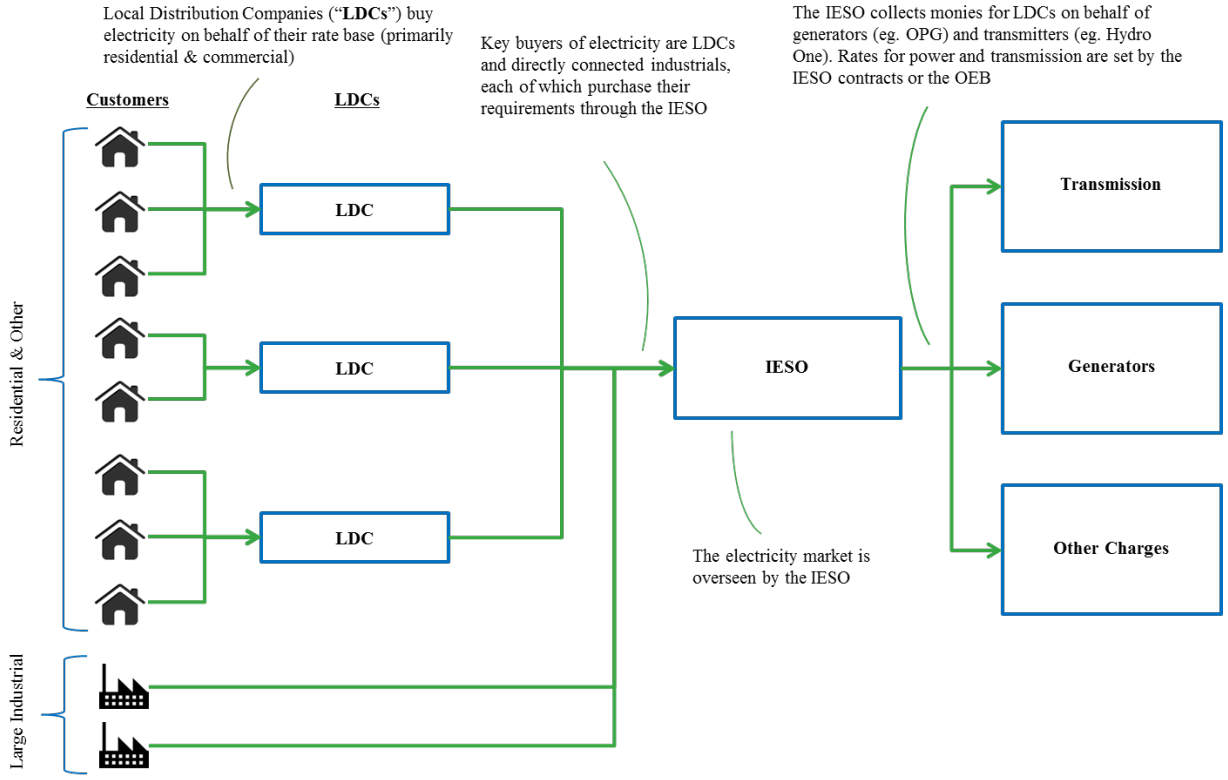
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures involving distributors, transmitters and other entities which it licenses. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as

applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB. The following diagram depicts a simplified flow of funds between the key industry participants:



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two main components that make up the commodity cost of electricity in Ontario, the hourly Ontario energy price ("**HOEP**") and the global adjustment charge.

- The HOEP is set by the IESO on an hourly basis based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is also paid by loads. It is established monthly by the IESO in accordance with regulations and is used to collect funds used by the IESO to pay certain "out of

market" costs that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to certain generators, including OPG, that are entitled to a regulated rate of return based on OEB-established payment amounts. For all loads with a peak demand under 500 kW (in other words, all Specified Consumers), the global adjustment charge is based on electricity usage on a per unit basis.

Prior to the FHPA being passed, the amount collected by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's liabilities, subject to certain periodic true-ups and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered prices for residential and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in the previous period. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from a licensed retailer pursuant to a retail contract that provides a fixed rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario government passed the *Ontario Fair Hydro Plan Act, 2017* (the "**FHPA**"), legislation that reallocates certain electricity costs over time and provides immediate rate relief to consumers. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[2] less than the rate that would otherwise have been determined by the OEB for that period (the "**Fair Adjustment**").

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming

[2] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one of more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (such obligations, "**Funding Obligations**") to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, in a variance account. The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The IESO may transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment and, as an owner of the Investment Interest, will be entitled to recover all its costs of such financing. While a Financing Entity may choose to acquire an Investment Interest from the IESO, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the transfer of a specified portion of the Regulatory Asset from the IESO, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and the Issuer's interest therein, an "**Investment Interest**"). The Investment Interest consists of, among other things:

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest, including any rights to receive a payment obligation incurred by the IESO as part of the transfer of the Regulatory Asset; and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount payable by Specified Consumers to cover the cost of financing the shortfall that results from the Fair Adjustment. The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" for a Reference Period is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the Reference Period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the Reference Period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer that are paid or payable during the Reference Period;

(iv) payments required to be made in respect of any derivative agreements during the Reference Period;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) fees, including fees charged by the Financial Services Manager, charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA that are paid or payable during the Reference Period; and

(vii) taxes paid or payable by the Issuer as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that are paid or payable during the Reference Period;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the Reference Period;

(ii) amounts received during the Reference Period in respect of funding rebates;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the Reference Period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the Reference Period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the Reference Period;

(vi) amounts received by the Issuer as a refund of tax during the Reference Period; and

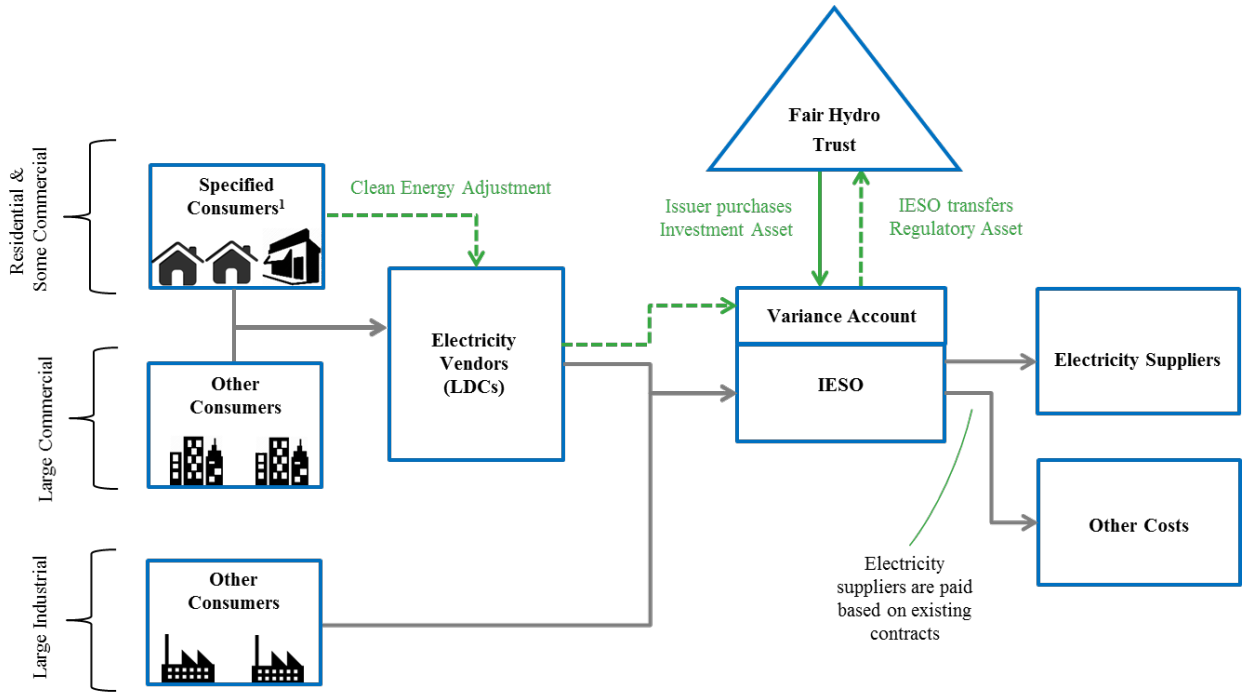
(c) subtracting the sum calculated under (a) from the sum calculated under (b).

The Clean Energy Adjustment will also take into account a true-up comprised of any Finance Amounts not previously received in respect of the Clean Energy Adjustment plus other anticipated shortfalls (the "**True-up Amount**"). The True-up Amount accounts for historical and reasonably foreseeable differences between the required Clean Energy Adjustment and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs, variations in billings due to variations in electricity consumption and amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a $/kWh amount and determined by the OEB by dividing (i) the Clean Energy Adjustment in respect of the relevant period of time provided by the Financial Services Manager by (ii) the forecast electricity consumption provided by the IESO of Specified Consumers in respect of the period. Electricity Vendors are required to invoice Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the Issuer, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, hold such amounts in trust for the benefit of the Issuer until deposited with the IESO and remit such amounts to the IESO for the benefit of the Issuer. If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate the payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice. It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA. If there are any amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to the Issuer during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other carrying costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, directly to the IESO.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers. Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of any Funding Obligations and the Fair Allocation Amount may be changed from time to time, provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred so that the estimated Finance Amount that would become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA, namely, to ensure that present and future Specified Consumers are bearing their share of the costs of providing Clean Energy Benefits. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024. Accordingly, the Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount of subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

IESO Payment of Carrying Costs During the Moratorium Period

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its "carrying costs". "Carrying costs" include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes). The amounts paid by the IESO to fund these carrying costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of carrying costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which can be used to pay the Issuer's carrying costs. Furthermore, as security for the performance of its obligations under the Regulations to pay the Issuer's carrying costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister

of Energy or the Ontario government, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA or the Regulations, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement in favour of the Issuer and the Indenture Trustee, upon a Protection Event, the Province of Ontario is required to make payments in respect of all Approved Obligations when due and payable. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event is referred to as the "**Limited Guarantee**". In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA, in whole or in part, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under or in connection with, the FHPA, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Province of Ontario, an official of the government or board or commission appointed by the Lieutenant Governor in Council makes or amends any regulation; or

(v) there is a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or any entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The priority of payments made by the Province of Ontario under the Change of Law Protection Agreement is governed by the Master Trust Indenture. Upon paying amounts in respect of the Approved Obligations, the Province of Ontario will have a right of subrogation that includes the entitlement to all rights and interests under and in respect of such Approved Obligations, including the security interest in each related Investment Interest and any related property of the Issuer.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations; and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

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

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee prior to the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect for as long as any Senior Notes remain outstanding.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be

considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

A "**Post-Suspension Refinancing**" means a Funding Obligation that is an Obligation Secured and that is incurred on or after the occurrence of a Suspension Event in compliance with the requirements of the Change of Law Protection Agreement, as a refinancing of one or more Series of Approved Obligations (including any Pre-Approved Refinancing), in each case the proceeds of which, together with any other funds that may be available, are used solely for the purpose of paying in full such Series of Approved Obligations and any costs and expenses associated with such refinancing.

A "**Pre-Approved Refinancing**" means a refinancing of a Certified Primary Obligation in respect of which the Province of Ontario has, prior to the incurrence of such Certified Primary Obligation, agreed shall be an Approved Obligation, subject to compliance with such conditions and requirements as may be specified in such agreement.

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document to which the Limited Guarantee applies and which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA or the Regulations; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to a declaration of trust made December 20, 2017 (the "**Declaration of Trust**"). Computershare Trust Company of Canada (the "**Issuer Trustee**") is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to

conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

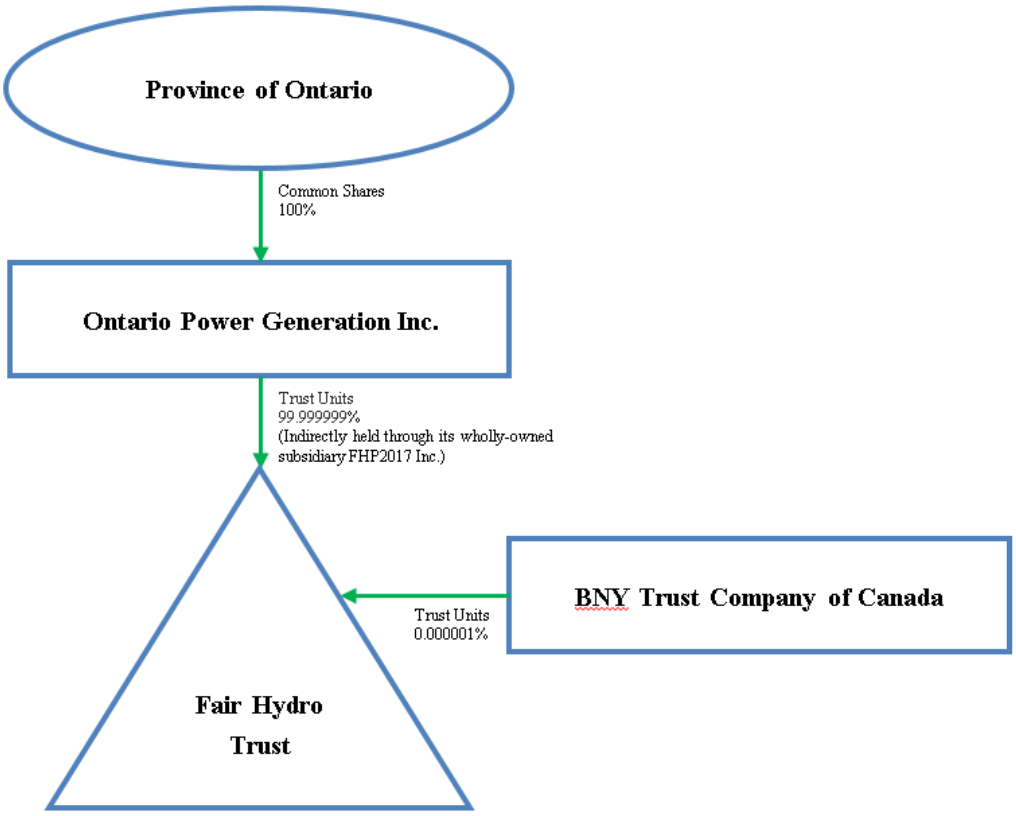
The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a

taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

OPG has entered into a management agreement with the Issuer dated as of December 20, 2017 (the "**Management Agreement**") pursuant to which the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA and the Regulations, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, the Manager shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA and the Regulations, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors − Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and Manager of the Issuer.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or carrying costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

SUBORDINATED DEBT

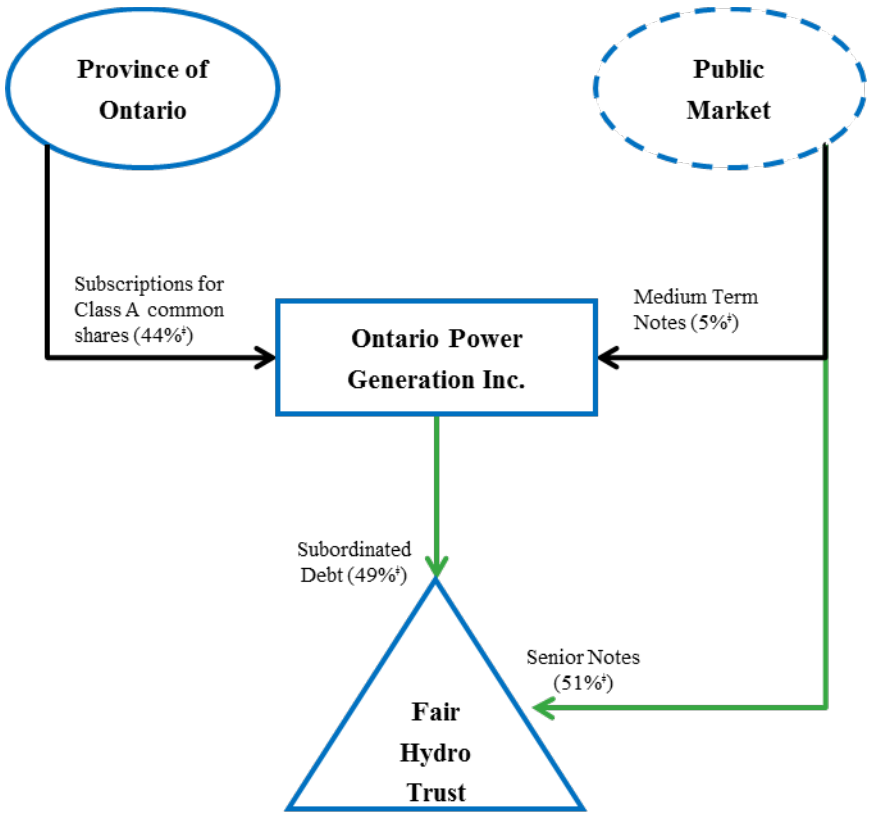
Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximate 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes).

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate

outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



‡ OPG will acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable

funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

THE TRANSFEROR AND SERVICER

The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may periodically transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to transfer to the Issuer its right, title and interest in, to and under a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of collecting the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts collected in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on a monthly basis, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) forecasting the electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer.

While the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that the Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, the IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA or the Regulations, including its obligation to pay the Issuer's carrying costs.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its carrying costs. Under the Regulations "carrying costs" include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes. Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of carrying costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which can be used to pay the Issuer's carrying costs.

As security for the performance of its obligation to pay the Issuer's carrying costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO with respect to the global adjustment charge. The amounts paid by the IESO to fund these carrying costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for transfer to the Issuer in a subsequent period and, upon completion of such transfer, shall become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the

proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);

- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and

- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the Internal Revenue Code, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated

Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be

credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has an been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All payments received from the Province of Ontario pursuant to the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will not be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "*— Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on

such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "*— Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve

Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the

funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in the any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "*— Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of

the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "*— Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by

conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel of external counsel, each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal

amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;

- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;

- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;

- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;

- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;

- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;

- facilitate the issuance of foreign currency Issuer Funding Obligations;

- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;

- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or

- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;
- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;
- a reduction in the amount of a discount note payable upon its acceleration;
- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;
- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;
- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or
- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or

powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts

will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this "Description of the Senior Notes" section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;

- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;

- the price at which such Series or Tranche of Senior Notes will be issued;

- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;

- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;

- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;

- the Principal Accumulation Date(s) and Principal Accumulation Amount(s) for such Series of Senior Notes;

- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;

- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;

- any events of default with respect to such Series or Tranche of Senior Notes;

- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;

- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;

- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;

- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and

- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date

for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Principal Accumulation Date(s) for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than a Principal Payment Date if an optional redemption occurs and may receive principal payments later than a Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on a Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants

with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not

be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA, the Regulations or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA or the Regulations.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA or the Regulations will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit were successful, it would likely be a Protection Event and the provisions of the Change of Law Protection Agreement would apply. See *"Change of Law Protection Agreement"*. If such successful lawsuit was not, however, a Protection Event, and an invalidation of any relevant underlying legislative or regulatory provision were to result, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Province of Ontario shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a

referendum or initiative process by which the FHPA may be amended or revoked. Therefore, the only way for such provisions of the FHPA to be amended or revoked would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA or the Regulations should no longer be law in Ontario or that the FHPA or Regulations should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment or revocation. Any such action that materially and adversely effects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay its obligations under the Senior Notes would be subject to the Change of Law Protection Agreement. See "*Change of Law Protection Agreement*". However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA or the Regulations referenced in the previous paragraph were amended or revoked through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Province of Ontario, although the remedy of damages is available. As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other carrying costs, solely upon the IESO who is obligated under the Regulations to pay these carrying costs. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Issuer's carrying costs. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring ■, 20■, which can be used to pay the Issuer's carrying costs. ***[NTD: IESO credit facility description to be confirmed.]*** There can be no assurance that the IESO will continue to have sufficient funds available to pay interest on the Senior Notes or to pay the Issuer's other carrying costs during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay interest on the Senior Notes or the Issuer's other carrying costs and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of carrying costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of carrying costs or enforcement of any security provided by the IESO under the Master Transfer and Servicing Agreement.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other carrying costs, solely upon the IESO who is obligated under the Regulations to pay these carrying costs. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA and the Regulations.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt or general obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA and the Regulations, rights to enforcement of the FHPA, the Regulations and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal

payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform -- Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Funding Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring an Investment Interest. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the transfer by the IESO of a specified portion of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA, the Regulations and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA, the Regulations and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or forecasting consumption, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of OPG, as Financial Services Manager and as Manager of the Issuer. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA and the Regulations, including determining the Clean Energy Adjustment (inclusive of the True-Up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting

and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated based upon a forecast of Specified Consumer usage to be newly developed by the IESO[, adjusted for expected billing lags and charge-offs] [including the effect of delinquencies and write-offs] ***[Confirm whether the IESO forecast takes into account items noted in square brackets.]***. Under the FHPA, the IESO is required to forecast electricity consumption of Specified Consumers. The amount and the rate of the Clean Energy Adjustment will depend in part on actual electricity usage and the amount of collections and write-offs for Specified Consumers. If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. Neither the FHPA nor the Regulations require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information to the IESO regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in FHPA and the Regulations. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment. For example, an Electricity Vendor's conditions of service may permit it to offer equal monthly billing plans to its consumers thereby delaying payments from one month to the next during the year or to enter into arrangements for the payment of arrears. In that event, collection of the Clean Energy Adjustment may be delayed or reduced until an adjustment is made.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment. The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to indemnify holders of Senior Notes, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach and the fact that holders of Senior Notes will be unsecured creditors of OPG or the IESO, as applicable, with respect to any of these indemnification amounts. Neither OPG nor the IESO will indemnify any person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Senior Notes, or for any consequential damages, including any loss of market value of the Senior Notes resulting from a default or a downgrade of the ratings of the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-Up Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°C. Winters include snow and icing conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the transfers between the IESO and the Issuer pursuant to the Master Transfer and Servicing Agreement may not be respected as true sales of the Investment Interest.

Ordinarily, the interests of the Issuer as transferee of the Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time an Investment Interest is transferred to the Issuer, which could reduce the amounts that may be available to the Issuer and, consequently, the holders of Senior Notes. Section 27(3) of the FHPA provides that at the time of the transfer to a Financing Entity, such transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the FHPA provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the transfer and the property rights and interests acquired by the transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the FHPA in such circumstances is untested. The IESO will treat the transactions described herein as a transfer of the Regulatory Asset to the Issuer. Such transfers will be made in accordance with Section 26 of the FHPA. Section 27(1) of the FHPA provides that a transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the transferee. As a transfer, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Investment Interest. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.

While the IESO is the servicer under the Master Transfer and Servicing Agreement, collections held by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the FHPA, provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these

provisions of the *Electricity Act, 1998* (Ontario), as amended by the FHPA, in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantee of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See "*Rating Agency Condition*".

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and

the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Description of Senior Notes — Reporting Requirements of Senior Notes"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is

delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its

previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

(i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating

the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference therein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference therein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the Securities Act (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer. "Misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

(i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

(ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer will be liable if the person proves that

(i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

(ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that;

(A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

[NTD: Glossary in progress. For ease of reference, Torys is considering adding an index or replacing glossary with an index for terms that are defined in the body.]

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" means the agents designated by the Issuer from time to time and identified in the Term Sheet applicable to such Offering to sell the Senior Notes as described under *"Plan of Distribution"*.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Ontario government related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" has the meaning set out under *"The Issuer"*.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" means The Depositary Trust Company.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.

"**FHPA**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" means OPG, in its capacity as financial services manager appointed under the FHPA to perform the duties assigned to it thereunder.

"**Financing Entity**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether Funding Obligations should be incurred for the purposes of acquiring Investment Interests, including any amendments thereto.

"**Funding Obligation**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as

applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer**" means Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" has the meaning set out under *"The Manager"*.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" means *The Securities Act* (Manitoba).

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**MW**" means megawatts.

"**NI 31-103**" means National Instrument 31-103 — *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

"**NI 45-106**" means National Instrument 45-106 — *Prospectus Exemptions*.

"**NL Act**" means the *Securities Act* (Newfoundland and Labrador).

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indentures and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" means an offering of senior secured notes pursuant to this confidential shelf offering memorandum and the related Term Sheet as described under *"Plan of Distribution"*.

"**Offering Jurisdiction**" means each of the provinces of Canada.

"**OPA**" means Ontario Power Authority.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date occurring on or after the Principal Accumulation Date for such Series, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates after the Principal Accumulation Date for such Series which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(i) every six-month period following the period mentioned in (a);

(ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" means *The Securities Act, 1988* (Saskatchewan).

"**Section 130.1**" means section 130.1 of the *Securities Act* (Ontario).

"**Section 150**" means section 150 of the *Securities Act* (New Brunswick).

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied

for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" means FHP2017 Inc., a wholly-owned subsidiary of OPG, and the Indenture Trustee.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

From:	Saulnier, Brett
To:	Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); Tim Christie (ENERGY); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; "ASHBOURNE, STEPHEN"; Tim Christie (ENERGY); Malle Hanslep (MOF)
Cc:	Mansoori, Nina
Subject:	RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries (EMAIL 2/6)
Date:	Friday, January 05, 2018 5:42:47 PM
Attachments:	02.Form of Investor Presentation.pdf 03. Form of Series 2018-1 Senior Notes Term Sheet.docx

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Email 2/6: Investor Presentation and Term Sheet

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 5:13 PM

To: Mansoori, Nina <nmansoori@torys.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Thompson, Scott (MOF) <Scott.Thompson@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>

Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Olusoga, Yinka <yolusoga@torys.com>

Subject: Re: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Hi Nina

I am having trouble receiving the email with the attachments because the attachments are large. Is it possible for you to resend the attachments in separate emails? Sorry about that and would appreciate it so I can review.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Mansoori, Nina

Sent: Friday, January 5, 2018 17:04

To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: 'John Lee (john.s.lee@opg.com)'; 'Ken Ryfa (ken.ryfa@opg.com)'; 'WONG Leslie -LAWDIV'; LADAK Lubna - TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka

Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

All – just to clarify - we appreciate the Province will be reviewing the draft OM and may have comments on the disclosure which we would be happy to discuss once you have had a chance to review. Thanks,

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=id_0vwBExY6KR9uFRDWqhMwZXLEPT6i16WeJIETTOC8&s=4dNrsmWEEnRu18l_7ny6eN_tEwsSqGQfGKn3i-uZBiw&e= >

[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=id_0vwBExY6KR9uFRDWqhMwZXLEPT6i16WeJIETTOC8&s=4dNrsmWEEnRu18l_7ny6eN_tEwsSqGQfGKn3i-uZBiw&e= >

From: Mansoori, Nina

Sent: January-05-18 4:55 PM

To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; 'Scott.Thompson@ontario.ca' <Scott.Thompson@ontario.ca>; 'Anna.Strathy@ofina.on.ca' <Anna.Strathy@ofina.on.ca>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; 'David.McLean@ontario.ca' <David.McLean@ontario.ca>; 'Jonathan.Tekle@ontario.ca' <Jonathan.Tekle@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; 'Ken.Kandeepan@ofina.on.ca' <Ken.Kandeepan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; 'tim.christine@ontario.ca' <tim.christine@ontario.ca>

Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>

Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Importance: High

All,

Reference is made to the Change of Law Process Agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the Province") and Ontario Power Generation Inc. ("OPG") to be dated as of December 21, 2017 (the "Change of Law Process Agreement"). All capitalized terms used and not defined in this email shall have their respective meanings in the Change of Law Process Agreement.

On behalf of OPG, we have hand-delivered today to the Ministers and the Deputy Ministers the forms of Transaction Documents set out in the attached cover letter. For ease of reference, we also attach these documents here and attach blacklines to the last versions of the term supplemental indentures circulated to you. If you would like a blackline of any other Transaction Document, please send us the version you reviewed last.

We consider these forms settled other than:

· There is one change that has been proposed by the dealers, and which is under discussion, that will impact the term supplemental indentures and will necessitate some additional disclosure to the term sheet. The dealers have advised that following a Principal Payment Date (i.e. the date on which all amounts owing under the notes are expected to be repaid in full), it would be typical for the interest payment dates to accelerate to monthly (instead of semi-annually). Once the dealers and OPG have an opportunity to discuss and come to an agreement on this point next week, the necessary changes to reflect this will be made to the term supplemental indentures and the term sheet

· there are still some bullets in these documents which will be addressed closer to closing (including dates, pricing information and the names of all of the Agents)

· we expect there will be some minor clean up to the OM (including making sure all of our cross-references are correct and that the glossary picks up all defined terms).

Please let us know if you have any questions.

Best Regards,

Nina

P. 416.865.7332

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Fair Hydro Trust
Investor Presentation

January [xx], 2018

Disclaimers

This presentation and its contents are being supplied for informational purposes only by Fair Hydro Trust (the Issuer) and are not an offer to buy or sell or a solicitation of an offer to buy or sell any securities of the Issuer.

This presentation does not, and does not purport to, contain all information that may be material to an investment decision in respect of the Issuer's Notes. It is only a summary of certain information in respect of the Issuer. Prior to making an investment decision with respect to the Issuer's Notes, prospective investors should carefully review the Confidential Shelf Offering Memorandum, including the related Term Sheet, pursuant to which such Notes are offered (the Offering Memorandum). The information and opinions contained in this presentation are qualified in their entirety by reference to the Offering Memorandum. In particular, reference should be made to the risks of any investment in the Issuer's Notes offered and the statutory rights of rescission or rights to damages available to purchasers of such Notes described in the Offering Memorandum. No representation or warranty, express or implied, is given by or on behalf of the Issuer, the Agents or any other person as to the accuracy or completeness of the information or opinions contained in this presentation.

Some of the statements contained in this presentation, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. The forward-looking information contained in this presentation is presented for the purposes of assisting prospective purchasers in making an investment decision regarding the Notes and may not be appropriate for other circumstances. Reference should be made to the information under the headings "Caution Regarding Forward-Looking Information" and "Risk Factors" in the Offering Memorandum.

The information presented herein is only current as of the date on the cover of this presentation. Except as required by law, neither the Issuer nor Ontario Power Generation (OPG) intends, or assumes any obligation, to revise or update any information in this presentation.

By attending this presentation, or accepting a copy of this presentation, each prospective purchaser agrees that all information contained herein, all documents delivered in connection herewith and all other information obtained by such prospective purchaser in relation to the Issuer or OPG (collectively, the Confidential Information) is confidential, that none of the Confidential Information will be copied, transcribed, recorded or transmitted by the recipient for any reason or used for any purpose other than evaluating an investment in the Issuer's Notes, and that the recipient will hold all of the Confidential Information in confidence and will not provide any of it to third parties other than persons retained to advise the recipient with respect to the purchase of the Issuer's Notes (so long as they advise such persons of the confidential nature of such Confidential Information), without the prior written consent of the Issuer and OPG.

Presenters

ONTARIO POWER GENERATION

Ken Hartwick
Chief Financial Officer &
Senior Vice President – Finance

John Lee
Vice President, Treasurer

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I. Introduction and Transaction Overview

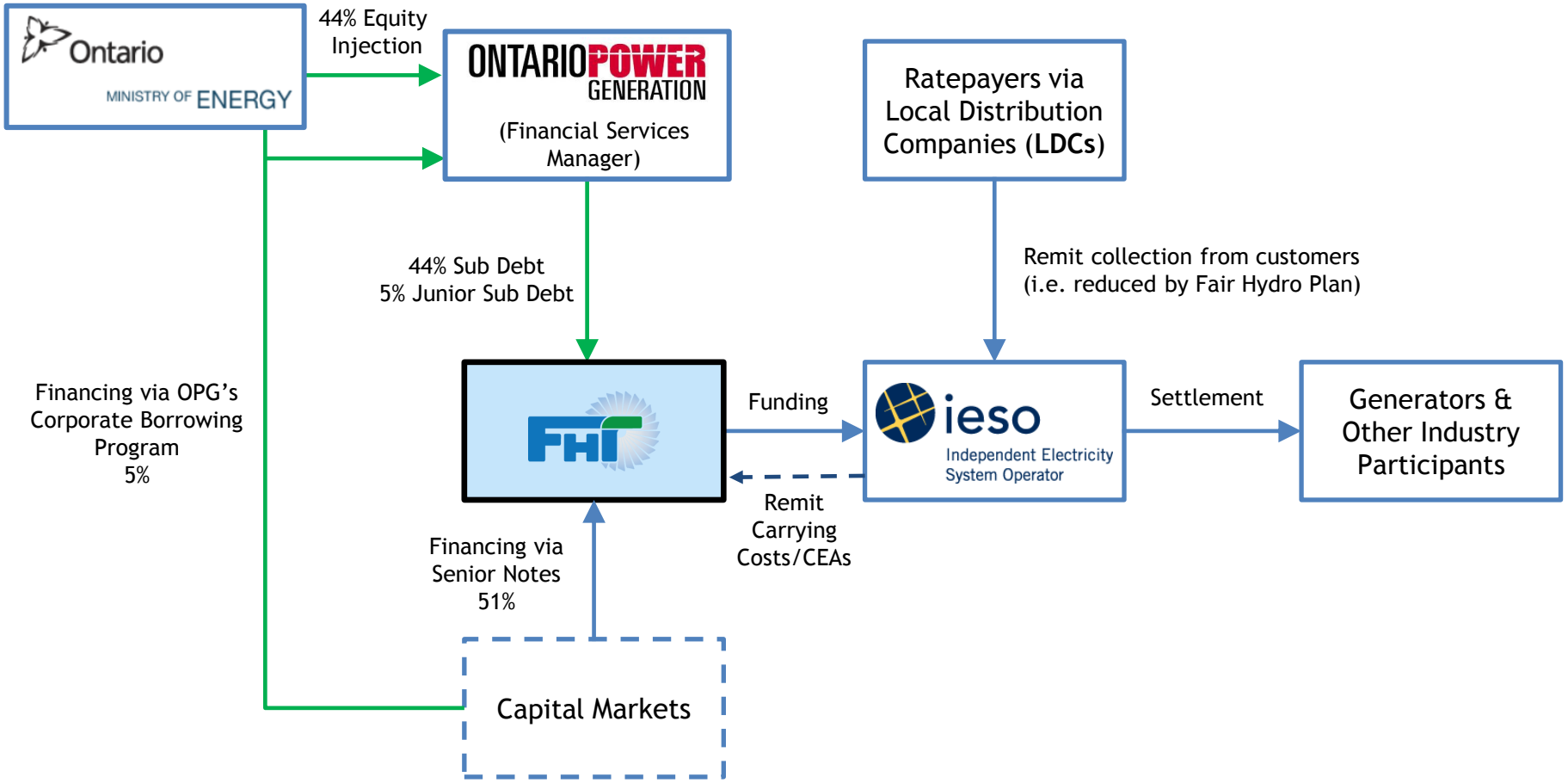
Introduction

Ontario's Fair Hydro Plan	• The Province of Ontario announced its Fair Hydro Plan (FHP) on March 2, 2017, which proposed to lower the average electricity bill for eligible customers[1] (referred to as Specified Consumers) by 25% (the Fair Adjustment) • The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax granted by the Ontario government in January 2017 • It is expected that the rate reduction will be in effect until April 30, 2021, with any rate increases until that date limited to the rate of inflation in Ontario
Legislation	• On June 1, 2017, the Ontario government passed the *Ontario Fair Hydro Plan Act, 2017* (together, with the regulations promulgated thereunder, the FHPA or Act) to give effect to the FHP, legislation that reallocates certain electricity costs over time and provides immediate rate relief contemplated by the Fair Hydro Plan to Specified Consumers • The FHPA is supplemented by regulations related to the implementation of the FHPA (the "Regulations") • The FHPA imposes an irrevocable and non-bypassable charge recoverable from Specified Consumers and referred to as the Clean Energy Adjustment (CEA) that will be determined by Ontario Power Generation (OPG) in its role as Financial Services Manager under the Act • The CEA will be determined for each six month reference period and converted by the Ontario Energy Board (OEB) into a $/kWh rate and added to electricity invoices sent to Specified Consumers commencing on May 1, 2021 • From July 1, 2017 to April 30, 2021 (the Moratorium Period), no payments in respect of CEA will be collected; during this period the Independent Electricity System Operator (IESO) is obligated to pay all funding and other expenses of the Trust (excluding principal) (referred to as Carrying Costs) under the Regulations
Fair Hydro Trust	• The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") through the issuance of senior, subordinated and junior subordinated notes • Structured to be bankruptcy remote and even though consolidated by OPG on an accounting basis is ring fenced from OPG's other creditors • The FHT term notes will be repaid through the CEA payments received from Specified Consumers

[1] Primarily Regulated Price Plan-eligible customers.

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt and junior subordinated debt of the Trust in an aggregate amount not to exceed 49% of all outstanding debt

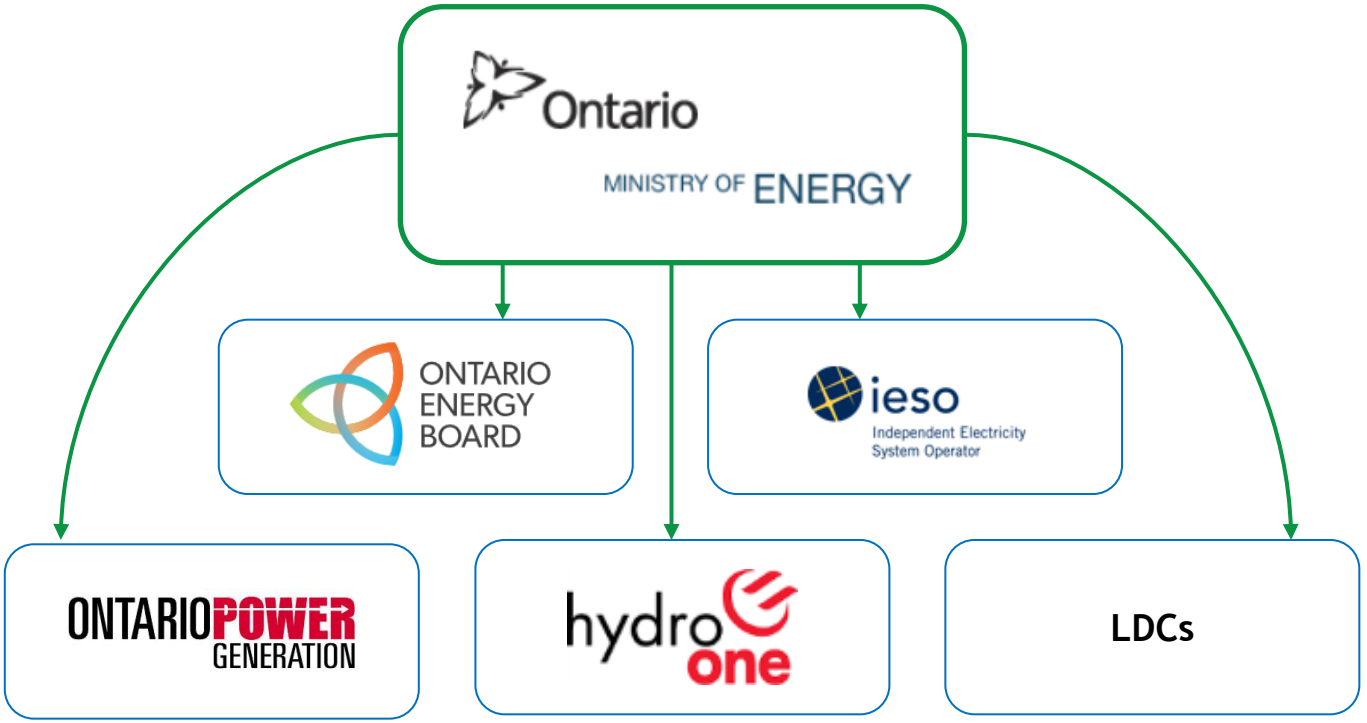


Note: The diagram above is based on subordinated debt of 49% of all outstanding debt; under the Master Trust Indenture, the Trust covenants to maintain the level of subordinated debt plus junior subordinated debt at not less than 35% of all outstanding debt
Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to exclude the assets and liabilities of OPG, and vice versa.

II. Ontario Electricity Market

Overview of Ontario's Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in average annual cash flows[1]
- Transmission rates, distribution rates, and OPG's regulated rates are set by the OEB
- Rates for the majority of the remaining generation supply are set by direct contracts with the IESO (e.g. wind, solar, hydroelectric)



[1] Source: "Ontario Planning Outlook – A technical report on the electricity system prepared by the IESO" dated September 1, 2016. The amount represents the mathematical average of the system costs on page 44 in the appendix "Data Tables for the OPO Technical Report".

Key Industry Participants

Participants	Credit Ratings *(DBRS / S&P / Moody's)*	Description
Ontario Ministry of Energy	**AA (l) / A+ / Aa2** [1]	• The Province of Ontario through the Ministry of Energy sets the policy for the electricity system
Ontario Energy Board	--	• Independent public regulatory agency established under the *Ontario Energy Board Act, 1998* and has the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • Sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan (RPP); RPP rates are set twice a year (May and November)
ieso Independent Electricity System Operator	**A(h) / -- / Aa2**	• Not-for-profit corporation established under the *Electricity Act, 1998 (Ontario)* • Manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
Ontario Power Generation	**A(l) / BBB+ / --**	• Corporation formed under the *Business Corporation Act (Ontario)*, whose sole shareholder is the Province of Ontario • Principal business is the generation and sale of electricity in Ontario and is Ontario's largest clean energy electricity generator, providing approximately half of the province's electricity
hydro one	**A(h) / A / A3**	• Ontario's largest electricity transmission and distribution company, delivering electricity to over 1.3 million customers across the province, and to large industrial customers and municipal utilities

[1] The credit ratings noted are for the Province of Ontario.

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry under the *Energy Competition Act, 1998*, the municipal electricity utilities became municipally-owned business corporations, including LDCs. The majority of LDCs continue to be municipally-owned, while others have been sold to or acquired by Hydro One or private-sector owners
- An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors

Select Aggregate Market Stats[1]

Number of LDCs in Ontario	65
Residential & Small Commercial[2] Revenue	$18.89 billion
Residential & Small Commercial[2] Metered Usage (kWh)	52.39 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

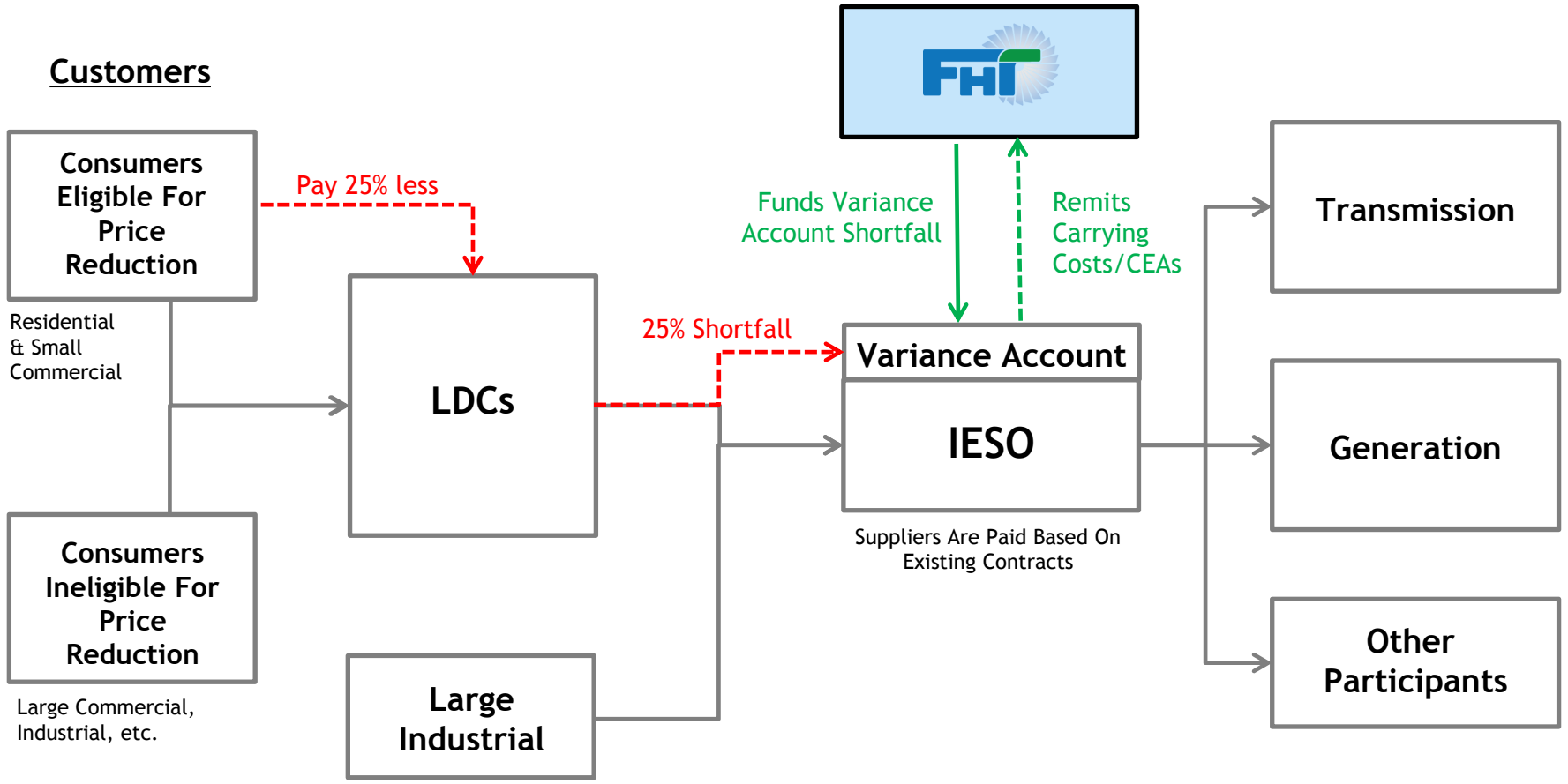
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	Customers[4] *(MM)*	Revenue[4] *(C$MM)*
hydro one	A / A(h) / A3	1.30	$4,533
alectra utilities	A / A / --	0.96	$3,642
TORONTO HYDRO	A / A / --	0.75	$3,886
HydroOttawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	**$13,680**

[1] Source: OEB 2016 Yearbook of Electricity Distributors
[2] Small Commercial includes General Service <50kW Customers
[3] Most recent rating reports from S&P, DBRS and Moody's
[4] Residential and Small Commercial customers

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment and records this amount, together with financing costs, in a variance account
- FHT will finance the shortfall and is entitled to recover its costs and the principal and interest on its debt through CEAs from Specified Consumers



III. Legislative and Regulatory Framework

Legislation Overview

Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to consumers as a result of Ontario's clean energy initiatives; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• **July 1, 2017 - April 30, 2018** – Specified Consumers charged an invoice amount that is 25%[1] less than the regulated rate that would otherwise have been determined by the OEB; the 25% reduction includes an 8% rebate equivalent to the provincial portion of the HST previously granted by the Ontario government • **May 1, 2018 - April 30, 2019** - regulated rate established in the first year of the Rate Reduction Period anticipated to increase by the rate of inflation in Ontario • **May 1, 2019 - April 30, 2021** - rate reductions will be established by future regulation but anticipated to increase by the rate of inflation in Ontario

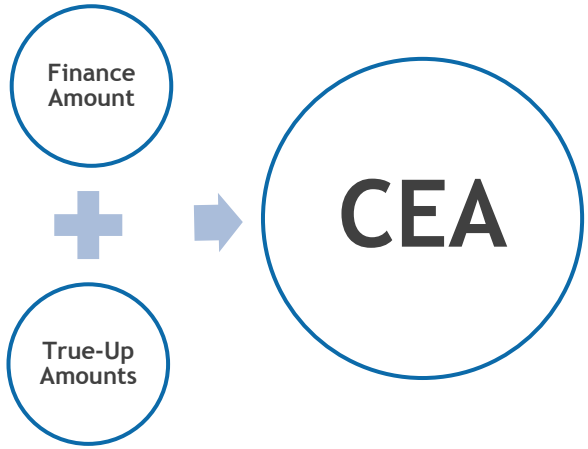
[1] Based on a typical Toronto Hydro customer; the amount of the reduction for any given Specified Consumer may vary from this account.

Legislation Overview, cont'd

Regulatory Asset	• Each month the IESO determines the shortfall that results from the Fair Adjustment and records this amount, together with the costs of financing the shortfall, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right is the Regulatory Asset) • The IESO may transfer a specified portion of the Regulatory Asset to the Trust for a cash purchase price equal to the amount recorded in the variance account
Investment Asset	• The Trust is not obligated to purchase Regulatory Assets from the IESO • If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right is an Investment Interest) • By acquiring an Investment Interest, the Trust will be entitled to recover all of its financing costs and acquires the right to impose, invoice, collect, receive and recover CEAs from Specified Consumers
Moratorium Period *(July 1, 2017 to April 30, 2021)*	• CEAs are not permitted to be collected from Specified Consumers during this period • The IESO is obligated to pay all Carrying Costs, excluding repayment of principal on any debt obligations, during the Moratorium Period and extending to July 31, 2021. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to Regulations • As security for the performance of its obligations, the IESO has granted the Trust a first-priority security interest in all of its accounts receivable • The IESO has a $2 billion general credit facility from the Ontario Financing Authority (OFA) which can be used to pay the Carrying Costs

Clean Energy Adjustments

- Under the FHPA, the CEA is the amount payable by Specified Consumers to cover the cost of financing the shortfall from the Fair Adjustment and the associated costs of the financing, including payment of principal, operating costs of the Trust and funding of reserve accounts
- CEAs shown on an invoice issued to Specified Consumers represents the amount of the consumers' indebtedness and may not be set off or bypassed

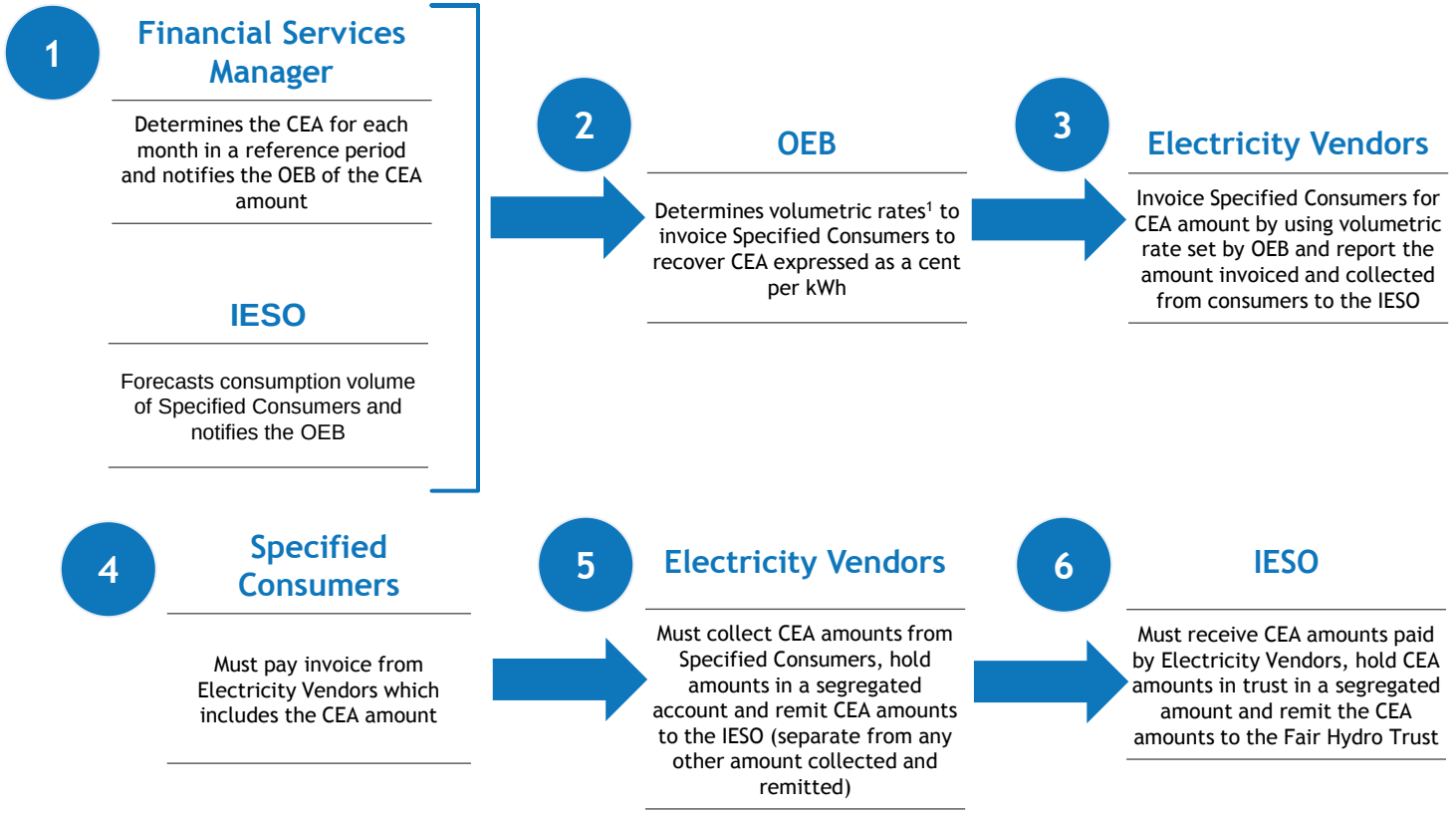


Finance amount = estimate of the amount payable by the Trust mainly in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments

True-up amounts capture the difference between the finance amounts incurred by the Trust and the CEAs collected from Specified Consumers and also include other anticipated shortfalls and differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)

Billing and Collection of CEAs

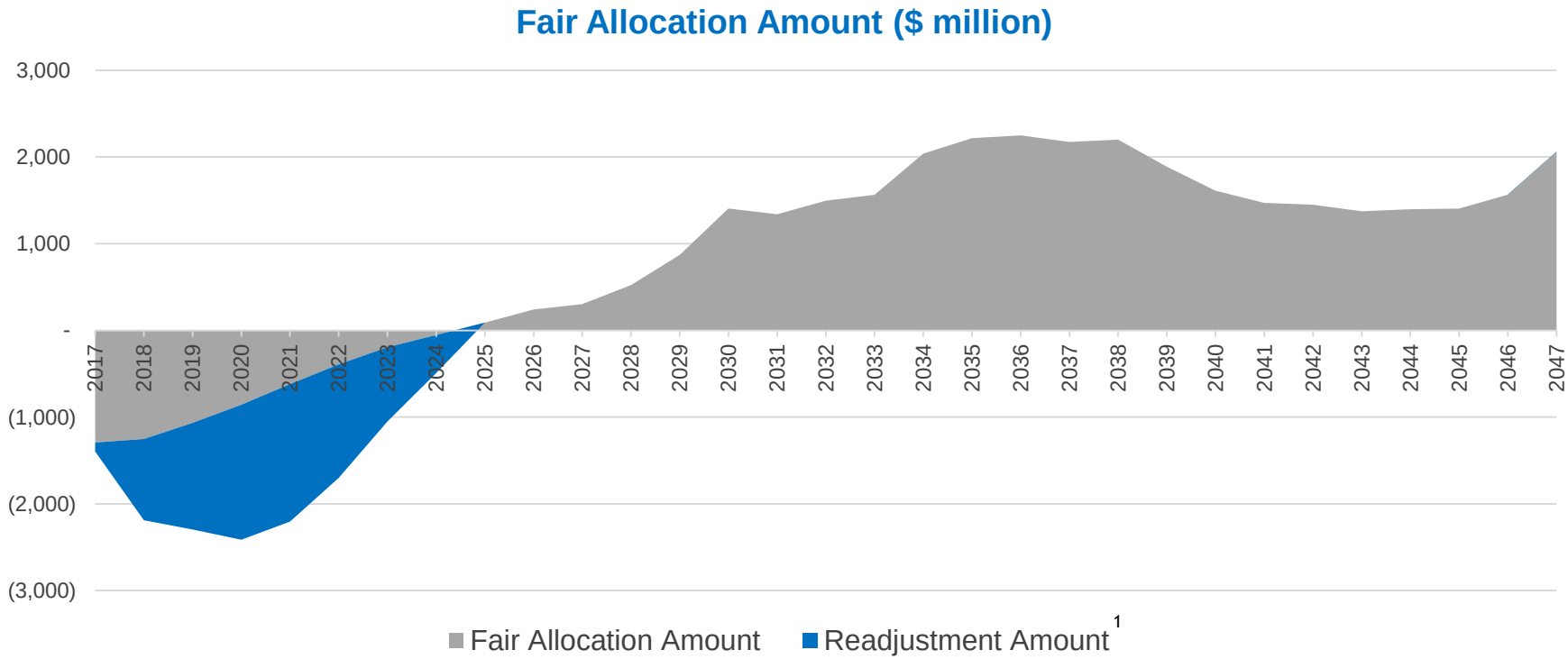
- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are mitigated through statutory rights in the FHPA, the collection obligations of the IESO under the Master Transfer & Servicing Agreement (MTSA), and the ability to include amounts into the true up mechanism
- IESO is allowed to commingle the CEAs during a monthly period before remitting to FHT. If the IESo's rating is downgraded below investment grade, it will not be allowed to commingle CEAs and will remit within two business days of receipt



[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers.

Fair Allocation Amount

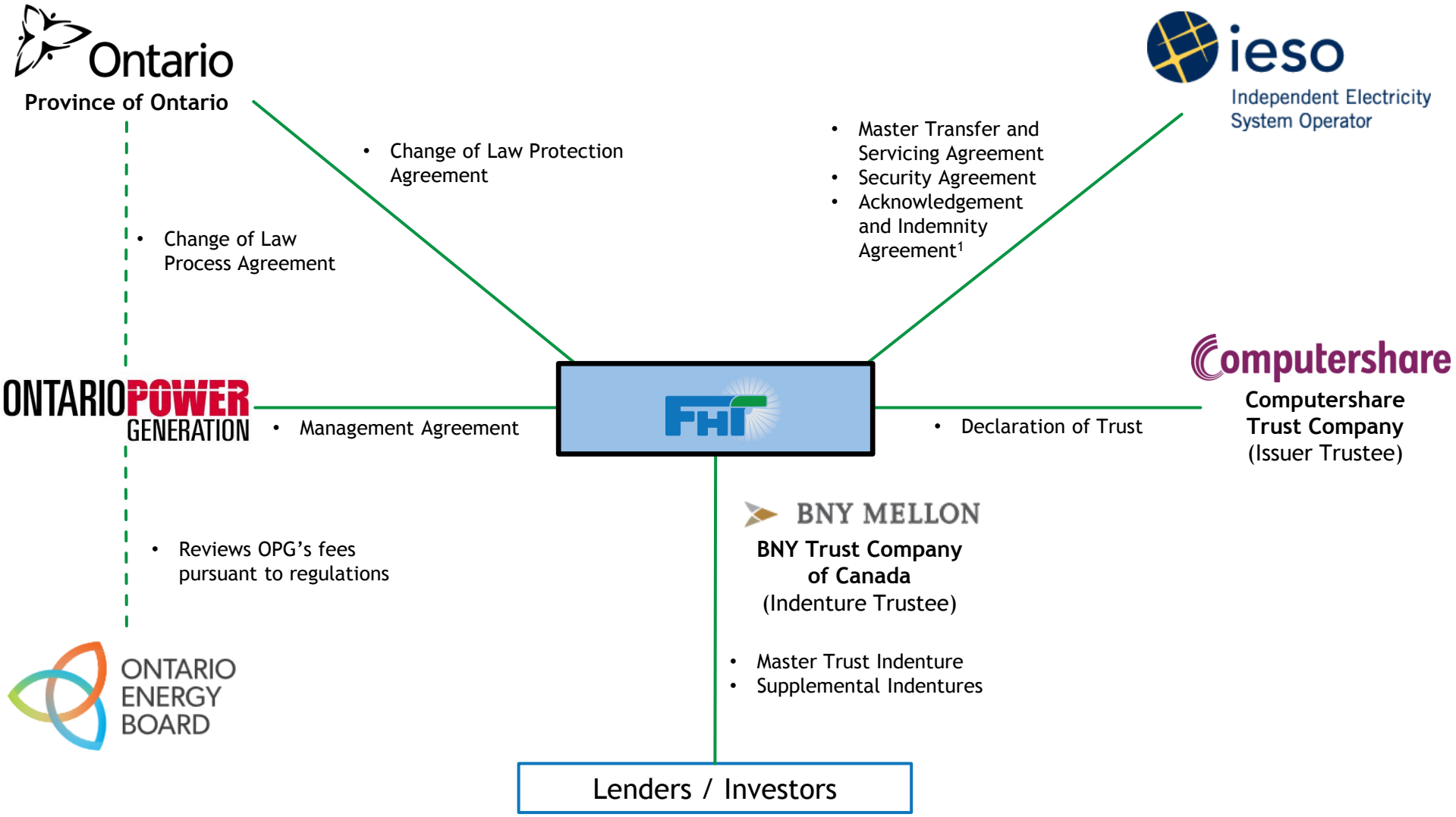
- The Fair Allocation Amount (FAA) is the estimated clean energy costs without the FHP compared to these same costs reallocated on the basis of estimated clean energy benefits to Specified Consumers in respect of each reference period and includes operating and financing costs of the FHT
- If the FAA is negative, this means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of clean energy costs (with the consequent rate reduction for current Specified Consumers); the FAA is expected to be negative until at least May 2024
- The Ministry of Energy may provide updated FAAs to OPG from time-to-time



[1] The Readjustment Amount represents the amounts by which Specified Consumers overpaid for clean energy initiatives in the past. It has been incorporated into the FAA to further reduce electricity bills for such consumers.

IV. Contractual Framework

Simplified Contractual Structure



[1] Agreement between IESO and Indenture Trustee.

Key Agreements

Change of Law Protection Agreement

Parties	• (1) Province of Ontario and (2) Indenture Trustee as Trustee of the Issuer, on behalf of Specified Creditors[1], and (3) OPG as Financial Services Manager (FSM)
Purpose	• Provides assurance to Specified Creditors that upon the occurrence of a Protection Event referred to below, the Province of Ontario will pay all Approved Obligations on behalf of the Trust, with limited rights of acceleration
Key Terms	• **Term**: Continues for as long as any protected obligations of the Trust that are secured under the Master Trust Indenture (MTI) remain outstanding • **Mandatory Payment**: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all Approved Obligations when due and payable • **Priority of Payments**: The priority of payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the issuance of debt which is to benefit from the Change of Law Protection Agreement from the Province (such debt called "Approved Obligations") • **Suspension Notice**: The Province may deliver a suspension notice upon the occurrence of the acceleration of any indebtedness of the Trust or a default in performance or misrepresentation by OPG as FSM pursuant to certain internal reporting and other requirements contained in a process agreement between OPG and the Province, and any new funding obligations that are incurred during a suspension period will not have the benefit of the Change of Law Protection Agreement, except that the Change of Law Protection Agreement applies to Post-Suspension Refinancing of previously issued Pre-Approved Refinancing

[1] **Specified Creditors** are any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Key Agreements

Change of Law Protection Agreement (cont'd)

Protection Events

The occurrence of any of the following events:

(1)

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

in each case that adversely affects the ability of the Trust to pay its obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount

(2)

- A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is *ultra vires* or invalid in a way that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable

Key Agreements (cont'd)

Master Transfer and Servicing Agreement

Parties	• (1) IESO, as transferor and servicer; (2) Trust
Purpose	• Provides for the transfer, by the IESO to the Trust of the Regulatory Asset, and upon such transfer the Trust acquires an Investment Interest and describes the servicing obligations of IESO
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer the Regulatory Asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer. • **Servicing Duties:** The IESO will be responsible for servicing the Investment Interest under the regulations, including collecting CEA amounts from Electricity Vendors and remitting the same to the Trust, including: – Establishing a segregated account for collecting CEAs and use reasonable efforts to cause Electricity Vendors to do the same; – Collect CEAs from Electricity Vendors; – Remit CEAs monthly to the Trust (unless downgraded below investment grade in which case it will remit daily); – Prepare monthly servicer reports; and – Forecast electricity consumption of Specified Consumers • **Moratorium Period:** During the Moratorium Period (until April 30, 2021) and extending to July 31, 2021, the IESO is required by regulation to fund all Carrying Costs of the Trust. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to regulation. • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, as security for the commingling risk of CEAs collected by non-rated or non-investment grade rated Electricity Vendors and not yet remitted to the IESO

Key Agreements (cont'd)

Management Agreement

Parties	• (1) Issuer Trustee, on behalf of the Trust, and (2) OPG, as Manager and acknowledged and accepted by the Indenture Trustee, on behalf of specified creditors
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust
Key Terms	• **Duties Include**: – Negotiating and executing program agreements; – Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations; – Review or cause to be reviewed, records of electricity vendors on an annual basis with respect to CEAs (or less frequently in certain circumstances); – Preparing monthly portfolio reports; – Preparing financial statements; and – Paying taxes on behalf of the Trust • **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire Investment Interests • **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements • **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding • **Management Fees:** OPG is entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer

Key Agreements (cont'd)

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulation to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in all of its accounts receivable
Acknowledgement and Indemnity Agreement (IESO)	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee, including the right to enforce the indemnities provided to the issuer with respect to IESO's duties and obligations under the MTSA
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as updated from time to time in the Financing Plan) to be exceeded
Declaration of Trust	• Establishes FHT to carry out activities for the exclusive benefit of its unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare) • The Issuer Trustee has delegated all of the powers and duties of managing the Trust to OPG under the Management Agreement

Allocation of Servicing Role and Responsibilities

- The shared responsibilities of servicing and management roles are summarized below

	OPG	IESO	LDC
Review Records of LDCs with Respect to CEAs (annually or less frequently in certain circumstances)	✔		
Determination of CEA for a Reference Period, including the True-Up Amount	✔		
Ongoing Reporting for Trust and Reporting to the Rating Agencies	✔		
Management of Ongoing Debt Issuances	✔		
Cash Management	✔	✔	
Preparation of Monthly Servicer Reports		✔	
Remittance of CEA to IESO and to the Trust		✔	✔
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		✔	✔
Customer Billing			✔
Customer Collections			✔
Customer Meter Reading			✔

V. Financing Program

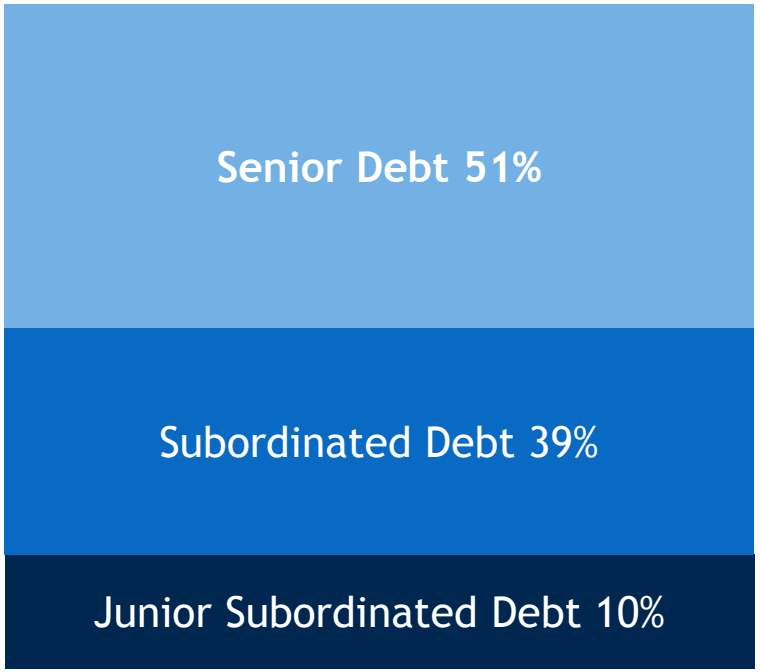
Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program
- Given the size (~$20 billion) and longevity (~10 years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Warehouse financing (ABCP conduit and bank funded) and subordinated debt and junior subordinated debt funded by OPG will be used to fund monthly Regulatory Asset purchases from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- Term debt can take the form of bullet bonds or could be issued as amortizing bonds

Warehouse Financing	• ABCP conduit and bank funded and subordinated debt funded by OPG will be used to fund monthly Regulatory Asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance warehouse financing and the subordinated debt and junior subordinated debt funded by OPG • Both Canadian term debt and U.S. term debt market will be considered • Maturity profiles will be structured to ensure reasonable alignment with the FAA (bullet bonds with sinking funds or amortizing bonds)
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall)

Financing Structure

- The Trust will fund Regulatory Asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51%) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required) will be purchased by OPG, primarily funded by equity injections from the Province (44% of 49%) and the remaining portion from OPG (5% of 49%)



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

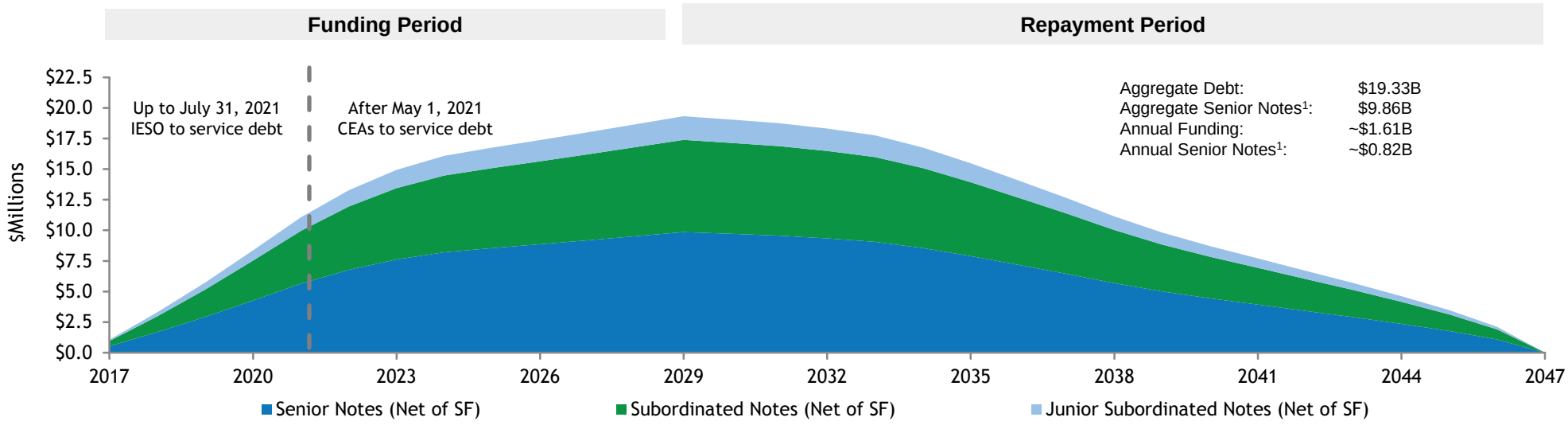
Note: Assumes 49% Subordinated Debt.

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount and the Province's electricity bill reduction targets, the following debt profile for the program is expected, peaking at just under $20 billion by 2029
- Various tranches of debts will be issued periodically during the period of 2017 - 2028, which are expected to mature over a period after 2029

Illustrative Aggregatee Funding and Repayment Profile (Annual; Net of Sinking Fund ("SF") Payments)

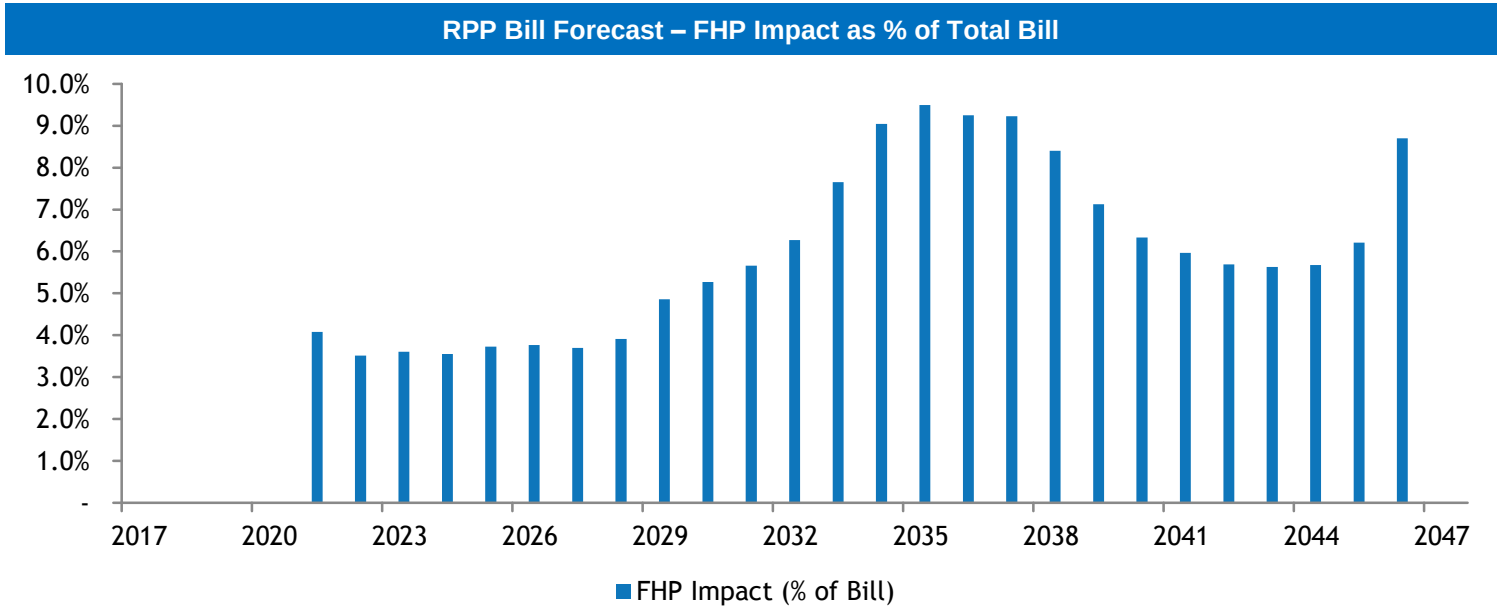


[1] Assumes 51% Senior Notes

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro Program, the CEA for the average residential customer is anticipated to remain below 10% of the total electricity bill
- Max CEA as a percent of the total bill is forecast to be 10.1%
- Average CEA as a percent of the total bill is forecast to be 6.9%



Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• Governs the terms of the debt issued by FHT and cash flow waterfall

Key Terms

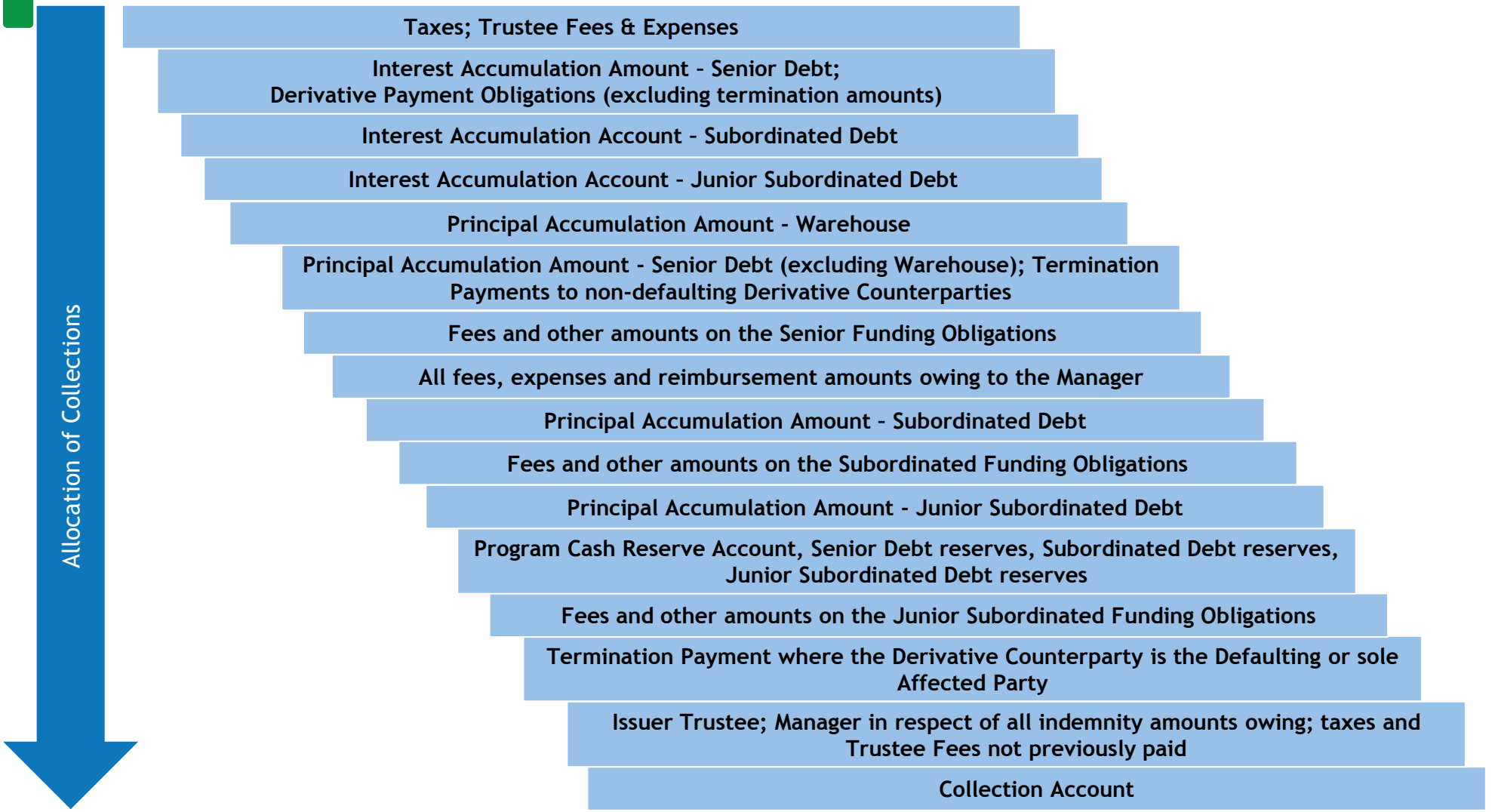
Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments including: – Note issuances under supplemental indentures – Borrowings under credit agreements – Purchase of notes under note purchase agreements – Letters of Credit/Guarantees under credit enhancement agreements – Liquidity loans under liquidity agreements backing short term notes
Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that: – the incurrence of such additional obligations will not cause an adverse effect – the incurrence of such additional obligations is materially consistent with the Financing Plan • It will also be a condition precedent that (i) each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations and (ii) the Indenture Trustee has received certain assurances as to the applicability of the Change of Law Protection Agreement to such funding obligations

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts
Subordination	• Provides for three different classes of funding obligations – (i) senior – (ii) subordinated – (iii) junior subordinated
Events of Default	• Include payment defaults, representation and covenant breaches, insolvency and Change of Law Protection Agreement ceasing to be in full force and effect against the Province
Acceleration	• CEAs cannot be increased to the level required to immediately repay all outstanding principal following acceleration. The increase in CEAs is limited under the Regulation to the amount available per the FAA • However, the CEAs are allocated to paying the senior indebtedness first. Accordingly, the subordination of debt across all series of debt would advance the repayment of the principal amount for senior funding obligations • After an acceleration, all Senior Term Notes will be paid parri-passu

Waterfall



Note: This waterfall indicates the priority of payment prior to an Event of Default and acceleration; additional information on the priority of payments after an Event of Default and acceleration can be found in the Offering Memorandum.
Note: After paying interest on the senior debt, no interest payments will be made on the subordinated debt unless there will be sufficient amounts remaining in the Interest Accumulation Account for what should be accumulated for the Senior Notes after making such payments.

VI. Summary of Offering

Summary of Indicative Terms

Initial Fair Hydro Term Issuance	**Class**	**Size**	**% of Trust**	**Expected Maturity**	**Principal Payment Default Date**	**Rating (DBRS / Moody's)**
	Senior Term Notes	$[ ] mm	[ ]%	[ ]	[ ]	AAA (sf) / Aa2 (sf)
	Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
	Jr. Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
Issuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager					
Financial Services Manager	Ontario Power Generation, Inc.					
Servicer	Independent Electricity System Operator					
Source of Repayment	• Moratorium Period: Statutorily mandated remittances from IESO (Up to July 31, 2021) • Post Moratorium Period: Non-bypassable charge from residential and commercial customers in Ontario, related collections and reserve accounts (After May 1, 2021)					
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	Principal Accumulation Date ●, 20●			Principal Accumulation Amount $●		
Payment Frequency	Semi-annual					
Interest	Fixed rate					
Senior Note Credit Enhancements	• Semi-annual (or more frequent) True-up • Reserve Account • Subordination					
Program Cash Reserve Account	After Moratorium period, an amount equal to 0.50% of the aggregate amount of all outstanding Senior, Subordinated and Junior Subordinated funding obligations					
True-up	Calculated on at least a semi-annual basis post-moratorium period					
Subordination	Subordinated and Junior Subordinated Notes will be retained by OPG					
Additional Issuance	Master Trust Indenture allows for the issuance of additional notes subject to satisfaction of Rating Agency Condition					

VII. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• Future legislative action to change or challenge/invalidate the Act or the Change of Law Protection Agreement might materially adversely affect a holder's investment in the Notes	• Limited Guarantee provided by the Province of Ontario via the Change of Law Protection Agreement in favour of lenders/investors in these circumstances
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• True up mechanism may result in a delay, but will be corrected in next True up • Cash reserve and 35%-49% subordination which would first absorb any shortfalls • 6-month reference period • Any shortfall in collections are recoverable from all Specified Consumers
Reliance on IESO and LDCs	• During the Moratorium Period, the Trust is dependent on the IESO to pay for all Carrying Costs • Receipt of CEAs dependent on the performance of LDCs and IESO • Limited ability to enforce against or replace on LDC	• Highly regulated industry and LDC and IESO are required under law and regulation to perform duties under FHP • IESO has a very strong credit profile and very low losses and grants security over all of its accounts receivables as security during the Moratorium Period • IESO will provide a letter of credit/other security for the commingling of CEAs by non-rated or below investment grade rated LDCs until they are remitted to IESO • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment • $2 billion general credit facility from the OFA which can be used to pay the Carrying Costs
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	• 20-year repayment period allows for gradual rate increases • Max CEAs as a percent of the total bill is forecast to be ~10%

VIII. Investment Highlights

Investment Highlights

- Protection against political risk through the Change of Law Protection Agreement
- Irrevocable & non-bypassable rate payer charge, recoverable from Specified Consumers across the Province of Ontario
- Repayment risk spread across all Specified Consumers. Full cross-collateralization; collection shortfalls allocated among all Specified Consumers (Joint and Several Liability)
- Enhanced true-up mechanism
- Credit enhancement for senior debt provided via subordinated debt
- Highly regulated market with experienced operating agents (OPG, IESO, and LDCs)
- Strong service territory
- No large user industrial risk exposure

Form of Term Sheet

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January ●, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Description of Notes" section of the confidential shelf offering memorandum which contains a more detailed description of certain terms of the Series 2018-1 Senior Notes and the master trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *January ●, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ●, Series 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Credit Ratings:	DBRS: ● (●) Moody's: ● (●)
Principal Amount:	$●
Term:	● years
Launch Date:	●, 2018
Pricing Date:	●, 2018
Settlement Date:	●, 2018 (T+3)
Interest Rate:	●%
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● +● bps (including a ● bps curve adjustment) versus the CAN ●% due ● (priced at $● to yield ●%)
Issue Yield:	●%
Issue Price:	$● for each $1,000 principal amount of Series 2018-1 Senior Notes sold.

Agents Commission: **$●**

Net Proceeds: $●

Interest Payment Dates: Interest on the Series 2018-1 Senior Notes shall be payable in equal (except the initial interest payment) semi-annual instalments in arrears on April 15 and October 15 of each year, commencing April 15, 2018 (short first coupon). The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first interest payment date for the Series 2018-1 Senior Notes. The first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes.

If an interest payment date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis.

Principal Accumulation Date(s) and Principal Accumulation Amount(s):

Principal Accumulation Dates	Principal Accumulation Amounts
●, 20●	$●

Principal Payment Date(s) and Principal Payment Amount(s):

Principal Payment Date	Principal Payment Amount
●, 20●	$●

Principal Payment Default Date: ●, 20●

Optional Redemption: The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption.

"**Par Call Date**" means ●, 20●.

"**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the date of redemption, plus ●%.

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

Use of Proceeds:	The net proceeds from the Series 2018-1 Senior Notes Offering will be used as follows: **[(i) to refinance $● of indebtedness of the Issuer originally incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement and (ii) to pay the Series 2018-1 Senior Notes Offering and related costs of the Issuer in an approximate amount of $●. See *"Consolidated Capitalization"*.]**
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	**[CIBC World Markets Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc. (as co-leads and co-bookrunners)]**, ●, ●, and ●.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer", of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

[NTD: If there are subsequent draws on the warehouse before the launch of the Series 2018-1 Senior Notes Offering, this section to be updated.]

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for:

(i) $● of ●% subordinated notes due ●, Series 2018-1; and
(ii) $● of ●% subordinated junior notes due ●, Series 2018-1.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	Nil
Debt		
Long-term debt, including current portion…….	Nil	$●
Short-term debt……...	**$[1,179,000,000.00][(1)]**	**$[1,179,000,000.00]**
Bank indebtedness……..	Nil	Nil
Total Debt……	**$[1,179,000,000.00][(1)]**	$●
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	**$[1,179,010,000.01][(1)]**	$●

(1) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short-term debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes, Series 2017-1 held by OPG; and (iii) $117,900,000 of which, or 10% of all short term debt, represented by Junior Subordinated Notes held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On October 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than

Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer", of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, the Issuer had approximately $● billion outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' fee payable by the Issuer

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

From:	Saulnier, Brett
To:	Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); Tim Christie (ENERGY); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; "ASHBOURNE, STEPHEN"; Tim Christie (ENERGY); Malle Hanslep (MOF)
Cc:	Mansoori, Nina
Subject:	RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries (EMAIL 3/6)
Date:	Friday, January 05, 2018 5:42:41 PM
Attachments:	04. Form of Agency Agreement.docx

Email 3/6: Agency Agreement

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 5:13 PM

To: Mansoori, Nina <nmansoori@torys.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Thompson, Scott (MOF) <Scott.Thompson@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>

Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Olusoga, Yinka <yolusoga@torys.com>

Subject: Re: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Hi Nina

I am having trouble receiving the email with the attachments because the attachments are large. Is it possible for you to resend the attachments in separate emails? Sorry about that and would appreciate it so I can review.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Mansoori, Nina

Sent: Friday, January 5, 2018 17:04

To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: 'John Lee (john.s.lee@opg.com)'; 'Ken Ryfa (ken.ryfa@opg.com)'; 'WONG Leslie -LAWDIV'; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka

Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

All – just to clarify - we appreciate the Province will be reviewing the draft OM and may have comments on the disclosure which we would be happy to discuss once you have had a chance to review. Thanks,

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=hdofRe8x8TWeulJtk_ohtDA0rauGR_cwSINUkkqZncU&s=EWpSq8S71mGPvaHYqjp6IjNEqKHTWCtA2V8Z4oW4udo&e=>

[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=hdofRe8x8TWeulJtk_ohtDA0rauGR_cwSINUkkqZncU&s=EWpSq8S71mGPvaHYqjp6IjNEqKHTWCtA2V8Z4oW4udo&e=>

From: Mansoori, Nina

Sent: January-05-18 4:55 PM

To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; 'Scott.Thompson@ontario.ca' <Scott.Thompson@ontario.ca>; 'Anna.Strathy@ofina.on.ca' <Anna.Strathy@ofina.on.ca>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; 'David.McLean@ontario.ca' <David.McLean@ontario.ca>; 'Jonathan.Tekle@ontario.ca' <Jonathan.Tekle@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; 'Ken.Kandeepan@ofina.on.ca' <Ken.Kandeepan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; 'tim.christine@ontario.ca' <tim.christine@ontario.ca>

Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie

-LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>

Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Importance: High

All,

Reference is made to the Change of Law Process Agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the Province") and Ontario Power Generation Inc. ("OPG") to be dated as of December 21, 2017 (the "Change of Law Process Agreement"). All capitalized terms used and not defined in this email shall have their respective meanings in the Change of Law Process Agreement.

On behalf of OPG, we have hand-delivered today to the Ministers and the Deputy Ministers the forms of Transaction Documents set out in the attached cover letter. For ease of reference, we also attach these documents here and attach blacklines to the last versions of the term supplemental indentures circulated to you. If you would like a blackline of any other Transaction Document, please send us the version you reviewed last.

We consider these forms settled other than:

· There is one change that has been proposed by the dealers, and which is under discussion, that will impact the term supplemental indentures and will necessitate some additional disclosure to the term sheet. The dealers have advised that following a Principal Payment Date (i.e. the date on which all amounts owing under the notes are expected to be repaid in full), it would be typical for the interest payment dates to accelerate to monthly (instead of semi-annually). Once the dealers and OPG have an opportunity to discuss and come to an agreement on this point next week, the necessary changes to reflect this will be made to the term supplemental indentures and the term sheet

· there are still some bullets in these documents which will be addressed closer to closing (including dates, pricing information and the names of all of the Agents)

· we expect there will be some minor clean up to the OM (including making sure all of our cross-references are correct and that the glossary picks up all defined terms).

Please let us know if you have any questions.

Best Regards,

Nina

P. 416.865.7332

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AGENCY AGREEMENT

January ●, 2018

Fair Hydro Trust
c/o Ontario Power Generation Inc.,
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: **[Name]**
[Title]

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: **[Name]**
[Title]

Dear Ladies and Gentlemen:

The undersigned, CIBC World Markets Inc., RBC Dominion Securities Inc., Goldman Sachs Canada Inc., ● and ● (collectively, the "**Agents**"), understand that Fair Hydro Trust (the "**Issuer**") proposes to create, issue, offer and sell (the "**Offering**"), by way of private placement in all of the provinces of Canada (collectively, the "**Offering Jurisdictions**") to certain "accredited investors", as such term is defined under applicable Securities Laws (as defined herein), up to an aggregate principal amount of $● of ●% Senior Notes due ●, Series 2018-1 (the "**Notes**"), at a price of $● per $1,000 principal amount and having the attributes set forth in the term sheet attached hereto as Appendix "A" (the "**Term Sheet**").

The Notes will be issued pursuant to a master trust indenture (the "**Master Trust Indenture**") dated as of December 21, 2017 between BNY Trust Company of Canada, as trustee (the "**Indenture Trustee**") and the Issuer, as supplemented by a term senior series **[2018-1]** supplemental indenture to the Master Trust Indenture (the "**First Term Supplemental Indenture**", and the Master Trust Indenture as amended and supplemented by the First Term Supplemental Indenture, the "**Indenture**") to be entered into as of the Closing Date (as defined herein) between the Indenture Trustee and the Issuer. A confidential shelf offering memorandum dated January ●, 2018 (the "**Shelf Offering Memorandum**"), as supplemented by the Term Sheet which, among other things, updates the Shelf Offering Memorandum to contain the final pricing information with respect to the Notes (collectively, the Shelf Offering Memorandum and the Term Sheet, the "**Offering Memorandum**"), has been prepared by the Issuer, with the assistance of the Agents, for use by the Agents in connection with the Offering.

The Issuer has entered into a management agreement dated as of December 20, 2017 pursuant to which the Issuer has delegated to Ontario Power Generation Inc. ("**OPG**"), as manager of the Issuer (the "**Manager**"), all of the powers and duties of managing the Issuer. OPG is executing this Agreement as principal only with respect to its representations, warranties and covenants set out in Section 10 and its indemnification obligations set out in Section 15(b) related to such

representations, warranties and covenants and in all other respects, OPG is executing this Agreement in its capacity as Manager.

1. **Appointment**. The Issuer hereby appoints the Agents to act as its sole and exclusive agents to effect the solicitation and private placement of the Notes in the Offering Jurisdictions, and in such other jurisdictions as may be agreed upon in writing between the Issuer and the Agents, and the Agents hereby agree to act as exclusive agents for such purpose and to use their reasonable best efforts to solicit offers to purchase the Notes on behalf of the Issuer, subject to the terms and conditions contained herein. The Issuer agrees and acknowledges that the Agents will act as agents only and will not at any time be obligated to purchase any Notes.

2. **Agents' Fee**. In consideration of the services rendered or to be rendered by the Agents to the Issuer in connection with the Offering, the Issuer shall, on the closing of the Offering (the "**Closing**"), pay to the Agents a fee equal to ●% of the aggregate principal amount of the Notes sold to purchasers (the "**Purchasers**") under the Offering (the "**Agents' Fee**"). The Agents' Fee shall be allocated among the Agents pro rata as follows:

CIBC World Markets Inc.	●%
RBC Dominion Securities Inc.	●%
Goldman Sachs Canada Inc.	●%
●	●%
●	●%

3. **Offering Restrictions.**

   (a) The Offering is to be effected in a manner exempt from the prospectus requirements of Securities Laws. The Notes shall be offered for sale to Purchasers in accordance with the "accredited investor exemption" as defined in section 2.3 of National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators ("**NI 45-106**") and, in the case of Purchasers resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario) (the "**OSA**"). For the purposes of this Agreement, "**Securities Laws**" means the applicable securities acts and laws, and the rules and regulations promulgated thereunder, of the Offering Jurisdictions and the rules, instruments, orders, published policy statements, rulings and notices of the securities regulatory authorities of such jurisdictions.

   (b) The Agents will solicit offers to purchase the Notes only from "accredited investors" (as such term is defined in section 1.1 of NI 45-106 or in section 73.3 of the OSA, as the case may be) in the Offering Jurisdictions who are not individuals unless such individuals are "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Requirements* ("**NI 31-103**")), all in accordance with all applicable Securities Laws and this Agreement and on a private placement basis so as not to require the Issuer to file a prospectus in any jurisdiction.

   (c) The Agents acknowledge and agree that the Notes will not be registered under the United States Securities Act of 1933, as amended, (the "**1933 Act**") or applicable

state securities laws and the Agents shall not offer, directly or indirectly, in the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the "**United States**") or to a U.S. person (as defined in Regulation S under the 1933 Act).

(d) The Agents will, upon the prior consent of the Issuer, be entitled to offer the Notes to purchasers resident in jurisdictions outside of the United States and Canada, provided that the Agents conduct all such activities in compliance with the applicable laws of any such jurisdictions, and provided that the Agents do not solicit offers to purchase or sell the Notes so as to require registration of the Notes or filing of a prospectus with respect to the Notes under the laws of any jurisdiction or impose any additional obligations on the Issuer.

4. **Distribution of Notes**.

(a) The Issuer shall, as soon as reasonably practicable and in any event prior to the Closing Date, use its reasonable commercial efforts to fulfill to the satisfaction of legal counsel to the Agents (the "**Agents' Counsel**"), acting reasonably, all legal requirements to be fulfilled by the Issuer to enable the Notes to be offered for sale and sold in each of the Offering Jurisdictions through the Agents in the manner contemplated herein and without any requirement that a prospectus be filed under the Securities Laws. The Issuer shall also file or cause to be filed with the securities regulatory authorities in the Offering Jurisdictions all information and forms required to be supplied or filed by it in connection with the Offering under applicable Securities Laws including, without limitation, filing the Offering Memorandum and the reports on Form 45-106F1 required under applicable Securities Laws. Each Agent acknowledges and agrees that it has taken or will take reasonable steps to confirm that each Purchaser of the Notes meets the terms and conditions of the prospectus exemption set forth in section 2.3 of NI 45-106 or section 73.3 of the OSA, as applicable, and obtains and retains, as necessary, relevant information and documentation to evidence the steps taken by such Agent to verify compliance with the exemption in accordance with its usual document retention policies and procedures in compliance with applicable Securities Laws, and will provide to the Issuer forthwith upon request all such information or documentation as the Issuer may reasonably request in good faith and solely for the purpose of verifying compliance with the exemption and assisting the Issuer with complying with its obligations under NI 45-106, including completing Form 45-106F1.

(b) The obligations of the Agents under this Agreement are several and not joint or joint and several. No Agent will be liable for any act, omission, default or conduct by any other Agent or any selling firm appointed by any other Agent.

5. **Deliveries by the Issuer**. The Issuer shall deliver to the Agents:

(a) reasonably promptly upon the Agents' request, such number of commercial copies of the Offering Memorandum to the offices of the Agents as the Agents may reasonably require by notice to the Issuer and an electronic version of the Offering Memorandum; and

(b) concurrently with the preparation thereof, copies of any other documents required to be signed and/or filed by the Issuer under the laws of any Offering Jurisdiction in connection with the Offering, including any Supplementary Material (as defined in Section 6), all of which the Issuer shall complete in form and substance satisfactory to the Agents, acting reasonably, and in compliance with applicable Securities Laws.

6. **Material Change**. For the purposes of this Agreement, the terms "**material change**", "**material fact**" and "**misrepresentation**" have the meanings ascribed thereto in Section 1(1) of the OSA. During the period from the date hereof to the Closing Date, the Issuer shall promptly notify the Agents in writing the full particulars of:

(a) any material change (actual, anticipated or threatened) in the business, affairs, operations, assets, liabilities (absolute, accrued, contingent or otherwise), capital or condition (financial or otherwise) of the Issuer or the Manager, which change is or will likely be of such nature as to result in a misrepresentation in the Offering Memorandum or any Supplementary Material (collectively, the "**Offering Documents**");

(b) any change in any material fact relating to or in respect of the Issuer or the Manager or to the business, affairs, operations, assets, liabilities (absolute, accrued, contingent or otherwise), capital or condition (financial or otherwise) of the Issuer or the Manager contained in the Offering Documents, which change is or will likely be of such nature as to result in a misrepresentation therein;

(c) any change, to the knowledge of the Issuer, in applicable laws, materially and adversely affecting, or which may materially and adversely affect, the business, operations, affairs, prospects or property of the Issuer, the Notes or the Offering, including, without limitation, the occurrence of a Protection Event (as defined in the Change of Law Protection Agreement (as defined in the Master Trust Indenture)); and

(d) any order of any court or securities regulatory authority preventing or suspending the use of any portion of the Offering Documents, if any, or preventing or suspending the offering or sale of the Notes in accordance with this Agreement.

The Issuer shall first discuss with the Agents in good faith any change in circumstances (actual, anticipated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt whether notice needs to be given to the Agents pursuant to this Section 6.

The Issuer shall promptly comply with all applicable filings and other requirements under applicable Securities Laws in connection with the matters referred to in subsections (a) to (d) of this Section 6 and shall prepare an amendment or supplement to the Offering Memorandum, and any amendment or supplement thereto (collectively, the "**Supplementary Material**") as may be required by Securities Laws, provided that the Supplementary Material shall be in form and substance satisfactory to the Agents, acting reasonably. Neither the Issuer nor the Agents shall provide to prospective Purchasers any document or other material relating to the Offering other than the Offering Memorandum,

any Supplementary Material or any other material previously approved by the Issuer and the Agents from time to time.

7. **Due Diligence**. During the period from the date of this Agreement to the Closing Date, the Agents shall be permitted to conduct such due diligence investigation of the Issuer and its assets, businesses and undertakings, as the Agents, acting reasonably, consider appropriate and to complete formal due diligence question and answer sessions with the Issuer and the Manager and with senior management, legal counsel and the auditor of the Issuer and such other persons as the Agents may reasonably request before the Closing Date. The Issuer and the Manager will make available to the Agents, on a reasonably timely basis, all trust, corporate, business and operating records, financial information, budgets and other information which the Agents may reasonably request, as well as access to appropriate officers and/or senior officers of the Issuer and the Manager (provided, that such access does not unduly interfere with the business operations of the Manager) and advisors and experts retained by the Issuer and/or the Manager in order to enable the Agents to complete their due diligence review.

8. **Offering Documents**. The Issuer and the Manager shall allow the Agents to participate fully in the preparation of the Offering Memorandum and any Supplementary Material and will exercise its reasonable commercial efforts to cause the appropriate officers and/or senior officers of the Issuer and the Manager to make themselves available to provide such assistance with marketing of the Notes as the Agents may reasonably require. The delivery by the Issuer of the Offering Documents to the Agents will constitute the Issuer's and the Manager's consent to the Agents to the use thereof in connection with the Offering in accordance with the provisions of this Agreement as well as the representation and warranty of the Issuer and the Manager to the Agents that, at the time of such delivery:

   (a) the information and statements contained in the Offering Documents (except information and statements relating solely to the Agents and furnished in writing by the Agents for use therein) contain no misrepresentation and contain no untrue statement of a material fact or do not omit to state a material fact regarding the Issuer, the Manager, the Notes or the Program Agreements (as defined below) that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made; and

   (b) the Offering Documents comply in all material respects, as applicable, with all Securities Laws.

9. **Representations, Warranties and Covenants of the Issuer**. The Issuer represents and warrants to, and agrees with, the Agents, as follows:

   (a) the Issuer is a trust duly constituted and validly existing under the laws of the province of Ontario and Computershare Trust Company of Canada (the "**Issuer Trustee**") has been appointed as trustee of the Issuer pursuant to the declaration of trust dated as of December 20, 2017 (the "**Declaration of Trust**");

   (b) the Issuer is duly qualified to carry on its business in each jurisdiction in which it carries on business and is in good standing in each jurisdiction or place in which such qualification is required, except where the failure so to qualify or to be in good

standing would not reasonably be expected to materially adversely affect its business, affairs, operations, financial condition, assets, properties, liabilities, capital, ownership or income taken together or have a material adverse effect on the ability of the Issuer to perform its obligations under any of this Agreement and the other Program Agreements (as defined in the Master Trust Indenture and collectively, the "**Transaction Documents**") to which it is a party (an "**Issuer Material Adverse Effect**");

(c) the Issuer has the power and authority to enter into and perform its obligations under this Agreement and each of the other Transaction Documents to which it is a party, and all other instruments and agreements delivered pursuant hereto and thereto;

(d) the execution, delivery and performance by the Issuer of, this Agreement and each of the other Transaction Documents to which it is a party, and every instrument or agreement delivered pursuant hereto and thereto:

(i) has been or will be duly authorized by all requisite action;

(ii) does not and will not conflict with, result in any breach or violation of, or constitute a default under the Declaration of Trust, or any applicable law, rule, regulation, order, judgment, determination or award presently in effect and applicable to it, or of any material agreement or any other instrument to which it is now a party or any of its properties are subject or otherwise bound; and

(iii) does not require the consent, filing, authorization, order, registration, qualification or approval (other than those consents or approvals already obtained) of any person or governmental authority, except that the Issuer must file with the applicable securities regulatory authorities a report on Form 45-106F1, prepared and executed in accordance with NI 45-106, accompanied by any applicable prescribed fees, together in certain Offering Jurisdictions with a copy of the Offering Memorandum and any Supplementary Material;

(e) each of the Transaction Documents to which the Issuer is a party has been, or will be at or prior to the Closing, duly executed and delivered by the Issuer Trustee or the Manager, as the case may be, on behalf of the Issuer, and in addition in the case of the Notes, duly certified by the Indenture Trustee and each of the Transaction Documents is, or will be on the Closing, a legal, valid and binding obligation of the Issuer enforceable against it in accordance with its respective terms, subject to applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally and subject to the qualifications that equitable remedies may only be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution and waiver of contribution may be limited under applicable law;

(f) the Issuer is not in violation of the Declaration of Trust or in default in the performance or observance of any obligation, agreement, covenant or condition

contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which it is a party or by which it may be bound or to which any of the property or assets of the Issuer is subject (including, for the avoidance of doubt, any Transaction Documents to which it is a party), except for such defaults that would not reasonably be expected to have an Issuer Material Adverse Effect;

(g) the Issuer: (i) is not in violation in any material respect of any law, ordinance, franchise, governmental rule or regulation to which it is subject, (ii) has not failed to obtain any material license, permit, qualification or governmental authorization necessary to the ownership of its property or the conduct of its business, and (iii) is not in default in any material respect of any order of any court or governmental authority or arbitration board or tribunal to which it is subject;

(h) no event of default has occurred and is continuing in respect of any outstanding indebtedness of the Issuer;

(i) no Protection Event has occurred and no Suspension Notice (as defined in the Change of Law Protection Agreement) has been received by the Issuer, and upon satisfaction of the Adherence Conditions (as defined in the Change of Law Protection Agreement), the Notes shall constitute Approved Obligations (as defined in the Change of Law Protection Agreement);

(j) the Issuer is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);

(k) all tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes in respect of the Issuer;

(l) since ●, 2017, (i) there has been no Issuer Material Adverse Effect and (ii) there has been no change, which would have a material adverse effect on the ability of the Issuer to fulfill its payment obligations under the Notes;

(m) except as disclosed in the Offering Memorandum, there are no actions, suits or proceedings existing, or, to the Issuer's knowledge after having made due enquiry, pending or threatened, affecting the Issuer in any court or before or by any governmental authority as of the date hereof which if decided, determined or resolved in a manner adverse to the Issuer, could reasonably be expected to have an Issuer Material Adverse Effect or have a material adverse effect on: (i) the ability of the Issuer to perform its obligations under the Transaction Documents to which it is a party; (ii) the ability of the Issuer to fulfill its payment obligations under the Notes; or (iii) the ability of the Issuer to conduct its business as described in the Offering Memorandum;

(n) as of the date of delivery, the financial model delivered by the Issuer to the Agents (the "**Financial Model**") contains the Issuer's reasonable estimate of projected [describe financial model metrics]. The Financial Model has been prepared in good faith, with due care and skill, is based on all information known to the Issuer and

the Manager at the time which could reasonably be relevant to the preparation thereof, and is subject to assumptions that, as of the date of delivery, are reasonable in the circumstances and the Issuer is not aware of any material inaccuracies in the Financial Model;

(o) the Issuer is a direct or indirect subsidiary of the Manager;

(p) the Issuer is structured so as not to be a "covered fund" under the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the "Volcker Rule";

(q) the Issuer is not in material default of its obligations under any applicable legislation, rules, regulations, instruments, guidelines or policies, including Securities Laws;

(r) no securities commission, stock exchange or similar regulatory authority has issued any order preventing or suspending trading in any securities of the Issuer or preventing or suspending use of the Shelf Offering Memorandum or the Offering Memorandum, and, to the knowledge of the Issuer, no proceedings, investigations or inquiries for such purpose are pending or contemplated or threatened;

(s) neither the Shelf Offering Memorandum (except to the extent corrected in the Term Sheet) nor the Term Sheet, as of their respective dates, contain any misrepresentation or contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which such statement was made, and the Offering Memorandum complies in all material respects with Securities Laws;

(t) the attributes and characteristics of the Notes and the Indenture conform, in all material respects, to the attributes and characteristics thereof described in the Offering Memorandum;

(u) the proceeds from the issuance of the Notes will be applied as described in the Term Sheet under the heading *"Use of Proceeds"*;

(v) the statements in the Shelf Offering Memorandum under the heading *"Statutory Rights of Actions*" and in the Term Sheet under the heading *"Certain Canadian Federal Income Tax Considerations"* accurately summarize, in all material respects, the matters referred to therein;

(w) other than as provided for in this Agreement, the Issuer has not incurred any obligation or liability (absolute, accrued, contingent or otherwise) for brokerage fees, finder's fees, agent's commission or other similar forms of compensation with respect to the transactions contemplated herein;

(x) the Indenture Trustee at its principal office in the City of Toronto, Ontario has been or will be on the Closing Date duly appointed as the trustee under the Indenture in respect of the Notes;

(y) prior to the Closing Date, the form and terms of the global certificate(s) representing the Notes will have been approved and adopted by the Issuer and will comply with all legal requirements and will not conflict with the Indenture;

(z) all requisite action has been, or will be, taken by the Issuer to authorize the delivery of the Offering Memorandum and the filing of the Offering Memorandum with all applicable securities commissions or similar regulatory authorities, as applicable, as required by Securities Laws;

(aa) the Issuer Trustee, as trustee of the Issuer, has all requisite power, authority and capacity to create, authorize, issue and sell the Notes and on or prior to the Closing Date all actions required to be taken by or on behalf of the Issuer will have occurred so as to validly create, authorize, issue and sell the Notes; and

(bb) on the Closing Date, upon execution and delivery of the Indenture, the Notes will be duly and validly created and, upon receipt of the purchase price will be duly and validly issued as fully paid Notes.

10. **Representations, Warranties and Covenants of OPG**. OPG represents and warrants to, and agrees with, the Agents, as follows:

(a) OPG is (i) a corporation duly incorporated and organized and validly existing under the *Business Corporations Act* (Ontario), (ii) duly qualified to carry on its business in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property and assets requires such qualification, except where the failure to so qualify would not reasonably be expected to materially adversely affect its business, affairs, operations, financial condition, assets, properties, liabilities, capital, ownership or income taken together or have a material adverse effect on its ability to perform its obligations under the change of law process agreement dated as of December 21, 2017 (the "**Change of Law Process Agreement**") between Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy and the Minister of Finance (the "**Province**") or its obligations under any of the Transaction Documents to which it is a party (a "**Manager Material Adverse Effect**"), and (iii) has the power and authority to enter into and perform its obligations under the Change of Law Process Agreement and each of the Transaction Documents to which it is a party (including, for the avoidance of doubt, the Management Agreement);

(b) the execution, delivery and performance by OPG of, this Agreement, the Change of Law Process Agreement and each of the other Transaction Documents to which it is a party, and every instrument or agreement delivered pursuant hereto or thereto:

(i) has been or will be duly authorized by all requisite action;

(ii) does not and will not conflict with, result in any breach or violation of, or constitute a default under its constating documents, as amended, or bylaws, or any resolutions of its board of directors or shareholders, or any applicable law, rule, regulation, order, judgment, determination or award presently in effect and applicable to it, or of any material agreement or any other

instrument to which it is now a party or any of its properties are subject or otherwise bound; and

(iii) does not require the consent, filing, authorization, order, registration, qualification or approval (other than those consents or approvals already obtained) of any person or governmental authority;

(c) none of OPG nor any of its subsidiaries is in violation of its constating documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which it or any of its subsidiaries is a party or by which it or any of them may be bound or to which any of the property or assets of OPG or any subsidiary of OPG is subject (including, for the avoidance of doubt, the Change of Law Process Agreement and any Transaction Documents to which it is a party), except for such defaults that would not reasonably be expected to have a Manager Material Adverse Effect;

(d) the Change of Law Process Agreement and each of the Transaction Documents to which OPG is a party has been, or will be at or prior to the Closing, duly executed and delivered by OPG, and the Change of Law Process Agreement and each of the Transaction Documents to which OPG is a party is, or will be on the Closing, a valid and binding obligation of OPG enforceable against it in accordance with its respective terms, subject to applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally and subject to the qualifications that equitable remedies may only be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution and waiver of contribution may be limited under applicable law;

(e) OPG is not in material default of its obligations under any applicable legislation, rules, regulations, instruments, guidelines or policies, including Securities Laws, except, in each case for such defaults that would not reasonably be expected to have a Manager Material Adverse Effect;

(f) no Protection Event has occurred and no Suspension Notice has been received by OPG, and upon satisfaction of the Adherence Conditions, the Notes shall constitute Approved Obligations;

(g) except as disclosed in the Offering Memorandum, there are no actions, suits or proceedings pending or, to OPG's knowledge after having made due enquiry, pending or threatened, affecting OPG in any court or before or by any governmental authority as of the date hereof against OPG, any of its undertaking, property and assets which, if adversely decided, could reasonably be expected to materially adversely affect the issuance of the Notes or the consummation of the transactions contemplated by the Change of Law Process Agreement or the Transaction Documents; and

(h) neither the Shelf Offering Memorandum (except to the extent corrected in the Term Sheet) nor the Term Sheet, as of their respective dates, contain any misrepresentation or contain any untrue statement of a material fact or omit to state

a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which such statement was made, and the Offering Memorandum complies in all material respects with Securities Laws.

11. **Representations, Warranties and Covenants of the Agents**. Each of the Agents, severally (and not jointly or jointly and severally) represent and warrant to the Issuer and agree with the Issuer that:

(a) it has not offered or sold, and will not offer or sell, any Notes to, or for the benefit of, any resident of Canada or any province thereof or to, or for the benefit of, any resident of any other jurisdiction (to the extent permitted to offer and sell Notes in such other jurisdictions pursuant to Section 3(d) hereof) in contravention of applicable Securities Laws or such other jurisdictions, as applicable;

(b) any offer of Notes in Canada will be made only pursuant to the exemption from the requirement to file a prospectus set forth in Section 2.3 of NI 45-106 and, in the case of Purchasers resident in Ontario, section 73.3(2) of the OSA, such that: (i) each Purchaser of Notes will be an "accredited investor" (as such term is defined in section 1.1 of NI 45-106 or in section 73.3 of the OSA, as the case may be) and further such that one or more of the categories set forth in the definition of "accredited investor" will correctly and in all respects describe such Purchaser; (ii) such Purchaser will not be a person created or being used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in Section 1.1 of NI 45-106; and (iii) such Purchaser will either be purchasing the Notes as principal for their own account, or are deemed to be purchasing the Notes as principal by applicable law;

(c) any offer of Notes will not be made to individuals unless such individuals are "permitted clients" (as such term is defined in NI 31-103);

(d) it has taken or will take reasonable steps to confirm that each Purchaser of Notes in Canada meets the terms and conditions of the "accredited investor exemption" as defined in section 2.3 of NI 45-106 and, in the case of Purchasers resident in Ontario, section 73.3(2) of the OSA (collectively, the "**AI Requirements**") and shall obtain and retain, as necessary, relevant information and documentation to evidence the steps taken to verify compliance with the AI Requirements in accordance with its usual document retention policies and procedures in compliance with applicable laws and provide to the Issuer forthwith upon request all such information or documentation as the Issuer may reasonably request in good faith and solely for the purpose of verifying compliance with the AI Requirements and assisting the Issuer with complying with its obligations under NI 45-106, including completing Form 45-106F1;

(e) it is duly qualified in the Offering Jurisdictions in a category of registration under applicable Securities Laws that permits it to offer and sell the Notes to purchasers resident in each of the Offering Jurisdictions in the manner contemplated herein and in the Offering Memorandum; and

(f) it has not and shall not make any representation or warranty with respect to the Issuer, the Manager or the Notes other than as set forth in the Offering Documents.

12. **Closing**. The Closing of the purchase and sale of the Notes under this Agreement will take place at the offices of Torys LLP, 79 Wellington St. West, 30th Floor, Box 270, TD South Tower Toronto, Ontario at [**9:00]** a.m. (Toronto time) on January ●, 2018 or at such other date and time as may be agreed upon by the Agents and the Issuer (the date of Closing, the "**Closing Date**" and the time of Closing on the Closing Date, the "**Closing Time**").

13. **Conditions to Closing; Closing Deliveries**. The obligations of the Agents under this Agreement to complete the purchase and sale of the Notes at the Closing Time is subject to the following conditions:

(a) the Issuer shall have obtained and provided to the Agents a final rating letter in respect of the Notes from each of DBRS Limited and Moody's Investor Services, Inc. providing a rating of **[AAA(sf)]** and **[Aa2(sf)]**, respectively, and such ratings shall not have been withdrawn, or down-graded or placed under "credit watch" nor shall any such action have been threatened;

(b) each of the Program Agreements to which the Issuer is a party (excluding the 2018-1 Term Supplemental Indentures (as defined below)) shall be in full force and effect as of the Closing Date;

(c) each of the First Term Supplemental Indenture, the junior subordinated series 2018-1 supplemental indenture to the Master Trust Indenture (the "**Junior Subordinated Term Supplemental Indenture**") and the subordinated series 2018-1 supplemental indenture to the Master Trust Indenture (the "**Subordinated Term Supplemental Indenture**" and together with the First Term Supplemental Indenture and the Junior Subordinated Term Supplemental Indenture, the "**2018-1 Term Supplemental Indentures**") shall have been executed and delivered by the appropriate parties thereunder, in form and substance satisfactory to the Agents, acting reasonably and the notes contemplated thereby shall have been validly issued;

(d) an adherence compliance certificate with respect to the Notes required pursuant to Section 4.02(a)(ii) of the Change of Law Protection Agreement or written confirmation that the Notes constitute Approved Obligations pursuant to Section 4.01(ii) of the Change of Law Protection Agreement, shall have been executed and delivered by the appropriate parties thereunder, in form and substance satisfactory to the Agents, acting reasonably;

(e) the Agents shall have received certificates from each of the Issuer and OPG dated the Closing Date, addressed to the Agents, and signed by two Responsible Officers (as defined in the Indenture) of the Issuer and two officers of OPG as may be acceptable to the Agents, acting reasonably, substantially as set out in Appendix "B" and Appendix "C", as applicable;

(f) the Agents shall have received a certificate, dated the Closing Date, signed by any Responsible Officer of the Issuer and addressed to the Agents and the Agents'

Counsel, with respect to the constating documents of the Issuer and other action relating to the Master Trust Indenture, the 2018-1 Term Supplemental Indentures, the authorization, creation, issue and sale of the Notes and the incumbency and specimen signatures of signing officers;

(g) the Agents shall have received a certificate, dated the Closing Date, signed by any authorized officer of the Manager, with respect to: (i) a copy of its incorporating documents and all amendments thereto and applicable by-laws; (ii) resolutions of the board of directors of the Manager approving and authorizing the execution, delivery and performance of each of the Master Trust Indenture and 2018-1 Term Supplemental Indentures; and (iii) incumbency and signatures of signing officers of the Manager executing the Master Trust Indenture and the 2018-1 Term Supplemental Indentures and the other documents to be delivered by the Manager thereunder, in each case showing their names, offices and specimen signatures;

(h) the Agents shall have received a certificate, dated the Closing Date, signed by any authorized officer of the Issuer Trustee with respect to: (i) a copy of its incorporating documents and all amendments thereto and applicable by-laws; and (ii) incumbency and signatures of signing officers of the Issuer Trustee, in each case showing their names, offices and specimen signatures;

(i) the Agents shall have received certificates of status or compliance or other similar documents issued by the applicable governmental authority to evidence that each of the Issuer Trustee and the Manager is validly existing pursuant to the laws of the jurisdiction of their respective establishment or incorporation;

(j) the Agents shall have received:

(i) an opinion of Torys LLP, legal counsel to the Issuer, addressed to the Agents, the Agents' Counsel and the Issuer dated the Closing Date, in form and substance satisfactory to the Agents, acting reasonably, with respect to matters relating to the Issuer and the Offering; it being understood that Torys LLP may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, trustees, directors or other representatives of the Issuer, the Manager or the Issuer Trustee;

(i) an opinion of Hunton & Williams LLP, U.S. legal counsel to the Issuer, addressed to the Agents, the Agents' Counsel and the Issuer dated the Closing Date, in form and substance satisfactory to the Agents, acting reasonably, that the Issuer is structured so as not to be a "covered fund" under the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the "Volcker Rule"; it being understood that Hunton & Williams LLP may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, trustees, directors or other representatives of Issuer, the Manager or the Issuer Trustee;

(k) the Agents shall have received a final report from Operis Business Engineering Limited, the model auditor, in form and substance acceptable to the Agents, acting reasonably, with respect to their review of the Financial Model;

(l) the Agents shall have received a favourable legal opinion, addressed to the Agents and dated the Closing Date, from Agents' Counsel, in a form acceptable to the Agents, acting reasonably; it being understood that Agents' Counsel may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, directors or other representatives of the Issuer, the Issuer Trustee or the Manager;

(m) the Issuer shall have met all requirements of CDS Clearing and Depository Services Inc. ("**CDS**") necessary to make use of its book entry system;

(n) the Issuer shall deliver one global certificate representing the Notes, registered in the name of "CDS & Co." (or in such other name as the Agents may direct in writing not less than 24 hours prior to the Closing) and duly signed by a Responsible Officer of the Issuer and countersigned by the Indenture Trustee, against payment to the Issuer, or as the Issuer may direct to the Agents in writing not less than 48 hours prior to the Closing, of the aggregate purchase price for the Notes, net of the Agents' Fee, by electronic wire transfer of immediately available funds or in such other manner as the Issuer and the Agents may agree;

(o) all consents, approvals and authorizations from any governmental authority or body or any other third party required for the creation, issuance, sale and delivery of the Notes or the fulfillment of the terms of the Transaction Documents shall have been obtained; and

(p) the receipt of such other documentation or information as may be requested by the Agents and which they have determined to be necessary to give effect to the Offering, acting reasonably.

14. **Rights of Termination.**

(a) If, prior to the Closing:

(i) any action, suit or other proceeding, whether formal or informal, occurs or is commenced, announced or threatened, or any order is made by any governmental authority or there is a change of law or in the interpretation or administration thereof (including a Protection Event), which in the opinion of any of the Agents, acting reasonably, operates to prevent or materially restrict trading or the distribution of the Notes or which would be expected to have an Issuer Material Adverse Effect or which materially adversely affects the market price or value of the Notes;

(ii) there occurs any material change or a change in any material fact or any new fact such as is contemplated by Section 6, which has, or in the opinion of any of the Agents could reasonably be expected to have, an Issuer

Material Adverse Effect or materially adversely affect the market price or value of the Notes; or

(iii) there develops, occurs or comes into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, acts of hostilities or escalation thereof or other calamity or crises or any change or development involving a prospective change in national or international political, financial or economic conditions or any incident, governmental action, law, regulation, policy, inquiry or other occurrence of any nature whatsoever which, in the reasonable opinion of any of the Agents, materially adversely affects, or involves, or will materially adversely affect the financial markets or which operates to prevent or materially restrict the trading or the distribution of the Notes;

the Agents (or any of them) are entitled at their sole option, to terminate their obligations under this Agreement by written notice to that effect given to the Issuer any time prior to the Closing Time.

(b) The Issuer agrees that all terms and conditions contained herein will be construed as conditions, that they shall use commercially reasonable efforts to cause such conditions to be complied with, and that any breach or failure by the Issuer to comply with any such conditions, in any material respect, will entitle any of the Agents to terminate their obligations under this Agreement by written notice to that effect given to the Issuer at or prior to the Closing Time. The Agents may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to their rights in respect of any other terms and conditions or any other breach, subsequent breach or non-compliance, provided that to be binding on an Agent, any such waiver must be in writing and signed by such Agent.

(c) The rights of termination contained in subsections (a) and (b) of this Section 14 are in addition to any other rights or remedies the Agents may have in respect of any default, act or failure to act or non-compliance by the Issuer in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there will be no further liability on the part of the Agents to the Issuer, or on the part of the Issuer to the Agents, except, in each case, in respect of any liability which may have arisen prior to or which arises after such termination under any of Sections 15 and 16.

15. **Indemnity.**

(a) The Issuer agrees to indemnify and hold harmless each of the Agents and each of their affiliates and each of their respective directors, officers, employees and agents, (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**"), from and against any and all losses (other than loss of profit in connection with the distribution of the Notes), expenses, claims (including shareholder actions, derivative or otherwise), actions, damages and liabilities, joint or several, including, without limitation, the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and

expenses of their counsel (collectively, the "**Losses**") that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, or connected with or arising out of any action, suit, proceeding, investigation or claim that may be made or threatened by any person or in enforcing this indemnity (collectively the "**Claims**") insofar as the Claims relate to, are caused by, or result from, arise out of or are based upon, directly or indirectly:

(i) any breach by the Issuer of applicable Securities Laws in connection with the offer, issue and sale of the Notes under this Agreement or as a result of any order made against the Issuer by any court or governmental authority in the Offering Jurisdictions which operates to prevent or materially restrict trading in or the distribution of the Notes;

(ii) any misrepresentation or alleged misrepresentation in the Offering Documents or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (other than a misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the information contained therein relating solely to the Agents which was furnished in writing by the Agents for use therein);

(iii) any order made or any inquiry, investigation or proceeding commenced or threatened by any securities regulatory authority or other competent authority, based on any misrepresentation or any alleged misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the Offering Memorandum, which prevents or restricts the trading in or the distribution of the Notes;

(iv) any inaccuracy of any representation or warranty of the Issuer contained in this Agreement or in any certificate or other document delivered by the Issuer pursuant hereto; or

(v) any breach by the Issuer of any covenant, term or condition to be performed by it contained in this Agreement or in any document or certificate delivered by the Issuer pursuant hereto.

(b) In addition to the Issuer's obligations under section 15(a), OPG agrees to indemnify and hold harmless each of the Indemnified Parties, from and against any and all Losses that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, or connected with or arising out of any Claim insofar as the Claims relate to, are caused by, or result from, arise out of or are based upon, directly or indirectly:

(i) any breach by OPG or the Issuer of applicable Securities Laws in connection with the offer, issue and sale of the Notes under this Agreement

or as a result of any order made against the Issuer by any court or governmental authority in the Offering Jurisdictions which operates to prevent or materially restrict trading in or the distribution of the Notes;

(ii) any misrepresentation or alleged misrepresentation in the Offering Documents or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (other than a misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the information contained therein relating solely to the Agents which was furnished in writing by the Agents for use therein);

(iii) any order made or any inquiry, investigation or proceeding commenced or threatened by any securities regulatory authority or other competent authority, based on any misrepresentation or any alleged misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the Offering Memorandum, which prevents or restricts the trading in or the distribution of the Notes;

(iv) any inaccuracy of any representation or warranty of OPG or the Issuer contained in this Agreement or in any certificate or other document delivered by OPG or the Issuer pursuant hereto; or

(v) any breach by OPG or the Issuer of any covenant, term or condition to be performed by either of them contained in this Agreement or in any document or certificate delivered by OPG or the Issuer pursuant hereto, excluding the 2018-1 Term Supplemental Indentures or the notes issued thereunder.

(c) Notwithstanding anything contained in this Agreement, it is expressly understood that with respect to its indemnification obligations set out in Section 15(b)(i), (iv) and (v), OPG is not agreeing to indemnify or hold any Indemnified Party harmless with respect to any of the following:

(i) any Losses resulting from any breach by the Issuer of any covenant, term or condition to be performed by it contained in this Agreement or in any document or certificate delivered by the Issuer pursuant hereto caused by a breach or failure to perform on the part of any other third party under any Program Agreement, the Ontario Fair Hydro Plan Act, 2017 or the regulations passed thereunder; provided that this Section 15(c)(i) shall not apply to limit the liability of OPG in respect of any delegation to a third party as provided for in Section 4.7 of the Management Agreement;

(ii) any Losses resulting from changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any

final and non-appealable judicial decision, other than Losses resulting solely from OPG's failure to comply with Section 4.1(a)(xiv) of the Management Agreement; or

(iii) any Losses resulting from the validity of the Change of Law Protection Agreement or the applicability thereof to the Province, the Issuer or the Indenture Trustee or any material part thereof being disaffirmed by or on behalf of the Province.

(d) The parties hereto agree that neither the Issuer nor OPG is providing any representations, warranties or covenants in this Agreement or in any document or certificate delivered by OPG or the Issuer pursuant hereto, and shall have no liability to any Indemnified Party, with respect to the collectability of the Clean Energy Adjustment (as defined in the Management Agreement) or the Carrying Costs (as defined in the Management Agreement), or that the Clean Energy Adjustment amounts or Carrying Costs collected will be sufficient to satisfy the Notes, provided that, for greater certainty, the foregoing qualification is not meant to diminish in any way the representations and warranties given by OPG or the Issuer in this Agreement, or in any document or certificate delivered by OPG or the Issuer pursuant hereto, that neither the Shelf Offering Memorandum (except to the extent corrected in the Term Sheet) nor the Term Sheet, as of their respective dates, contain any misrepresentation or contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which such statement was made.

(e) The Issuer and OPG are each referred to in this Section 15 as an "**Indemnifying Party**". Each Indemnifying Party agrees to waive any right such Indemnifying Party may have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under the indemnity in this Section 15. Each Indemnifying Party will not, without the Agents' prior written consent (as the case may be), such consent not to be unreasonably withheld, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Party is a party thereto) unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party.

(f) Promptly after receiving notice of a Claim against the Agents or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from an Indemnifying Party, the Agents or any such other Indemnified Party will notify the Indemnifying Party promptly in writing of the particulars thereof, provided that the omission so to notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability which the Indemnifying Party may have to the Agents or any other Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein

required prejudices the defence of such Claim or results in any material increase in the liability which the Indemnifying Party has under this Section 15. Each Indemnifying Party shall have 14 calendar days after receipt of the notice to undertake, conduct and control, through counsel of its own choosing and at its own expense, the settlement or defence of the Claim. If the Indemnifying Party undertakes, conducts and controls the settlement or defence of the Claim, the relevant Indemnified Parties shall have the right to participate in the settlement or defence of the Claim at their own cost subject to Section 15(h).

(g) The indemnity in this Section 15 shall cease to apply to an Indemnified Party to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable determines that such Losses to which the Indemnified Party may be subject were primarily caused by the fraud, fraudulent misrepresentation or gross negligence of such Indemnified Party or the Claim being asserted is as a result of a person not being provided with the Offering Memorandum or any Supplementary Material which corrects any misrepresentation or omission or alleged misrepresentation or omission in the Offering Memorandum or any other Supplementary Material due to a failure by the Agents to provide to such person such documents, as applicable, and which the Indemnifying Party has provided to the Agents to provide to such person, and in such event the Indemnified Party shall reimburse to the Indemnifying Party any funds advanced to the Indemnified Party in respect of such Claim.

(h) Each of the Indemnified Parties may retain counsel to separately represent them in the defence of a Claim, which shall be at the applicable Indemnifying Party's expense if: (i) the Indemnifying Party does not promptly assume the defence of the Claim no later than 14 calendar days after receiving actual notice of the Claim, (ii) the Indemnifying Party agrees to such separate representation, or (iii) the Indemnified Party, as the case may be, are advised by counsel that there is an actual or potential conflict between the Indemnifying Party's interests on the one hand and the Indemnified Party's interests on the other hand or additional defences are available to the Indemnified Parties, which makes representation by the same counsel inappropriate.

(i) In order to provide for just and equitable contribution in circumstances in which the indemnity in this Section 15 is unavailable (other than in accordance with the terms hereof) to the Indemnified Parties or insufficient to hold them harmless in respect of a Claim, the Indemnifying Parties shall jointly and severally contribute to the amount paid or payable by the Agents, as a result of such Claim in such proportion so that the Agents shall be responsible for that portion represented by percentage that the Agents' Fee received by the Agents hereunder bears to the aggregate principal amount of the Notes sold hereunder and the Indemnifying Parties shall be responsible for the balance whether or not they have been sued separately or together, provided, however that each Agent shall not in any event be liable to contribute, in the aggregate, any amount in excess of the Agents' Fee actually received by such Agent. The rights to contribution provided hereunder shall be in addition to and not in derogation of any other right to contribution which the Agents may have by statute or otherwise at law. No person that is determined

by a court of competent jurisdiction in a final judgment that has become non-appealable to have engaged in any fraud, fraudulent misrepresentation or gross negligence in connection with any matter that is the subject of the contribution payments contemplated by this Section 15(i) shall be entitled to such contribution.

(j) Each Indemnifying Party hereby constitutes each of the Agents as trustee, respectively, for each of the other Indemnified Parties, as appropriate, of the Indemnifying Party's covenants under the indemnity in this Section 15 with respect to those persons and the Agents agree to accept that trust and to hold and enforce those covenants on behalf of those persons.

(k) The obligations of the Indemnifying Party hereunder are in addition to any liabilities which such Indemnifying Party may otherwise have to the Agents or any other Indemnified Party.

16. **Expenses**. Whether or not the Offering is completed, all expenses of or incidental to the creation, authorization, issue, delivery and sale of the Notes and of or incidental to all other matters in connection with the Offering shall be borne by the Issuer, including, without limitation, reasonable expenses payable in connection with the fees and expenses of counsel to the Issuer, counsel to the Agents and local counsel in each of the Offering Jurisdictions, fees and disbursements of its accountants and auditors and other experts, the Indenture Trustee's fees, fees of ratings agencies and CDS, printing costs, delivery charges, fees and costs incurred in connection with the marketing of the Notes including travel expenses, road-shows, and filing fees (including securities regulatory private placement filing fees and fees payable to the Investment Industry Regulatory Organization of Canada), reasonable and documented out-of-pocket expenses of the Agents and all taxes payable on such fees and expenses.

17. **Severability**. If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

18. **Public Announcement**. For the period commencing on the date hereof and expiring on the Closing Date, and subject to the requirements of the Securities Laws, each of the Issuer and the Manager shall not, without first obtaining the approval of the Agents (such approval not to be unreasonably withheld), and the Agents shall not, without first obtaining the approval of the Issuer and the Manager, make any public communications, verbally, electronically or in writing, including issuing any press release respecting the issue of the Notes.

19. **Survival**. The representations, warranties, covenants, obligations and agreements of the parties contained herein or delivered pursuant hereto shall survive the issuance and sale of the Notes and shall continue in full force and effect notwithstanding any subsequent disposition of the Notes. The Agents shall be entitled to rely on the representations and warranties of the Issuer and the Manager contained in Sections 8, 9 and 10 herein or delivered pursuant hereto notwithstanding any investigation which the Agents may undertake or which may be undertaken on the Agents' behalf.

20. **Acknowledgement of Agents**. Each Agent (i) acknowledges and agrees in favour of the Indenture Trustee that it is a Specified Creditor (as defined in the Master Trust Indenture) under the Master Trust Indenture and its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 7.12 (Payments Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Section 8.14 (Limited Recourse), Article IX (Indenture Trustee) (including all limitations of liability hereunder), Section 9.14 (Communications to Specified Creditors) and Section 16.01 (No Petition); (ii) irrevocably authorizes and directs the Indenture Trustee on its behalf to take such action (including the execution and delivery of documents of subordination) as may be necessary or appropriate to further assure the priority arrangements provided for in Article VI, Article VII and Section 8.13 of the Master Trust Indenture, and appoints the Indenture Trustee as its agent for any and all such purposes; and (iii) consents, requests and authorizes the Issuer and the Indenture Trustee to (y) add the Agents (or their respective agents) to the register of Specified Creditors described in Section 13.13 of the Master Trust Indenture and (z) disseminate the notice details of the Agents to other Specified Creditors for the purposes set out in subsection 9.14(b) of the Master Trust Indenture.

21. **Notices**. Any notice or other communication to be given hereunder shall, in the case of notice to the Issuer, be addressed to:

Fair Hydro Trust
c/o Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: Lubna Ladak
Telephone: (416) 592-5984
Facsimile: (416) 592-4189
E-mail: lubna.ladak@opg.com

with a copy to:

Computershare Trust Company of Canada, in its capacity as Issuer Trustee for the Issuer
100 University Avenue, 11th Floor
Toronto, Ontario M5J 2Y1

Attention: ●
Telephone: ●
Facsimile: ●
E-mail: ●

- and -

Ontario Power Generation Inc., in its capacity as Manager of the Issuer
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: Lubna Ladak
Telephone: (416) 592-5984
Facsimile: (416) 592-4189
E-mail: lubna.ladak@opg.com

with a copy to:

Torys LLP
79 Wellington St. West
30th Floor, Box 270
TD South Tower
Toronto, ON M5K 1N2

Attention: Rima Ramchandani
Telephone: (416) 865-7500
Facsimile: (416) 865-7380
E-mail: rramchandani@torys.com

and, in the case of notice to the Agents, to:

CIBC World Markets Inc.
Brookfield Place
5th Floor, 161 Bay Street
Toronto, ON M5J 2S8

Attention: ●
●

Facsimile: (416) 594-7760

- and -

RBC Dominion Securities Inc.
200 Bay Street, 4th Floor
Royal Bank Plaza, South Tower
Toronto, ON M5J 2W7

Attention: ●
●

Facsimile: (416) 842-7777

- and -

Goldman Sachs Canada Inc.
●

Attention: ●

●

Facsimile: ●

- and -

●

Attention: ●
●

Facsimile: ●

●

Attention: ●
●

Facsimile: ●

with a copy to the Agents' Counsel at:

Osler, Hoskin & Harcourt LLP
100 King Street West
Suite 6200, P.O. Box 50
1 First Canadian Place
Toronto, ON M5X 1B8

Attention: Michael Innes

Facsimile: (416) 862-6666

Any such notice or other communication shall be in writing, and unless delivered personally to a responsible officer of the addressee, shall be given by courier service or fax (with receipt confirmed) or e-mail, and will be deemed to have been received, if given by fax or e-mail, on the day of sending (if such day is a Business Day and, if not, on the next Business Day following the sending thereof) and, if given by courier service, on the next Business Day following the sending thereof. For the purposes of this Agreement, a "**Business Day**" means a day which is not a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario.

22. **Confidentiality.** Other than the terms and conditions of this Agreement that are disclosed in the Offering Memorandum, the Issuer, the Manager and the Agents agree that they shall keep the terms and conditions of this Agreement confidential and shall not disclose the terms and conditions of this Agreement to any other person except to their affiliates and those directors, officers, employees and agents of each of the Issuer, the Manager and the Agents who need to review such terms and conditions so as to be able to give effect to the Offering (including pursuant to standard internal requirements); provided, however, that nothing in this Section 22 shall restrict disclosure by the Issuer, the Manager or any of the

Agents of the terms and conditions of this Agreement if: (i) such party is legally compelled to do so by order of a court or other competent governmental or regulatory agency, in the course of any judicial or administrative proceeding or by applicable law, or (ii) such party is reasonably required to do so in order to protect its legitimate interests in connection with a legal proceeding under this Agreement.

23. **Time of the Essence**. Time is of the essence of this Agreement.

24. **Currency**. Unless otherwise indicated, all references to "$" in this Agreement are references to the lawful currency of Canada.

25. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein and the courts of such province will have exclusive jurisdiction over any dispute hereunder.

26. **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings relating to the Offering. This Agreement may only be amended or modified in any respect by the written agreement of all of the parties hereto.

27. **Assignment.** None of the rights and obligations of the parties hereunder shall be assignable or transferable by any party without the prior written consent of the other parties hereto.

28. **Successors and Assigns**. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Issuer, the Manager and the Agents and their respective successors and permitted assigns.

29. **Singular and Plural; Gender**. Where the context so requires, words importing the singular number include the plural and *vice versa*, and words importing gender shall include the masculine, feminine and neuter genders.

30. **Execution in Counterparts**. This Agreement may be executed in counterparts (including counterparts by facsimile), each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

[Signature page follows]

If the foregoing is acceptable to the Issuer and the Manager, please signify such acceptance by signing and returning one copy of this letter to the Agents, which accepted offer shall constitute the contract for the provision of services of the Agents in connection with the Offering referred to herein and shall constitute a binding agreement between the parties hereto.

Yours very truly,

CIBC WORLD MARKETS INC.

By: _____
Name:
Title:

RBC DOMINION SECURITIES INC.

By: _____
Name:
Title:

GOLDMAN SACHS CANADA INC.

By: _____
Name:
Title:

[NTD: Other Dealers to be added as determined.]

By: _____
Name:
Title:

ACCEPTED AND AGREED to this _____ day of January, 2018.

FAIR HYDRO TRUST, by its Manager, **ONTARIO POWER GENERATION INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

APPENDIX “A”

TERM SHEET

(see attached)

APPENDIX "B"

FORM OF OFFICERS' CERTIFICATE OF THE ISSUER

1. the Issuer has duly complied with all terms and conditions of this Agreement, the Master Trust Indenture and the 2018-1 Term Supplemental Indentures on its part to be complied with and satisfied at or prior to the Closing and no Termination Event (as defined in the Master Trust Indenture) has occurred;

2. no order, ruling or determination having the effect of suspending the sale or ceasing or suspending trading in the Notes or any other securities of the Issuer has been issued by any securities commission or any other regulatory authority and is continuing in effect and no proceedings for such purpose have been instituted and are continuing or are pending or, to the knowledge, information and belief of the persons signing such certificate, are contemplated or threatened;

3. the representations and warranties of the Issuer contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time, after giving effect to the transactions contemplated by this Agreement;

4. the representations and warranties of the Issuer set forth in Section 12.01 of the Master Trust Indenture and Section 3.1 of the Supplemental Indenture are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated hereby; and

5. to the knowledge of the Issuer (after due inquiry), no default or Event of Default has occurred or is continuing. For the purposes of such certificate, an "Event of Default" has the meaning to be given to such terms in the Indenture.

APPENDIX "C"

FORM OF OFFICERS' CERTIFICATE OF OPG

1. OPG has duly complied with all terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing; and

2. the representations and warranties of OPG contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time, after giving effect to the transactions contemplated by this Agreement.

From:	Tekle, Jonathan (MOF)
To:	Malle Hanslep (MOF)
Cc:	Tobias P. Whitfield (MOF); Thouin, Alena (ENERGY); Mike Manning; Ken Kandeepan
Subject:	RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Date:	Friday, January 05, 2018 5:24:33 PM

I only received the email which was sent at 5:04 pm, highlighted below. I have not received any electronic attachments but appears Nina is working to resend them in separate emails.

From: Hanslep, Malle (MOF)
Sent: January 5, 2018 5:19 PM
To: Tekle, Jonathan (MOF)
Cc: Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY); Manning, Mike (OFA); Kandeepan, Ken (OFA)
Subject: FW: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Hi Jonathan,

Did you receive the earlier email below with the time on it 4:55? I have not received it and it has been sent to many others. Have other received and been able to open the attachments?

Thanks

Malle

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: January-05-18 5:04 PM
To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: 'John Lee (john.s.lee@opg.com)'; 'Ken Ryfa (ken.ryfa@opg.com)'; 'WONG Leslie -LAWDIV'; LADAK Lubna - TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka
Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

All – just to clarify - we appreciate the Province will be reviewing the draft OM and may have comments on the disclosure which we would be happy to discuss once you have had a chance to review. Thanks,

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

From: Mansoori, Nina
Sent: January-05-18 4:55 PM
To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; 'Scott.Thompson@ontario.ca' <Scott.Thompson@ontario.ca>; 'Anna.Strathy@ofina.on.ca' <Anna.Strathy@ofina.on.ca>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; 'David.McLean@ontario.ca' <David.McLean@ontario.ca>; 'Jonathan.Tekle@ontario.ca' <Jonathan.Tekle@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; 'Ken.Kandeepan@ofina.on.ca' <Ken.Kandeepan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>;

'tim.christine@ontario.ca' <tim.christine@ontario.ca>
Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>
Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Importance: High

All,

Reference is made to the Change of Law Process Agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the Province") and Ontario Power Generation Inc. ("OPG") to be dated as of December 21, 2017 (the "Change of Law Process Agreement"). All capitalized terms used and not defined in this email shall have their respective meanings in the Change of Law Process Agreement.

On behalf of OPG, we have hand-delivered today to the Ministers and the Deputy Ministers the forms of Transaction Documents set out in the attached cover letter. For ease of reference, we also attach these documents here and attach blacklines to the last versions of the term supplemental indentures circulated to you. If you would like a blackline of any other Transaction Document, please send us the version you reviewed last.

We consider these forms settled other than:

- There is one change that has been proposed by the dealers, and which is under discussion, that will impact the term supplemental indentures and will necessitate some additional disclosure to the term sheet. The dealers have advised that following a Principal Payment Date (i.e. the date on which all amounts owing under the notes are expected to be repaid in full), it would be typical for the interest payment dates to accelerate to monthly (instead of semi-annually). Once the dealers and OPG have an opportunity to discuss and come to an agreement on this point next week, the necessary changes to reflect this will be made to the term supplemental indentures and the term sheet
- there are still some bullets in these documents which will be addressed closer to closing (including dates, pricing information and the names of all of the Agents)
- we expect there will be some minor clean up to the OM (including making sure all of our cross-references are correct and that the glossary picks up all defined terms).

Please let us know if you have any questions.

Best Regards,

Nina
P. 416.865.7332

This email and any attachments are for the sole use of the intended recipients and may be privileged or confidential. Any distribution, printing or other use by anyone else is prohibited. If you are not an intended recipient, please contact the sender immediately, and permanently delete this email and attachments.

Le présent courriel et les documents qui y sont joints sont exclusivement réservés à l'utilisation des destinataires concernés et peuvent être de nature privilégiée ou confidentielle. Toute distribution, impression ou autre utilisation est interdite aux autres personnes. Si vous ne faites pas partie des destinataires concernés, veuillez en informer immédiatement l'expéditeur, ainsi que supprimer ce courriel et les documents joints de manière permanente.

From:	Hanslep, Malle (MOF)
To:	Mansoori, Nina
Cc:	Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); Tim Christie (ENERGY); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka
Subject:	RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Date:	Friday, January 05, 2018 5:21:41 PM

Also would you please add Steve Ashbourne to your circulation. That way he will receive it directly too. Thanks.

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 5:20 PM

To: 'Mansoori, Nina'

Cc: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka

Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Thanks Nina.

-----Original Message-----

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: January-05-18 5:19 PM

To: Hanslep, Malle (MOF)

Cc: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka

Subject: Re: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Hi Malle - no problem. I didn’t receive any bounce-backs so glad you wrote! We’ll resend in separate emails and then confirm you received all of them. Thanks

On Jan 5, 2018, at 3:13 PM, Hanslep, Malle (MOF)
<Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Nina

I am having trouble receiving the email with the attachments because the attachments are large. Is it possible for you to resend the attachments in separate emails? Sorry about that and would appreciate it so I can review.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Mansoori, Nina

Sent: Friday, January 5, 2018 17:04

To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: 'John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>)'; 'Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>)'; 'WONG Leslie -LAWDIV'; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka

Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

All – just to clarify - we appreciate the Province will be reviewing the draft OM and may have comments on the disclosure which we would be happy to discuss once you have had a chance to review. Thanks,

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3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=bMOqW3pgkfctUogAQv5FaZMTFAWTGG09Ms7qUtDFuSo&s=MKXRXvAIvvx-bkya9Z6zxbrOTItnb76BBywdFAusOX4&e= >

[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=bMOqW3pgkfctUogAQv5FaZMTFAWTGG09Ms7qUtDFuSo&s=MKXRXvAIvvx-bkya9Z6zxbrOTItnb76BBywdFAusOX4&e= >

From: Mansoori, Nina

Sent: January-05-18 4:55 PM

To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>;
'Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>'
<Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>>;
'Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>'
<Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>;
'Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>'
<Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>;
'David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>'
<David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>;
'Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>'
<Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; 'Hanslep, Malle (MOF)'
<Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Thouin, Alena (ENERGY)
<Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Whitfield, Tobias P. (MOF)
<Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>;
'Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>'
<Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Steen Hume (CAB)
<Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>;
'tim.christine@ontario.ca<mailto:tim.christine@ontario.ca>'
<tim.christine@ontario.ca<mailto:tim.christine@ontario.ca>>

Cc: 'John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>)'
<john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; 'Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>)'
<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; 'WONG Leslie -LAWDIV'
<leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY
<lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; Ramchandani, Rima
<rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael
<mfeldman@torys.com<mailto:mfeldman@torys.com>>; Saulnier, Brett
<bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; Dost, Mitchell
<mdost@torys.com<mailto:mdost@torys.com>>; Mansoori, Nina
<nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka
<yolusoga@torys.com<mailto:yolusoga@torys.com>>

Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Importance: High

All,

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· we expect there will be some minor clean up to the OM (including making sure all of our cross-references are correct and that the glossary picks up all defined terms).

Please let us know if you have any questions.

Best Regards,

Nina

P. 416.865.7332

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From:	Hanslep, Malle (MOF)
To:	Mansoori, Nina
Cc:	Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); Tim Christie (ENERGY); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka
Subject:	RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Date:	Friday, January 05, 2018 5:20:22 PM

Thanks Nina.

-----Original Message-----

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: January-05-18 5:19 PM

To: Hanslep, Malle (MOF)

Cc: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; LADAK Lubna - TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka

Subject: Re: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Hi Malle - no problem. I didn't receive any bounce-backs so glad you wrote! We'll resend in separate emails and then confirm you received all of them. Thanks

On Jan 5, 2018, at 3:13 PM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Nina

I am having trouble receiving the email with the attachments because the attachments are large. Is it possible for you to resend the attachments in separate emails? Sorry about that and would appreciate it so I can review.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Mansoori, Nina

Sent: Friday, January 5, 2018 17:04

To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: 'John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>)'; 'Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>)'; 'WONG Leslie -LAWDIV'; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka

Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

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[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=4SYOaXrqQ986G36hS4K7YrwbWWNs1PuUuFZ8rdFADUY&s=PK9MbQlDpvCmguaYSsAm00aVUfrud1R5jLyZwwtnPhQ&e=>

From: Mansoori, Nina

Sent: January-05-18 4:55 PM

To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>; 'Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>' <Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>>; 'Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>' <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; 'Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>' <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; 'David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>' <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; 'Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>' <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; 'Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; 'tim.christine@ontario.ca<mailto:tim.christine@ontario.ca>' <tim.christine@ontario.ca<mailto:tim.christine@ontario.ca>>

Cc: 'John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>)' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; 'Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>)' <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; Dost, Mitchell <mdost@torys.com<mailto:mdost@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>

Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Importance: High

All,

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Best Regards,

Nina

P. 416.865.7332

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From: Ronald Kwan
To: "Saulnier, Brett"
Cc: "john.s.lee@opg.com"; Ken Kandeepan; Mike Manning
Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries (EMAIL 2/6)
Date: Tuesday, January 09, 2018 9:53:06 AM

Hi Brett,

In future distributions of these documents, please include me.

Thanks,
Ron

-----Original Message-----
From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: January-05-18 17:42
To: Gadi Mayman <Gadi.Mayman@ofina.on.ca>; Scott Thompson (CAB) <Scott.Thompson@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; John Lee (john.s.lee@opg.com) <john.s.lee@opg.com>; Ken Ryfa (ken.ryfa@opg.com) <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>
Cc: Mansoori, Nina <nmansoori@torys.com>
Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries (EMAIL 2/6)

Email 2/6: Investor Presentation and Term Sheet

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 5:13 PM

To: Mansoori, Nina <nmansoori@torys.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Thompson, Scott (MOF) <Scott.Thompson@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>

Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Olusoga, Yinka <yolusoga@torys.com>

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From: Mansoori, Nina

Sent: Friday, January 5, 2018 17:04

To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

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[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=sDTjf9tVmfT9K92u269doOHn6NwIN5Soa0mhVrZmimM&m=s_m0PjvP6QREtQi-GHSrNGj6yZt232IfTen_5GV0Xk4&s=LPvwxfL-PTO7E_aUvKDFt6-OIokUaLi1J5XXUYfaDHw&e= >

From: Mansoori, Nina

Sent: January-05-18 4:55 PM

To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; 'Scott.Thompson@ontario.ca' <Scott.Thompson@ontario.ca>; 'Anna.Strathy@ofina.on.ca' <Anna.Strathy@ofina.on.ca>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; 'David.McLean@ontario.ca' <David.McLean@ontario.ca>; 'Jonathan.Tekle@ontario.ca' <Jonathan.Tekle@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; 'Ken.Kandeepan@ofina.on.ca' <Ken.Kandeepan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; 'tim.christine@ontario.ca' <tim.christine@ontario.ca>

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Nina

P. 416.865.7332

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From:	Mansoori, Nina
To:	"dup-john.s.lee@opg.com"; "leslie.wong@opg.com"; Gadi Mayman; "Hunter, Rosalind"; Malle Hanslep (MOF); "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Ronald Kwan; "Thouin, Alena (ENERGY)"; Tom McKinlay (MAG); "VINER, JON"; "PRESTAGE, JA"; Daniel Cayley (ENERGY); "sheen.liu@opg.com"; "tyler.mcauley@opg.com"; "clara.greco@opg.com"; "matthew.go@opg.com"; "anthea.yao@opg.com"; "jenny.jorda@opg.com"; "stuart.preston@opg.com"; "john.drewniak@opg.com"; "j.hahnparker@opg.com"; "Alvi, Shariq"; "Innes, Michael"; "Stoddart, Jesse - Debt Capital Markets"; "Rix, Lindsey - Legal"; "Hume, Tyler"; "Daou, Hadi"; "Persad, Nicole"; "mfitzpatrick@hunton.com"; "aobrian@hunton.com"; "Smith, Elliot"; "King, Richard"; "Royer, Kate"; "Hughes, Timothy"; "Adalja, Sunil"; "Persaud, Donnie - Debt Capital Markets"; "Sebastiano, Rocco"; "Maciel, Andrew"; "Benaiah, Ian"; "Khan, Nur"; ""Niehaus, Katrina" (Katrina.Niehaus@gs.com)"; "Delaney, Brian (Brian.Delaney@gs.com)"; "Conner, Robbin"; "Milligan, Peter"; "Sebastiano, Rocco"; "Fullerton, Rick"; "Lively, Pamela"; "Adam, Ahmad"; "Krowles, Geralyn"; "Morris, Eleonore"; "Peter Hamilton"; "Michael Boll"; "Anthony Martinello (Anthony.Martinello@ieso.ca)"; "Jeannette Briggs (jeannette.briggs@ieso.ca)"; "kim.marshall@ieso.ca"; "RYFA Ken -TREASURY (ken.ryfa@opg.com)"
Cc:	Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Saulnier, Brett; Prado, Melissa; Dost, Mitchell; Mansoori, Nina
Subject:	RE: Closing Mechanics - Fair Hydro
Date:	Wednesday, December 20, 2017 10:42:48 PM
Importance:	High

Dear all – all parties have now confirmed that they are signed off on all applicable transaction documentation and that their respective opinions and signature pages will be automatically released tomorrow. On that basis, we are dispensing with the scheduled 9 am closing call. The necessary wires have been set up this evening and will be initiated as soon as possible in the morning in accordance with my email below. We look forward to tomorrow's closing and receiving the confirmations requested below. Thanks,

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

From: Mansoori, Nina
Sent: December-19-17 4:52 PM
To: 'dup-john.s.lee@opg.com' <john.s.lee@opg.com>; 'leslie.wong@opg.com' <leslie.wong@opg.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Hunter, Rosalind <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; VINER, JON <JON.VINER@blakes.com>; PRESTAGE, JA <JA.PRESTAGE@blakes.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; 'sheen.liu@opg.com' <sheen.liu@opg.com>; 'tyler.mcauley@opg.com' <tyler.mcauley@opg.com>; 'clara.greco@opg.com' <clara.greco@opg.com>; 'matthew.go@opg.com' <matthew.go@opg.com>; 'anthea.yao@opg.com' <anthea.yao@opg.com>; 'jenny.jorda@opg.com' <jenny.jorda@opg.com>; 'stuart.preston@opg.com' <stuart.preston@opg.com>; 'john.drewniak@opg.com' <john.drewniak@opg.com>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; Innes, Michael <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler'

<Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; Smith, Elliot <ESmith@osler.com>; King, Richard <rking@osler.com>; Royer, Kate <KRoyer@osler.com>; Hughes, Timothy <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; Sebastiano, Rocco <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; Sebastiano, Rocco <RSebastiano@osler.com>; Fullerton, Rick <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; Adam, Ahmad <Ahmad.Adam@bnymellon.com>; Krowles, Geralyn <Geralyn.Krowles@BNYMellon.com>; Morris, Eleonore <Eleonore.Morris@bnymellon.com>; Peter Hamilton <PHamilton@stikeman.com>; Michael Boll <Michael.Boll@ieso.ca>; Anthony Martinello (Anthony.Martinello@ieso.ca) <Anthony.Martinello@ieso.ca>; Jeannette Briggs (jeannette.briggs@ieso.ca) <jeannette.briggs@ieso.ca>; kim.marshall@ieso.ca
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Closing Mechanics - Fair Hydro
Importance: High

Dear all,

As you know we are closing the warehouse financing this coming Thursday, December 21 at 9 am. We have set out below the pre-closing and closing mechanics to ensure all parties know what to expect. Please let us know as soon as possible if you have any questions. Thank you.

Wednesday, December 20, 2017

- **by 10 am**, all legal counsel to deliver their client's signature pages and all signed legal opinions in escrow to Torys
- **by 10 am**, the Trust will be formed and Torys will provide the IESO with the necessary documentation to wire the carrying costs
- **by noon**, IESO will wire C$6,000,000 representing the carrying costs to the Collection Account and circulate a wire confirmation to this group
- Oslers, Stikemans and Blakes are welcome to attend the closing room at Torys from 1 pm onwards to review applicable documentation (or request that documentation by email)
- by close of business, Oslers, Stikemans, Blakes and Torys to confirm to their respective clients that the applicable documents are in satisfactory form and Oslers to confirm to lenders that all CPs to closing are satisfied (subject to OPG's funding of the subordinated debt and payment of lender fees)

Thursday, December 21, 2017

- this group will hold a call at 9 am so that each counsel can confirm release of their

clients' signature pages from escrow (Torys to send a calendar invite with call-in details)

- OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to CIBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to RBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$300,000 (for fees) to Goldman per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- Upon receipt of the tracking numbers for the two OPG wires and three BNY wires above:
    - CIBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - RBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - Goldman will transfer C$112,741,875.00 to IESO per the wire details on Schedule A of the attached global direction
- IESO to confirm to this group receipt of all wires sent to them above
- CIBC, RBC and Goldman to confirm to this group receipt of all fees wired above
- Oslers to circulate email to this group confirming closing of warehouse financing

Nina Mansoori
P. 416.865.7332

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From:	Anna Strathy
To:	Gadi Mayman
Cc:	Mike Manning; John Psinas; Ronald Kwan; Usman Zahid
Subject:	RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
Date:	Thursday, May 03, 2018 1:31:36 PM

Hi Gadi,
John was just in my office and he agrees that the School Board Trust is likely the only example. There's an explanation of it on p. 67 of Public Accounts, but the rationale for why it was set up would be known by OPCD.

School Board Trust Debt

A School Board Trust was created in June 2003 to permanently refinance debt incurred by 55 school boards. The Trust issued 30-year sinking fund debentures amounting to $891 million, and provided $882 million of the proceeds to the 55 school boards in exchange for the irrevocable right to receive future transfer payments from the Province related to this debt. An annual transfer payment is made by the Ministry of Education to the Trust's sinking fund under the School Board Operating Grant program to retire the debt over 30 years. This debt, recorded net of the sinking fund of $239 million (2015–16, $217 million), is reflected in the Province's debt.

Are you comfortable with me sending this info back to OPCD and suggesting that they may wish to draft the response to the first question, perhaps with input from OPG?
Anna

From: Gadi Mayman
Sent: Thursday, May 03, 2018 1:21 PM
To: Anna Strathy
Cc: Mike Manning ; John Psinas ; Ronald Kwan ; Usman Zahid
Subject: Re: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Other than the 55 School Board Trust, which I think was 15 or so years ago, and has since been wound up (or at least we've taken on the debt), I can't think of any special purpose entities that raise debt. Maybe I'm missing something.
Having said that, it isn't the Province that is using a trust to raise debt in his case, it is OPG. Maybe the question should be asked of them as to why they're using this structure instead of borrowing directly as OPG?

On May 3, 2018, at 1:14 PM, Anna Strathy <Anna.Strathy@ofina.on.ca> wrote:

> Hi Mike, John,
> The Globe and Mail has two follow-up questions; OPCD has asked that the OFA draft a response to the first. Could either/both of your teams prepare a response re: special purpose entities? OPCD has also suggested a call this afternoon to discuss the responses. I'll keep you posted on the timing of a potential call.
> Anna
>
> ---
>
> **From:** Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
> **Sent:** Thursday, May 03, 2018 1:09 PM
> **To:** Anna Strathy <Anna.Strathy@ofina.on.ca>
> **Subject:** FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi Anna,

The reporter has come back with further questions. We'll start drafting the second question, and can your team work on the first?

Cindy thinks a call would be helpful to quickly touch base. Does Gadi and/or team have time for a quick call between 2:45-3:45 or after 4:45pm?

Let me know

Thanks

Sarah

From: Tharani, Alisha (TBS) <Alisha.Tharani@ontario.ca>
Sent: Thursday, May 3, 2018 12:22 PM
To: Skoberne, Vivienne (TBS); Ue, Allison (TBS); Nelson, Dane (TBS); Hosick, Sarah (TBS)
Cc: Laughton, Patrick (TBS); Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi all,

We have received follow-up questions from Matt McClearn (G&M):

- I'm still not clear on when the government began using special purpose entities to raise debt. And I'd still like a list of all special purpose entities that have borrowed on behalf of the province.
- Also, if the Fair Hydro Trust borrows $1 billion, by what amount will the gross debt figure on the Province's consolidated financial statements increase by?

We will work with OPCD to develop responses and will share for DMO approval as soon as possible.

Best,

Alisha

From: Tharani, Alisha (TBS)
Sent: May 2, 2018 9:33 PM
To: Skoberne, Vivienne (TBS); Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS); Hosick, Sarah (TBS); Laughton, Patrick (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi all,

Confirming the response has been shared with the reporter.

Best,

Alisha

From: Skoberne, Vivienne (TBS)
Sent: May 2, 2018 9:20 PM
To: Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)

Cc: Ue, Allison (TBS); Nelson, Dane (TBS); Tharani, Alisha (TBS); Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Great, thank you everyone!! Again!

From: Sullivan, Bryant (TBS) <Bryant.J.Sullivan@ontario.ca>
Date: Wednesday, May 02, 2018, 8:34 PM
To: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>, DiMuzio, Sofie (TBS) <Sofie.DiMuzio@ontario.ca>, Vrancart, Kate (TBS) <Kate.Vrancart@ontario.ca>, Miller, Amanda (TBS) <Amanda.Miller@ontario.ca>
Cc: Ue, Allison (TBS) <Allison.Ue@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>, Tharani, Alisha (TBS) <Alisha.Tharani@ontario.ca>, Hosick, Sarah (TBS) <Sarah.Hosick@ontario.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi all, confirming that Lawvin has also reviewed the response and didn't flag any concerns.

Alisha will be responding to the reporter when she gets back to her computer around 9pm tonight.

Copying Sarah H for awareness.

Thanks

Bryant

From: Sullivan, Bryant (TBS)
Sent: May 2, 2018 6:28 PM
To: Skoberne, Vivienne (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

For sure.
Re timing, I believe Helen had asked that this go to the reporter today. Alisha can send after 9pm if that's essential. If not we can do it first thing. Do you have a preference?

Sent with BlackBerry Work
(www.blackberry.com)

From: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>
Date: Wednesday, May 02, 2018, 5:57 PM
To: DiMuzio, Sofie (TBS) <Sofie.DiMuzio@ontario.ca>, Sullivan, Bryant (TBS) <Bryant.J.Sullivan@ontario.ca>, Vrancart, Kate (TBS) <Kate.Vrancart@ontario.ca>, Miller, Amanda (TBS) <Amanda.Miller@ontario.ca>
Cc: Ue, Allison (TBS) <Allison.Ue@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Jason has reviewed. He did not flag any concerns. Do you mind confirming with Lawvin?

From: Pichelli, Jason (TBS) <Jason.Pichelli@ontario.ca>
Date: Wednesday, May 02, 2018, 5:52 PM
To: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>
Cc: Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

I have reviewed, thanks

Jason Pichelli
Chief of Staff
Office of the Hon. Eleanor McMahon
President of the Treasury Board
(416) 327-6619

From: Skoberne, Vivienne (TBS)
Sent: May 2, 2018 4:15 PM
To: Pichelli, Jason (TBS) <Jason.Pichelli@ontario.ca>
Cc: Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca>; Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi Jason,

Attached is the proposed response to the follow-up questions from the G&M reporter.

The responses have been fact checked by OTB/OPCD, OFA, and OPG.

Is your office able to review these responses in a short time frame so that we can respond to the G&M reporter soon?

Thanks.

Vivienne Skoberne
T: 416-325-9084 | C: 647-287-3429

From: John Psinas
To: Anna Strathy
Cc: Mike Manning
Subject: RE: Corrections re: April 21st Article: “Bad books”
Date: Thursday, May 03, 2018 1:29:08 PM

Great, thanks.

From: Anna Strathy
Sent: Thursday, May 03, 2018 1:28 PM
To: John Psinas
Cc: Mike Manning
Subject: FW: Corrections re: April 21st Article: “Bad books”

Hi John, as discussed, attached are the edits provided back to OPCD yesterday.

From: Anna Strathy
Sent: Wednesday, May 02, 2018 9:49 AM
To: 'Hosick, Sarah (TBS)' <Sarah.Hosick@ontario.ca>
Cc: Gadi Mayman <Gadi.Mayman@ofina.on.ca>
Subject: RE: Corrections re: April 21st Article: “Bad books”

Hi Sarah,

Please find very minor edits from OFA in the attached. Happy to discuss.

Anna

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Tuesday, May 01, 2018 5:29 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Corrections re: April 21st Article: “Bad books”

Here is the document with a draft response for Q.6 per Cindy and Gadi’s conversation.

As stated below, if we could get this back asap in the morning would be appreciated!

Thanks

Sarah

From: Hosick, Sarah (TBS)
Sent: May 1, 2018 5:01 PM
To: 'Anna Strathy'
Subject: RE: Corrections re: April 21st Article: “Bad books”

Hi Anna

Lots of moving pieces on this –thanks for your patience! Gadi and Cindy just spoke at a meeting they were both at about the question that is currently blank. Cindy is drafting a response and I’ll send a revised version shortly.

At the meeting, the deputy mentioned that they want to get back to the reporter tomorrow now so if possible can we expedite and say 10am tomorrow latest (earlier if possible) for responses.

Will send you updated version shortly.

From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: May 1, 2018 4:18 PM
To: Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: “Bad books”

Thanks Sarah. Will do.

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Tuesday, May 01, 2018 4:14 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books"

Darn, just missed him!
Attached is a very rough draft of how the answers are shaping. Can you please have his team review and provide edits/comments by noon tomorrow?
Mark Donaldson is also still adding comment/edits as well, so feel free to have your team reach out to him if they want to discuss anything
Thanks
Sarah

From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: May 1, 2018 4:00 PM
To: Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books"

Thanks Sarah. Unfortunately, I think Ken is already headed to the airport, but thank you for the head's up. His team will be able to review and provide input in his absence.
Anna

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Tuesday, May 01, 2018 3:47 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi Anna,
The reporter from the Globe and Mail has some follow-up technical questions in response to our request that clarifications and corrections were needed on some pieces of his April 21 article. [na01.safelinks.protection.outlook.com]
See below – for several questions we'll need OFA input. We're taking a first cut at the responses and will send your way for review/input likely this evening.
I understand Ken Kandeepan is on vacation starting tomorrow, so I'm sending this as a heads up in case he wants to weigh in with any points to consider before we are ready to send the draft responses.
Happy to discuss
Thanks
Sarah

From: Tharani, Alisha (TBS)
Sent: May 1, 2018 12:40 PM
To: Ue, Allison (TBS); Nelson, Dane (TBS); Skoberne, Vivienne (TBS); Hosick, Sarah (TBS)
Cc: Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS); Laughton, Patrick (TBS)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi DMO & OPCD colleagues,

I have received follow-up questions from Matt McClearn in follow-up to the table of corrections that was shared with him last week. See below:

"Just working through your document. Some of the issues you raise are quite technical in nature. I have a few questions and requests arising from them:

- Where does the borrowing of the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
- How does the borrowing of the Fair Hydro Trust affect the Province of Ontario's reported net debt?
- How does OPG's borrowing related to the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
- How does OPG's borrowing related to the Fair Hydro Plan affect the Province of Ontario's reported net debt?
- The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.
- When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.
- When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"

We will work with OPCD to develop responses to the above.

Best,

Alisha

From: Tharani, Alisha (TBS)
Sent: April 25, 2018 1:25 PM
To: Skoberne, Vivienne (TBS); Ue, Allison (TBS); Nelson, Dane (TBS); Veinot, Cindy (TBS); Hosick, Sarah (TBS); Laughton, Patrick (TBS); Hadisi, Lawvin (TBS); Rubin, Jack (TBS)
Cc: Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Subject: FW: Corrections re: April 21st Article: "Bad books"
Hi all,

Please see below for Matt McClearn's response.

Best,

Alisha

From: McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
Sent: April 25, 2018 1:18 PM
To: Tharani, Alisha (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books"
Alisha:
Thanks for these. We'll review this document and involve our public editor as necessary. Regards, Matt.

Matthew McClearn | Data journalist, Enterprise Team
p: 416.585.5487 | m: 416.705.6047 | e: mmcclearn@globeandmail.com

---

From: Tharani, Alisha (TBS) [mailto:Alisha.Tharani@ontario.ca]
Sent: Wednesday, April 25, 2018 12:17 PM
To: McClearn, Matthew
Subject: Corrections re: April 21st Article: "Bad books"

Hi Matt,

In response to your article, "Bad books: How Ontario's new hydro accounting could cost taxpayers billions" published on April 21, 2018, we would like to address a few points that require correction and clarification.

Please see attached for a summary of corrections that we respectfully request that you acknowledge in your story.

We are happy to answer any questions you may have.

Thanks,

Alisha

Alisha Tharani
Treasury Board Secretariat
416-327-3803 | Alisha.Tharani@ontario.ca

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From: Anna Strathy
To: Malle Hanslep (MOF)
Cc: Ronald Kwan; John Psinas; Mike Manning; Usman Zahid; Tobias P. Whitfield (MOF)
Subject: RE: Corrections re: April 21st Article: "Bad books"
Date: Wednesday, May 02, 2018 9:07:32 AM

Thanks very much for the quick response, Malle. Much appreciated.

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, May 02, 2018 9:07 AM
To: Anna Strathy
Cc: Ronald Kwan ; John Psinas ; Mike Manning ; Usman Zahid ; Tobias P. Whitfield (MOF)
Subject: Re: Corrections re: April 21st Article: "Bad books"

Hi Anna

I agree with the approach to refer to the description of the guarantee contained in OPGS financial statements.

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Strathy, Anna (OFA)
Sent: Wednesday, May 2, 2018 08:57
To: Hanslep, Malle (MOF)
Cc: Kwan, Ronald (OFA); John Psinas; Manning, Mike (OFA); Zahid, Usman (OFA); Whitfield, Tobias P. (MOF)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi Malle,

OPCD has received a few follow-up questions from the Globe and Mail journalist that authored the April 21st article, "Bad Books". One of the questions below requires the OFA's review as it relates to the protection agreement. We don't have any concerns with the language OPCD has provided below (as taken from OPG's financial statements)– could you let us know whether you have any concerns? I understand that **OPCD is hoping to respond to the G&M by 10am** this morning.

5. The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.	[What is our standard response that is used for these types of requests?] Note 19 of OPG's consolidated financial statements (available on OPG's website at: https://www.opg.com/about/finance/Documents/20180308CombinedNewsReleaseMDAOPGQ42017FINAL.pdf) includes the following disclosure of the guarantee provided by the Province. The Province has provided a limited guarantee to specified creditors of the Fair Hydro Trust. The limited guarantee would be triggered in the event that the Trust's ability to receive amounts in respect of its Investment Interest to pay for certain funding obligations is adversely affected due to one or more of the following: the Province changes the Fair Hydro Act or any other legislation or regulation; a significant change in Ontario's electricity market undertaken by the Province; or a court declares that the Act is invalid or unconstitutional. Disclosure of the guarantee will also be included in the consolidated financial statements of the Province for the year-ended March 31, 2018, which will be released as part of the Public

From: John Psinas
Sent: Tuesday, May 01, 2018 9:30 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Cc: Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>
Subject: Fwd: Corrections re: April 21st Article: "Bad books"

Anna,
I was pondering how to respond to the Special Purpose Trust question, but OPCD came back and did a fair response on it. "Trust" is used loosely by people and it could mean many things.
OPCD's response for #1 and #3 may be too technical and convoluted for non-accountants to understand to be honest, but I don't see how to avoid it.

Our only action item appears to be highlighted in yellow in #5 about what is our standard response on guarantees to investors wrt the FH. I'll have to check with Mike first thing tomorrow morning if there is a prior blurb given to the public or a standard Q&A about guarantees in general.

Thanks.

John

Sent from my iPhone

Begin forwarded message:

> **From:** Anna Strathy <Anna.Strathy@ofina.on.ca>
> **Date:** May 1, 2018 at 9:05:05 PM EDT
> **To:** John Psinas <John.Psinas@ofina.on.ca>, George Sakura <George.Sakura@ofina.on.ca>, Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>
> **Subject: Fwd: Corrections re: April 21st Article: "Bad books"**
>
> As per my previous email.
>
> --
> Anna Strathy
> Special Policy Advisor to the CEO
> Ontario Financing Authority
> 416.325.8032
>
> Begin forwarded message:
>
> > **From:** "Hosick, Sarah (TBS)" <Sarah.Hosick@ontario.ca>
> > **Date:** May 1, 2018 at 5:28:49 PM EDT
> > **To:** "Strathy, Anna (OFA)" <Anna.Strathy@ofina.on.ca>
> > **Subject: RE: Corrections re: April 21st Article: "Bad books"**
> >
> > Here is the document with a draft response for Q.6 per Cindy and Gadi's conversation.
> > As stated below, if we could get this back asap in the morning would be appreciated!
> > Thanks
> > Sarah
> >
> > ---
> >
> > **From:** Hosick, Sarah (TBS)
> > **Sent:** May 1, 2018 5:01 PM
> > **To:** 'Anna Strathy'
> > **Subject:** RE: Corrections re: April 21st Article: "Bad books"
> > Hi Anna
> > Lots of moving pieces on this –thanks for your patience! Gadi and Cindy just spoke at a meeting they were both at about the question that is currently blank. Cindy is drafting a response and I'll send a revised version shortly.
> > At the meeting, the deputy mentioned that they want to get back to the reporter tomorrow now so if possible can we expedite and say 10am tomorrow latest (earlier if possible) for responses.
> > Will send you updated version shortly.
> >
> > ---
> >
> > **From:** Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
> > **Sent:** May 1, 2018 4:18 PM
> > **To:** Hosick, Sarah (TBS)
> > **Subject:** RE: Corrections re: April 21st Article: "Bad books"
> > Thanks Sarah. Will do.
> >
> > ---
> >
> > **From:** Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
> > **Sent:** Tuesday, May 01, 2018 4:14 PM
> > **To:** Anna Strathy <Anna.Strathy@ofina.on.ca>

Subject: RE: Corrections re: April 21st Article: "Bad books"

Darn, just missed him!

Attached is a very rough draft of how the answers are shaping. Can you please have his team review and provide edits/comments by noon tomorrow?

Mark Donaldson is also still adding comment/edits as well, so feel free to have your team reach out to him if they want to discuss anything

Thanks

Sarah

From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: May 1, 2018 4:00 PM
To: Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books"

Thanks Sarah. Unfortunately, I think Ken is already headed to the airport, but thank you for the head's up. His team will be able to review and provide input in his absence.

Anna

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Tuesday, May 01, 2018 3:47 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi Anna,

The reporter from the Globe and Mail has some follow-up technical questions in response to our request that clarifications and corrections were needed on some pieces of his April 21 article. [na01.safelinks.protection.outlook.com]

See below – for several questions we'll need OFA input. We're taking a first cut at the responses and will send your way for review/input likely this evening.

I understand Ken Kandeepan is on vacation starting tomorrow, so I'm sending this as a heads up in case he wants to weigh in with any points to consider before we are ready to send the draft responses.

Happy to discuss

Thanks

Sarah

From: Tharani, Alisha (TBS)
Sent: May 1, 2018 12:40 PM
To: Ue, Allison (TBS); Nelson, Dane (TBS); Skoberne, Vivienne (TBS); Hosick, Sarah (TBS)
Cc: Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS); Laughton, Patrick (TBS)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi DMO & OPCD colleagues,

I have received follow-up questions from Matt McClearn in follow-up to the table of corrections that was shared with him last week. See below:

"Just working through your document. Some of the issues you raise are quite technical in nature. I have a few questions and requests arising from them:

- Where does the borrowing of the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
- How does the borrowing of the Fair Hydro Trust affect the Province of Ontario's reported net debt?
- How does OPG's borrowing related to the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
- How does OPG's borrowing related to the Fair Hydro Plan affect the Province of Ontario's reported net debt?
- The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.
- When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.
- When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"

We will work with OPCD to develop responses to the above.

Best,

Alisha

From: Tharani, Alisha (TBS)
Sent: April 25, 2018 1:25 PM
To: Skoberne, Vivienne (TBS); Ue, Allison (TBS); Nelson, Dane (TBS); Veinot, Cindy (TBS); Hosick, Sarah (TBS); Laughton, Patrick (TBS); Hadisi, Lawvin (TBS); Rubin, Jack (TBS)
Cc: Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi all,

Please see below for Matt McClearn's response.

Best,

Alisha

From: McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
Sent: April 25, 2018 1:18 PM
To: Tharani, Alisha (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books"

Alisha:
Thanks for these. We'll review this document and involve our public editor as necessary. Regards,
Matt.

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

From:	Anna Strathy
To:	John Psinas
Cc:	Ronald Kwan; Usman Zahid; Mike Manning
Subject:	RE: Corrections re: April 21st Article: "Bad books"
Date:	Wednesday, May 02, 2018 8:13:21 AM

Thanks John. I'll dig around too for Q&As that might have been prepared for the technical briefing.

From: John Psinas
Sent: Tuesday, May 01, 2018 9:30 PM
To: Anna Strathy
Cc: Ronald Kwan ; Usman Zahid ; Mike Manning
Subject: Fwd: Corrections re: April 21st Article: "Bad books"

Anna,
I was pondering how to respond to the Special Purpose Trust question, but OPCD came back and did a fair response on it. "Trust" is used loosely by people and it could mean many things.
OPCD's response for #1 and #3 may be too technical and convoluted for non-accountants to understand to be honest, but I don't see how to avoid it.

Our only action item appears to be highlighted in yellow in #5 about what is our standard response on guarantees to investors wrt the FH. I'll have to check with Mike first thing tomorrow morning if there is a prior blurb given to the public or a standard Q&A about guarantees in general.

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Sent from my iPhone

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> **Cc:** Usman Zahid <Usman.Zahid@ofina.on.ca>
> **Subject: Fwd: Corrections re: April 21st Article: "Bad books"**

As per my previous email.

--
Anna Strathy
Special Policy Advisor to the CEO
Ontario Financing Authority
416.325.8032

Begin forwarded message:

> **From:** "Hosick, Sarah (TBS)" <Sarah.Hosick@ontario.ca>
> **Date:** May 1, 2018 at 5:28:49 PM EDT
> **To:** "Strathy, Anna (OFA)" <Anna.Strathy@ofina.on.ca>
> **Subject: RE: Corrections re: April 21st Article: "Bad books"**
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please have his team review and provide edits/comments by noon tomorrow?
Mark Donaldson is also still adding comment/edits as well, so feel free to have your team reach out to him if they want to discuss anything
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See below – for several questions we'll need OFA input. We're taking a first cut at the responses and will send your way for review/input likely this evening.
I understand Ken Kandeepan is on vacation starting tomorrow, so I'm sending this as a heads up in case he wants to weigh in with any points to consider before we are ready to send the draft responses.
Happy to discuss
Thanks
Sarah

From: Tharani, Alisha (TBS)
Sent: May 1, 2018 12:40 PM
To: Ue, Allison (TBS); Nelson, Dane (TBS); Skoberne, Vivienne (TBS); Hosick, Sarah (TBS)
Cc: Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS); Laughton, Patrick (TBS)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi DMO & OPCD colleagues,

I have received follow-up questions from Matt McClearn in follow-up to the table of corrections that was shared with him

last week. See below:

"Just working through your document. Some of the issues you raise are quite technical in nature. I have a few questions and requests arising from them:

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- When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.
- When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"

We will work with OPCD to develop responses to the above.

Best,

Alisha

From: Tharani, Alisha (TBS)
Sent: April 25, 2018 1:25 PM
To: Skoberne, Vivienne (TBS); Ue, Allison (TBS); Nelson, Dane (TBS); Veinot, Cindy (TBS); Hosick, Sarah (TBS); Laughton, Patrick (TBS); Hadisi, Lawvin (TBS); Rubin, Jack (TBS)
Cc: Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi all,

Please see below for Matt McClearn's response.

Best,

Alisha

From: McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
Sent: April 25, 2018 1:18 PM
To: Tharani, Alisha (TBS)

Subject: RE: Corrections re: April 21st Article: “Bad books”

Alisha:

Thanks for these. We’ll review this document and involve our public editor as necessary. Regards,

Matt.

From:	Hosick, Sarah (TBS)
To:	Anna Strathy
Cc:	Mike Manning; John Psinas; Ronald Kwan; Usman Zahid; Gadi Mayman
Subject:	RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
Date:	Thursday, May 03, 2018 2:23:30 PM

Thanks Anna, we'll look into this further and connect with OPG.

Will let you know if any additional questions or points for OFA consideration.
Sarah

From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: May 3, 2018 1:54 PM
To: Hosick, Sarah (TBS)
Cc: Manning, Mike (OFA); John Psinas; Kwan, Ronald (OFA); Zahid, Usman (OFA); Mayman, Gadi (OFA)
Subject: FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi Sarah,
The School Board trust debt was the only example we could think of re: special purpose entities. There's an explanation of it on p. 67 of Public Accounts (excerpt below), but we don't know the rationale for why it was set up – John thought OPCD might have that answer. Furthermore, OPCD may want to check in with OPG on this response. It isn't the Province using a trust to raise debt, but rather OPG. Perhaps OPG should respond as to why they're using this structure instead of borrowing as OPG.

School Board Trust Debt

A School Board Trust was created in June 2003 to permanently refinance debt incurred by 55 school boards. The Trust issued 30-year sinking fund debentures amounting to $891 million, and provided $882 million of the proceeds to the 55 school boards in exchange for the irrevocable right to receive future transfer payments from the Province related to this debt. An annual transfer payment is made by the Ministry of Education to the Trust's sinking fund under the School Board Operating Grant program to retire the debt over 30 years. This debt, recorded net of the sinking fund of $239 million (2015–16, $217 million), is reflected in the Province's debt.

Happy to discuss should you have any further questions, but I don't think the OFA would be able to prepare a response to the first question.

Anna

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Thursday, May 03, 2018 1:09 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi Anna,
The reporter has come back with further questions. We'll start drafting the second question, and can your team work on the first?
Cindy thinks a call would be helpful to quickly touch base. Does Gadi and/or team have time for a quick call between 2:45-3:45 or after 4:45pm?
Let me know

Thanks

Sarah

From: Tharani, Alisha (TBS) <Alisha.Tharani@ontario.ca>
Sent: Thursday, May 3, 2018 12:22 PM
To: Skoberne, Vivienne (TBS); Ue, Allison (TBS); Nelson, Dane (TBS); Hosick, Sarah (TBS)
Cc: Laughton, Patrick (TBS); Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi all,

We have received follow-up questions from Matt McClearn (G&M):

- I'm still not clear on when the government began using special purpose entities to raise debt. And I'd still like a list of all special purpose entities that have borrowed on behalf of the province.
- Also, if the Fair Hydro Trust borrows $1 billion, by what amount will the gross debt figure on the Province's consolidated financial statements increase by?

We will work with OPCD to develop responses and will share for DMO approval as soon as possible.

Best,

Alisha

From: Tharani, Alisha (TBS)
Sent: May 2, 2018 9:33 PM
To: Skoberne, Vivienne (TBS); Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS); Hosick, Sarah (TBS); Laughton, Patrick (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi all,

Confirming the response has been shared with the reporter.

Best,

Alisha

From: Skoberne, Vivienne (TBS)
Sent: May 2, 2018 9:20 PM
To: Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS); Tharani, Alisha (TBS); Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Great, thank you everyone!! Again!

From: Sullivan, Bryant (TBS) <Bryant.J.Sullivan@ontario.ca>
Date: Wednesday, May 02, 2018, 8:34 PM
To: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>, DiMuzio, Sofie (TBS) <Sofie.DiMuzio@ontario.ca>, Vrancart, Kate (TBS) <Kate.Vrancart@ontario.ca>, Miller, Amanda (TBS)

<Amanda.Miller@ontario.ca>
Cc: Ue, Allison (TBS) <Allison.Ue@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>, Tharani, Alisha (TBS) <Alisha.Tharani@ontario.ca>, Hosick, Sarah (TBS) <Sarah.Hosick@ontario.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi all, confirming that Lawvin has also reviewed the response and didn't flag any concerns.
Alisha will be responding to the reporter when she gets back to her computer around 9pm tonight.
Copying Sarah H for awareness.
Thanks
Bryant

From: Sullivan, Bryant (TBS)
Sent: May 2, 2018 6:28 PM
To: Skoberne, Vivienne (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

For sure.
Re timing, I believe Helen had asked that this go to the reporter today. Alisha can send after 9pm if that's essential. If not we can do it first thing. Do you have a preference?

Sent with BlackBerry Work
(www.blackberry.com[na01.safelinks.protection.outlook.com])

From: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>
Date: Wednesday, May 02, 2018, 5:57 PM
To: DiMuzio, Sofie (TBS) <Sofie.DiMuzio@ontario.ca>, Sullivan, Bryant (TBS) <Bryant.J.Sullivan@ontario.ca>, Vrancart, Kate (TBS) <Kate.Vrancart@ontario.ca>, Miller, Amanda (TBS) <Amanda.Miller@ontario.ca>
Cc: Ue, Allison (TBS) <Allison.Ue@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Jason has reviewed. He did not flag any concerns. Do you mind confirming with Lawvin?

From: Pichelli, Jason (TBS) <Jason.Pichelli@ontario.ca>
Date: Wednesday, May 02, 2018, 5:52 PM
To: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>
Cc: Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

I have reviewed, thanks

_____

Jason Pichelli
Chief of Staff
Office of the Hon. Eleanor McMahon
President of the Treasury Board
(416) 327-6619

From: Skoberne, Vivienne (TBS)
Sent: May 2, 2018 4:15 PM

To: Pichelli, Jason (TBS) <Jason.Pichelli@ontario.ca>
Cc: Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca>; Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: Corrections re: April 21st Article: “Bad books” - response to reporter f/u questions

Hi Jason,

Attached is the proposed response to the follow-up questions from the G&M reporter.

The responses have been fact checked by OTB/OPCD, OFA, and OPG.

Is your office able to review these responses in a short time frame so that we can respond to the G&M reporter soon?

Thanks.

Vivienne Skoberne

T: 416-325-9084 | C: 647-287-3429

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

From:	John Kim
To:	"LEE John -TREASURY"; "LAURETA LAPIRA May -FIN & C CTRL"; "lubna.ladak@opg.com"; "RYFA Ken -TREASURY"; "Talwar, Shruti (ENERGY)"; "j.hahnparker@opg.com"; Tim Christie (ENERGY); Mike Manning; Ken Kandeepan
Cc:	Ronald Kwan
Subject:	RE: Draft Fair Hydro Investor Presentation.
Date:	Wednesday, January 03, 2018 7:13:26 PM
Attachments:	Fair Hydro Investor Presentation Comments - ENERGY - 20171229_Additions_v07Clean_MOFLSBCEFD v3.docx

Attached is with MOF LSB comments consolidated.

From: John Kim
Sent: January-03-18 3:16 PM
To: 'LEE John -TREASURY' ; 'LAURETA LAPIRA May -FIN & C CTRL' ; 'lubna.ladak@opg.com' ; 'RYFA Ken -TREASURY' ; 'Talwar, Shruti (ENERGY)' ; 'j.hahnparker@opg.com' ; Tim Christie (ENERGY) ; Mike Manning ; Ken Kandeepan
Cc: Ronald Kwan
Subject: RE: Draft Fair Hydro Investor Presentation.

Sorry, forgot to copy Ron….must be the jetlag from my recent trip.

From: John Kim
Sent: Wednesday, January 03, 2018 2:44 PM
To: LEE John -TREASURY <john.s.lee@opg.com>; 'LAURETA LAPIRA May -FIN & C CTRL' <may.lapira@opg.com>; 'lubna.ladak@opg.com' <lubna.ladak@opg.com>; 'RYFA Ken -TREASURY' <ken.ryfa@opg.com>; 'Talwar, Shruti (ENERGY)' <Shruti.Talwar@ontario.ca>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
Subject: FW: Draft Fair Hydro Investor Presentation.

Hi,
Pls. see attached with our suggested comment additions in red. We are still waiting for comments from MOF Legal, if any.
Thanks,
John

Begin forwarded message:

> **From:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Date:** January 3, 2018 at 10:25:21 AM EST
> **To:** John LEE <john.s.lee@opg.com>
> **Cc:** Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>, LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>, LADAK Lubna -TREASURY <lubna.ladak@opg.com>, RYFA Ken -TREASURY <ken.ryfa@opg.com>, "Shruti.Talwar@ontario.ca" <Shruti.Talwar@ontario.ca>, HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>, "Tim Christie (ENERGY)" <Tim.Christie@ontario.ca>, Mike Manning <Mike.Manning@ofina.on.ca>
> **Subject: Re: Draft Fair Hydro Investor Presentation.**
>
> Hi,
> And we'll have a couple comments as well, and we looped in MOF Legal to take

a quick look too.
Thanks,
Ron

On Jan 3, 2018, at 10:15 AM, Mike Manning <Mike.Manning@ofina.on.ca> wrote:

> Hi John:
> I think Ken caught the main issues on my side as well.
> Mike
>
> **From:** Ken Kandeepan
> **Sent:** Wednesday, January 03, 2018 10:00 AM
> **To:** 'LEE John -TREASURY' <john.s.lee@opg.com>
> **Cc:** Mike Manning <Mike.Manning@ofina.on.ca>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Subject:** RE: Draft Fair Hydro Investor Presentation.
> Hi John
> Happy new year, hope you had a few days off. Pls see some minor comments, I have limited my review to the Province's role in the OFHP. Mike may have others.
>
> - Page 15 – last bullet; the $2 billion credit facility has been extended from the OFA, not the OEFC
> - Page 25 - Change of law Process Agreement; I would add that the PAM is set and updated by the Financing Plan.
>
> Thanks
> Ken k
>
> **From:** LEE John -TREASURY [mailto:john.s.lee@opg.com]
> **Sent:** Thursday, December 21, 2017 5:33 PM
> **To:** Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
> **Cc:** Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>
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January. May will have the “pen” from our side.

Have a Merry Christmas.

John

John Lee | Vice President Treasurer |
Ontario Power Generation | 700 University Avenue, H18 A6, Toronto, Ontario M5G 1X6 |
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Fair Hydro Investor Presentation Comments

Slide #	Reference	Comment
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Slide 15	Last bullet	The $2 billion credit facility is provided by the Ontario Financing Authority, not the OEFC. Also, consider rewording so as not to suggest that the $2 billion facility is solely for "carrying costs". Also, suggest that the last clause on security be a stand-alone bullet, not part of the OFA credit facility bullet, and should come before the other part of this bullet (i.e., become the third bullet of this section).

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Protection Events	The occurrence of any of the following events: • The Legislature repeals (and does not replace on an equivalent basis) or amends the FHP Act or any portion thereof as in effect on the date hereof • The Legislature enacts or amends any other statute • The Lieutenant Governor in Council repeals (and does not replace on an equivalent basis) the regulations made under the Act or any portion thereof as in effect on the date hereof • The Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the Legislation Act, 2006) as in effect on the date hereof • The implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province or an entity controlled by the Province • A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is ultra vires or invalid in a way that adversely affects the ability of the Trust to adversely affects the ability of the Financing Entity to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable~~pay its obligations~~ in each case that adversely affects the ability of the Trust to pay its obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount

Slide 23	Key Terms – Moratorium Period (bullet 3)	Consider replacing "(until May 1, 2021)" to "(until April 30, 2021) and up to July 31, 2021" [see section 21(4) of FHPA and section 9.1 of O. Reg. 206/17]. Consider removing "which will be offered, as regulatory assets, for transfer to the Trust in a subsequent period", since this is not expressly provided in the MTSA [also see section 16 of O. Reg. 206/17].
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From:	Ronald Kwan
To:	Tobias P. Whitfield (MOF); Malle Hanslep (MOF)
Cc:	Ken Kandeepan; Mike Manning; John Kim
Subject:	RE: Draft Fair Hydro Investor Presentation.
Date:	Wednesday, January 03, 2018 6:53:44 PM

Thanks Toby.
John is doing a consolidated set of comments.
Ron

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: January-03-18 3:47 PM
To: Ronald Kwan ; Malle Hanslep (MOF)
Cc: Ken Kandeepan ; Mike Manning
Subject: RE: Draft Fair Hydro Investor Presentation.

Ron,
Please find attached our comments on the investor presentation deck. We have added our comments in track changes to the word document with the other comments.
Mike and Ken, we are also wondering if you have heard anything new about the timing of the term deal and whether there are any documents that have been circulated that we can start to look at.
Best
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Ronald Kwan [mailto:Ronald.Kwan@ofina.on.ca]
Sent: January 3, 2018 2:28 AM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF)
Subject: FW: Draft Fair Hydro Investor Presentation.

Hi Malle, Toby,
Apologies for the short notice, if you have not been looped in earlier. I got the attached from Energy yesterday. OPG is looking for comments ASAP. Would you be able to review and provide any comments for EOD Wednesday?
Also attached is Energy's comments on the deck, with a few preliminary additions added in red. Mike and Ken are also reviewing and said they'd provide comments on Wednesday.
Thanks, and a Happy New Year to you both.
Ron

From: Christie, Tim (ENERGY) [mailto:Tim.Christie@ontario.ca]
Sent: January-02-18 11:39 AM
To: Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Subject: FW: Draft Fair Hydro Investor Presentation.

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Have a Merry Christmas.

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Cc:	Ken Kandeepan; Mike Manning
Subject:	RE: Draft Fair Hydro Investor Presentation.
Date:	Wednesday, January 03, 2018 3:47:15 PM
Attachments:	Fair Hydro Investor Presentation Comments - ENERGY - 20171229_Additions.docx

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Cc:	Ronald Kwan
Subject:	RE: Draft Fair Hydro Investor Presentation.
Date:	Wednesday, January 03, 2018 3:15:34 PM
Attachments:	Fair Hydro Investor Presentation Comments - ENERGY - 20171229_Additions_v07Clean.docx

Sorry, forgot to copy Ron….must be the jetlag from my recent trip.

From: John Kim
Sent: Wednesday, January 03, 2018 2:44 PM
To: LEE John -TREASURY ; 'LAURETA LAPIRA May -FIN & C CTRL' ; 'lubna.ladak@opg.com' ; 'RYFA Ken -TREASURY' ; 'Talwar, Shruti (ENERGY)' ; 'j.hahnparker@opg.com' ; Tim Christie (ENERGY) ; Mike Manning ; Ken Kandeepan
Subject: FW: Draft Fair Hydro Investor Presentation.

Hi,
Pls. see attached with our suggested comment additions in red. We are still waiting for comments from MOF Legal, if any.
Thanks,
John

Begin forwarded message:

> **From:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Date:** January 3, 2018 at 10:25:21 AM EST
> **To:** John LEE <john.s.lee@opg.com>
> **Cc:** Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>, LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>, LADAK Lubna -TREASURY <lubna.ladak@opg.com>, RYFA Ken -TREASURY <ken.ryfa@opg.com>, "Shruti.Talwar@ontario.ca" <Shruti.Talwar@ontario.ca>, HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>, "Tim Christie (ENERGY)" <Tim.Christie@ontario.ca>, Mike Manning <Mike.Manning@ofina.on.ca>
> **Subject: Re: Draft Fair Hydro Investor Presentation.**
>
> Hi,
> And we'll have a couple comments as well, and we looped in MOF Legal to take a quick look too.
> Thanks,
> Ron
>
> On Jan 3, 2018, at 10:15 AM, Mike Manning <Mike.Manning@ofina.on.ca> wrote:
>
> > Hi John:
> > I think Ken caught the main issues on my side as well.
> > Mike
> >
> > **From:** Ken Kandeepan
> > **Sent:** Wednesday, January 03, 2018 10:00 AM

To: 'LEE John -TREASURY' <john.s.lee@opg.com>
Cc: Mike Manning <Mike.Manning@ofina.on.ca>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Subject: RE: Draft Fair Hydro Investor Presentation.

Hi John

Happy new year, hope you had a few days off. Pls see some minor comments, I have limited my review to the Province's role in the OFHP. Mike may have others.

- Page 15 – last bullet; the $2 billion credit facility has been extended from the OFA, not the OEFC
- Page 25 - Change of law Process Agreement; I would add that the PAM is set and updated by the Financing Plan.

Thanks

Ken k

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: Thursday, December 21, 2017 5:33 PM
To: Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Cc: Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>
Subject: Draft Fair Hydro Investor Presentation.

Tim:

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The plan is to have another turn of the document in the 1st week in January. May will have the "pen" from our side.

Have a Merry Christmas.

John

John Lee | Vice President Treasurer |
Ontario Power Generation | 700 University Avenue, H18 A6, Toronto, Ontario M5G 1X6 |
416.592.6392 | john.s.lee@opg.com

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recipient, you are hereby notified that any review, retransmission, dissemination, distribution, copying, conversion to hard copy or other use of this communication is strictly prohibited. If you are not the intended recipient and have received this message in error, please notify me by return e-mail and delete this message from your system. Ontario Power Generation Inc.

Fair Hydro Investor Presentation Comments

Slide #	Reference	Comment
Slide 4	Images	Consider removing the nuclear and large hydro images as the plan only covers costs form renewables procurements, gas and conservation.
Slide 6	First bullet	Suggest using "proxy consumer" instead of "average" in this context, which would be more accurate and consistent with legislation as covered later in the presentation.
Slide 6	Second bullet	Suggest changing "8% rebate in the provincial portion…" to " 8% rebate equivalent to the provincial portion…".
Slide 6	Third bullet	Language suggest that bills will increase back to status quo in 2021 – suggest adding language regarding increases back up to and past the status quo over time.
Slide 7	First bullet	Consider replacing the phrase starting from "in an amount…" with "in such an amount that the total OPG-held subordinated debt does not exceed 49% of all outstanding debt", for clarity.
Slide 11	First bullet	Suggest rewording to the following: "As part of the restructuring of Ontario's electricity industry under the Energy Competition Act, 1998, the municipal electricity utilities became municipally-owned business corporations, including local distribution companies ("LDCs")." – Some LDCs continue to be municipally-owned, while others have been sold to or acquired by Hydro One or private-sector owners."
Slide 14	Second bullet	Consider replacing "previously established regulated rate" with "regulated rate established in the first year of the Rate Reduction Period".
Slide 14	Last bullet	Similar to comment on Slide 6 above, suggest referencing increases back up to and beyond status quo over time.
Slide 15	Third bullet	Consider adding in the words "in favour of the Trust" at the end of the bullet [IESO Security Agreement]. Also, the $2 billion credit facility is provided by the Ontario Financing Authority, not the OEFC.
Slide 15	Last bullet	Also, consider rewording so as not to suggest that the $2 billion facility is solely for "carrying costs". Also, suggest that the last clause on security be a stand-alone bullet, not part of the OFA credit facility bullet.
Slide 16	Second bullet	Consider rephrasing to align better with the offering memorandum and legislation.
Slide 16	Third bullet	Consider adding in the word "mainly" before "in respect of …" [see O.Reg. 206/17 section 5].
Slide 16	Bill image	Consider removing as text description should be sufficient.
Slide 17	Second bullet	Consider replacing the words "dealt with" with "mitigated" to avoid suggesting that the risk is eliminated.

Slide 17	Number 2 in the process chart	Consider adding in the word “amount” at the end [O.Reg. 206/17 section 8(2)].
Slide 17	Number 6 in the process chart	Consider replacing the words “in a trust” with “in trust” [FHPA section 16(3)].
Slide 18	Chart	Consider adding explanation of readjustment amount.
Slide 20	OEB’s relationship with OPG in the diagram	Consider replacing “review of OPG Fees” with “review and approval of OPG Fees” to better align with the language in O. Reg. 206/17. Consider replacing “Management Agreement” with “Regulation”.
Slide 20	IESO’s relationship with the Fair Hydro Trust	Note that the Acknowledgement and Indemnity Agreement is made to the Indenture Trustee. Consider editing to avoid confusion.
Slide 20	Ontario Caption	Suggest just having “Province of Ontario” (i.e., omit “(Ministry of Energy)”)
Slide 21	"Suspension Notice"	May wish to consider noting in the sentence that post-suspension refinancing is covered by the guarantee. As this was something Torys made a point of including in the agreement for financeability, suggest including for investors.
Slide 23	Key Terms – Moratorium Period (bullet 3)	Consider replacing “(until May 1, 2021)” to “(until April 30, 2021) and up to July 31, 2021” [see section 21(4) of FHPA and section 9.1 of O. Reg. 206/17]. Consider removing “which will be offered, as regulatory assets, for transfer to the Trust in a subsequent period”, since this is not expressly provided in the MTSA [also see section 16 of O. Reg. 206/17].
Slide 28	Third bullet	Consider replacing “fit under the fair allocation curve” with “ensure reasonable alignment with fair allocation amounts”. [see paragraph 1 of section 21(3) of FHPA].
Slide 31	Chart	The post-FHP bill should not follow the status quo trajectory between 2025 and 2028 – bill should be above status quo including rebates as the FAA is positive for those years (Fair Adjustment would be used to offset the majority of the CEA but the amount of the FAA would remain).
Slide 36	First bullet	Consider removing references to “statutorily mandated”. Remittances from IESO are mandated under s. 9.1 of O. Reg. 206/17.
Slide 38	Political Risk	Consider reviewing the characterization of the risk to align with the risk as described in the Agreements.
Slide 38	Third bullet	Please note reference to ability to disconnect service for non-payment by LDCs isn’t fully reflective of the requirement, consider revising to be more reflective of the actual mechanism.

From:	Mike Manning
To:	Ken Kandeepan; "LEE John -TREASURY"
Cc:	LAURETA LAPIRA May -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY; Tim Christie (ENERGY); Ronald Kwan
Subject:	RE: Draft Fair Hydro Investor Presentation.
Date:	Wednesday, January 03, 2018 10:15:23 AM

Hi John:
I think Ken caught the main issues on my side as well.

Mike

From: Ken Kandeepan
Sent: Wednesday, January 03, 2018 10:00 AM
To: 'LEE John -TREASURY' <john.s.lee@opg.com>
Cc: Mike Manning <Mike.Manning@ofina.on.ca>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
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- Page 25 - Change of law Process Agreement; I would add that the PAM is set and updated by the Financing Plan.

Thanks

Ken k

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: Thursday, December 21, 2017 5:33 PM
To: Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Cc: Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>
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Have a Merry Christmas.

John

John Lee | Vice President Treasurer |
Ontario Power Generation | 700 University Avenue, H18 A6, Toronto, Ontario M5G 1X6 |
416.592.6392 | john.s.lee@opg.com

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From:	Ken Kandeepan
To:	"LEE John -TREASURY"
Cc:	Mike Manning; LAURETA LAPIRA May -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY; Tim Christie (ENERGY); Ronald Kwan
Subject:	RE: Draft Fair Hydro Investor Presentation.
Date:	Wednesday, January 03, 2018 9:59:36 AM

Hi John

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Thanks

Ken k

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: Thursday, December 21, 2017 5:33 PM

To: Tim Christie (ENERGY)

Cc: Mike Manning ; Ken Kandeepan ; LAURETA LAPIRA May -TREASURY ; LADAK Lubna -TREASURY ; RYFA Ken -TREASURY ; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY

Subject: Draft Fair Hydro Investor Presentation.

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From:	Hanslep, Malle (MOF)
To:	Tobias P. Whitfield (MOF); Ronald Kwan
Cc:	Ken Kandeepan; Mike Manning
Subject:	RE: Draft Fair Hydro Investor Presentation.
Date:	Friday, January 05, 2018 11:20:09 AM
Importance:	High

Hi all
Do you know if these comments have been sent to OPG? It is strange that they are planning to deliver a final version of the presentation to the Ministers/DM's today as part of a reference document given that they asked for our comments and haven't even received them back yet. So what will be the state of the document that they send today>
Thanks
Malle

From: Whitfield, Tobias P. (MOF)
Sent: January-03-18 3:47 PM
To: Kwan, Ronald (OFA); Hanslep, Malle (MOF)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA)
Subject: RE: Draft Fair Hydro Investor Presentation.
Ron,
Please find attached our comments on the investor presentation deck. We have added our comments in track changes to the word document with the other comments.
Mike and Ken, we are also wondering if you have heard anything new about the timing of the term deal and whether there are any documents that have been circulated that we can start to look at.
Best
Toby
Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Ronald Kwan [mailto:Ronald.Kwan@ofina.on.ca]
Sent: January 3, 2018 2:28 AM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF)
Subject: FW: Draft Fair Hydro Investor Presentation.
Hi Malle, Toby,
Apologies for the short notice, if you have not been looped in earlier. I got the attached from Energy yesterday. OPG is looking for comments ASAP. Would you be able to review and provide any comments for EOD Wednesday?
Also attached is Energy's comments on the deck, with a few preliminary additions added in red. Mike and Ken are also reviewing and said they'd provide comments on Wednesday.
Thanks, and a Happy New Year to you both.
Ron

From: Christie, Tim (ENERGY) [mailto:Tim.Christie@ontario.ca]
Sent: January-02-18 11:39 AM
To: Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Subject: FW: Draft Fair Hydro Investor Presentation.
Hi Ron, here's the presentation. They're looking for comments this week.
Tim

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: December-21-17 5:33 PM
To: Christie, Tim (ENERGY)
Cc: Manning, Mike (OFA); Kandeepan, Ken (OFA); LAURETA LAPIRA May -TREASURY; LADAK Lubna -

TREASURY; RYFA Ken -TREASURY; Talwar, Shruti (ENERGY); HAHN PARKER Janet -TREASURY
Subject: Draft Fair Hydro Investor Presentation.
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From: RYFA Ken -TREASURY
To: Mike Manning; LIU Sheen -TREASURY
Cc: LEE John -TREASURY; LADAK Lubna -TREASURY
Subject: RE: EXTERNAL - Re: Indicative Spreads
Date: Thursday, February 08, 2018 6:41:02 PM

Mike,

There may be some confusion around commissions with respect to the coupon rate. The approach that was used compared the "All in rate" across the different types of debt. The difference between the All-in rate established the amount added to the Senior debt coupon rate. It isn't apparent that commissions have no net impact on the coupon rate for the sub debt so let me try a different way of explaining what we did.

I've taken the table that Sheen sent and reorganized the rows to show what was used for the spread. For example the spread over GOC for sub debt is 119.4 and for senior is 91.9 the difference between these spreads is 27.5 bps which we rounded to 28 for whole bps. This spread is added to the senior coupon rate of 3.357% to get 3.637%.

New Issue Spreads - Senior Notes (AAA/Aa2)	**Senior**	**Sub**	**Jr Sub**
*Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-33	01-Jun-33
Benchmark Yield	2.438%	2.438%	2.438%
Curve Adjustment (bp)	-0.1	-0.1	-0.1
Spread to GoC Curve (bp)	92.0	119.5	153.4
Adjusted Spread to GoC Curve (bp)	91.9	119.4	153.3
Spread difference vs Senior (bp)		**28**	**60**
Coupon rate	**3.357%**	**3.637%**	**3.957%**
Commission (bp)	3.3	3.3	3.4
All-in Rate	**3.390%**	**3.670%**	**3.991%**

For the senior debt, commissions are charged separately through the Agency Agreement rather than through the coupon rate. For sub debt – if OPG were to charge commission this would need to occur through a separate process rather than through the coupon rate.

Hope this explains things.

Thanks,

Ken

-----Original Message-----

From: Mike Manning [mailto:Mike.Manning@ofina.on.ca]

Sent: Thursday, February 08, 2018 5:16 PM

To: LIU Sheen -TREASURY

Cc: RYFA Ken -TREASURY ; LEE John -TREASURY ; LADAK Lubna -TREASURY

Subject: EXTERNAL - Re: Indicative Spreads

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Can talk tomorrow.

Mike

On Feb 8, 2018, at 4:43 PM, LIU Sheen -TREASURY <sheen.liu@opg.com>> wrote:
Mike -
Attached for your reference please find the excel version of the Indicative Spreads calculation.
Please let us know if you have further questions.
Please also note that the sub debt coupon is set up as 3.637% as the credit spread was rounded.
Thanks
Sheen

_____
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From: RYFA Ken -TREASURY
To: Mike Manning; LIU Sheen -TREASURY
Cc: LEE John -TREASURY; LADAK Lubna -TREASURY
Subject: RE: EXTERNAL - Re: Indicative Spreads
Date: Thursday, February 08, 2018 7:06:51 PM

For additional clarity we are only charging the trust the coupon rate and not the all-in rate. In future we will re-organize the worksheet to show the commission only on the senior but after the calculation of the spread as shown below:

New Issue Spreads - Senior Notes (AAA/Aa2)	**Senior**	**Sub**	**Jr Sub**
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From: RYFA Ken -TREASURY
Sent: Thursday, February 08, 2018 6:41 PM
To: 'Mike Manning' ; LIU Sheen -TREASURY
Cc: LEE John -TREASURY ; LADAK Lubna -TREASURY
Subject: RE: EXTERNAL - Re: Indicative Spreads

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Ken

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From: Mike Manning [mailto:Mike.Manning@ofina.on.ca]

Sent: Thursday, February 08, 2018 5:16 PM

To: LIU Sheen -TREASURY <sheen.liu@opg.com>

Cc: RYFA Ken -TREASURY <ken.ryfa@opg.com>; LEE John -TREASURY <john.s.lee@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>

Subject: EXTERNAL - Re: Indicative Spreads

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Mike

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Please let us know if you have further questions.

Please also note that the sub debt coupon is set up as 3.637% as the credit spread was rounded.

Thanks

Sheen

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From: Hanslep, Malle (MOF)
To: Ken Kandeepan; Thouin, Alena (ENERGY); Anna Strathy; Mike Manning; Ronald Kwan
Cc: Tobias P. Whitfield (MOF); Tim Christie (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Date: Friday, January 05, 2018 12:54:29 PM

Hi,

I had a call with Rima who confirmed that OPG is planning to deliver today because of their currently expected launch date of January 22nd.

Thanks,

Malle

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-05-18 12:09 PM
To: Kandeepan, Ken (OFA); Thouin, Alena (ENERGY); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)
Cc: Whitfield, Tobias P. (MOF); Christie, Tim (ENERGY); Veinot, Cindy (TBS)
Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

I am just going to ask for information and not suggest anything to Rima and then get back to the group.

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Hanslep, Malle (MOF)
Sent: Friday, January 5, 2018 11:55
To: Kandeepan, Ken (OFA); Thouin, Alena (ENERGY); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)
Cc: Whitfield, Tobias P. (MOF); Christie, Tim (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Yes I understand that, but they requested it nevertheless which would have resulted in the Province having very little time to review these documents.

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January-05-18 11:54 AM
To: Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)
Cc: Whitfield, Tobias P. (MOF); Christie, Tim (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

To clarify Malle, the waiver requested related to an issue date of Jan 15th, given that as per the attached email the date is now the 22nd no waiver is required.

Thanks

Ken k

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, January 05, 2018 11:50 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Yes this would be my understanding based on the emails so far. They want to meet the 10 business day deadline for sending reference documents to the Province before their proposed transaction date. They have even requested that this time period be waived which would result in the Province having less time to these documents. As you know we haven't received a draft of the OM since November.

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January-05-18 11:44 AM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)
Cc: Whitfield, Tobias P. (MOF); Christie, Tim (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am little concerned that with a proposed date of Jan 22nd for the term deal, delivery today will ensure that the 10 business day expire on Jan 19th, whereas delivery on Monday means that the expiry is on the day of the deal itself. Cutting it too close.

Thanks

Ken k

-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 11:34 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle

Perhaps it's worthwhile for you to place a call to Rima and ask what is driving today vs. Monday? Maybe she will be more forthcoming over a call?

Alena Thouin

Deputy Director, Legal Services

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 11:27 AM

To: Kandeepan, Ken (OFA); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)

Cc: Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY); Christie, Tim (ENERGY); Veinot, Cindy (TBS)

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

I don't know exactly what the content of our conversation at 3pm will be so maybe we should consider whether today is the appropriate time for OPG to deliver these final documents, including the OM?

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 11:22 AM

To: 'Ramchandani, Rima'

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I realize that there are other discussions taking place, but I would like to speak to Provincial staff about the plan to deliver final documents to the Ministers/DM's today since our internal call is not taking place until 3pm.

Thanks,

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 11:18 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

OK. I expect to be in the office until 5 pm - if you think it will slip past that, please let me know. FYI, we are also planning on hand delivering the documents to the Ministers and Deputy Ministers as soon as possible this afternoon (hopefully that will happen before 3 pm).

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 11:10 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 10:50 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkEgrMWFFI0Cr1_eykjn9FtiQ&r=sDTjf9tVmfT9K92u269doOHn6NwIN5Soa0mhVrZmimM&m=_E2eatPNZaQkHAKbaMe8etZ0qgkVUCNY_YO4TmEPvfQ&s=-Puz-FGasEGh2DanzowvhV5OQzCvvQ-OtdGNYS-gFb8&e= >

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is

there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com><mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

_____

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From:	Ramchandani, Rima
To:	Malle Hanslep (MOF)
Cc:	Mike Manning; Tobias P. Whitfield (MOF); Anna Strathy; Thouin, Alena (ENERGY); David McLean (MOF); Jonathan Tekle (CAB); Ronald Kwan; Steen Hume (CAB); Tim Christie (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett
Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 11:18:05 AM

OK. I expect to be in the office until 5 pm - if you think it will slip past that, please let me know. FYI, we are also planning on hand delivering the documents to the Ministers and Deputy Ministers as soon as possible this afternoon (hopefully that will happen before 3 pm).

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 11:10 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 10:50 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=MI606RJLaXOT8cjG9Bc8X64Rde4Uq1SGbhmGdEt6Qzk&s=H8ebkcZ6WoKlcqzLjX3ZizD7vHlQzBHiJjf_CPmix9g&e=>

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY)

<Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy

<Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc’ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com> <mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the “letter” ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie - LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken - TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie - LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken - TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com><mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie - LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken - TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Hanslep, Malle (MOF)
To:	Ramchandani, Rima
Cc:	Mike Manning; Tobias P. Whitfield (MOF); Anna Strathy; Thouin, Alena (ENERGY); David McLean (MOF); Jonathan Tekle (CAB); Ronald Kwan; Steen Hume (CAB); Tim Christie (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett
Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 11:10:43 AM

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 10:50 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF)
<Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna - TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna - TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or

delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=4aXu-_7Sdh-NvUj3l7sMoWcgqHDRC8C9jQByokMB8t4&s=hyW7kvwkLY0nY0mPRe1ztWX8RjCvp6YqamCvevF_mvM&e=>

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY)

<Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF)
<Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF)
<David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy
<Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB)
<Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan
<Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB)
<Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY)
<Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc’ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com> <mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make

some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>

<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Ramchandani, Rima
To:	Malle Hanslep (MOF)
Cc:	Mike Manning; Tobias P. Whitfield (MOF); Anna Strathy; Thouin, Alena (ENERGY); David McLean (MOF); Jonathan Tekle (CAB); Ronald Kwan; Steen Hume (CAB); Tim Christie (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett
Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 10:50:32 AM

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David

(MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=BaeYzJx5PxrTC6VimOD4jvvxNHgEO21j2qpu5vcP18I&s=H8zrAgLrBqHO67JHa3vvJKcMcgT6KdTsFuNlfm5gqcY&e=>

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY

<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning
<Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF)
<Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy
<Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY)
<Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF)
<Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF)
<David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy
<Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB)
<Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan
<Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB)
<Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY)
<Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY
<lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY
<may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY
<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning
<Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF)
<Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy
<Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY)
<Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF)
<Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF)
<David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy
<Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB)
<Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan
<Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB)
<Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY)
<Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com> <mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie - LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken - TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet - TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie - LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken - TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet - TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a

representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com><mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie - LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken - TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet - TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Mike Manning
To:	Malle Hanslep (MOF); Ken Kandeepan; Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN; Anna Strathy; Ronald Kwan; Tim Christie (ENERGY)
Cc:	Shannon Jack (MTO); Veinot, Cindy (TBS)
Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 10:33:02 AM

Fine for me.
Mike

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, January 05, 2018 10:28 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Cc: Shannon Jack (MTO) <Shannon.Jack@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi,

3 pm is good for me.

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January-05-18 10:18 AM
To: Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.

Thanks

Ken k

-----Original Message-----
From: Mike Manning
Sent: Friday, January 05, 2018 10:08 AM
To: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Around as well.
Mike

-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 10:03 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available as well.

After 11:30

Adding our Energy policy counterparts.

Alena Thouin

Deputy Director, Legal Services Branch

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Whitfield, Tobias P. (MOF)

Sent: January 5, 2018 9:35 AM

To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available any time this morning.

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca

Phone: 416-325-1456

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 9:32 AM

To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.

-----Original Message-----

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

Sent: January-05-18 9:29 AM

To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Thanks for the update, Malle.

I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.

I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.

To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.

Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:

(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,

(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,

(c) eliminating any implied/moral undertakings by the Province to bondholders,

(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,

(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,

(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),

(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,

(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and

(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.

(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)

In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.

Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.

I will be tied up from 930 to 1030, but then free until 1145.

Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

Dir: 416-863-3086

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000, Toronto ON M5L 1A9

Tel: 416-863-2400 Fax: 416-863-2653

https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=A4FRvIHct8h_iA1PKpb1pLHhMNORZ6vRN15XI6hpI5k&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=bI-GH3geYz8H122_42BR_aDcMYYJQKnH8lGgqenva50&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=ko9V22NeKbnEMcpBFuzSVtWwSSvVOZxxjYVBohQiPhk&e=

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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Friday, January 05, 2018 8:49 AM

To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 8:40 AM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY';

Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

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Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc’ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

_____

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From: ASHBOURNE, STEPHEN
To: Malle Hanslep (MOF); Ken Kandeepan; Mike Manning; Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Anna Strathy; Ronald Kwan; Tim Christie (ENERGY)
Cc: Shannon Jack (MTO); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Date: Friday, January 05, 2018 10:33:01 AM

Fine for me too. Thanks.

Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, January 05, 2018 10:28 AM
To: Kandeepan, Ken (OFA); Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi,

3 pm is good for me.

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January-05-18 10:18 AM
To: Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.

Thanks

Ken k

-----Original Message-----
From: Mike Manning
Sent: Friday, January 05, 2018 10:08 AM
To: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Around as well.
Mike

-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 10:03 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available as well.

After 11:30

Adding our Energy policy counterparts.

Alena Thouin

Deputy Director, Legal Services Branch

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Whitfield, Tobias P. (MOF)

Sent: January 5, 2018 9:35 AM

To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available any time this morning.

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca

Phone: 416-325-1456

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 9:32 AM

To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.

-----Original Message-----

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

Sent: January-05-18 9:29 AM

To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Thanks for the update, Malle.

I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.

I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.

To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.

Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:

(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,

(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,

(c) eliminating any implied/moral undertakings by the Province to bondholders,

(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,

(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,

(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),

(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,

(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and

(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.

(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)

In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.

Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.

I will be tied up from 930 to 1030, but then free until 1145.

Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

Dir: 416-863-3086

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000, Toronto ON M5L 1A9

Tel: 416-863-2400 Fax: 416-863-2653

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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Friday, January 05, 2018 8:49 AM

To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 8:40 AM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

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Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc’ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

_____

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From: Thouin, Alena (ENERGY)
To: Malle Hanslep (MOF); Ken Kandeepan; Mike Manning; Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN; Anna Strathy; Ronald Kwan; Tim Christie (ENERGY)
Cc: Shannon Jack (MTO); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Date: Friday, January 05, 2018 10:31:57 AM

For me as well.

Alena Thouin
Deputy Director, Legal Services Branch
Ministries of Energy / Infrastructure / Economic Development & Growth /
Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January 5, 2018 10:28 AM
To: Kandeepan, Ken (OFA); Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi,

3 pm is good for me.

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January-05-18 10:18 AM
To: Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.

Thanks

Ken k

-----Original Message-----
From: Mike Manning
Sent: Friday, January 05, 2018 10:08 AM
To: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Around as well.
Mike

-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 10:03 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available as well.

After 11:30

Adding our Energy policy counterparts.

Alena Thouin

Deputy Director, Legal Services Branch

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Whitfield, Tobias P. (MOF)

Sent: January 5, 2018 9:35 AM

To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available any time this morning.

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca

Phone: 416-325-1456

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 9:32 AM

To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.

-----Original Message-----

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

Sent: January-05-18 9:29 AM

To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Thanks for the update, Malle.

I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.

I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.

To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.

Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:

(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,

(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,

(c) eliminating any implied/moral undertakings by the Province to bondholders,

(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,

(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,

(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),

(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,

(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and

(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.

(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)

In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.

Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.

I will be tied up from 930 to 1030, but then free until 1145.

Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

Dir: 416-863-3086

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000, Toronto ON M5L 1A9

Tel: 416-863-2400 Fax: 416-863-2653

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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Friday, January 05, 2018 8:49 AM

To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

""Material Effect" means a material adverse effect on the obligations or the rights of the Province under the Limited Guarantee, the Change of Law Protection Agreement or this Agreement that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any other Transaction Document that forms part of the Reference Documentation at the relevant time, the following: (i) the timing of or circumstances under which related payments would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Financing Entity or the Financing Entity Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Trust Indenture; (vi) compliance by the FSM with the then applicable Financing Plan; (vii) compliance by the FSM or the Financing Entity with the Act or the General Regulation; or (viii) the Province's rights of subrogation or assignment (including pursuant to Sections 1.05, 2.01 or 5.01 of the Change of Law Protection Agreement) or its interests as a subrogee or an assignee, that would arise as a result of

performing the Limited Guarantee in respect of the applicable Primary Obligation."

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 8:40 AM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***
_____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward

the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc’ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

_____

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From: Hanslep, Malle (MOF)
To: Ken Kandeepan; Mike Manning; Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN; Anna Strathy; Ronald Kwan; Tim Christie (ENERGY)
Cc: Shannon Jack (MTO); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Date: Friday, January 05, 2018 10:28:32 AM

Hi,

3 pm is good for me.

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January-05-18 10:18 AM
To: Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.

Thanks

Ken k

-----Original Message-----
From: Mike Manning
Sent: Friday, January 05, 2018 10:08 AM
To: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Around as well.
Mike

-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 10:03 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available as well.

After 11:30

Adding our Energy policy counterparts.

Alena Thouin

Deputy Director, Legal Services Branch

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Whitfield, Tobias P. (MOF)

Sent: January 5, 2018 9:35 AM

To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available any time this morning.

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca

Phone: 416-325-1456

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 9:32 AM

To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.

-----Original Message-----

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

Sent: January-05-18 9:29 AM

To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Thanks for the update, Malle.

I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.

I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.

To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.

Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:

(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,

(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,

(c) eliminating any implied/moral undertakings by the Province to bondholders,

(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,

(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,

(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),

(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,

(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and

(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.

(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)

In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.

Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.

I will be tied up from 930 to 1030, but then free until 1145.

Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

Dir: 416-863-3086

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000, Toronto ON M5L 1A9

Tel: 416-863-2400 Fax: 416-863-2653

https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-

xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=A4FRvIHct8h_iA1PKpb1pLHhMNORZ6vRN15XI6hpI5k&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=bI-GH3geYz8H122_42BR_aDcMYYJQKnH8lGgqenva50&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=ko9V22NeKbnEMcpBFuzSVtWwSSvVOZxxjYVBohQiPhk&e=

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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Friday, January 05, 2018 8:49 AM

To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 8:40 AM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc’ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the “letter” ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY

<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

_____

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From:	Ken Kandeepan
To:	Mike Manning; "Thouin, Alena (ENERGY)"; Tobias P. Whitfield (MOF); Malle Hanslep (MOF); ASHBOURNE, STEPHEN; Anna Strathy; Ronald Kwan; Tim Christie (ENERGY)
Cc:	Shannon Jack (MTO); Veinot, Cindy (TBS)
Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 10:17:38 AM

As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.

Thanks

Ken k

-----Original Message-----
From: Mike Manning
Sent: Friday, January 05, 2018 10:08 AM
To: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Around as well.
Mike

-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 10:03 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available as well.

After 11:30

Adding our Energy policy counterparts.

Alena Thouin

Deputy Director, Legal Services Branch

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Whitfield, Tobias P. (MOF)

Sent: January 5, 2018 9:35 AM

To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available any time this morning.

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca

Phone: 416-325-1456

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 9:32 AM

To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.

-----Original Message-----

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

Sent: January-05-18 9:29 AM

To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Thanks for the update, Malle.

I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.

I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.

To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.

Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:

(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,

(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,

(c) eliminating any implied/moral undertakings by the Province to bondholders,

(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,

(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,

(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),

(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,

(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and

(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.

(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)

In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.

Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.

I will be tied up from 930 to 1030, but then free until 1145.

Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

Dir: 416-863-3086

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000, Toronto ON M5L 1A9

Tel: 416-863-2400 Fax: 416-863-2653

https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=A4FRvIHct8h_iA1PKpb1pLHhMNORZ6vRN15XI6hpI5k&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=bI-GH3geYz8H122_42BR_aDcMYYJQKnH8lGgqenva50&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=ko9V22NeKbnEMcpBFuzSVtWwSSvVOZxxjYVBohQiPhk&e=

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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Friday, January 05, 2018 8:49 AM

To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 8:40 AM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

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(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF)

<Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Hanslep, Malle (MOF)
To:	Ramchandani, Rima
Cc:	Mike Manning; Tobias P. Whitfield (MOF); Anna Strathy; Thouin, Alena (ENERGY); David McLean (MOF); Jonathan Tekle (CAB); Ronald Kwan; Steen Hume (CAB); Tim Christie (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett
Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 10:11:04 AM

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

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Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

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Original Message

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Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

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you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

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(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada |
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>

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

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Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc’ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com> <mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie - LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie - LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY

<may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com><mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie - LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Mike Manning
To:	"Thouin, Alena (ENERGY)"; Tobias P. Whitfield (MOF); Malle Hanslep (MOF); ASHBOURNE, STEPHEN; Ken Kandeepan; Anna Strathy; Ronald Kwan; Tim Christie (ENERGY)
Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 10:07:44 AM

Around as well.
Mike

-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 10:03 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available as well.

After 11:30

Adding our Energy policy counterparts.

Alena Thouin

Deputy Director, Legal Services Branch

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Whitfield, Tobias P. (MOF)

Sent: January 5, 2018 9:35 AM

To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available any time this morning.

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca

Phone: 416-325-1456

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 9:32 AM

To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.

-----Original Message-----

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

Sent: January-05-18 9:29 AM

To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Thanks for the update, Malle.

I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.

I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.

To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.

Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:

(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,

(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,

(c) eliminating any implied/moral undertakings by the Province to bondholders,

(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,

(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,

(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and

contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),

(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,

(h) confirming any “electricity market” disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and

(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.

(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)

In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.

Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.

I will be tied up from 930 to 1030, but then free until 1145.

Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

Dir: 416-863-3086

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000, Toronto ON M5L 1A9

Tel: 416-863-2400 Fax: 416-863-2653

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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Friday, January 05, 2018 8:49 AM

To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 8:40 AM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From: Hanslep, Malle (MOF)
To: Ken Kandeepan; Thouin, Alena (ENERGY); Anna Strathy; Mike Manning; Ronald Kwan
Cc: Tobias P. Whitfield (MOF); Tim Christie (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Date: Friday, January 05, 2018 11:54:59 AM

Yes I understand that, but they requested it nevertheless which would have resulted in the Province having very little time to review these documents.

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January-05-18 11:54 AM
To: Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)
Cc: Whitfield, Tobias P. (MOF); Christie, Tim (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

To clarify Malle, the waiver requested related to an issue date of Jan 15th, given that as per the attached email the date is now the 22nd no waiver is required.

Thanks

Ken k

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, January 05, 2018 11:50 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Yes this would be my understanding based on the emails so far. They want to meet the 10 business day deadline for sending reference documents to the Province before their proposed transaction date. They have even requested that this time period be waived which would result in the Province having less time to these documents. As you know we haven't received a draft of the OM since November.

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January-05-18 11:44 AM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)
Cc: Whitfield, Tobias P. (MOF); Christie, Tim (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am little concerned that with a proposed date of Jan 22nd for the term deal, delivery today will ensure that the 10 business day expire on Jan 19th, whereas delivery on Monday means that the expiry is on the day of the deal itself. Cutting it too close.

Thanks

Ken k

-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 11:34 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle

Perhaps it's worthwhile for you to place a call to Rima and ask what is driving today vs. Monday? Maybe she will be more forthcoming over a call?

Alena Thouin

Deputy Director, Legal Services

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 11:27 AM

To: Kandeepan, Ken (OFA); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)

Cc: Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY); Christie, Tim (ENERGY); Veinot, Cindy (TBS)

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

I don't know exactly what the content of our conversation at 3pm will be so maybe we should consider whether today is the appropriate time for OPG to deliver these final documents, including the OM?

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 11:22 AM

To: 'Ramchandani, Rima'

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I realize that there are other discussions taking place, but I would like to speak to Provincial staff about the plan to deliver final documents to the Ministers/DM's today since our internal call is not taking place until 3pm.

Thanks,

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 11:18 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

OK. I expect to be in the office until 5 pm - if you think it will slip past that, please let me know. FYI, we are also planning on hand delivering the documents to the Ministers and Deputy Ministers as soon as possible this afternoon (hopefully that will happen before 3 pm).

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 11:10 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 10:50 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkEgrMWFFI0Cr1_eykjn9FtiQ&r=sDTjf9tVmfT9K92u269doOHn6NwIN5Soa0mhVrZmimM&m=_E2eatPNZaQkHAKbaMe8etZ0qgkVUCNY_YO4TmEPvfQ&s=-Puz-FGasEGh2DanzowvhV5OQzCvvQ-OtdGNYS-gFb8&e= >

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com><mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From: Thouin, Alena (ENERGY)
To: Tobias P. Whitfield (MOF); Malle Hanslep (MOF); ASHBOURNE, STEPHEN; Mike Manning; Ken Kandeepan; Anna Strathy; Ronald Kwan; Tim Christie (ENERGY)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Date: Friday, January 05, 2018 10:03:24 AM

I am available as well.

After 11:30

Adding our Energy policy counterparts.

Alena Thouin

Deputy Director, Legal Services Branch

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Whitfield, Tobias P. (MOF)

Sent: January 5, 2018 9:35 AM

To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am available any time this morning.

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca

Phone: 416-325-1456

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 9:32 AM

To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.

-----Original Message-----

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

Sent: January-05-18 9:29 AM

To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Thanks for the update, Malle.

I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.

I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.

To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.

Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:

(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,

(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,

(c) eliminating any implied/moral undertakings by the Province to bondholders,

(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,

(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,

(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),

(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,

(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and

(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.

(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)

In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.

Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.

I will be tied up from 930 to 1030, but then free until 1145.

Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

Dir: 416-863-3086

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000, Toronto ON M5L 1A9

Tel: 416-863-2400 Fax: 416-863-2653

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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Friday, January 05, 2018 8:49 AM

To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the

Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 8:40 AM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also

it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From: Whitfield, Tobias P. (MOF)
To: Malle Hanslep (MOF); ASHBOURNE, STEPHEN; Mike Manning; Ken Kandeepan; Anna Strathy; Ronald Kwan
Cc: Thouin, Alena (ENERGY)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Date: Friday, January 05, 2018 9:35:09 AM

I am available any time this morning.

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

tobias.whitfield@ontario.ca

Phone: 416-325-1456

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 9:32 AM

To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.

-----Original Message-----

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

Sent: January-05-18 9:29 AM

To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Thanks for the update, Malle.

I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.

I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.

To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.

Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:

(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,

(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,

(c) eliminating any implied/moral undertakings by the Province to bondholders,

(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,

(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,

(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),

(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,

(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and

(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.

(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)

In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.

Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.

I will be tied up from 930 to 1030, but then free until 1145.

Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

Dir: 416-863-3086

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000, Toronto ON M5L 1A9

Tel: 416-863-2400 Fax: 416-863-2653

https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=gq4JxBzd2ykflibWh15Ka-MCYcmmDQ8wfz6BnyLXzsE&s=5AlRQhQ-pBGkMOsnE-zgCA-LZSt_pnXYiK7SKRYrOPI&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=gq4JxBzd2ykflibWh15Ka-MCYcmmDQ8wfz6BnyLXzsE&s=qXMnMIukz8k5UqmV6tD9W91RYUl9-YfjyuCRafPOya4&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=gq4JxBzd2ykflibWh15Ka-MCYcmmDQ8wfz6BnyLXzsE&s=qSvEJR6YWvBEYWaE7bKq6tAbrzJcxgot9WDzM0rQ0n4&e=

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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Friday, January 05, 2018 8:49 AM

To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 8:40 AM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***
_____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF)

<Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Hanslep, Malle (MOF)
To:	ASHBOURNE, STEPHEN; Mike Manning; Ken Kandeepan; Anna Strathy; Ronald Kwan
Cc:	Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF)
Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 9:31:50 AM

All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.

-----Original Message-----

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

Sent: January-05-18 9:29 AM

To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Thanks for the update, Malle.

I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.

I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.

To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.

Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:

(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,

(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,

(c) eliminating any implied/moral undertakings by the Province to bondholders,

(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,

(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,

(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),

(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,

(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and

(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.

(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)

In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.

Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.

I will be tied up from 930 to 1030, but then free until 1145.

Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

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199 Bay Street, Suite 4000, Toronto ON M5L 1A9

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https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=6TY7-AWRgT7cyl-LLUucJ-zMdk6Ue3Sm9hgH7d3OeYs&s=HtR0Q9hS-4tWdroi_pgJ-cDkJbJnzg62naJEhfPbtqg&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=6TY7-AWRgT7cyl-LLUucJ-zMdk6Ue3Sm9hgH7d3OeYs&s=iswF1Ae8vwoHvWERaHj9wqepxWzMhfBWnXLTzDTwdBs&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=6TY7-AWRgT7cyl-LLUucJ-zMdk6Ue3Sm9hgH7d3OeYs&s=ILaAGF16p34TH1iGpC_vW30CF9Eqb_2R_dT1_LO4N9w&e=

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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Friday, January 05, 2018 8:49 AM

To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 8:40 AM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV

<leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

_____

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From: ASHBOURNE, STEPHEN
To: Malle Hanslep (MOF); Mike Manning; Ken Kandeepan; Anna Strathy; Ronald Kwan
Cc: Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Date: Friday, January 05, 2018 9:29:01 AM
Attachments: 12927773-v1-Indicative (Blakes) Comments on OFHPA OM.RTF

Thanks for the update, Malle.

I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.

I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.

To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.

Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:

(a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,

(b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,

(c) eliminating any implied/moral undertakings by the Province to bondholders,

(d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,

(e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,

(f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),

(g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,

(h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and

(i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.

(This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)

In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.

Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.

I will be tied up from 930 to 1030, but then free until 1145.

Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com

Dir: 416-863-3086

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https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=bw_8MNGpVUwv4rEGteFkTQexeXrPsN_1X19Tzgmo5gU&s=FvioqViKL2tt8TDTHT0osbnQ6hJm7Kmssjrkem8x2Jo&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=bw_8MNGpVUwv4rEGteFkTQexeXrPsN_1X19Tzgmo5gU&s=qu4AxKUZhjdMDPg0H_cPS0HQEwfS0BHppVxcWbCz6uI&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=bw_8MNGpVUwv4rEGteFkTQexeXrPsN_1X19Tzgmo5gU&s=wY6-y9EdUIw1IpYgAlumMJ59YGPj59IxHbHc0DJ2RxQ&e=

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-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Friday, January 05, 2018 8:49 AM

To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)

Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.

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

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 8:40 AM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

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Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc’ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

_____

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~~JPHR Comments (November 27-17) based on the confidential shelf offering memorandum.~~

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The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement ■, 2017

FAIR HYDRO TRUST
Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager, has created a program providing for the offering and issuance of senior secured notes (the "**Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (the "**OFHPA**"), legislation that [reallocates certain electricity infrastructure ~~(including generation, conservation and demand reduction)~~ costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms).][1] Under the ~~FHPA, Ontario Power Generation Inc. ("OPG")~~OFHPA, OPG is appointed as Financial Services Manager and is given the authority to, among other things, establish, or cause to be established, ~~and manage~~ one or more financing entities to raise debt financing [(referred to as "**Funding Obligations**") ~~for the purposes of the FHPA~~][2] in accordance with the OFHPA. The Issuer is a financing entity under the ~~FHPA~~OFHPA and the Notes are Funding Obligations ~~being offered for the purposes of the FHPA~~. *[ntd-jpr: The terms "financing entity(ies)" and "funding obligation(s)" are not capitalized under the OFHPA. Consider defining once if you wish to capitalize terms.]*

The Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Notes are not a debt, liability or ~~general~~ obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity~~. The Notes will be nonrecourse~~, other than to the extent of certain protections and assurances provided for the benefit of specified creditors of the Issuer (including holders of the Notes), in order to address certain concerns arising as a result of an adverse change or determination of law. [Cross refer to the Limited Guarantee]. The Notes will be limited recourse obligations of the Issuer, secured only by the collateral described in this confidential shelf offering memorandum. See "*Risk Factors*".

The specific terms of any offering of Notes, including, without limitation, the aggregate principal amount of Notes being offered, the currency of the Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Notes will not be listed on any securities exchange.

The offering of Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces [and territories] ***[NTD: Dealers to advise if Notes may be offered in the territories.]*** of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Notes and will also set forth the terms of such Offering of Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Notes. The Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Notes will be issued under and will be entitled to the benefits of a master trust indenture [dated the date of the closing of the first Offering][3] between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as supplemented by supplemental indentures thereto.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces [and territories] where they are sold. The Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces [and territories] in which they are traded. See "Restrictions on Resale".

There is currently no secondary market for the Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Notes with liquidity for their investment or that it will continue for the term of the applicable Notes. Accordingly, purchasers of the Notes may be required to bear the financial risk of investing in such Notes until the maturity date of such Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit [1],[4] is included in, and forms an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit [1], and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained [in the summary and the sections titled "■", "■", "■"]and "Risk Factors" of this confidential shelf offering memorandum. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Notes and may not be appropriate for other circumstances.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks: ■. Please also see *"Risk Factors"*. ***[NTD: Update once risk factors are settled.]***

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

[CONFIDENTIALITY

PRIOR TO RECEIVING THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER MUST HAVE ENTERED INTO A CONFIDENTIALITY UNDERTAKING WITH THE ISSUER (IN A FORM ACCEPTABLE TO THE ISSUER) WHICH PROVIDES THAT BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER.] ***[NTD: Dealers to confirm how the OM will be delivered to prospective purchasers, i.e. will electronic distribution be subject to prospective purchasers clicking on a confidentiality undertaking before being given access?]***

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Notes issued under such Term Sheet.

[MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by [third party consultants and] other industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot

always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.] ***[NTD: Revise as appropriate once OM disclosure is substantially settled.]***

REFERENCES TO THE OFHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at https://www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [55] of this confidential shelf offering memorandum.

[NTD: Working group to consider whether it would be useful to reproduce or pull forward any charts included in the body.]

Issuer:	Fair Hydro Trust, a special purpose trust ~~established under~~governed by the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**").
Summary of the Program:	The program provides for the offering and issuance by the Issuer of Notes, in any number of series (each a "**Series**"), in one or several offerings (each, an "**Offering**"). A Term Sheet will describe particulars of the terms of each Series of Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Notes will be issued under the master trust indenture [dated the date of the closing of the first Offering][5] (the "**Master Trust Indenture**") between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**"), and a supplemental indenture dated the date of the issuance of such Series between the Issuer and the Indenture Trustee (a "**Supplemental Indenture**" and collectively with the Master Trust Indenture, the "**Indenture**") authorizing that Series.
Ontario's Fair Hydro Plan:	On June 1, 2017, the Ontario Legislature passed the *Ontario Fair Hydro Plan Act, 2017* (the "**~~FHPA~~OFHPA**" or the "**Act**")[, which is legislation sponsored by the Government that reallocates certain electricity infrastructure costs, including generation, conservation and demand/load reduction contract costs, over time and provides immediate rate relief to specified consumers (a category of consumers that is defined under the Act and generally is comprised of residential consumers, small businesses and farms).][6] Under the ~~FHPA~~OFHPA, OPG is appointed as the initial Financial Services Manager [and is given the authority to, among other things, establish, or cause to be established, ~~and manage~~ one or more Financing Entities [to raise debt financing by][7] incurring funding obligations as contemplated under the ~~FHPA~~OFHPA and its regulations (referred to as "**Funding Obligations**")[8] for the purposes of[9] implementing the electricity rate reductions provided for under the ~~FHPA~~OFHPA][10]. The Issuer is a Financing Entity, [established by][11] Ontario Power Generation as Financial Services Manager, under the ~~FHPA~~OFHPA and the Notes are Funding Obligations being offered [for the purposes of the ~~FHPA~~OFHPA][12]. See *"Ontario's Fair Hydro Plan — Background"*.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a non-share capital, not-for-profit corporation continued under the *Electricity Act, 1998*. The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market.

Investment Interest:

Each month, the IESO will determine the shortfall resulting from the rate reduction verses the amounts payable to generators and contract ~~counter parties~~counterparties][13], as mandated by the ~~FHPA~~OFHPA and Regulations and record the amount of this difference in a variance account (the right to recover such amount~~, referred to as the~~ is a regulatory asset established under the Act (the "**Regulatory Asset**")). The IESO may transfer a specified portion of the Regulatory Asset to the Issuer in accordance with the OFHPA. Such transfers will be made pursuant to a master transfer and servicing agreement dated the [date of the closing of the first Offering][14] between the Issuer and the IESO (the "**Master Transfer and Servicing Agreement**"). Upon the first transfer of a specified portion of the Regulatory Asset to the Issuer, the [I]nvestment [A]sset [will][15] be established and the Issuer [will] acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the ~~right~~rights specified in the Act, including the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from specified consumers in accordance with the ~~FHPA~~OFHPA. See *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.[16]

Clean Energy Adjustment:

The ~~FHPA~~OFHPA imposes an irrevocable and non-bypassable charge referred to as the clean energy adjustment **("Clean Energy Adjustment")** that will be determined by the Financial Services Manager ~~and will be converted by the~~based on the calculations and parameters set out in the Act. The Ontario Energy Board (the "**OEB**") ~~into a cent per KWh rate and added to the electricity invoices sent to Specified Consumers. See "~~is required to determine the rates at which Specified Consumers are to be invoiced in order to recover the Clean Energy Adjustment in respect of a specified reference period (which is generally a six-month period, or a shorter period in certain circumstances). The rates are to be determined by reference to forecasted electricity consumption of Specified Consumers for a period and are expressed as a cent per KWh rate. See "• — *Statutory Duties of the OEB"* below.

The Clean Energy Adjustment ~~is an amount~~will be determined by the Financial Services Manager for each month in a reference period ~~(which is generally a six-month period, subject to more frequent determinations in certain circumstances)~~ and consists of the sum (without duplication) of: (i) the estimated finance amount in respect of the reference period, which ~~includes all financing and other expenses of the Issuer for~~will include an estimate of all repayments, redemptions, funding costs, derivative payments, required deposits, Issuer expenses and taxes and other amounts paid or payable during such reference period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is ~~comprised of~~required to be calculated by the Financial Services Manager in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustment is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously recovered through the Clean Energy Adjustment during preceding Reference Periods~~ plus other anticipated shortfalls~~. The True-up

Amount ~~accounts for~~may also reflect historical and reasonably foreseeable: differences between the estimated and actual finance amount; differences between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs~~,~~; and variations in billings due to variations in electricity consumption~~ and~~. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the ~~FHPA~~OFHPA. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not be paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for ~~such~~a Reference Period.

[Commencing May 1, 2021, the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no funding obligations are permitted to be incurred~~ by the Financial Services Manager~~ that would give rise to a Clean Energy Adjustment being payable by Specified Consumers except under unexpected or rare or unexpected circumstances ***[ntd-LSB Energy: : for example, unless there was no readjustment amount allocated to the reference period or the clean energy adjustments that would be payable during the reference period would not exceed the fair allocation amount net of any applicable readjustment amount, per s.21(4) OFHPA]*** . During the Moratorium Period, the sole source of funds for payment on the Notes, and the Issuer's other carrying costs, will be the IESO. See "— *Financing of Carrying Costs During Moratorium Period"* below.]

Acceleration of Indebtedness:

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Notes) becomes due and payable before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment ~~after such time shall~~for a period will be determined without regard to the fact that such amount has become ~~immediately~~ due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See "— *Fair Allocation Amount and Financing Plan"* below. However, upon such acceleration, the priority of payments to creditors of the Issuer will change so that all accelerated Notes will be repaid in full before any further payments are made to holders of subordinated indebtedness, including the subordinated debt held by OPG. See "— *Subordinated Debt"* below.

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act,*

1998 provides the OEB with the authority to [regulate Ontario's electricity market][19], including the activities of transmitters and distributors.

Under the ~~FHPA~~OFHPA and the regulations promulgated thereunder (the "**Regulations**"), the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed ~~in $/~~as a cent per kWh and determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment ~~in respect of the relevant period of time~~ as determined by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast ~~provided by the IESO~~ of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided to the OEB by the IESO. See *"— Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity Vendors: Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. These local distributors include approximately 65 ***[NTD: Figure based on IESO presentation. To be confirmed.]*** municipal electricity distributors, including a few privately owned electricity distributors and Hydro One Inc. These local distributors, together with the licensed retailers and the IESO in circumstances where it directly invoices a Specified Consumer, are referred to as the "**Electricity Vendors**". [Approximately 60% of the electricity distribution to Ontario's approximate 5.1 million consumers is supplied by only three Electricity Vendors.] ***[NTD: To be confirmed.] [NTD: What percentage of these consumers are "Specified Consumers"? If this data is relatively static, include in base shelf OM. If not, consider including in Investor Presentation only.]***

The ~~FHPA~~OFHPA and the Regulations require Electricity Vendors to invoice their Specified Consumers for the amounts payable in respect of for the Clean Energy Adjustment ~~commencing May 1, 2021,~~ as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of [the Issuer][20], amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, hold such amounts in trust for the benefit of [the Issuer] until ~~deposited with the IESO and remit such amounts~~remitted to the IESO for the benefit of [the owners of Investment Interests (initially, only the Issuer)]. [If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate ~~the~~any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.][21] It is a deemed condition of their license that Electricity Vendors comply with the ~~FHPA.~~OFHPA.[22]

As [security for the obligations of Electricity Vendors under the ~~FHPA~~OFHPA][23], the IESO will, if requested by the Issuer once the Clean Energy Adjustment is being invoiced to Specified Consumers, provide the Issuer with a letter of credit in an amount equal to $■, representing approximately one month of Clean Energy Adjustment amounts to be collected by all non-investment grade-rated Electricity Vendors. Alternatively, if acceptable to the Issuer, the IESO may provide

an equivalent performance guarantee instead of a letter of credit.

Non-bypassability:

The ~~FHPA~~OFHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Management Duties of OPG:

OPG has entered into a management agreement (the "**Management Agreement**") with the Issuer pursuant to which the Issuer has delegated to OPG, as manager (the "**Manager**"), all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Notes) to acquire an Investment Interest or refinance existing Funding Obligations, negotiating and entering into Program Agreements, maintaining accounts and banking records, preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Notes) and preparing financial statements and tax filings on behalf of the Issuer.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as the initial Financial Services Manager under the ~~FHPA~~OFHPA, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest ~~of~~on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and the Regulation, OPG is also entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG in relation to the establishment, management and administration of the Issuer and its Investment Interest. See *"The Manager"*.

Statutory and Servicing Duties of the IESO:

The IESO is required, as agent of [the Issuer], to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving the Clean Energy Adjustment, hold such amounts in trust on behalf of [the Issuer] and remit such amounts to [the Issuer] [on a monthly basis, subject to daily remittance being required in certain limited circumstances][24]. In addition, the IESO provides certain reporting and other servicing duties in favour of the Issuer, including providing ~~forecasts of~~forecast information regarding electricity consumption by Specified Consumers to the OEB and the Financial Services Manager, [25] [using commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited], remitting such amounts to [the Issuer] and fulfilling certain additional reporting requirements. [Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer][26]. However, the Issuer will reimburse the IESO for its direct costs for the provision of any services to the Issuer that are not required to be performed by

the ~~FHPA~~OFHPA or the Regulations and that are otherwise not recovered or recoverable by the IESO under the *Electricity Act*.[27] ***[NTD: Subject to finalization of MTSA]*** See *"The Transferor and Servicer."*

Financing of Carrying Costs during the Moratorium Period:

During the Moratorium Period and ending on July 31, 2021, the IESO is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of its "carrying costs".[28] "Carrying costs" include all funding costs (such as interest on the Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Notes).[29]

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of carrying costs estimated to be incurred by the Issuer in the following month. On or before the [14th] business day [of each calendar month/following receipt of the Issuer's statement], the IESO is required to deliver the amount specified to the Issuer in the carrying costs statement. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Electricity Financial Corporation, expiring ■, 20■, available for the purposes of paying the Issuer's carrying costs. ***[Update to current MTSA.]***

As security for the performance of its obligation under the Regulations to pay the Issuer's carrying costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable[, which includes the global adjustment charge]. ***[NTD: To be confirmed and subject to finalization of IESO security agreement.]*** See *"The Transferor and Servicer"*.

Change of Law Protection Agreement *[To be updated with details from executed agreement.]*:

[NTD: Subject to finalization of agreement.] Pursuant to the Change of Law Protection Agreement in favour of the Issuer and the Indenture Trustee, upon a Protection Event, the Province of Ontario is required to either, at its election: (i) pay the Notes as they become due and payable, or (ii) assume the Notes as primary obligor. ***[NTD: Drafted to assume we will only ever use this OM for an issuance of Notes that we know will constitute an "Approved Obligation" under the Change of Law Protection Agreement.]*** The occurrence of a Protection Event in and of itself will not result in the acceleration of the Notes. ***[NTD: Consider additional disclosure regarding assumption mechanics and consequences]***

Each of the following constitutes a "**Protection Event**":

(a) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the ~~FHPA~~OFHPA, in whole or in part, as in effect on the date hereof;

(b) the Ontario legislature enacts or amends any other statute;

(c) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under or in connection with, the ~~FHPA~~OFHPA, in whole or in part, as in effect on the date

hereof;

(d) the Lieutenant Governor in Council, a minister of the Province, an official of the government or board or commission appointed by the Lieutenant Governor in Council makes or amends any regulation; or

(e) there is a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province or any entity controlled by the Province,

in each case, that materially and adversely affects the ability of the Issuer to receive amounts on its Investment Interest so that it can pay the Notes in accordance with their terms or the Change of Law Protection Agreement or any of the agreements under which the Notes arise, other than if the Indenture Trustee has confirmed in writing that the effect under such agreements is otherwise acceptable, or

(f) a court determines that all or a portion of the ~~FHPA~~OFHPA or the Regulations, as in effect on the date hereof, is *ultra vires* or invalid in a way that materially and adversely affects the ability of the Issuer to receive amounts on its Investment Interest so that it can pay Obligations Secured (including the Notes) that has the effect of the Issuer not having sufficient funds to pay Obligations Secured (including the Notes) that have become due and payable.

[As a condition to any Offering of Notes, OPG will be required to deliver a certification to the Agents confirming that the Change of Law Protection Agreement applies in respect of the particular Series of Notes offered.]

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the ~~FHPA~~OFHPA and the Regulations by the Minister of Energy in respect of each Reference Period and which, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers.[30]

The Financial Services Manager is required to prepare a Financing Plan under the ~~FHPA~~OFHPA to evaluate whether potential Funding Obligations should be incurred by the Issuer or other Financing Entities ~~and having~~for the purposes of acquiring an Investment Interest [or for the purposes of a Refinancing]. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred ~~so that~~such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period, in each case after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Periods. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that

align with the purposes of the ~~FHPA~~OFHPA, [namely, to ensure that present and future Specified Consumers are bearing their share of the costs of providing Clean Energy Benefits].[31] Notwithstanding the above, the ~~FHPA~~OFHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

Currently, the Clean Energy Costs have been determined to exceed the Clean Energy Benefits, with the result that the Fair Allocation Amount is negative. This means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of Clean Energy Costs (with the consequent rate reduction for current Specified Consumers). The Fair Allocation Amount is expected to be negative until at least May 2024. Accordingly, any Notes maturing at a time when the Fair Allocation Amount is negative are expected to be refinanced through the issuance of another Series of Notes. If Notes cannot be refinanced on or before maturity, holders of such Notes will have the ability to accelerate their Notes resulting in Clean Energy Adjustments that would otherwise be used to pay holders of Subordinated Notes being used to pay holders of accelerated Notes.

[The Financing Plan accommodates the issuance of a variety of corporate debt instruments and borrowings, including term bank debt, revolving bank lines of credit, publicly issued and privately placed debt securities (such as the Notes), commercial paper, medium-term notes, interest rate and currency swaps and other hedging instruments. Based on the Fair Allocation Amounts and subject to the availability of debt financing, it is expected that the Issuer (or other Financing Entities) may incur up to approximately $■ of indebtedness annually over the next ■ years, comprised of approximately $■ of senior debt (including the Notes) and approximately $■ of subordinated debt.] ***[NTD: Consider what we will need to say about the Issuer's plans to raise additional debt, including the use of the short-term warehousing facility. Will investors expect to see a copy of the Fair Allocation Curve?]***

Document comparison by Workshare Compare on Friday, January 05, 2018 9:05:11 AM

Input:	
Document 1 ID	PowerDocs://TOR_2024/12923381/2
Description	TOR_2024-#12923381-v2-Blakes_Comments_-_Offering_Memorandum_for_Hydro_Trust_(12/05/17)
Document 2 ID	PowerDocs://TOR_2024/12923381/4
Description	TOR_2024-#12923381-v4-Blakes_Comments_-_Offering_Memorandum_for_Hydro_Trust_(12/05/17)
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	280
Deletions	172
Moved from	4
Moved to	4
Style change	0
Format changed	0
Total changes	460

[1] Blakes suggests that this narrative be removed or, if necessary, it should precisely track the Purposes of the Act set out in section 3 of the OFHPA.
[2] Consider a definition of "Funding Obligation" throughout the OM that is consistent with the statutory definition in the OFHPA.
[3] Consider updating given Warehouse closing.
[4] Please provide a copy of the Investor Presentation to the Province.
[5] Consider updating given Warehouse closing.
[6] Blakes suggests that this narrative be removed or, if necessary, it should precisely track the Purposes of the Act set out in section 3, including key definitions such as "clean energy costs", "clean energy benefits", and to incorporate the principles of alignment and fairness over time. Drafting needs to avoid interpretive statements.
[7] Confirm under the Act.
[8] As stated in a note to the Face Page, please consider redrafting with a more fulsome explanation of "Funding Obligations" that is consistent with the Act and removing the "debt financing" language.
[9] Note that the statutory definition of "funding obligation" provides that funding obligations have the more immediate purpose of funding ownership of an investment interest. Please consider characterizing the purpose of funding obligations in accordance with the OFHPA.
[10] Blakes suggests that this narrative be removed or, if necessary, it should precisely track the appointment, duties and powers contemplated in sections 18 and 19 of the Act. Drafting needs to avoid interpretive statements. Refer to Financing Plan provisions under section 21 and incurrences by financing entities under section 22.
[11] Confirm and conform to definition of "financing entity" as required.
[12] Avoid narrative.
[13] Blakes suggests that this narrative should more precisely track the calculation contemplated in section 15 of the General Regulation.

[14] Should the 2017 transaction (ABCP conduits) be separately explained?
[15] Fix tense. This has now happened.
[16] Please consider revising the disclosure to explain the difference between the Investment (a bundle of statutory rights and interests held by investment interest owners collectively) and the Investment Interest (an ownership interest in the rights and interests comprising the Investment Asset).
[17] Blakes suggests that this narrative should more precisely track the framework of the legislation. The relevant provisions are 25(3) of the Act (The IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021) and 21(4) of the Act (i.e., limitation on FSM incurring funding obligations payable through CEAs from July 1, 2017 to April 30, 2021). The proposed disclosure regarding the timing of CEA invoicing does not precisely track the legislation.

[18] Confirm if subordination extends to amounts due beyond principal.
[19] Narrow?
[20] This and similar static references to the Issuer should instead refer to investment interest owners, of which the Issuer is the first, and then cross-refer to the concept of co-ownership in order to facilitate additional financing entities in the future.
[21] Conform to 17(4) of the Act.
[22] Confirm.
[23] Please conform to current MTSA. L/C is credit support, rather than security.
[24] Please consider disclosing which IESO duties are statutory and which arise under the MTSA. For instance, in this sentence, these time requirements arise from the MTSA. General Regulation s. 9(2) only requires that IESO remit within a reasonable period of time.
[25] Please confirm when the IESO provides forecast materials to the FSM. The MTSA requires the IESO to provide forecast materials to the Issuer.
[26] Confirm.

[27] Consider how to address IESO's ability to capitalize expenses under the Regulatory Asset, including funding rebates and amounts incurred under 9.1 of the Regulation (see 16(3) of the Regulation).

[28] Please clarify this disclosure for consistency with section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the "Moratorium Period") and ending on July 31, 2021.

[29] Consider conforming to section 9.1(3) of the General Regulation. The regulation provides that "carrying costs" also include derivative payments, etc.

[30] **Note to Province:** Please review this narrative description of the fair allocation amount.

[31] Please characterize the purpose to confirm with s. 3 of the OFHPA.

From:	Hanslep, Malle (MOF)
To:	Ramchandani, Rima; Mike Manning; Tobias P. Whitfield (MOF); Anna Strathy; Thouin, Alena (ENERGY); David McLean (MOF); Anna Strathy; Jonathan Tekle (CAB); Ronald Kwan; Steen Hume (CAB); Tim Christie (ENERGY)
Cc:	LEE John -TREASURY; "WONG Leslie -LAWDIV"; "RYFA Ken -TREASURY"; "LADAK Lubna -TREASURY"; "LAURETA LAPIRA May -TREASURY"; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 8:41:32 AM

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-04-18 4:11 PM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Ramchandani, Rima
Sent: Thursday, January 4, 2018 15:17
To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes
(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes
(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes
(4) Agency Agreement
(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)
(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,
Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP
79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----
From: LEE John -TREASURY
Sent: Thursday, January 04, 2018 12:18 PM
To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:
We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Thursday, January 04, 2018 9:36 AM
To: LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference

documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks

Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Ramchandani, Rima
To:	Malle Hanslep (MOF); Mike Manning; Tobias P. Whitfield (MOF); Anna Strathy; Thouin, Alena (ENERGY); David McLean (MOF); Anna Strathy; Jonathan Tekle (CAB); Ronald Kwan; Steen Hume (CAB); Tim Christie (ENERGY)
Cc:	LEE John -TREASURY; "WONG Leslie -LAWDIV"; "RYFA Ken -TREASURY"; "LADAK Lubna -TREASURY"; "LAURETA LAPIRA May -TREASURY"; Mansoori, Nina; Saulnier, Brett
Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Thursday, January 04, 2018 4:34:07 PM

Will do Malle.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: January-04-18 4:11 PM
To: Ramchandani, Rima <rramchandani@torys.com>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; 'RYFA Ken -TREASURY' <ken.ryfa@opg.com>; 'LADAK Lubna -TREASURY' <lubna.ladak@opg.com>; 'LAURETA LAPIRA May -TREASURY' <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Ramchandani, Rima <rramchandani@torys.com>
Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Ramchandani, Rima
Sent: Thursday, January 4, 2018 15:17
To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

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Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

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Thanks,
Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com

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Sent: Thursday, January 04, 2018 12:18 PM
To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – RE: Waiver Process

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Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
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From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process

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Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

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Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Thursday, January 04, 2018 3:17:23 PM
Attachments:	FW EXTERNAL Re Waiver Process.msg

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Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along

the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From: Ramchandani, Rima [rramchandani@torys.com]
To: Ramchandani, Rima [rramchandani@torys.com]
Subject: FW: EXTERNAL – Re: Waiver Process
Date: Thursday, January 04, 2018 15:42:55

P. 416.865.7666

From: "Hanslep, Malle (MOF)" <Malle.Hanslep@ontario.ca>
Sent: Jan 3, 2018 8:44 PM
To: "Kandeepan, Ken (OFA)" <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; "Manning, Mike (OFA)" <Mike.Manning@ofina.on.ca>; "Whitfield, Tobias P. (MOF)" <Tobias.Whitfield@ontario.ca>; "Strathy, Anna (OFA)" <Anna.Strathy@ofina.on.ca>; "Thouin, Alena (ENERGY)" <Alena.Thouin@ontario.ca>
Subject: EXTERNAL – Re: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks

Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and

amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

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Sent: January-03-18 5:24 PM
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Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

_____

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From: Ken Kandeepan
To: Malle Hanslep (MOF); Thouin, Alena (ENERGY); Anna Strathy; Mike Manning; Ronald Kwan
Cc: Tobias P. Whitfield (MOF); Tim Christie (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Date: Friday, January 05, 2018 11:53:48 AM
Attachments: FW EXTERNAL RE Waiver Process.msg

To clarify Malle, the waiver requested related to an issue date of Jan 15th, given that as per the attached email the date is now the 22nd no waiver is required.

Thanks

Ken k

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, January 05, 2018 11:50 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Yes this would be my understanding based on the emails so far. They want to meet the 10 business day deadline for sending reference documents to the Province before their proposed transaction date. They have even requested that this time period be waived which would result in the Province having less time to these documents. As you know we haven't received a draft of the OM since November.

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January-05-18 11:44 AM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)
Cc: Whitfield, Tobias P. (MOF); Christie, Tim (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am little concerned that with a proposed date of Jan 22nd for the term deal, delivery today will ensure that the 10 business day expire on Jan 19th, whereas delivery on Monday means that the expiry is on the day of the deal itself. Cutting it too close.

Thanks

Ken k

-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 11:34 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle

Perhaps it's worthwhile for you to place a call to Rima and ask what is driving today vs. Monday? Maybe she will be more forthcoming over a call?

Alena Thouin

Deputy Director, Legal Services

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 11:27 AM

To: Kandeepan, Ken (OFA); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)

Cc: Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY); Christie, Tim (ENERGY); Veinot, Cindy (TBS)

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

I don't know exactly what the content of our conversation at 3pm will be so maybe we should consider whether today is the appropriate time for OPG to deliver these final documents, including the OM?

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 11:22 AM

To: 'Ramchandani, Rima'

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I realize that there are other discussions taking place, but I would like to speak to Provincial staff about the plan to deliver final documents to the Ministers/DM's today since our internal call is not taking place until 3pm.

Thanks,

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 11:18 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

OK. I expect to be in the office until 5 pm - if you think it will slip past that, please let me know. FYI, we are also planning on hand delivering the documents to the Ministers and Deputy Ministers as soon as possible this afternoon (hopefully that will happen before 3 pm).

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 11:10 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 10:50 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim

(ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=sDTjf9tVmfT9K92u269doOHn6NwIN5Soa0mhVrZmimM&m=_E2eatPNZaQkHAKbaMe8etZ0qgkVUCNY_YO4TmEPvfQ&s=-Puz-FGasEGh2DanzowvhV5OQzCvvQ-OtdGNYS-gFb8&e= >

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

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From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com><mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From: LEE John -TREASURY [john.s.lee@opg.com]
To: Ken Kandeepan [Ken.Kandeepan@ofina.on.ca]; Steen Hume (CAB) [Steen.Hume@ontario.ca]
Subject: FW: EXTERNAL – RE: Waiver Process
Date: Thursday, January 04, 2018 17:07:49

Ken/Steen:

Just a bit of an update, it appears that DBRS is unlikely to hit the earlier 15th date.
It is looking more likely that the marketing launch will fall back to the original target date of the 22nd.

John

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From: LEE John -TREASURY
Sent: Thursday, January 04, 2018 12:18 PM
To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:
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Hi John

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Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

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Ken k

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Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: Re: Waiver Process

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Ken k

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Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

_____

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From: Hanslep, Malle (MOF)
To: Ken Kandeepan; Thouin, Alena (ENERGY); Anna Strathy; Mike Manning; Ronald Kwan
Cc: Tobias P. Whitfield (MOF); Tim Christie (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Date: Friday, January 05, 2018 11:50:07 AM

Yes this would be my understanding based on the emails so far. They want to meet the 10 business day deadline for sending reference documents to the Province before their proposed transaction date. They have even requested that this time period be waived which would result in the Province having less time to these documents. As you know we haven't received a draft of the OM since November.

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January-05-18 11:44 AM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)
Cc: Whitfield, Tobias P. (MOF); Christie, Tim (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am little concerned that with a proposed date of Jan 22nd for the term deal, delivery today will ensure that the 10 business day expire on Jan 19th, whereas delivery on Monday means that the expiry is on the day of the deal itself. Cutting it too close.

Thanks

Ken k

-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 11:34 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle

Perhaps it's worthwhile for you to place a call to Rima and ask what is driving today vs. Monday? Maybe she will be more forthcoming over a call?

Alena Thouin

Deputy Director, Legal Services

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 11:27 AM

To: Kandeepan, Ken (OFA); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)

Cc: Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY); Christie, Tim (ENERGY); Veinot, Cindy (TBS)

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

I don't know exactly what the content of our conversation at 3pm will be so maybe we should consider whether today is the appropriate time for OPG to deliver these final documents, including the OM?

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 11:22 AM

To: 'Ramchandani, Rima'

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I realize that there are other discussions taking place, but I would like to speak to Provincial staff about the plan to deliver final documents to the Ministers/DM's today since our internal call is not taking place until 3pm.

Thanks,

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 11:18 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

OK. I expect to be in the office until 5 pm - if you think it will slip past that, please let me know. FYI, we are also planning on hand delivering the documents to the Ministers and Deputy Ministers as soon as possible this afternoon (hopefully that will happen before 3 pm).

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 11:10 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 10:50 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be "Substantially in the Form" (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=sDTjf9tVmfT9K92u269doOHn6NwIN5Soa0mhVrZmimM&m=_E2eatPNZaQkHAKbaMe8etZ0qgkVUCNY_YO4TmEPvfQ&s=-Puz-FGasEGh2DanzowvhV5OQzCvvQ-OtdGNYS-gFb8&e= >

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB)

<Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com><mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

_____

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From: Ken Kandeepan
To: "Thouin, Alena (ENERGY)"; Malle Hanslep (MOF); Anna Strathy; Mike Manning; Ronald Kwan
Cc: Tobias P. Whitfield (MOF); Tim Christie (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Date: Friday, January 05, 2018 11:44:13 AM

I am little concerned that with a proposed date of Jan 22nd for the term deal, delivery today will ensure that the 10 business day expire on Jan 19th, whereas delivery on Monday means that the expiry is on the day of the deal itself. Cutting it too close.

Thanks

Ken k

-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 11:34 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle

Perhaps it's worthwhile for you to place a call to Rima and ask what is driving today vs. Monday? Maybe she will be more forthcoming over a call?

Alena Thouin

Deputy Director, Legal Services

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 11:27 AM

To: Kandeepan, Ken (OFA); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)

Cc: Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY); Christie, Tim (ENERGY); Veinot, Cindy (TBS)

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

I don't know exactly what the content of our conversation at 3pm will be so maybe we should consider whether today is the appropriate time for OPG to deliver these final documents, including the OM?

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 11:22 AM

To: 'Ramchandani, Rima'

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I realize that there are other discussions taking place, but I would like to speak to Provincial staff about the plan to deliver final documents to the Ministers/DM's today since our internal call is not taking place until 3pm.

Thanks,

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 11:18 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

OK. I expect to be in the office until 5 pm - if you think it will slip past that, please let me know. FYI, we are also planning on hand delivering the documents to the Ministers and Deputy Ministers as soon as possible this afternoon (hopefully that will happen before 3 pm).

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 11:10 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 10:50 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be "Substantially in the Form" (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

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-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com><mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Hanslep, Malle (MOF)
To:	Ramchandani, Rima
Cc:	Mike Manning; Tobias P. Whitfield (MOF); Anna Strathy; Thouin, Alena (ENERGY); David McLean (MOF); Jonathan Tekle (CAB); Ronald Kwan; Steen Hume (CAB); Tim Christie (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett
Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 11:38:49 AM

Hi Rima,

Actually, if you don't mind I can give you a call now? Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 11:18 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

OK. I expect to be in the office until 5 pm - if you think it will slip past that, please let me know. FYI, we are also planning on hand delivering the documents to the Ministers and Deputy Ministers as soon as possible this afternoon (hopefully that will happen before 3 pm).

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 11:10 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 10:50 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for

instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=V7pj6_jSlwn58wd50k-hdrkZ2cE5eVilewlAr8Dv-FE&s=_P0Jnbsw59ehiRKfjfGfnFsuitz9AvlWheIs-1PKlRQ&e= >

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY

<may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY
<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning
<Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF)
<Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy
<Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY)
<Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF)
<Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF)
<David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy
<Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB)
<Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan
<Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB)
<Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY)
<Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John - TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com> <mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com> <mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Hanslep, Malle (MOF)
To:	Thouin, Alena (ENERGY); Ken Kandeepan; Anna Strathy; Mike Manning; Ronald Kwan
Cc:	Tobias P. Whitfield (MOF); Tim Christie (ENERGY); Veinot, Cindy (TBS)
Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 11:37:23 AM

Hi Alena,

Ok, I will call Rima now to see and then pass on to the group.

Thanks.

Malle

-----Original Message-----

From: Thouin, Alena (ENERGY)

Sent: January-05-18 11:34 AM

To: Hanslep, Malle (MOF); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)

Cc: Whitfield, Tobias P. (MOF); Christie, Tim (ENERGY); Veinot, Cindy (TBS)

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle

Perhaps it's worthwhile for you to place a call to Rima and ask what is driving today vs. Monday? Maybe she will be more forthcoming over a call?

Alena Thouin

Deputy Director, Legal Services

Ministries of Energy / Infrastructure / Economic Development & Growth / Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 11:27 AM

To: Kandeepan, Ken (OFA); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)

Cc: Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY); Christie, Tim (ENERGY); Veinot, Cindy (TBS)

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

I don't know exactly what the content of our conversation at 3pm will be so maybe we should consider whether today is the appropriate time for OPG to deliver these final documents, including the OM?

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 11:22 AM

To: 'Ramchandani, Rima'

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I realize that there are other discussions taking place, but I would like to speak to Provincial staff about the plan to deliver final documents to the Ministers/DM's today since our internal call is not taking place until 3pm.

Thanks,

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 11:18 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

OK. I expect to be in the office until 5 pm - if you think it will slip past that, please let me know. FYI, we are also planning on hand delivering the documents to the Ministers and Deputy Ministers as soon as possible this afternoon (hopefully that will happen before 3 pm).

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 11:10 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY

<ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 10:50 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF)
<Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna - TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers

tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=f__9ucwgal-4ZUJRl8WcNlfV5kHGWQ4mLeoYKQ95_O8&s=vE88M1sc7JE5XG_u7LnIaEm5sRIWh7WBTl_Hl8sZvRI&e= >

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -

TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy

<Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John - TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc’ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com> <mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com> <mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>;

WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From: Thouin, Alena (ENERGY)
To: Malle Hanslep (MOF); Ken Kandeepan; Anna Strathy; Mike Manning; Ronald Kwan
Cc: Tobias P. Whitfield (MOF); Tim Christie (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
Date: Friday, January 05, 2018 11:34:19 AM

Hi Malle

Perhaps it's worthwhile for you to place a call to Rima and ask what is driving today vs. Monday? Maybe she will be more forthcoming over a call?

Alena Thouin

Deputy Director, Legal Services

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 11:27 AM

To: Kandeepan, Ken (OFA); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)

Cc: Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY); Christie, Tim (ENERGY); Veinot, Cindy (TBS)

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

I don't know exactly what the content of our conversation at 3pm will be so maybe we should consider whether today is the appropriate time for OPG to deliver these final documents, including the OM?

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 11:22 AM

To: 'Ramchandani, Rima'

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I realize that there are other discussions taking place, but I would like to speak to Provincial staff about the plan to deliver final documents to the Ministers/DM's today since our internal call is not taking place until 3pm.

Thanks,

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 11:18 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

OK. I expect to be in the office until 5 pm - if you think it will slip past that, please let me know. FYI, we are also planning on hand delivering the documents to the Ministers and Deputy Ministers as soon as possible this afternoon (hopefully that will happen before 3 pm).

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 11:10 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 10:50 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence

marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=YQG3yryRLgbWcdX5rqGXUwYXEJ-l0yyWbN0jOMN5U2g&s=eqftaZjZgkNCo80ZDoTMhBR0msPC3uxXEmP1QT-W_R0&e= >

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com> <mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com> <mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Hanslep, Malle (MOF)
To:	Ramchandani, Rima
Cc:	Mike Manning; Tobias P. Whitfield (MOF); Anna Strathy; Thouin, Alena (ENERGY); David McLean (MOF); Jonathan Tekle (CAB); Ronald Kwan; Steen Hume (CAB); Tim Christie (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett
Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 11:22:32 AM

Hi Rima,

I realize that there are other discussions taking place, but I would like to speak to Provincial staff about the plan to deliver final documents to the Ministers/DM's today since our internal call is not taking place until 3pm.

Thanks,

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 11:18 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

OK. I expect to be in the office until 5 pm - if you think it will slip past that, please let me know. FYI, we are also planning on hand delivering the documents to the Ministers and Deputy Ministers as soon as possible this afternoon (hopefully that will happen before 3 pm).

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 11:10 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF)

<David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 10:50 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA)

<Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=TN2oYbLSGVEA6k6cS8cEfwtmKPHL86TjyTeFJybDU_Q&s=XNedpje35o0oc61MgJJnkojVezDZpwlPSPGdYMrNnLo&e=>

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc’ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>

<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie - LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie - LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com><mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie - LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Tekle, Jonathan (MOF)
To:	Malle Hanslep (MOF)
Cc:	Tobias P. Whitfield (MOF); Anna Strathy; Ronald Kwan; David McLean (MOF); Mike Manning; David McLean (MOF)
Subject:	RE: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 5:07:36 PM

Hi Malle,

Just confirming that Tory's hand delivered the transaction documents this afternoon to the DMO.

Did you receive electronic copies of the package as well?

Cheers,

Jonathan

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 11:38 AM

To: Ramchandani, Rima

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

Actually, if you don’t mind I can give you a call now? Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 11:18 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

OK. I expect to be in the office until 5 pm - if you think it will slip past that, please let me know. FYI, we are also planning on hand delivering the documents to the Ministers and Deputy Ministers as soon as possible this afternoon (hopefully that will happen before 3 pm).

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 11:10 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 10:50 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be "Substantially in the Form" (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these

transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald

(OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each

of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

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-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com> <mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com> <mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be

surprised.

John

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From: Ken Kandeepan
To: Carlos Yep
Cc: Mike Manning; James Devine; John Psinas; John Kim; Ronald Kwan
Subject: RE: EXTERNAL – FHP Questions - Funding Profile
Date: Thursday, February 15, 2018 12:58:56 PM

Thanks Carlos, this is useful.
Ken k

From: Carlos Yep
Sent: Thursday, February 15, 2018 12:52 PM
To: Mike Manning ; James Devine ; Ken Kandeepan ; John Psinas ; John Kim ; Ronald Kwan
Subject: FW: EXTERNAL – FHP Questions - Funding Profile
FYI

From: RYFA Ken -TREASURY [mailto:ken.ryfa@opg.com]
Sent: Wednesday, February 07, 2018 12:19 PM
To: Talwar, Shruti (ENERGY) <Shruti.Talwar@ontario.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>
Cc: Graham Young (MOI) <Graham.Young@ontario.ca>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LIU Sheen -TREASURY <sheen.liu@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>
Subject: RE: EXTERNAL – FHP Questions
Shruti,
Now that the FHT has issued term debt the funding composition is starting to get more complicated. To help understand this below is a summary of the overall funding in the FHT which is now split between warehouse funding and term funding:

			Term debt takeout		
Warehouse Funding		Initial Balance	(980,392,156.86)	Ending Balance	
Senior debt	B=51% x A	601,290,000.00	(500,000,000.00)	101,290,000.00	51%
Subordinated	39/51 X B	459,810,000.00	(382,353,000.00)	77,457,000.00	39%
Junior subordinated	10/51 X B	117,900,000.00	(98,040,000.00)	19,860,000.00	10%
		1,179,000,000.00	(980,393,000.00)	198,607,000.00	
Term Debt Funding					
Senior debt	51.00%		500,000,000.00	500,000,000.00	51%
Subordinated	39.00%		382,353,000.00	382,353,000.00	39%
Junior subordinated	10.00%		98,040,000.00	98,040,000.00	10%
		-	980,393,000.00	980,393,000.00	
Total Funding					
Senior debt	51.00%	601,290,000.00	-	601,290,000.00	51%
Subordinated	39.00%	459,810,000.00	-	459,810,000.00	39%
Junior subordinated	10.00%	117,900,000.00	-	117,900,000.00	10%
		1,179,000,000.00	-	1,179,000,000.00	

1) The equity injection in December was used to fund the subordinated warehouse notes not the term notes. The warehouse notes have a base rate representing all-in funding costs of the senior warehouse notes per s 2.03(b). This funding cost is variable so any rate provided will only apply to a particular period. The December rate was approximately 2.5%. Per s 2.04(b)(i) & (c)(i) the applicable spread for sub and jr sub of this issuance was set at 0.10%.
   The sub and jr sub term notes that correspond to the senior term notes priced yesterday are different. The actual rates are still under review for the sub and jr sub which should be finalized soon.
2) Yes, next equity injection is likely March but could be February as well. For March transaction we would clear out as much of the IESO variance account as possible most of which is reflected in the February month end balance.

Hope this helps.
Thanks,
Ken

From: Talwar, Shruti (ENERGY) [mailto:Shruti.Talwar@ontario.ca]
Sent: Wednesday, February 07, 2018 11:25 AM
To: RYFA Ken -TREASURY <ken.ryfa@opg.com>; Yep, Carlos (OFA) <Carlos.Yep@ofina.on.ca>
Cc: Young, Graham (ENERGY) <Graham.Young@ontario.ca>
Subject: EXTERNAL – FHP Questions
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Hi Ken, Carlos,
Hope you are both well.
I have a couple of questions re: equity injection. They may be both for Ken, but Carlos may be useful to loop you in as well.

1) Can you please provide the interest rate for suboardinate and jr. suboardinate term notes for the transaction that closed on Dec 20, 2017. Per the interest protocol agreement, the interest rate is the 'applicable base rate' (defined in S 2.03) and 'applicable spread' (defined in S 2.04). Section 2.06 of the protocol notes the sharing of this information with ENERGY and OFA. We need this information as soon as possible.
2) What is the timing for the next equity injection? Are you thinking it will be as of the regulatory asset balance as at Feb 28, 2018? In which case, could we expect a request in early March? As you know, the transaction needs to close before March 31 to align with our approved allocations from Treasury Board.

Thank you. Feel free to give me a call with any questions.
Shruti

Shruti Talwar
Director, Strategic Policy and Analytics Branch
Strategic, Network and Agency Policy Division
Ontario Ministry of Energy
416.325-8698
shruti.talwar@ontario.ca

From: Ken Kandeepan
To: "LADAK Lubna -TREASURY"
Cc: LEE John -TREASURY; RYFA Ken -TREASURY; Mike Manning
Subject: RE: EXTERNAL – FW: Fair Hydro Trust -- Term Closing
Date: Monday, February 12, 2018 12:27:56 PM

Ok thanks for the clarification, my bad, I forget that the junior sub was actually 10%, not 5%.
All good now.
Thanks again for the quick response.
Ken k

From: LADAK Lubna -TREASURY [mailto:lubna.ladak@opg.com]
Sent: Monday, February 12, 2018 12:26 PM
To: Ken Kandeepan
Cc: LEE John -TREASURY ; RYFA Ken -TREASURY
Subject: FW: EXTERNAL – FW: Fair Hydro Trust -- Term Closing

Hi Ken,
John asked me touch base with you regarding your question. I see you're free after 2, but thought I'd send an email in the mean time and will follow up by phone later if required. We rounded the percentages, which is what accounts for any small differences you're seeing.

W/H Takeout		
Senior debt	51.00%	500,000,000.00
Subordinated	39.00%	382,353,000.00
Junior subordinated	10.00%	98,040,000.00
		980,393,000.00

The original warehouse debt totaled $1,169,000,000, of which $601,290,000 was Senior debt. We replaced $500 M of the $601 M warehouse with proceeds from our bond issue in February. To maintain the same proportion of Subordinated and Junior subordinated debt to Senior debt, we did the following:
The sub debt represented 76% of the senior debt ($459.8 M/$601.3 M) in the warehouse. We applied the same percentage to the $500 M senior debt. 76% of $500 M equals $382.3 M sub debt.
The Junior sub debt represented 20% of the senior debt in the warehouse ($117.9 M/$601.3 M). 20% of the $500 M senior debt equals $98 M of junior sub debt.

Lubna Ladak | VP Treasury - FHP| Ontario Power Generation
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Monday, February 12, 2018 10:42 AM
To: LEE John -TREASURY <john.s.lee@opg.com>
Cc: Mike Manning <Mike.Manning@ofina.on.ca>
Subject: EXTERNAL – FW: Fair Hydro Trust -- Term Closing

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Hi John
Hope all is well, just a quick question, I had understood that the senior debt will be 51% with the sub and junior sub making up respectively 44% and 5%. The Process Certificate shows that the senior

debt issued is $500M, the percentages don't match the debt issued in the other two categories. It's possible my numbers are off, much appreciated if you can let me know, if you want to have a conversation that's fine as well, I am free today after 2PM.

Thanks

Ken k

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: February 8, 2018 4:40 PM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Mansoori, Nina
Subject: RE: Fair Hydro Trust -- Term Closing

All,

Further to Rima's email, please find attached a letter enclosing the process certificate and the agreements that Rima mentions below. The attached will be delivered by fax shortly to the each of the Ministers and Deputy Ministers at the fax numbers in the notice provisions of the Change of Law Process Agreement.

Thanks,

Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com][na01.safelinks.protection.outlook.com]

TORYS LLP[torys.com][na01.safelinks.protection.outlook.com]

From: Ramchandani, Rima
Sent: February-08-18 2:22 PM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Cc: 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Ramchandani, Rima <rramchandani@torys.com>
Subject: Fair Hydro Trust -- Term Closing

Alena, Malle and Toby, hope you are all well. In case you have not been made aware, we wanted to let you know that we are closing the Fair Hydro Trust term deal tomorrow morning and will be delivering, on behalf of OPG, the required process certificate by fax to the attention of the Ministers and Deputy Ministers later today. As with the warehouse closing, Brett Saulnier from Torys will send all of you an email with a PDF of the signed process certificate and accompanying cover letter for your records.

Just FYI, you will see that the cover letter will also reference the delivery (pursuant to Section 2.01(c) of the process agreement) of a brief 2-page agreement that will be entered into between the Trust and the warehouse lenders on closing tomorrow which simply permits delivery of the decrease notice 2 business days prior to closing and repayment of the warehouse notes on a day other than the 15th business day of the month.

Thanks,

Rima

Rima Ramchandani
P. 416.865.7666

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From: Delaney, Brian
To: "Benaiah, Ian"; Saulnier, Brett; Persad, Nicole; "YAO Anthea -FUNDMGMT"; Mansoori, Nina; dup-john.s.lee@opg.com; "WONG Leslie -LAWDIV"; Gadi Mayman; "Hunter, Rosalind"; Malle Hanslep (MOF); "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Ronald Kwan; "Thouin, Alena (ENERGY)"; Tom McKinlay (MAG); "VINER, JON"; "PRESTAGE, JA"; Daniel Cayley (ENERGY); "LIU Sheen -TREASURY"; "MCAULEY Tyler -LAWDIV"; "GRECO Clara -LAWDIV"; "GO Matthew -TREASURY"; "JORDA Jenny -FIN & C CTRL"; "PRESTON Stuart -TREASURY"; "DREWNIAK John -TREASURY"; "HAHN PARKER Janet -TREASURY"; Alvi, Shariq; "Innes, Michael"; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; "mfitzpatrick@hunton.com"; "aobrian@hunton.com"; "Smith, Elliot"; "King, Richard"; "Royer, Kate"; "Hughes, Timothy"; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; "Sebastiano, Rocco"; Maciel, Andrew; Khan, Nur; Niehaus, Katrina; Conner, Robbin; "Milligan, Peter"; "Sebastiano, Rocco"; "Fullerton, Rick"; "Lively, Pamela"; "Adam, Ahmad"; "Krowles, Geralyn"; "Morris, Eleonore"; "Peter Hamilton"; "Michael Boll"; dup-anthony.martinello@ieso.ca; "Jeannette Briggs (jeannette.briggs@ieso.ca)"; "kim.marshall@ieso.ca"; "RYFA Ken -TREASURY"; Malhi, Harman; Taylor, Brent R
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Date: Thursday, December 21, 2017 12:19:46 PM

GS also confirmed receipt.
Thanks,
Brian

From: Benaiah, Ian [mailto:ian.benaiah@rbccm.com]
Sent: Thursday, December 21, 2017 11:50 AM
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Prado, Melissa; Dost, Mitchell
Subject: Re: EXTERNAL – RE: Closing Mechanics - Fair Hydro

RBC confirms receipt of fees. Thanks. Ian

From: Saulnier, Brett
Sent: Thursday, December 21, 2017 11:05 AM
To: Delaney, Brian; Benaiah, Ian; Persad, Nicole; 'YAO Anthea -FUNDMGMT'; Mansoori, Nina; dup-john.s.lee@opg.com; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Khan, Nur; Niehaus, Katrina; Conner, Robbin; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; 'RYFA Ken -TREASURY'; Malhi, Harman; Taylor, Brent R
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,
IESO has confirmed that they have received the total amount of $1,179,000,000 in the attached email. Could each of the dealers please confirm whether they have received the wires representing their fees? Once confirmed, we will be officially closed.
Thanks,
Brett
Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679

From: Delaney, Brian [mailto:Brian.Delaney@gs.com]
Sent: December-21-17 10:26 AM
To: 'Benaiah, Ian' <ian.benaiah@rbccm.com>; Persad, Nicole <Nicole.Persad@cibc.com>; 'YAO Anthea -FUNDMGMT' <anthea.yao@opg.com>; Mansoori, Nina <nmansoori@torys.com>; dup-john.s.lee@opg.com <john.s.lee@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; 'LIU Sheen -TREASURY' <sheen.liu@opg.com>; 'MCAULEY Tyler -LAWDIV' <tyler.mcauley@opg.com>; 'GRECO Clara -LAWDIV' <clara.greco@opg.com>; 'GO Matthew -TREASURY' <matthew.go@opg.com>; 'JORDA Jenny -FIN & C CTRL' <jenny.jorda@opg.com>; 'PRESTON Stuart -TREASURY' <stuart.preston@opg.com>; 'DREWNIAK John -TREASURY' <john.drewniak@opg.com>; 'HAHN PARKER Janet -TREASURY' <j.hahnparker@opg.com>; Alvi, Shariq <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; Stoddart, Jesse - Debt Capital Markets <Jesse.Stoddart@cibc.com>; Rix, Lindsey - Legal <Lindsey.Rix@cibc.com>; Hume, Tyler <Tyler.Hume@cibc.com>; Daou, Hadi <Hadi.Daou@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; Adalja, Sunil <Sunil.Adalja@cibc.com>; Persaud, Donnie - Debt Capital Markets <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; Maciel, Andrew <Andrew.Maciel@cibc.com>; Khan, Nur <nur.khan@rbccm.com>; Niehaus, Katrina <Katrina.Niehaus@gs.com>; Conner, Robbin <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; dup-anthony.martinello@ieso.ca <anthony.martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; 'RYFA Ken -TREASURY' <ken.ryfa@opg.com>; Malhi, Harman <harman.malhi@rbccm.com>; Taylor, Brent R <brent.r.taylor@rbccm.com>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea—

GS reference number below.

Thanks,

Brian

Ref: CA171221220339

From: Benaiah, Ian [mailto:ian.benaiah@rbccm.com]
Sent: Thursday, December 21, 2017 10:05 AM
Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'
Subject: Re: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Anthea,

RBC wire reference number for Lakeshore Trust is:

Lakeshore Trust - $244,274,062.50 - LVTS 65GXL6VDCTR2
Please let us know if you have any questions. Thanks. Ian

From: Persad, Nicole
Sent: Thursday, December 21, 2017 9:29 AM
To: 'YAO Anthea -FUNDMGMT'; 'Mansoori, Nina'; dup-john.s.lee@opg.com; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Benaiah, Ian; Khan, Nur; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; 'RYFA Ken - TREASURY'
Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Anthea,
CIBC wire reference numbers are as follows:
SOUND Trust - $200,000,000.00 - LVTS65GXJ078QTR2
SURE Trust - $44,274,062.50 - LVTS65GXJAPDOTR2
Thanks,
Nicole
Nicole Persad | Associate, Securitization | CIBC Capital Markets | CIBC World Markets Inc.
161 Bay Street 5th Floor, Toronto ON M5J 2S8 | Tel: 416 594-7576 | nicole.persad@cibc.com

---

From: YAO Anthea -FUNDMGMT [mailto:anthea.yao@opg.com]
Sent: Thursday, December 21, 2017 9:07 AM
To: Mansoori, Nina; dup-john.s.lee@opg.com; WONG Leslie -LAWDIV; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; GRECO Clara -LAWDIV; GO Matthew -TREASURY; JORDA Jenny -FIN & C CTRL; PRESTON Stuart -TREASURY; DREWNIAK John -TREASURY; HAHN PARKER Janet -TREASURY; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; Persad, Nicole; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard';

'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; 'Benaiah, Ian'; 'Khan, Nur'; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; RYFA Ken - TREASURY

Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Saulnier, Brett; Prado, Melissa; Dost, Mitchell

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Just to clarify that the wires below were sent.

From: YAO Anthea -FUNDMGMT

Sent: Thursday, December 21, 2017 9:03 AM

To: 'Mansoori, Nina' <nmansoori@torys.com>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen - TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>;

Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

Please see the LVTS numbers for the two wire payments below.

OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GXAOJ7ITR2

OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GX5P4FNTR2

Thanks,

Anthea

Anthea Yao | Ontario Power Generation
700 University Avenue, Suite H18 C2, Toronto, Ontario, M5G 1X6 | T416.592.5542 | F 416.592.4189 | E anthea.yao@opg.com

---

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: Wednesday, December 20, 2017 10:42 PM
To: LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; YAO Anthea -FUNDMGMT <anthea.yao@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>;

'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Importance: High
*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Dear all – all parties have now confirmed that they are signed off on all applicable transaction documentation and that their respective opinions and signature pages will be automatically released tomorrow. On that basis, we are dispensing with the scheduled 9 am closing call. The necessary wires have been set up this evening and will be initiated as soon as possible in the morning in accordance with my email below. We look forward to tomorrow's closing and receiving the confirmations requested below. Thanks,

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com

From: Mansoori, Nina
Sent: December-19-17 4:52 PM
To: 'dup-john.s.lee@opg.com' <john.s.lee@opg.com>; 'leslie.wong@opg.com' <leslie.wong@opg.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Hunter, Rosalind <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; VINER, JON <JON.VINER@blakes.com>; PRESTAGE, JA <JA.PRESTAGE@blakes.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; 'sheen.liu@opg.com' <sheen.liu@opg.com>; 'tyler.mcauley@opg.com' <tyler.mcauley@opg.com>; 'clara.greco@opg.com' <clara.greco@opg.com>; 'matthew.go@opg.com' <matthew.go@opg.com>; 'anthea.yao@opg.com' <anthea.yao@opg.com>; 'jenny.jorda@opg.com' <jenny.jorda@opg.com>; 'stuart.preston@opg.com' <stuart.preston@opg.com>; 'john.drewniak@opg.com' <john.drewniak@opg.com>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; Innes, Michael <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole'

<Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; Smith, Elliot <ESmith@osler.com>; King, Richard <rking@osler.com>; Royer, Kate <KRoyer@osler.com>; Hughes, Timothy <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; Sebastiano, Rocco <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; Sebastiano, Rocco <RSebastiano@osler.com>; Fullerton, Rick <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; Adam, Ahmad <Ahmad.Adam@bnymellon.com>; Krowles, Geralyn <Geralyn.Krowles@BNYMellon.com>; Morris, Eleonore <Eleonore.Morris@bnymellon.com>; Peter Hamilton <PHamilton@stikeman.com>; Michael Boll <Michael.Boll@ieso.ca>; Anthony Martinello (Anthony.Martinello@ieso.ca) <Anthony.Martinello@ieso.ca>; Jeannette Briggs (jeannette.briggs@ieso.ca) <jeannette.briggs@ieso.ca>; kim.marshall@ieso.ca

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>

Subject: Closing Mechanics - Fair Hydro

Importance: High

Dear all,

As you know we are closing the warehouse financing this coming Thursday, December 21 at 9 am. We have set out below the pre-closing and closing mechanics to ensure all parties know what to expect. Please let us know as soon as possible if you have any questions. Thank you.

Wednesday, December 20, 2017

- **by 10 am**, all legal counsel to deliver their client's signature pages and all signed legal opinions in escrow to Torys
- **by 10 am**, the Trust will be formed and Torys will provide the IESO with the necessary documentation to wire the carrying costs
- **by noon**, IESO will wire C$6,000,000 representing the carrying costs to the Collection Account and circulate a wire confirmation to this group
- Oslers, Stikemans and Blakes are welcome to attend the closing room at Torys from 1 pm onwards to review applicable documentation (or request that documentation by email)
- by close of business, Oslers, Stikemans, Blakes and Torys to confirm to their respective clients that the applicable documents are in satisfactory form and Oslers to confirm to lenders that all CPs to closing are satisfied (subject to OPG's funding of the subordinated debt and payment of lender fees)

Thursday, December 21, 2017

- this group will hold a call at 9 am so that each counsel can confirm release of their clients' signature pages from escrow (Torys to send a calendar invite with call-in

details)

- OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to CIBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to RBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$300,000 (for fees) to Goldman per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- Upon receipt of the tracking numbers for the two OPG wires and three BNY wires above:
    - CIBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - RBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - Goldman will transfer C$112,741,875.00 to IESO per the wire details on Schedule A of the attached global direction
- IESO to confirm to this group receipt of all wires sent to them above
- CIBC, RBC and Goldman to confirm to this group receipt of all fees wired above
- Oslers to circulate email to this group confirming closing of warehouse financing

Nina Mansoori
P. 416.865.7332

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From:	YAO Anthea -FUNDMGMT
To:	Mansoori, Nina; LEE John -TREASURY; WONG Leslie -LAWDIV; Gadi Mayman; "Hunter, Rosalind"; Malle Hanslep (MOF); "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Ronald Kwan; "Thouin, Alena (ENERGY)"; Tom McKinlay (MAG); "VINER, JON"; "PRESTAGE, JA"; Daniel Cayley (ENERGY); LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; GRECO Clara -LAWDIV; GO Matthew -TREASURY; JORDA Jenny -FIN & C CTRL; PRESTON Stuart -TREASURY; DREWNIAK John -TREASURY; HAHN PARKER Janet -TREASURY; "Alvi, Shariq"; "Innes, Michael"; "Stoddart, Jesse - Debt Capital Markets"; "Rix, Lindsey - Legal"; "Hume, Tyler"; "Daou, Hadi"; "Persad, Nicole"; "mfitzpatrick@hunton.com"; "aobrian@hunton.com"; "Smith, Elliot"; "King, Richard"; "Royer, Kate"; "Hughes, Timothy"; "Adalja, Sunil"; "Persaud, Donnie - Debt Capital Markets"; "Sebastiano, Rocco"; "Maciel, Andrew"; "Benaiah, Ian"; "Khan, Nur"; ""Niehaus, Katrina" (Katrina.Niehaus@gs.com)"; "Delaney, Brian (Brian.Delaney@gs.com)"; "Conner, Robbin"; "Milligan, Peter"; "Sebastiano, Rocco"; "Fullerton, Rick"; "Lively, Pamela"; "Adam, Ahmad"; "Krowles, Geralyn"; "Morris, Eleonore"; "Peter Hamilton"; "Michael Boll"; "Anthony Martinello (Anthony.Martinello@ieso.ca)"; "Jeannette Briggs (jeannette.briggs@ieso.ca)"; "kim.marshall@ieso.ca"; RYFA Ken -TREASURY
Cc:	Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Saulnier, Brett; Prado, Melissa; Dost, Mitchell
Subject:	RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Date:	Thursday, December 21, 2017 9:03:11 AM

All,

Please see the LVTS numbers for the two wire payments below.

OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GXAOJ7ITR2

OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GX5P4FNTR2

Thanks,

Anthea

Anthea Yao | Ontario Power Generation

700 University Avenue, Suite H18 C2, Toronto, Ontario, M5G 1X6 | T416.592.5542 | F 416.592.4189 | E anthea.yao@opg.com

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: Wednesday, December 20, 2017 10:42 PM

To: LEE John -TREASURY ; WONG Leslie -LAWDIV ; 'Mayman, Gadi (OFA)' ; 'Hunter, Rosalind' ; 'Hanslep, Malle (MOF)' ; 'ASHBOURNE, STEPHEN' ; 'Whitfield, Tobias P. (MOF)' ; 'Kandeepan, Ken (OFA)' ; 'Manning, Mike (OFA)' ; 'Kwan, Ronald (OFA)' ; 'Thouin, Alena (ENERGY)' ; 'McKinlay, Tom (MAG)' ; 'VINER, JON' ; 'PRESTAGE, JA' ; 'Cayley, Daniel (ENERGY)' ; LIU Sheen -TREASURY ; MCAULEY Tyler -LAWDIV ; GRECO Clara -LAWDIV ; GO Matthew -TREASURY ; YAO Anthea -FUNDMGMT ; JORDA Jenny -FIN & C CTRL ; PRESTON Stuart -TREASURY ; DREWNIAK John -TREASURY ; HAHN PARKER Janet -TREASURY ; 'Alvi, Shariq' ; 'Innes, Michael' ; 'Stoddart, Jesse - Debt Capital Markets' ; 'Rix, Lindsey - Legal' ; 'Hume, Tyler' ; 'Daou, Hadi' ; 'Persad, Nicole' ; 'mfitzpatrick@hunton.com' ; 'aobrian@hunton.com' ; 'Smith, Elliot' ; 'King, Richard' ; 'Royer, Kate' ; 'Hughes, Timothy' ; 'Adalja, Sunil' ; 'Persaud, Donnie - Debt Capital Markets' ; 'Sebastiano, Rocco' ; 'Maciel, Andrew' ; 'Benaiah, Ian' ; 'Khan, Nur' ; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' ; 'Delaney, Brian (Brian.Delaney@gs.com)' ; 'Conner, Robbin' ; 'Milligan, Peter' ; 'Sebastiano, Rocco' ; 'Fullerton, Rick' ; 'Lively, Pamela' ; 'Adam, Ahmad' ; 'Krowles, Geralyn' ; 'Morris, Eleonore' ; 'Peter Hamilton' ; 'Michael Boll' ; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' ; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' ; 'kim.marshall@ieso.ca' ; RYFA Ken -TREASURY

Cc: Feldman, Michael ; Ramchandani, Rima ; Emes, Aaron ; Olusoga, Yinka ; Saulnier, Brett ; Prado, Melissa ; Dost, Mitchell ; Mansoori, Nina

Subject: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Importance: High

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Dear all – all parties have now confirmed that they are signed off on all applicable transaction documentation and that their respective opinions and signature pages will be automatically released tomorrow. On that basis, we are dispensing with the scheduled 9 am closing call. The necessary wires have been set up this evening and will be initiated as soon as possible in the morning in accordance with my email below. We look forward to tomorrow's closing and receiving the confirmations requested below. Thanks,

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[na01.safelinks.protection.outlook.com]

TORYS LLP[na01.safelinks.protection.outlook.com]

From: Mansoori, Nina
Sent: December-19-17 4:52 PM
To: 'dup-john.s.lee@opg.com' <john.s.lee@opg.com>; 'leslie.wong@opg.com' <leslie.wong@opg.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Hunter, Rosalind <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; VINER, JON <JON.VINER@blakes.com>; PRESTAGE, JA <JA.PRESTAGE@blakes.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; 'sheen.liu@opg.com' <sheen.liu@opg.com>; 'tyler.mcauley@opg.com' <tyler.mcauley@opg.com>; 'clara.greco@opg.com' <clara.greco@opg.com>; 'matthew.go@opg.com' <matthew.go@opg.com>; 'anthea.yao@opg.com' <anthea.yao@opg.com>; 'jenny.jorda@opg.com' <jenny.jorda@opg.com>; 'stuart.preston@opg.com' <stuart.preston@opg.com>; 'john.drewniak@opg.com' <john.drewniak@opg.com>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; Innes, Michael <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; Smith, Elliot <ESmith@osler.com>; King, Richard <rking@osler.com>; Royer, Kate <KRoyer@osler.com>; Hughes, Timothy <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; Sebastiano, Rocco <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; Sebastiano, Rocco <RSebastiano@osler.com>; Fullerton, Rick <RFullerton@osler.com>; 'Lively, Pamela'

<Pamela.Lively@bnymellon.com>; Adam, Ahmad <Ahmad.Adam@bnymellon.com>; Krowles, Geralyn <Geralyn.Krowles@BNYMellon.com>; Morris, Eleonore <Eleonore.Morris@bnymellon.com>; Peter Hamilton <PHamilton@stikeman.com>; Michael Boll <Michael.Boll@ieso.ca>; Anthony Martinello (Anthony.Martinello@ieso.ca) <Anthony.Martinello@ieso.ca>; Jeannette Briggs (jeannette.briggs@ieso.ca) <jeannette.briggs@ieso.ca>; kim.marshall@ieso.ca
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Closing Mechanics - Fair Hydro
Importance: High

Dear all,

As you know we are closing the warehouse financing this coming Thursday, December 21 at 9 am. We have set out below the pre-closing and closing mechanics to ensure all parties know what to expect. Please let us know as soon as possible if you have any questions. Thank you.

Wednesday, December 20, 2017

- **by 10 am**, all legal counsel to deliver their client's signature pages and all signed legal opinions in escrow to Torys
- **by 10 am**, the Trust will be formed and Torys will provide the IESO with the necessary documentation to wire the carrying costs
- **by noon**, IESO will wire C$6,000,000 representing the carrying costs to the Collection Account and circulate a wire confirmation to this group
- Oslers, Stikemans and Blakes are welcome to attend the closing room at Torys from 1 pm onwards to review applicable documentation (or request that documentation by email)
- by close of business, Oslers, Stikemans, Blakes and Torys to confirm to their respective clients that the applicable documents are in satisfactory form and Oslers to confirm to lenders that all CPs to closing are satisfied (subject to OPG's funding of the subordinated debt and payment of lender fees)

Thursday, December 21, 2017

- this group will hold a call at 9 am so that each counsel can confirm release of their clients' signature pages from escrow (Torys to send a calendar invite with call-in details)
- OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to CIBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to RBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group

- BNY will wire C$300,000 (for fees) to Goldman per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- Upon receipt of the tracking numbers for the two OPG wires and three BNY wires above:
    - CIBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - RBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - Goldman will transfer C$112,741,875.00 to IESO per the wire details on Schedule A of the attached global direction
- IESO to confirm to this group receipt of all wires sent to them above
- CIBC, RBC and Goldman to confirm to this group receipt of all fees wired above
- Oslers to circulate email to this group confirming closing of warehouse financing

Nina Mansoori
P. 416.865.7332

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From:	Persad, Nicole
To:	"Saulnier, Brett"; "Delaney, Brian"; "Benaiah, Ian"; "YAO Anthea -FUNDMGMT"; "Mansoori, Nina"; dup-john.s.lee@opg.com; "WONG Leslie -LAWDIV"; Gadi Mayman; "Hunter, Rosalind"; Malle Hanslep (MOF); "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Ronald Kwan; "Thouin, Alena (ENERGY)"; Tom McKinlay (MAG); "VINER, JON"; "PRESTAGE, JA"; Daniel Cayley (ENERGY); "LIU Sheen -TREASURY"; "MCAULEY Tyler -LAWDIV"; "GRECO Clara -LAWDIV"; "GO Matthew -TREASURY"; "JORDA Jenny -FIN & C CTRL"; "PRESTON Stuart -TREASURY"; "DREWNIAK John -TREASURY"; "HAHN PARKER Janet -TREASURY"; Alvi, Shariq; "Innes, Michael"; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; "mfitzpatrick@hunton.com"; "aobrian@hunton.com"; "Smith, Elliot"; "King, Richard"; "Royer, Kate"; "Hughes, Timothy"; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; "Sebastiano, Rocco"; Maciel, Andrew; "Khan, Nur"; "Niehaus, Katrina"; "Conner, Robbin"; "Milligan, Peter"; "Sebastiano, Rocco"; "Fullerton, Rick"; "Lively, Pamela"; "Adam, Ahmad"; "Krowles, Geralyn"; "Morris, Eleonore"; "Peter Hamilton"; "Michael Boll"; dup-anthony.martinello@ieso.ca; "Jeannette Briggs (jeannette.briggs@ieso.ca)"; "kim.marshall@ieso.ca"; "RYFA Ken -TREASURY"; "Malhi, Harman"; "Taylor, Brent R"
Cc:	"Feldman, Michael"; "Ramchandani, Rima"; "Emes, Aaron"; "Olusoga, Yinka"; "Prado, Melissa"; "Dost, Mitchell"
Subject:	RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Date:	Thursday, December 21, 2017 11:17:30 AM

CIBC has received our fees.

Nicole Persad | Associate, Securitization | CIBC Capital Markets | CIBC World Markets Inc.

161 Bay Street 5th Floor, Toronto ON M5J 2S8 | Tel: 416 594-7576 | nicole.persad@cibc.com

---

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: Thursday, December 21, 2017 11:05 AM
To: Delaney, Brian; 'Benaiah, Ian'; Persad, Nicole; 'YAO Anthea -FUNDMGMT'; Mansoori, Nina; dup-john.s.lee@opg.com; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Khan, Nur; Niehaus, Katrina; Conner, Robbin; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; 'RYFA Ken -TREASURY'; Malhi, Harman; Taylor, Brent R
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

IESO has confirmed that they have received the total amount of $1,179,000,000 in the attached email. Could each of the dealers please confirm whether they have received the wires representing their fees? Once confirmed, we will be officially closed.

Thanks,

Brett

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679

From: Delaney, Brian [mailto:Brian.Delaney@gs.com]
Sent: December-21-17 10:26 AM
To: 'Benaiah, Ian' <ian.benaiah@rbccm.com>; Persad, Nicole <Nicole.Persad@cibc.com>; 'YAO Anthea -FUNDMGMT' <anthea.yao@opg.com>; Mansoori, Nina <nmansoori@torys.com>; dup-john.s.lee@opg.com <john.s.lee@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN'

<STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; 'LIU Sheen -TREASURY' <sheen.liu@opg.com>; 'MCAULEY Tyler -LAWDIV' <tyler.mcauley@opg.com>; 'GRECO Clara -LAWDIV' <clara.greco@opg.com>; 'GO Matthew -TREASURY' <matthew.go@opg.com>; 'JORDA Jenny -FIN & C CTRL' <jenny.jorda@opg.com>; 'PRESTON Stuart -TREASURY' <stuart.preston@opg.com>; 'DREWNIAK John -TREASURY' <john.drewniak@opg.com>; 'HAHN PARKER Janet -TREASURY' <j.hahnparker@opg.com>; Alvi, Shariq <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; Stoddart, Jesse - Debt Capital Markets <Jesse.Stoddart@cibc.com>; Rix, Lindsey - Legal <Lindsey.Rix@cibc.com>; Hume, Tyler <Tyler.Hume@cibc.com>; Daou, Hadi <Hadi.Daou@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; Adalja, Sunil <Sunil.Adalja@cibc.com>; Persaud, Donnie - Debt Capital Markets <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; Maciel, Andrew <Andrew.Maciel@cibc.com>; Khan, Nur <nur.khan@rbccm.com>; Niehaus, Katrina <Katrina.Niehaus@gs.com>; Conner, Robbin <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; dup-anthony.martinello@ieso.ca <anthony.martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; 'RYFA Ken -TREASURY' <ken.ryfa@opg.com>; Malhi, Harman <harman.malhi@rbccm.com>; Taylor, Brent R <brent.r.taylor@rbccm.com>

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea—

GS reference number below.

Thanks,

Brian

Ref: CA171221220339

From: Benaiah, Ian [mailto:ian.benaiah@rbccm.com]

Sent: Thursday, December 21, 2017 10:05 AM

Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'

Subject: Re: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea,

RBC wire reference number for Lakeshore Trust is:

Lakeshore Trust - $244,274,062.50 - LVTS 65GXL6VDCTR2

Please let us know if you have any questions. Thanks. Ian

From: Persad, Nicole
Sent: Thursday, December 21, 2017 9:29 AM
To: 'YAO Anthea -FUNDMGMT'; 'Mansoori, Nina'; dup-john.s.lee@opg.com; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Benaiah, Ian; Khan, Nur; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; 'RYFA Ken - TREASURY'
Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea,

CIBC wire reference numbers are as follows:

SOUND Trust - $200,000,000.00 - LVTS65GXJ078QTR2

SURE Trust - $44,274,062.50 - LVTS65GXJAPDOTR2

Thanks,

Nicole

Nicole Persad | Associate, Securitization | CIBC Capital Markets | CIBC World Markets Inc.

161 Bay Street 5th Floor, Toronto ON M5J 2S8 | Tel: 416 594-7576 | nicole.persad@cibc.com

---

From: YAO Anthea -FUNDMGMT [mailto:anthea.yao@opg.com]
Sent: Thursday, December 21, 2017 9:07 AM
To: Mansoori, Nina; dup-john.s.lee@opg.com; WONG Leslie -LAWDIV; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; GRECO Clara -LAWDIV; GO Matthew -TREASURY; JORDA Jenny -FIN & C CTRL; PRESTON Stuart -TREASURY; DREWNIAK John -TREASURY; HAHN PARKER Janet -TREASURY; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; Persad, Nicole; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; 'Benaiah, Ian'; 'Khan, Nur'; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; RYFA Ken - TREASURY
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Saulnier, Brett; Prado, Melissa; Dost, Mitchell

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Just to clarify that the wires below were sent.

From: YAO Anthea -FUNDMGMT
Sent: Thursday, December 21, 2017 9:03 AM
To: 'Mansoori, Nina' <nmansoori@torys.com>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

Please see the LVTS numbers for the two wire payments below.

OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GXAOJ7ITR2

OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GX5P4FNTR2

Thanks,

Anthea

Anthea Yao | Ontario Power Generation
700 University Avenue, Suite H18 C2, Toronto, Ontario, M5G 1X6 | T416.592.5542 | F 416.592.4189 | E anthea.yao@opg.com

---

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: Wednesday, December 20, 2017 10:42 PM
To: LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; YAO Anthea -FUNDMGMT <anthea.yao@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>;

Mansoori, Nina <nmansoori@torys.com>
Subject: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Importance: High
*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Dear all – all parties have now confirmed that they are signed off on all applicable transaction documentation and that their respective opinions and signature pages will be automatically released tomorrow. On that basis, we are dispensing with the scheduled 9 am closing call. The necessary wires have been set up this evening and will be initiated as soon as possible in the morning in accordance with my email below. We look forward to tomorrow's closing and receiving the confirmations requested below. Thanks,

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com



From: Mansoori, Nina
Sent: December-19-17 4:52 PM
To: 'dup-john.s.lee@opg.com' <john.s.lee@opg.com>; 'leslie.wong@opg.com' <leslie.wong@opg.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Hunter, Rosalind <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; VINER, JON <JON.VINER@blakes.com>; PRESTAGE, JA <JA.PRESTAGE@blakes.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; 'sheen.liu@opg.com' <sheen.liu@opg.com>; 'tyler.mcauley@opg.com' <tyler.mcauley@opg.com>; 'clara.greco@opg.com' <clara.greco@opg.com>; 'matthew.go@opg.com' <matthew.go@opg.com>; 'anthea.yao@opg.com' <anthea.yao@opg.com>; 'jenny.jorda@opg.com' <jenny.jorda@opg.com>; 'stuart.preston@opg.com' <stuart.preston@opg.com>; 'john.drewniak@opg.com' <john.drewniak@opg.com>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; Innes, Michael <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; Smith, Elliot <ESmith@osler.com>; King, Richard <rking@osler.com>; Royer, Kate <KRoyer@osler.com>; Hughes, Timothy <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; Sebastiano, Rocco <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>;

'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; Sebastiano, Rocco <RSebastiano@osler.com>; Fullerton, Rick <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; Adam, Ahmad <Ahmad.Adam@bnymellon.com>; Krowles, Geralyn <Geralyn.Krowles@BNYMellon.com>; Morris, Eleonore <Eleonore.Morris@bnymellon.com>; Peter Hamilton <PHamilton@stikeman.com>; Michael Boll <Michael.Boll@ieso.ca>; Anthony Martinello (Anthony.Martinello@ieso.ca) <Anthony.Martinello@ieso.ca>; Jeannette Briggs (jeannette.briggs@ieso.ca) <jeannette.briggs@ieso.ca>; kim.marshall@ieso.ca
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Closing Mechanics - Fair Hydro
Importance: High

Dear all,

As you know we are closing the warehouse financing this coming Thursday, December 21 at 9 am. We have set out below the pre-closing and closing mechanics to ensure all parties know what to expect. Please let us know as soon as possible if you have any questions. Thank you.

Wednesday, December 20, 2017

- **by 10 am**, all legal counsel to deliver their client's signature pages and all signed legal opinions in escrow to Torys
- **by 10 am**, the Trust will be formed and Torys will provide the IESO with the necessary documentation to wire the carrying costs
- **by noon**, IESO will wire C$6,000,000 representing the carrying costs to the Collection Account and circulate a wire confirmation to this group
- Oslers, Stikemans and Blakes are welcome to attend the closing room at Torys from 1 pm onwards to review applicable documentation (or request that documentation by email)
- by close of business, Oslers, Stikemans, Blakes and Torys to confirm to their respective clients that the applicable documents are in satisfactory form and Oslers to confirm to lenders that all CPs to closing are satisfied (subject to OPG's funding of the subordinated debt and payment of lender fees)

Thursday, December 21, 2017

- this group will hold a call at 9 am so that each counsel can confirm release of their clients' signature pages from escrow (Torys to send a calendar invite with call-in details)
- OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to CIBC per the wire details on Schedule B of the

attached global direction and circulate a wire confirmation to this group

- BNY will wire C$650,000 (for fees) to RBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$300,000 (for fees) to Goldman per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- Upon receipt of the tracking numbers for the two OPG wires and three BNY wires above:
    - CIBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - RBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - Goldman will transfer C$112,741,875.00 to IESO per the wire details on Schedule A of the attached global direction
- IESO to confirm to this group receipt of all wires sent to them above
- CIBC, RBC and Goldman to confirm to this group receipt of all fees wired above
- Oslers to circulate email to this group confirming closing of warehouse financing

Nina Mansoori
P. 416.865.7332

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From: Lively, Pamela
To: Saulnier, Brett; Delaney, Brian; "Benaiah, Ian"; Persad, Nicole; "YAO Anthea -FUNDMGMT"; Mansoori, Nina; dup-john.s.lee@opg.com; "WONG Leslie -LAWDIV"; Gadi Mayman; "Hunter, Rosalind"; Malle Hanslep (MOF); "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Ronald Kwan; "Thouin, Alena (ENERGY)"; Tom McKinlay (MAG); "VINER, JON"; "PRESTAGE, JA"; Daniel Cayley (ENERGY); "LIU Sheen -TREASURY"; "MCAULEY Tyler -LAWDIV"; "GRECO Clara -LAWDIV"; "GO Matthew -TREASURY"; "JORDA Jenny -FIN & C CTRL"; "PRESTON Stuart -TREASURY"; "DREWNIAK John -TREASURY"; "HAHN PARKER Janet -TREASURY"; Alvi, Shariq; "Innes, Michael"; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; "mfitzpatrick@hunton.com"; "aobrian@hunton.com"; "Smith, Elliot"; "King, Richard"; "Royer, Kate"; "Hughes, Timothy"; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; "Sebastiano, Rocco"; Maciel, Andrew; Khan, Nur; Niehaus, Katrina; Conner, Robbin; "Milligan, Peter"; "Sebastiano, Rocco"; "Fullerton, Rick"; Adam, Ahmad; Krowles, Geralyn; Morris, Eleonore; "Peter Hamilton"; "Michael Boll"; dup-anthony.martinello@ieso.ca; "Jeannette Briggs (jeannette.briggs@ieso.ca)"; "kim.marshall@ieso.ca"; "RYFA Ken -TREASURY"; Malhi, Harman; Taylor, Brent R
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Date: Thursday, December 21, 2017 11:17:06 AM

Wire confirms below:

300,000.00 CADGoldman Sachs Bank USAWW17122040837823 - 171221028670000 - LVTS65GYIT3RITR2
650,000.00 CADGlobal Loans AdministrationWW17122040837867 - 171221028797000 - LVTS65GYJM1JBTR2
650,000.00 CADCIBC Securitization CDN AccountWW17122040837658 - 171221028753000 - LVTS65GYJ8BNRTR2

Regards,

Pamela Lively
Client Service Manager
BNY Trust Company of Canada
1 York Street, 6th Floor
Toronto, ON
M5J 0B6

Tel - 416-933-8532 / Fax - 416-360-1711
pamela.lively@bnymellon.com / www.bnymellon.com
Your feedback is important to us. If you'd like to provide your feedback, please click on the client feedback button below.

-----Original Message-----
From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: Thursday, December 21, 2017 11:05 AM
To: Delaney, Brian; 'Benaiah, Ian'; Persad, Nicole; 'YAO Anthea -FUNDMGMT'; Mansoori, Nina; dup-john.s.lee@opg.com; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Khan, Nur; Niehaus, Katrina; Conner, Robbin; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; Lively, Pamela; Adam, Ahmad; Krowles, Geralyn; Morris, Eleonore; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; 'RYFA Ken -TREASURY'; Malhi, Harman; Taylor, Brent R
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

IESO has confirmed that they have received the total amount of $1,179,000,000 in the attached email. Could each of the dealers please confirm whether they have received the wires representing their fees? Once confirmed, we will be officially closed.

Thanks,

Brett

Brett Saulnier

From: Delaney, Brian [mailto:Brian.Delaney@gs.com]
Sent: December-21-17 10:26 AM
To: 'Benaiah, Ian' <ian.benaiah@rbccm.com>; Persad, Nicole <Nicole.Persad@cibc.com>; 'YAO Anthea -FUNDMGMT' <anthea.yao@opg.com>; Mansoori, Nina <nmansoori@torys.com>; dup-john.s.lee@opg.com <john.s.lee@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; 'LIU Sheen -TREASURY' <sheen.liu@opg.com>; 'MCAULEY Tyler -LAWDIV' <tyler.mcauley@opg.com>; 'GRECO Clara -LAWDIV' <clara.greco@opg.com>; 'GO Matthew -TREASURY' <matthew.go@opg.com>; 'JORDA Jenny -

FIN & C CTRL' <jenny.jorda@opg.com>; 'PRESTON Stuart -TREASURY' <stuart.preston@opg.com>; 'DREWNIAK John -TREASURY' <john.drewniak@opg.com>; 'HAHN PARKER Janet -TREASURY' <j.hahnparker@opg.com>; Alvi, Shariq <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; Stoddart, Jesse - Debt Capital Markets <Jesse.Stoddart@cibc.com>; Rix, Lindsey - Legal <Lindsey.Rix@cibc.com>; Hume, Tyler <Tyler.Hume@cibc.com>; Daou, Hadi <Hadi.Daou@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; Adalja, Sunil <Sunil.Adalja@cibc.com>; Persaud, Donnie - Debt Capital Markets <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; Maciel, Andrew <Andrew.Maciel@cibc.com>; Khan, Nur <nur.khan@rbccm.com>; Niehaus, Katrina <Katrina.Niehaus@gs.com>; Conner, Robbin <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; dup-anthony.martinello@ieso.ca <anthony.martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; 'RYFA Ken -TREASURY' <ken.ryfa@opg.com>; Malhi, Harman <harman.malhi@rbccm.com>; Taylor, Brent R <brent.r.taylor@rbccm.com>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea—

GS reference number below.

Thanks,

Brian

Ref: CA171221220339

From: Benaiah, Ian [mailto:ian.benaiah@rbccm.com]
Sent: Thursday, December 21, 2017 10:05 AM
Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'
Subject: Re: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea,

RBC wire reference number for Lakeshore Trust is:

Lakeshore Trust - $244,274,062.50 - LVTS 65GXL6VDCTR2

Please let us know if you have any questions. Thanks. Ian

From: Persad, Nicole

Sent: Thursday, December 21, 2017 9:29 AM

To: 'YAO Anthea -FUNDMGMT'; 'Mansoori, Nina'; dup-john.s.lee@opg.com<mailto:dup-john.s.lee@opg.com>; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Benaiah, Ian; Khan, Nur; "Niehaus, Katrina' (Katrina.Niehaus@gs.com<mailto:Katrina.Niehaus@gs.com>)'; 'Delaney, Brian (Brian.Delaney@gs.com<mailto:Brian.Delaney@gs.com>)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca<mailto:dup-anthony.martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca<mailto:jeannette.briggs@ieso.ca>)'; 'kim.marshall@ieso.ca'; 'RYFA Ken -TREASURY'

Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea,

CIBC wire reference numbers are as follows:

SOUND Trust - $200,000,000.00 - LVTS65GXJ078QTR2

SURE Trust - $44,274,062.50 - LVTS65GXJAPDOTR2

Thanks,

Nicole

Nicole Persad | Associate, Securitization | CIBC Capital Markets | CIBC World Markets Inc.

161 Bay Street 5th Floor, Toronto ON M5J 2S8 | Tel: 416 594-7576 | nicole.persad@cibc.com<mailto:nicole.persad@cibc.com>

From: YAO Anthea -FUNDMGMT [mailto:anthea.yao@opg.com]
Sent: Thursday, December 21, 2017 9:07 AM
To: Mansoori, Nina; dup-john.s.lee@opg.com<mailto:dup-john.s.lee@opg.com>; WONG Leslie -LAWDIV; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; GRECO Clara -LAWDIV; GO Matthew -TREASURY; JORDA Jenny -FIN & C CTRL; PRESTON Stuart -TREASURY; DREWNIAK John -TREASURY; HAHN PARKER Janet -TREASURY; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; Persad, Nicole; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; 'Benaiah, Ian'; 'Khan, Nur'; "Niehaus, Katrina' (Katrina.Niehaus@gs.com<mailto:Katrina.Niehaus@gs.com>)'; 'Delaney, Brian (Brian.Delaney@gs.com<mailto:Brian.Delaney@gs.com>)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca<mailto:dup-anthony.martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca<mailto:jeannette.briggs@ieso.ca>)'; 'kim.marshall@ieso.ca'; RYFA Ken -TREASURY
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Saulnier, Brett; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Just to clarify that the wires below were sent.

From: YAO Anthea -FUNDMGMT
Sent: Thursday, December 21, 2017 9:03 AM
To: 'Mansoori, Nina' <nmansoori@torys.com<mailto:nmansoori@torys.com>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>; 'Hunter, Rosalind' <RHunter@osler.com<mailto:RHunter@osler.com>>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>; 'VINER, JON' <JON.VINER@blakes.com<mailto:JON.VINER@blakes.com>>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com<mailto:JA.PRESTAGE@blakes.com>>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca<mailto:Daniel.Cayley@ontario.ca>>; LIU Sheen -TREASURY <sheen.liu@opg.com<mailto:sheen.liu@opg.com>>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com<mailto:tyler.mcauley@opg.com>>; GRECO Clara -LAWDIV <clara.greco@opg.com<mailto:clara.greco@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com<mailto:jenny.jorda@opg.com>>; PRESTON Stuart -TREASURY <stuart.preston@opg.com<mailto:stuart.preston@opg.com>>; DREWNIAK John -TREASURY <john.drewniak@opg.com<mailto:john.drewniak@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com<mailto:Shariq.Alvi@cibc.com>>; 'Innes, Michael' <MInnes@osler.com<mailto:MInnes@osler.com>>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com<mailto:Jesse.Stoddart@cibc.com>>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com<mailto:Lindsey.Rix@cibc.com>>; 'Hume, Tyler' <Tyler.Hume@cibc.com<mailto:Tyler.Hume@cibc.com>>; 'Daou, Hadi' <Hadi.Daou@cibc.com<mailto:Hadi.Daou@cibc.com>>; 'Persad, Nicole' <Nicole.Persad@cibc.com<mailto:Nicole.Persad@cibc.com>>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com<mailto:mfitzpatrick@hunton.com>>; 'aobrian@hunton.com' <aobrian@hunton.com<mailto:aobrian@hunton.com>>; 'Smith, Elliot' <ESmith@osler.com<mailto:ESmith@osler.com>>; 'King, Richard' <rking@osler.com<mailto:rking@osler.com>>; 'Royer, Kate' <KRoyer@osler.com<mailto:KRoyer@osler.com>>; 'Hughes, Timothy' <THughes@osler.com<mailto:THughes@osler.com>>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com<mailto:Sunil.Adalja@cibc.com>>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com<mailto:Donnie.Persaud@cibc.com>>; 'Sebastiano, Rocco' <RSebastiano@osler.com<mailto:RSebastiano@osler.com>>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com<mailto:Andrew.Maciel@cibc.com>>; 'Benaiah, Ian' <ian.benaiah@rbccm.com<mailto:ian.benaiah@rbccm.com>>; 'Khan, Nur' <nur.khan@rbccm.com<mailto:nur.khan@rbccm.com>>; "Niehaus, Katrina' (Katrina.Niehaus@gs.com<mailto:Katrina.Niehaus@gs.com>)'

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Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Emes, Aaron <aemes@torys.com<mailto:aemes@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; Prado, Melissa <mprado@torys.com<mailto:mprado@torys.com>>; Dost, Mitchell <mdost@torys.com<mailto:mdost@torys.com>>
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

Please see the LVTS numbers for the two wire payments below.

OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GXAOJ7ITR2

OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GX5P4FNTR2

Thanks,

Anthea

Anthea Yao | Ontario Power Generation
700 University Avenue, Suite H18 C2, Toronto, Ontario, M5G 1X6 | T416.592.5542 | F 416.592.4189 | E anthea.yao@opg.com<mailto:anthea.yao@opg.com>

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: Wednesday, December 20, 2017 10:42 PM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>; 'Hunter, Rosalind' <RHunter@osler.com<mailto:RHunter@osler.com>>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>; 'VINER, JON' <JON.VINER@blakes.com<mailto:JON.VINER@blakes.com>>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com<mailto:JA.PRESTAGE@blakes.com>>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca<mailto:Daniel.Cayley@ontario.ca>>; LIU Sheen -TREASURY <sheen.liu@opg.com<mailto:sheen.liu@opg.com>>; MCAULEY Tyler - LAWDIV <tyler.mcauley@opg.com<mailto:tyler.mcauley@opg.com>>; GRECO Clara -LAWDIV <clara.greco@opg.com<mailto:clara.greco@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; YAO Anthea -FUNDMGMT <anthea.yao@opg.com<mailto:anthea.yao@opg.com>>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com<mailto:jenny.jorda@opg.com>>; PRESTON Stuart - TREASURY <stuart.preston@opg.com<mailto:stuart.preston@opg.com>>; DREWNIAK John -TREASURY <john.drewniak@opg.com<mailto:john.drewniak@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com<mailto:Shariq.Alvi@cibc.com>>; 'Innes, Michael' <MInnes@osler.com<mailto:MInnes@osler.com>>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com<mailto:Jesse.Stoddart@cibc.com>>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com<mailto:Lindsey.Rix@cibc.com>>; 'Hume, Tyler' <Tyler.Hume@cibc.com<mailto:Tyler.Hume@cibc.com>>; 'Daou, Hadi' <Hadi.Daou@cibc.com<mailto:Hadi.Daou@cibc.com>>; 'Persad, Nicole' <Nicole.Persad@cibc.com<mailto:Nicole.Persad@cibc.com>>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com<mailto:mfitzpatrick@hunton.com>>; 'aobrian@hunton.com' <aobrian@hunton.com<mailto:aobrian@hunton.com>>; 'Smith, Elliot' <ESmith@osler.com<mailto:ESmith@osler.com>>; 'King, Richard' <rking@osler.com<mailto:rking@osler.com>>; 'Royer, Kate' <KRoyer@osler.com<mailto:KRoyer@osler.com>>; 'Hughes, Timothy' <THughes@osler.com<mailto:THughes@osler.com>>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com<mailto:Sunil.Adalja@cibc.com>>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com<mailto:Donnie.Persaud@cibc.com>>; 'Sebastiano, Rocco' <RSebastiano@osler.com<mailto:RSebastiano@osler.com>>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com<mailto:Andrew.Maciel@cibc.com>>; 'Benaiah, Ian' <ian.benaiah@rbccm.com<mailto:ian.benaiah@rbccm.com>>; 'Khan, Nur' <nur.khan@rbccm.com<mailto:nur.khan@rbccm.com>>; "Niehaus, Katrina' (Katrina.Niehaus@gs.com<mailto:Katrina.Niehaus@gs.com>)' <Katrina.Niehaus@gs.com<mailto:Katrina.Niehaus@gs.com>>; 'Delaney, Brian (Brian.Delaney@gs.com<mailto:Brian.Delaney@gs.com>)' <Brian.Delaney@gs.com<mailto:Brian.Delaney@gs.com>>; 'Conner, Robbin' <Robbin.Conner@gs.com<mailto:Robbin.Conner@gs.com>>; 'Milligan, Peter' <PMilligan@osler.com<mailto:PMilligan@osler.com>>; 'Sebastiano, Rocco' <RSebastiano@osler.com<mailto:RSebastiano@osler.com>>; 'Fullerton, Rick' <RFullerton@osler.com<mailto:RFullerton@osler.com>>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com<mailto:Pamela.Lively@bnymellon.com>>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com<mailto:Ahmad.Adam@bnymellon.com>>; 'Krowles, Geralyn'

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Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Emes, Aaron <aemes@torys.com<mailto:aemes@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; Prado, Melissa <mprado@torys.com<mailto:mprado@torys.com>>; Dost, Mitchell <mdost@torys.com<mailto:mdost@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>
Subject: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Importance: High

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

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Dear all – all parties have now confirmed that they are signed off on all applicable transaction documentation and that their respective opinions and signature pages will be automatically released tomorrow. On that basis, we are dispensing with the scheduled 9 am closing call. The necessary wires have been set up this evening and will be initiated as soon as possible in the morning in accordance with my email below. We look forward to tomorrow's closing and receiving the confirmations requested below. Thanks,

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

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<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttp-253A-252F-252Fwww.torys.com-26data-3D02-257C01-257Canthea.yao-2540opg.com-257C1c22586701cd4be543ec08d54824e5d0-257C962f21cf93ea449f99bf402e2b2987b2-257C0-257C0-257C636494245672117296-26sdata-3DZ-252FMlJKhlO9U6Qh9Id4XvtEiL6-252BzTq3NCbWxs9DDbOss-253D-26reserved-3D0&d=DwMGaQ&c=7563p3e2zaQw0AB1wrFVgyagb2IE5rTZOYPxLxfZlX4&r=2HAvUsPnf2vHnZFIky6tdbOaMgApkXla1aktZfzSfP8&m=z8I57ruPvBgRXm0wj-jB18AFF3BDHZWHKEVhcaymfaU&s=S3yfp48C2mkuW14nNRftS7TpBRBXV-qTeU3YNzG2t5k&e=>

From: Mansoori, Nina
Sent: December-19-17 4:52 PM
To: 'dup-john.s.lee@opg.com' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; 'leslie.wong@opg.com' <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>; Hunter, Rosalind <RHunter@osler.com<mailto:RHunter@osler.com>>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca<mailto:Tom.McKinlay@ontario.ca>>; VINER, JON <JON.VINER@blakes.com<mailto:JON.VINER@blakes.com>>; PRESTAGE, JA <JA.PRESTAGE@blakes.com<mailto:JA.PRESTAGE@blakes.com>>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca<mailto:Daniel.Cayley@ontario.ca>>; 'sheen.liu@opg.com' <sheen.liu@opg.com<mailto:sheen.liu@opg.com>>; 'tyler.mcauley@opg.com' <tyler.mcauley@opg.com<mailto:tyler.mcauley@opg.com>>; 'clara.greco@opg.com' <clara.greco@opg.com<mailto:clara.greco@opg.com>>; 'matthew.go@opg.com' <matthew.go@opg.com<mailto:matthew.go@opg.com>>; 'anthea.yao@opg.com' <anthea.yao@opg.com<mailto:anthea.yao@opg.com>>; 'jenny.jorda@opg.com' <jenny.jorda@opg.com<mailto:jenny.jorda@opg.com>>; 'stuart.preston@opg.com' <stuart.preston@opg.com<mailto:stuart.preston@opg.com>>; 'john.drewniak@opg.com' <john.drewniak@opg.com<mailto:john.drewniak@opg.com>>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com<mailto:Shariq.Alvi@cibc.com>>; Innes, Michael <MInnes@osler.com<mailto:MInnes@osler.com>>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com<mailto:Jesse.Stoddart@cibc.com>>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com<mailto:Lindsey.Rix@cibc.com>>; 'Hume, Tyler' <Tyler.Hume@cibc.com<mailto:Tyler.Hume@cibc.com>>; 'Daou, Hadi' <Hadi.Daou@cibc.com<mailto:Hadi.Daou@cibc.com>>; 'Persad, Nicole' <Nicole.Persad@cibc.com<mailto:Nicole.Persad@cibc.com>>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com<mailto:mfitzpatrick@hunton.com>>; 'aobrian@hunton.com' <aobrian@hunton.com<mailto:aobrian@hunton.com>>; Smith, Elliot <ESmith@osler.com<mailto:ESmith@osler.com>>; King, Richard <rking@osler.com<mailto:rking@osler.com>>; Royer, Kate <KRoyer@osler.com<mailto:KRoyer@osler.com>>; Hughes, Timothy <THughes@osler.com<mailto:THughes@osler.com>>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com<mailto:Sunil.Adalja@cibc.com>>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com<mailto:Donnie.Persaud@cibc.com>>; Sebastiano, Rocco <RSebastiano@osler.com<mailto:RSebastiano@osler.com>>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com<mailto:Andrew.Maciel@cibc.com>>; 'Benaiah, Ian' <ian.benaiah@rbccm.com<mailto:ian.benaiah@rbccm.com>>; 'Khan, Nur' <nur.khan@rbccm.com<mailto:nur.khan@rbccm.com>>; "Niehaus, Katrina' (Katrina.Niehaus@gs.com<mailto:Katrina.Niehaus@gs.com>)' <Katrina.Niehaus@gs.com<mailto:Katrina.Niehaus@gs.com>>; 'Delaney, Brian (Brian.Delaney@gs.com<mailto:Brian.Delaney@gs.com>)' <Brian.Delaney@gs.com<mailto:Brian.Delaney@gs.com>>; 'Conner, Robbin' <Robbin.Conner@gs.com<mailto:Robbin.Conner@gs.com>>; 'Milligan, Peter' <PMilligan@osler.com<mailto:PMilligan@osler.com>>; Sebastiano, Rocco <RSebastiano@osler.com<mailto:RSebastiano@osler.com>>; Fullerton, Rick

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Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Emes, Aaron <aemes@torys.com<mailto:aemes@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; Prado, Melissa <mprado@torys.com<mailto:mprado@torys.com>>; Dost, Mitchell <mdost@torys.com<mailto:mdost@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>
Subject: Closing Mechanics - Fair Hydro
Importance: High

Dear all,

As you know we are closing the warehouse financing this coming Thursday, December 21 at 9 am. We have set out below the pre-closing and closing mechanics to ensure all parties know what to expect. Please let us know as soon as possible if you have any questions. Thank you.

Wednesday, December 20, 2017

- by 10 am, all legal counsel to deliver their client's signature pages and all signed legal opinions in escrow to Torys
- by 10 am, the Trust will be formed and Torys will provide the IESO with the necessary documentation to wire the carrying costs
- by noon, IESO will wire C$6,000,000 representing the carrying costs to the Collection Account and circulate a wire confirmation to this group
- Oslers, Stikemans and Blakes are welcome to attend the closing room at Torys from 1 pm onwards to review applicable documentation (or request that documentation by email)
- by close of business, Oslers, Stikemans, Blakes and Torys to confirm to their respective clients that the applicable documents are in satisfactory form and Oslers to confirm to lenders that all CPs to closing are satisfied (subject to OPG's funding of the subordinated debt and payment of lender fees)

Thursday, December 21, 2017

- this group will hold a call at 9 am so that each counsel can confirm release of their clients' signature pages from escrow (Torys to send a calendar invite with call-in details)
- OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to CIBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to RBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$300,000 (for fees) to Goldman per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- Upon receipt of the tracking numbers for the two OPG wires and three BNY wires above:
- CIBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
- RBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
- Goldman will transfer C$112,741,875.00 to IESO per the wire details on Schedule A of the attached global direction
- IESO to confirm to this group receipt of all wires sent to them above
- CIBC, RBC and Goldman to confirm to this group receipt of all fees wired above
- Oslers to circulate email to this group confirming closing of warehouse financing

Nina Mansoori

P. 416.865.7332

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xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=93-c3a4wLK42l4f3TfVY7k90PcSI--3-C7vcDF8Ugi8&s=NyRDQbai0IYjZveM2Kt4R_0IxsrsIb0ZF1NixlO5ldQ&e= for certain disclosures relating to European legal entities.

From: Lively, Pamela
To: Saulnier, Brett; Delaney, Brian; "Benaiah, Ian"; Persad, Nicole; "YAO Anthea -FUNDMGMT"; Mansoori, Nina; dup-john.s.lee@opg.com; "WONG Leslie -LAWDIV"; Gadi Mayman; "Hunter, Rosalind"; Malle Hanslep (MOF); "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Ronald Kwan; "Thouin, Alena (ENERGY)"; Tom McKinlay (MAG); "VINER, JON"; "PRESTAGE, JA"; Daniel Cayley (ENERGY); "LIU Sheen -TREASURY"; "MCAULEY Tyler -LAWDIV"; "GRECO Clara -LAWDIV"; "GO Matthew -TREASURY"; "JORDA Jenny -FIN & C CTRL"; "PRESTON Stuart -TREASURY"; "DREWNIAK John -TREASURY"; "HAHN PARKER Janet -TREASURY"; Alvi, Shariq; "Innes, Michael"; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; "mfitzpatrick@hunton.com"; "aobrian@hunton.com"; "Smith, Elliot"; "King, Richard"; "Royer, Kate"; "Hughes, Timothy"; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; "Sebastiano, Rocco"; Maciel, Andrew; Khan, Nur; Niehaus, Katrina; Conner, Robbin; "Milligan, Peter"; "Sebastiano, Rocco"; "Fullerton, Rick"; Adam, Ahmad; Krowles, Geralyn; Morris, Eleonore; "Peter Hamilton"; "Michael Boll"; dup-anthony.martinello@ieso.ca; "Jeannette Briggs (jeannette.briggs@ieso.ca)"; "kim.marshall@ieso.ca"; "RYFA Ken -TREASURY"; Malhi, Harman; Taylor, Brent R
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Date: Thursday, December 21, 2017 11:11:09 AM
Attachments: image005.png

Wire confirms below:

300,000.00	CAD	Goldman Sachs Bank USA	WW17122040837823 - 171221028670000 - LVTS65GYIT3RITR2
650,000.00	CAD	Global Loans Administration	WW17122040837867 - 171221028797000 - LVTS65GYJM1JBTR2
650,000.00	CAD	CIBC Securitization CDN Account	WW17122040837658 - 171221028753000 - LVTS65GYJ8BNRTR2

Regards,
Pamela Lively
Client Service Manager
BNY Trust Company of Canada
1 York Street, 6th Floor
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M5J 0B6

Tel - 416-933-8532 / Fax - 416-360-1711
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From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: Thursday, December 21, 2017 11:05 AM
To: Delaney, Brian; 'Benaiah, Ian'; Persad, Nicole; 'YAO Anthea -FUNDMGMT'; Mansoori, Nina; dup-john.s.lee@opg.com; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Khan, Nur; Niehaus, Katrina; Conner, Robbin; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; Lively, Pamela; Adam, Ahmad; Krowles, Geralyn; Morris, Eleonore; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; 'RYFA Ken -TREASURY'; Malhi, Harman; Taylor, Brent R
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

IESO has confirmed that they have received the total amount of $1,179,000,000 in the attached email. Could each of the dealers please confirm whether they have received the wires representing their fees? Once confirmed, we will be officially closed.

Thanks,

Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679

From: Delaney, Brian [mailto:Brian.Delaney@gs.com]
Sent: December-21-17 10:26 AM
To: 'Benaiah, Ian' <ian.benaiah@rbccm.com>; Persad, Nicole <Nicole.Persad@cibc.com>; 'YAO Anthea -FUNDMGMT' <anthea.yao@opg.com>; Mansoori, Nina <nmansoori@torys.com>; dup-john.s.lee@opg.com <john.s.lee@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)'

<Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; 'LIU Sheen -TREASURY' <sheen.liu@opg.com>; 'MCAULEY Tyler -LAWDIV' <tyler.mcauley@opg.com>; 'GRECO Clara -LAWDIV' <clara.greco@opg.com>; 'GO Matthew -TREASURY' <matthew.go@opg.com>; 'JORDA Jenny -FIN & C CTRL' <jenny.jorda@opg.com>; 'PRESTON Stuart -TREASURY' <stuart.preston@opg.com>; 'DREWNIAK John -TREASURY' <john.drewniak@opg.com>; 'HAHN PARKER Janet -TREASURY' <j.hahnparker@opg.com>; Alvi, Shariq <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; Stoddart, Jesse - Debt Capital Markets <Jesse.Stoddart@cibc.com>; Rix, Lindsey - Legal <Lindsey.Rix@cibc.com>; Hume, Tyler <Tyler.Hume@cibc.com>; Daou, Hadi <Hadi.Daou@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; Adalja, Sunil <Sunil.Adalja@cibc.com>; Persaud, Donnie - Debt Capital Markets <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; Maciel, Andrew <Andrew.Maciel@cibc.com>; Khan, Nur <nur.khan@rbccm.com>; Niehaus, Katrina <Katrina.Niehaus@gs.com>; Conner, Robbin <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; dup-anthony.martinello@ieso.ca <anthony.martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; 'RYFA Ken -TREASURY' <ken.ryfa@opg.com>; Malhi, Harman <harman.malhi@rbccm.com>; Taylor, Brent R <brent.r.taylor@rbccm.com>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea—

GS reference number below.

Thanks,

Brian

Ref: CA171221220339

From: Benaiah, Ian [mailto:ian.benaiah@rbccm.com]
Sent: Thursday, December 21, 2017 10:05 AM
Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'
Subject: Re: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea,

RBC wire reference number for Lakeshore Trust is:

Lakeshore Trust - $244,274,062.50 - LVTS 65GXL6VDCTR2

Please let us know if you have any questions. Thanks. Ian

From: Persad, Nicole
Sent: Thursday, December 21, 2017 9:29 AM
To: 'YAO Anthea -FUNDMGMT'; 'Mansoori, Nina'; dup-john.s.lee@opg.com; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Benaiah, Ian; Khan, Nur; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; 'RYFA Ken -TREASURY'
Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea,

CIBC wire reference numbers are as follows:

SOUND Trust - $200,000,000.00 - LVTS65GXJ078QTR2

SURE Trust - $44,274,062.50 - LVTS65GXJAPDOTR2

Thanks,

Nicole

Nicole Persad | Associate, Securitization | CIBC Capital Markets | CIBC World Markets Inc.

161 Bay Street 5th Floor, Toronto ON M5J 2S8 | Tel: 416 594-7576 | nicole.persad@cibc.com

---

From: YAO Anthea -FUNDMGMT [mailto:anthea.yao@opg.com]

Sent: Thursday, December 21, 2017 9:07 AM
To: Mansoori, Nina; dup-john.s.lee@opg.com; WONG Leslie -LAWDIV; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; GRECO Clara -LAWDIV; GO Matthew -TREASURY; JORDA Jenny -FIN & C CTRL; PRESTON Stuart -TREASURY; DREWNIAK John -TREASURY; HAHN PARKER Janet -TREASURY; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; Persad, Nicole; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; 'Benaiah, Ian'; 'Khan, Nur'; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; RYFA Ken -TREASURY
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Saulnier, Brett; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Just to clarify that the wires below were sent.

From: YAO Anthea -FUNDMGMT
Sent: Thursday, December 21, 2017 9:03 AM
To: 'Mansoori, Nina' <nmansoori@torys.com>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

Please see the LVTS numbers for the two wire payments below.

OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GXAOJ7ITR2

OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GX5P4FNTR2

Thanks,

Anthea

Anthea Yao | Ontario Power Generation
700 University Avenue, Suite H18 C2, Toronto, Ontario, M5G 1X6 | T416.592.5542 | F 416.592.4189 | E anthea.yao@opg.com

---

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: Wednesday, December 20, 2017 10:42 PM
To: LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel

(ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; YAO Anthea -FUNDMGMT <anthea.yao@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Importance: High
*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Dear all – all parties have now confirmed that they are signed off on all applicable transaction documentation and that their respective opinions and signature pages will be automatically released tomorrow. On that basis, we are dispensing with the scheduled 9 am closing call. The necessary wires have been set up this evening and will be initiated as soon as possible in the morning in accordance with my email below. We look forward to tomorrow's closing and receiving the confirmations requested below. Thanks,

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com

From: Mansoori, Nina
Sent: December-19-17 4:52 PM
To: 'dup-john.s.lee@opg.com' <john.s.lee@opg.com>; 'leslie.wong@opg.com' <leslie.wong@opg.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Hunter, Rosalind <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; VINER, JON <JON.VINER@blakes.com>; PRESTAGE, JA <JA.PRESTAGE@blakes.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; 'sheen.liu@opg.com' <sheen.liu@opg.com>; 'tyler.mcauley@opg.com' <tyler.mcauley@opg.com>; 'clara.greco@opg.com' <clara.greco@opg.com>; 'matthew.go@opg.com' <matthew.go@opg.com>; 'anthea.yao@opg.com' <anthea.yao@opg.com>; 'jenny.jorda@opg.com' <jenny.jorda@opg.com>; 'stuart.preston@opg.com' <stuart.preston@opg.com>; 'john.drewniak@opg.com' <john.drewniak@opg.com>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; Innes, Michael <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; Smith, Elliot <ESmith@osler.com>; King, Richard <rking@osler.com>; Royer, Kate <KRoyer@osler.com>; Hughes, Timothy <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; Sebastiano, Rocco <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; Sebastiano, Rocco <RSebastiano@osler.com>; Fullerton, Rick <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; Adam, Ahmad <Ahmad.Adam@bnymellon.com>;

Krowles, Geralyn <Geralyn.Krowles@BNYMellon.com>; Morris, Eleonore <Eleonore.Morris@bnymellon.com>; Peter Hamilton <PHamilton@stikeman.com>; Michael Boll <Michael.Boll@ieso.ca>; Anthony Martinello (Anthony.Martinello@ieso.ca) <Anthony.Martinello@ieso.ca>; Jeannette Briggs (jeannette.briggs@ieso.ca) <jeannette.briggs@ieso.ca>; kim.marshall@ieso.ca
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Closing Mechanics - Fair Hydro
Importance: High

Dear all,

As you know we are closing the warehouse financing this coming Thursday, December 21 at 9 am. We have set out below the pre-closing and closing mechanics to ensure all parties know what to expect. Please let us know as soon as possible if you have any questions. Thank you.

Wednesday, December 20, 2017

- **by 10 am**, all legal counsel to deliver their client's signature pages and all signed legal opinions in escrow to Torys
- **by 10 am**, the Trust will be formed and Torys will provide the IESO with the necessary documentation to wire the carrying costs
- **by noon**, IESO will wire C$6,000,000 representing the carrying costs to the Collection Account and circulate a wire confirmation to this group
- Oslers, Stikemans and Blakes are welcome to attend the closing room at Torys from 1 pm onwards to review applicable documentation (or request that documentation by email)
- by close of business, Oslers, Stikemans, Blakes and Torys to confirm to their respective clients that the applicable documents are in satisfactory form and Oslers to confirm to lenders that all CPs to closing are satisfied (subject to OPG's funding of the subordinated debt and payment of lender fees)

Thursday, December 21, 2017

- this group will hold a call at 9 am so that each counsel can confirm release of their clients' signature pages from escrow (Torys to send a calendar invite with call-in details)
- OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to CIBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to RBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$300,000 (for fees) to Goldman per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- Upon receipt of the tracking numbers for the two OPG wires and three BNY wires above:
    - CIBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - RBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - Goldman will transfer C$112,741,875.00 to IESO per the wire details on Schedule A of the attached global direction
- IESO to confirm to this group receipt of all wires sent to them above
- CIBC, RBC and Goldman to confirm to this group receipt of all fees wired above
- Oslers to circulate email to this group confirming closing of warehouse financing

Nina Mansoori
P. 416.865.7332

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Your Feedback
is Important

From:	Saulnier, Brett
To:	Delaney, Brian; "Benaiah, Ian"; Persad, Nicole; "YAO Anthea -FUNDMGMT"; Mansoori, Nina; dup-john.s.lee@opg.com; "WONG Leslie -LAWDIV"; Gadi Mayman; "Hunter, Rosalind"; Malle Hanslep (MOF); "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Ronald Kwan; "Thouin, Alena (ENERGY)"; Tom McKinlay (MAG); "VINER, JON"; "PRESTAGE, JA"; Daniel Cayley (ENERGY); "LIU Sheen -TREASURY"; "MCAULEY Tyler -LAWDIV"; "GRECO Clara -LAWDIV"; "GO Matthew -TREASURY"; "JORDA Jenny -FIN & C CTRL"; "PRESTON Stuart -TREASURY"; "DREWNIAK John -TREASURY"; "HAHN PARKER Janet -TREASURY"; Alvi, Shariq; "Innes, Michael"; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; "mfitzpatrick@hunton.com"; "aobrian@hunton.com"; "Smith, Elliot"; "King, Richard"; "Royer, Kate"; "Hughes, Timothy"; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; "Sebastiano, Rocco"; Maciel, Andrew; Khan, Nur; Niehaus, Katrina; Conner, Robbin; "Milligan, Peter"; "Sebastiano, Rocco"; "Fullerton, Rick"; "Lively, Pamela"; "Adam, Ahmad"; "Krowles, Geralyn"; "Morris, Eleonore"; "Peter Hamilton"; "Michael Boll"; dup-anthony.martinello@ieso.ca; "Jeannette Briggs (jeannette.briggs@ieso.ca)"; "kim.marshall@ieso.ca"; "RYFA Ken -TREASURY"; Malhi, Harman; Taylor, Brent R
Cc:	Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Prado, Melissa; Dost, Mitchell
Subject:	RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Date:	Thursday, December 21, 2017 11:04:59 AM
Attachments:	Dec 21 2017 total $1179000000 received..msg

All,

IESO has confirmed that they have received the total amount of $1,179,000,000 in the attached email. Could each of the dealers please confirm whether they have received the wires representing their fees? Once confirmed, we will be officially closed.

Thanks,

Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679

From: Delaney, Brian [mailto:Brian.Delaney@gs.com]
Sent: December-21-17 10:26 AM
To: 'Benaiah, Ian' ; Persad, Nicole ; 'YAO Anthea -FUNDMGMT' ; Mansoori, Nina ; dup-john.s.lee@opg.com ; 'WONG Leslie -LAWDIV' ; 'Mayman, Gadi (OFA)' ; 'Hunter, Rosalind' ; 'Hanslep, Malle (MOF)' ; 'ASHBOURNE, STEPHEN' ; 'Whitfield, Tobias P. (MOF)' ; 'Kandeepan, Ken (OFA)' ; 'Manning, Mike (OFA)' ; 'Kwan, Ronald (OFA)' ; 'Thouin, Alena (ENERGY)' ; 'McKinlay, Tom (MAG)' ; 'VINER, JON' ; 'PRESTAGE, JA' ; 'Cayley, Daniel (ENERGY)' ; 'LIU Sheen -TREASURY' ; 'MCAULEY Tyler -LAWDIV' ; 'GRECO Clara -LAWDIV' ; 'GO Matthew -TREASURY' ; 'JORDA Jenny -FIN & C CTRL' ; 'PRESTON Stuart -TREASURY' ; 'DREWNIAK John -TREASURY' ; 'HAHN PARKER Janet -TREASURY' ; Alvi, Shariq ; 'Innes, Michael' ; Stoddart, Jesse - Debt Capital Markets ; Rix, Lindsey - Legal ; Hume, Tyler ; Daou, Hadi ; 'mfitzpatrick@hunton.com' ; 'aobrian@hunton.com' ; 'Smith, Elliot' ; 'King, Richard' ; 'Royer, Kate' ; 'Hughes, Timothy' ; Adalja, Sunil ; Persaud, Donnie - Debt Capital Markets ; 'Sebastiano, Rocco' ; Maciel, Andrew ; Khan, Nur ; Niehaus, Katrina ; Conner, Robbin ; 'Milligan, Peter' ; 'Sebastiano, Rocco' ; 'Fullerton, Rick' ; 'Lively, Pamela' ; 'Adam, Ahmad' ; 'Krowles, Geralyn' ; 'Morris, Eleonore' ; 'Peter Hamilton' ; 'Michael Boll' ; dup-anthony.martinello@ieso.ca ; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' ; 'kim.marshall@ieso.ca' ; 'RYFA Ken -TREASURY' ; Malhi, Harman ; Taylor, Brent R
Cc: Feldman, Michael ; Ramchandani, Rima ; Emes, Aaron ; Olusoga, Yinka ; Saulnier, Brett ; Prado, Melissa ; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea—

GS reference number below.

Thanks,

Brian

Ref: CA171221220339

From: Benaiah, Ian [mailto:ian.benaiah@rbccm.com]
Sent: Thursday, December 21, 2017 10:05 AM
Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'
Subject: Re: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Anthea,

RBC wire reference number for Lakeshore Trust is:

Lakeshore Trust - $244,274,062.50 - LVTS 65GXL6VDCTR2
Please let us know if you have any questions. Thanks. Ian

From: Persad, Nicole
Sent: Thursday, December 21, 2017 9:29 AM
To: 'YAO Anthea -FUNDMGMT'; 'Mansoori, Nina'; dup-john.s.lee@opg.com; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Benaiah, Ian; Khan, Nur; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; 'RYFA Ken - TREASURY'
Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Anthea,
CIBC wire reference numbers are as follows:
SOUND Trust - $200,000,000.00 - LVTS65GXJ078QTR2
SURE Trust - $44,274,062.50 - LVTS65GXJAPDOTR2
Thanks,
Nicole

Nicole Persad | Associate, Securitization | CIBC Capital Markets | CIBC World Markets Inc.
161 Bay Street 5th Floor, Toronto ON M5J 2S8 | Tel: 416 594-7576 | nicole.persad@cibc.com

---

From: YAO Anthea -FUNDMGMT [mailto:anthea.yao@opg.com]
Sent: Thursday, December 21, 2017 9:07 AM
To: Mansoori, Nina; dup-john.s.lee@opg.com; WONG Leslie -LAWDIV; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; GRECO Clara -LAWDIV; GO Matthew -TREASURY; JORDA Jenny -FIN & C CTRL; PRESTON Stuart -TREASURY; DREWNIAK John -TREASURY; HAHN PARKER Janet -TREASURY; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume,

Tyler; Daou, Hadi; Persad, Nicole; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; 'Benaiah, Ian'; 'Khan, Nur'; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; RYFA Ken - TREASURY

Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Saulnier, Brett; Prado, Melissa; Dost, Mitchell

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Just to clarify that the wires below were sent.

From: YAO Anthea -FUNDMGMT

Sent: Thursday, December 21, 2017 9:03 AM

To: 'Mansoori, Nina' <nmansoori@torys.com>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

Please see the LVTS numbers for the two wire payments below.

OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GXAOJ7ITR2

OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GX5P4FNTR2

Thanks,

Anthea

Anthea Yao | Ontario Power Generation
700 University Avenue, Suite H18 C2, Toronto, Ontario, M5G 1X6 | T416.592.5542 | F 416.592.4189 | E anthea.yao@opg.com

---

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: Wednesday, December 20, 2017 10:42 PM
To: LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; YAO Anthea -FUNDMGMT <anthea.yao@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris,

Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Importance: High
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Dear all – all parties have now confirmed that they are signed off on all applicable transaction documentation and that their respective opinions and signature pages will be automatically released tomorrow. On that basis, we are dispensing with the scheduled 9 am closing call. The necessary wires have been set up this evening and will be initiated as soon as possible in the morning in accordance with my email below. We look forward to tomorrow's closing and receiving the confirmations requested below. Thanks,

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com



From: Mansoori, Nina
Sent: December-19-17 4:52 PM
To: 'dup-john.s.lee@opg.com' <john.s.lee@opg.com>; 'leslie.wong@opg.com' <leslie.wong@opg.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Hunter, Rosalind <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; VINER, JON <JON.VINER@blakes.com>; PRESTAGE, JA <JA.PRESTAGE@blakes.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; 'sheen.liu@opg.com' <sheen.liu@opg.com>; 'tyler.mcauley@opg.com' <tyler.mcauley@opg.com>; 'clara.greco@opg.com' <clara.greco@opg.com>; 'matthew.go@opg.com' <matthew.go@opg.com>; 'anthea.yao@opg.com' <anthea.yao@opg.com>; 'jenny.jorda@opg.com' <jenny.jorda@opg.com>; 'stuart.preston@opg.com' <stuart.preston@opg.com>; 'john.drewniak@opg.com' <john.drewniak@opg.com>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; Innes, Michael <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler'

<Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; Smith, Elliot <ESmith@osler.com>; King, Richard <rking@osler.com>; Royer, Kate <KRoyer@osler.com>; Hughes, Timothy <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; Sebastiano, Rocco <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; Sebastiano, Rocco <RSebastiano@osler.com>; Fullerton, Rick <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; Adam, Ahmad <Ahmad.Adam@bnymellon.com>; Krowles, Geralyn <Geralyn.Krowles@BNYMellon.com>; Morris, Eleonore <Eleonore.Morris@bnymellon.com>; Peter Hamilton <PHamilton@stikeman.com>; Michael Boll <Michael.Boll@ieso.ca>; Anthony Martinello (Anthony.Martinello@ieso.ca) <Anthony.Martinello@ieso.ca>; Jeannette Briggs (jeannette.briggs@ieso.ca) <jeannette.briggs@ieso.ca>; kim.marshall@ieso.ca
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Closing Mechanics - Fair Hydro
Importance: High

Dear all,

As you know we are closing the warehouse financing this coming Thursday, December 21 at 9 am. We have set out below the pre-closing and closing mechanics to ensure all parties know what to expect. Please let us know as soon as possible if you have any questions. Thank you.

Wednesday, December 20, 2017

- **by 10 am**, all legal counsel to deliver their client's signature pages and all signed legal opinions in escrow to Torys
- **by 10 am**, the Trust will be formed and Torys will provide the IESO with the necessary documentation to wire the carrying costs
- **by noon**, IESO will wire C$6,000,000 representing the carrying costs to the Collection Account and circulate a wire confirmation to this group
- Oslers, Stikemans and Blakes are welcome to attend the closing room at Torys from 1 pm onwards to review applicable documentation (or request that documentation by email)
- by close of business, Oslers, Stikemans, Blakes and Torys to confirm to their respective clients that the applicable documents are in satisfactory form and Oslers to confirm to lenders that all CPs to closing are satisfied (subject to OPG's funding of the subordinated debt and payment of lender fees)

Thursday, December 21, 2017

- this group will hold a call at 9 am so that each counsel can confirm release of their

clients' signature pages from escrow (Torys to send a calendar invite with call-in details)

- OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to CIBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to RBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$300,000 (for fees) to Goldman per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- Upon receipt of the tracking numbers for the two OPG wires and three BNY wires above:
    - CIBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - RBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - Goldman will transfer C$112,741,875.00 to IESO per the wire details on Schedule A of the attached global direction
- IESO to confirm to this group receipt of all wires sent to them above
- CIBC, RBC and Goldman to confirm to this group receipt of all fees wired above
- Oslers to circulate email to this group confirming closing of warehouse financing

Nina Mansoori
P. 416.865.7332

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From: Anthony Martinello [Anthony.Martinello@ieso.ca]
To: Saulnier, Brett [bsaulnier@torys.com]; Mansoori, Nina [nmansoori@torys.com]; LADAK Lubna -TREASURY [lubna.ladak@opg.com]; LEE John -TREASURY [john.s.lee@opg.com]; RYFA Ken -TREASURY [ken.ryfa@opg.com]; WONG Leslie -LAWDIV [leslie.wong@opg.com]; Ramchandani, Rima [rramchandani@torys.com]; Feldman, Michael [mfeldman@torys.com]
CC: Susan Nicholson [susan.nicholson@ieso.ca]; Olga Whiteley [Olga.Whiteley@ieso.ca]; Kim Marshall [Kim.Marshall@ieso.ca]; Jeannette Briggs [jeannette.briggs@ieso.ca]; Michael Boll [Michael.Boll@ieso.ca]; Peter Hamilton [PHamilton@stikeman.com]; Glenn Zacher [GZacher@stikeman.com]; Jackie Niarchos [jackie.niarchos@ieso.ca]
Subject: Dec 21 2017: total $1,179,000,000 received.
Date: Thursday, December 21, 2017 11:45:51
Attachment 1: image001.png

The total $1,179,000,000 has been received.

Below is a picture from the IESO's bank account showing each deposit received on Dec-21-2017.

Regards.

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Account Name	Account Number	Date	Description	Debit Amount	Credit Amount	B/D
01020 5509622	01020 5509622	12/21/2017	171221S1394100WIRE		$459,810,000.00	N
01020 5509622	01020 5509622	12/21/2017	171221S1422200WIRE		$117,900,000.00	N
01020 5509622	01020 5509622	12/21/2017	171221S1470700WIRE		$200,000,000.00	N
01020 5509622	01020 5509622	12/21/2017	171221S1474400WIRE		$44,274,062.50	N
01020 5509622	01020 5509622	12/21/2017	171221S1489800WIRE		$244,274,062.50	N
01020 5509622	01020 5509622	12/21/2017	171221S1595700WIRE		$112,741,875.00	N

<< Back

Print this page

From:	Delaney, Brian
To:	"Benaiah, Ian"; Persad, Nicole; "YAO Anthea -FUNDMGMT"; "Mansoori, Nina"; dup-john.s.lee@opg.com; "WONG Leslie -LAWDIV"; Gadi Mayman; "Hunter, Rosalind"; Malle Hanslep (MOF); "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Ronald Kwan; "Thouin, Alena (ENERGY)"; Tom McKinlay (MAG); "VINER, JON"; "PRESTAGE, JA"; Daniel Cayley (ENERGY); "LIU Sheen -TREASURY"; "MCAULEY Tyler -LAWDIV"; "GRECO Clara -LAWDIV"; "GO Matthew -TREASURY"; "JORDA Jenny -FIN & C CTRL"; "PRESTON Stuart -TREASURY"; "DREWNIAK John -TREASURY"; "HAHN PARKER Janet -TREASURY"; Alvi, Shariq; "Innes, Michael"; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; "mfitzpatrick@hunton.com"; "aobrian@hunton.com"; "Smith, Elliot"; "King, Richard"; "Royer, Kate"; "Hughes, Timothy"; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; "Sebastiano, Rocco"; Maciel, Andrew; Khan, Nur; Niehaus, Katrina; Conner, Robbin; "Milligan, Peter"; "Sebastiano, Rocco"; "Fullerton, Rick"; "Lively, Pamela"; "Adam, Ahmad"; "Krowles, Geralyn"; "Morris, Eleonore"; "Peter Hamilton"; "Michael Boll"; dup-anthony.martinello@ieso.ca; "Jeannette Briggs (jeannette.briggs@ieso.ca)"; "kim.marshall@ieso.ca"; "RYFA Ken -TREASURY"; Malhi, Harman; Taylor, Brent R
Cc:	"Feldman, Michael"; "Ramchandani, Rima"; "Emes, Aaron"; "Olusoga, Yinka"; "Saulnier, Brett"; "Prado, Melissa"; "Dost, Mitchell"
Subject:	RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Date:	Thursday, December 21, 2017 10:26:13 AM

Anthea—
GS reference number below.
Thanks,
Brian
Ref: CA171221220339

From: Benaiah, Ian [mailto:ian.benaiah@rbccm.com]
Sent: Thursday, December 21, 2017 10:05 AM
Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'
Subject: Re: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Anthea,

RBC wire reference number for Lakeshore Trust is:

Lakeshore Trust - $244,274,062.50 - LVTS 65GXL6VDCTR2
Please let us know if you have any questions. Thanks. Ian

From: Persad, Nicole
Sent: Thursday, December 21, 2017 9:29 AM
To: 'YAO Anthea -FUNDMGMT'; 'Mansoori, Nina'; dup-john.s.lee@opg.com; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Benaiah, Ian; Khan, Nur; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; 'RYFA Ken -

TREASURY'

Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea,

CIBC wire reference numbers are as follows:

SOUND Trust - $200,000,000.00 - LVTS65GXJ078QTR2

SURE Trust - $44,274,062.50 - LVTS65GXJAPDOTR2

Thanks,

Nicole

Nicole Persad | Associate, Securitization | CIBC Capital Markets | CIBC World Markets Inc.

161 Bay Street 5th Floor, Toronto ON M5J 2S8 | Tel: 416 594-7576 | nicole.persad@cibc.com

---

From: YAO Anthea -FUNDMGMT [mailto:anthea.yao@opg.com]

Sent: Thursday, December 21, 2017 9:07 AM

To: Mansoori, Nina; dup-john.s.lee@opg.com; WONG Leslie -LAWDIV; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; GRECO Clara -LAWDIV; GO Matthew -TREASURY; JORDA Jenny -FIN & C CTRL; PRESTON Stuart -TREASURY; DREWNIAK John -TREASURY; HAHN PARKER Janet -TREASURY; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; Persad, Nicole; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; 'Benaiah, Ian'; 'Khan, Nur'; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; RYFA Ken -TREASURY

Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Saulnier, Brett; Prado, Melissa; Dost, Mitchell

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Just to clarify that the wires below were sent.

From: YAO Anthea -FUNDMGMT

Sent: Thursday, December 21, 2017 9:03 AM

To: 'Mansoori, Nina' <nmansoori@torys.com>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael'

<MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

Please see the LVTS numbers for the two wire payments below.

OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GXAOJ7ITR2

OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GX5P4FNTR2

Thanks,

Anthea

Anthea Yao | Ontario Power Generation

700 University Avenue, Suite H18 C2, Toronto, Ontario, M5G 1X6 | T416.592.5542 | F 416.592.4189 | E anthea.yao@opg.com

---

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: Wednesday, December 20, 2017 10:42 PM

To: LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY

Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; YAO Anthea -FUNDMGMT <anthea.yao@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>

Subject: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Importance: High

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Dear all – all parties have now confirmed that they are signed off on all applicable transaction documentation and that their respective opinions and signature pages will be automatically released tomorrow. On that basis, we are dispensing with the scheduled 9 am closing call. The necessary wires have been set up this evening and will be initiated as soon as possible in the morning in accordance with my email below. We look forward to tomorrow's closing and receiving the confirmations requested below. Thanks,

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com

From: Mansoori, Nina
Sent: December-19-17 4:52 PM
To: 'dup-john.s.lee@opg.com' <john.s.lee@opg.com>; 'leslie.wong@opg.com' <leslie.wong@opg.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Hunter, Rosalind <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; VINER, JON <JON.VINER@blakes.com>; PRESTAGE, JA <JA.PRESTAGE@blakes.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; 'sheen.liu@opg.com' <sheen.liu@opg.com>; 'tyler.mcauley@opg.com' <tyler.mcauley@opg.com>; 'clara.greco@opg.com' <clara.greco@opg.com>; 'matthew.go@opg.com' <matthew.go@opg.com>; 'anthea.yao@opg.com' <anthea.yao@opg.com>; 'jenny.jorda@opg.com' <jenny.jorda@opg.com>; 'stuart.preston@opg.com' <stuart.preston@opg.com>; 'john.drewniak@opg.com' <john.drewniak@opg.com>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; Innes, Michael <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; Smith, Elliot <ESmith@osler.com>; King, Richard <rking@osler.com>; Royer, Kate <KRoyer@osler.com>; Hughes, Timothy <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; Sebastiano, Rocco <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; Sebastiano, Rocco <RSebastiano@osler.com>; Fullerton, Rick <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; Adam, Ahmad <Ahmad.Adam@bnymellon.com>; Krowles, Geralyn <Geralyn.Krowles@BNYMellon.com>; Morris, Eleonore <Eleonore.Morris@bnymellon.com>; Peter Hamilton <PHamilton@stikeman.com>; Michael Boll <Michael.Boll@ieso.ca>; Anthony Martinello (Anthony.Martinello@ieso.ca) <Anthony.Martinello@ieso.ca>; Jeannette Briggs (jeannette.briggs@ieso.ca) <jeannette.briggs@ieso.ca>; kim.marshall@ieso.ca
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Closing Mechanics - Fair Hydro
Importance: High

Dear all,

As you know we are closing the warehouse financing this coming Thursday, December 21 at 9 am. We have set out below the pre-closing and closing mechanics to ensure all parties know what to expect. Please let us know as soon as possible if you have any questions. Thank you.

Wednesday, December 20, 2017

- **by 10 am**, all legal counsel to deliver their client's signature pages and all signed legal opinions in escrow to Torys
- **by 10 am**, the Trust will be formed and Torys will provide the IESO with the necessary documentation to wire the carrying costs
- **by noon**, IESO will wire C$6,000,000 representing the carrying costs to the Collection Account and circulate a wire confirmation to this group
- Oslers, Stikemans and Blakes are welcome to attend the closing room at Torys from 1 pm onwards to review applicable documentation (or request that documentation by email)
- by close of business, Oslers, Stikemans, Blakes and Torys to confirm to their respective clients that the applicable documents are in satisfactory form and Oslers to confirm to lenders that all CPs to closing are satisfied (subject to OPG's funding of the subordinated debt and payment of lender fees)

Thursday, December 21, 2017

- this group will hold a call at 9 am so that each counsel can confirm release of their clients' signature pages from escrow (Torys to send a calendar invite with call-in details)
- OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to CIBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to RBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$300,000 (for fees) to Goldman per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- Upon receipt of the tracking numbers for the two OPG wires and three BNY wires above:
    - CIBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - RBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - Goldman will transfer C$112,741,875.00 to IESO per the wire details on Schedule A of the attached global direction
- IESO to confirm to this group receipt of all wires sent to them above
- CIBC, RBC and Goldman to confirm to this group receipt of all fees wired above
- Oslers to circulate email to this group confirming closing of warehouse financing

Nina Mansoori
P. 416.865.7332

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From:	YAO Anthea -FUNDMGMT
To:	Persad, Nicole; "Mansoori, Nina"; LEE John -TREASURY; WONG Leslie -LAWDIV; Gadi Mayman; "Hunter, Rosalind"; Malle Hanslep (MOF); "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Ronald Kwan; "Thouin, Alena (ENERGY)"; Tom McKinlay (MAG); "VINER, JON"; "PRESTAGE, JA"; Daniel Cayley (ENERGY); LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; GRECO Clara -LAWDIV; GO Matthew -TREASURY; JORDA Jenny -FIN & C CTRL; PRESTON Stuart -TREASURY; DREWNIAK John -TREASURY; HAHN PARKER Janet -TREASURY; Alvi, Shariq; "Innes, Michael"; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; "mfitzpatrick@hunton.com"; "aobrian@hunton.com"; "Smith, Elliot"; "King, Richard"; "Royer, Kate"; "Hughes, Timothy"; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; "Sebastiano, Rocco"; Maciel, Andrew; "Benaiah, Ian"; "Khan, Nur"; ""Niehaus, Katrina" (Katrina.Niehaus@gs.com)"; "Delaney, Brian (Brian.Delaney@gs.com)"; "Conner, Robbin"; "Milligan, Peter"; "Sebastiano, Rocco"; "Fullerton, Rick"; "Lively, Pamela"; "Adam, Ahmad"; "Krowles, Geralyn"; "Morris, Eleonore"; "Peter Hamilton"; "Michael Boll"; dup-anthony.martinello@ieso.ca; "Jeannette Briggs (jeannette.briggs@ieso.ca)"; "kim.marshall@ieso.ca"; RYFA Ken -TREASURY
Cc:	"Feldman, Michael"; "Ramchandani, Rima"; "Emes, Aaron"; "Olusoga, Yinka"; "Saulnier, Brett"; "Prado, Melissa"; "Dost, Mitchell"
Subject:	RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Date:	Thursday, December 21, 2017 9:54:06 AM

Thanks Nicole.

Ian – please provide the wire reference numbers when available.

Anthea

From: Persad, Nicole [mailto:Nicole.Persad@cibc.com]
Sent: Thursday, December 21, 2017 9:28 AM
To: YAO Anthea -FUNDMGMT ; 'Mansoori, Nina' ; LEE John -TREASURY ; WONG Leslie -LAWDIV ; 'Mayman, Gadi (OFA)' ; 'Hunter, Rosalind' ; 'Hanslep, Malle (MOF)' ; 'ASHBOURNE, STEPHEN' ; 'Whitfield, Tobias P. (MOF)' ; 'Kandeepan, Ken (OFA)' ; 'Manning, Mike (OFA)' ; 'Kwan, Ronald (OFA)' ; 'Thouin, Alena (ENERGY)' ; 'McKinlay, Tom (MAG)' ; 'VINER, JON' ; 'PRESTAGE, JA' ; 'Cayley, Daniel (ENERGY)' ; LIU Sheen -TREASURY ; MCAULEY Tyler -LAWDIV ; GRECO Clara -LAWDIV ; GO Matthew -TREASURY ; JORDA Jenny -FIN & C CTRL ; PRESTON Stuart -TREASURY ; DREWNIAK John -TREASURY ; HAHN PARKER Janet -TREASURY ; Alvi, Shariq ; 'Innes, Michael' ; Stoddart, Jesse - Debt Capital Markets ; Rix, Lindsey - Legal ; Hume, Tyler ; Daou, Hadi ; 'mfitzpatrick@hunton.com' ; 'aobrian@hunton.com' ; 'Smith, Elliot' ; 'King, Richard' ; 'Royer, Kate' ; 'Hughes, Timothy' ; Adalja, Sunil ; Persaud, Donnie - Debt Capital Markets ; 'Sebastiano, Rocco' ; Maciel, Andrew ; 'Benaiah, Ian' ; 'Khan, Nur' ; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' ; 'Delaney, Brian (Brian.Delaney@gs.com)' ; 'Conner, Robbin' ; 'Milligan, Peter' ; 'Sebastiano, Rocco' ; 'Fullerton, Rick' ; 'Lively, Pamela' ; 'Adam, Ahmad' ; 'Krowles, Geralyn' ; 'Morris, Eleonore' ; 'Peter Hamilton' ; 'Michael Boll' ; dup-anthony.martinello@ieso.ca ; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' ; 'kim.marshall@ieso.ca' ; RYFA Ken -TREASURY
Cc: 'Feldman, Michael' ; 'Ramchandani, Rima' ; 'Emes, Aaron' ; 'Olusoga, Yinka' ; 'Saulnier, Brett' ; 'Prado, Melissa' ; 'Dost, Mitchell'
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea,

CIBC wire reference numbers are as follows:

SOUND Trust - $200,000,000.00 - LVTS65GXJ078QTR2

SURE Trust - $44,274,062.50 - LVTS65GXJAPDOTR2

Thanks,

Nicole

Nicole Persad | Associate, Securitization | CIBC Capital Markets | CIBC World Markets Inc.

161 Bay Street 5th Floor, Toronto ON M5J 2S8 | Tel: 416 594-7576 | nicole.persad@cibc.com

From: YAO Anthea -FUNDMGMT [mailto:anthea.yao@opg.com]

Sent: Thursday, December 21, 2017 9:07 AM
To: Mansoori, Nina; dup-john.s.lee@opg.com; WONG Leslie -LAWDIV; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; GRECO Clara -LAWDIV; GO Matthew -TREASURY; JORDA Jenny -FIN & C CTRL; PRESTON Stuart -TREASURY; DREWNIAK John -TREASURY; HAHN PARKER Janet -TREASURY; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; Persad, Nicole; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; 'Benaiah, Ian'; 'Khan, Nur'; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; RYFA Ken -TREASURY
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Saulnier, Brett; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Just to clarify that the wires below were sent.

From: YAO Anthea -FUNDMGMT
Sent: Thursday, December 21, 2017 9:03 AM
To: 'Mansoori, Nina' <nmansoori@torys.com>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad'

<Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

Please see the LVTS numbers for the two wire payments below.

OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GXAOJ7ITR2

OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GX5P4FNTR2

Thanks,

Anthea

Anthea Yao | Ontario Power Generation

700 University Avenue, Suite H18 C2, Toronto, Ontario, M5G 1X6 | T416.592.5542 | F 416.592.4189 | E anthea.yao@opg.com

---

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: Wednesday, December 20, 2017 10:42 PM

To: LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; YAO Anthea -FUNDMGMT <anthea.yao@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian'

<ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Importance: High
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Dear all – all parties have now confirmed that they are signed off on all applicable transaction documentation and that their respective opinions and signature pages will be automatically released tomorrow. On that basis, we are dispensing with the scheduled 9 am closing call. The necessary wires have been set up this evening and will be initiated as soon as possible in the morning in accordance with my email below. We look forward to tomorrow's closing and receiving the confirmations requested below. Thanks,

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[na01.safelinks.protection.outlook.com]

TORYS LLP[na01.safelinks.protection.outlook.com]

From: Mansoori, Nina
Sent: December-19-17 4:52 PM
To: 'dup-john.s.lee@opg.com' <john.s.lee@opg.com>; 'leslie.wong@opg.com' <leslie.wong@opg.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Hunter, Rosalind <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; VINER, JON <JON.VINER@blakes.com>; PRESTAGE, JA <JA.PRESTAGE@blakes.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; 'sheen.liu@opg.com' <sheen.liu@opg.com>; 'tyler.mcauley@opg.com' <tyler.mcauley@opg.com>; 'clara.greco@opg.com'

<clara.greco@opg.com>; 'matthew.go@opg.com' <matthew.go@opg.com>; 'anthea.yao@opg.com' <anthea.yao@opg.com>; 'jenny.jorda@opg.com' <jenny.jorda@opg.com>; 'stuart.preston@opg.com' <stuart.preston@opg.com>; 'john.drewniak@opg.com' <john.drewniak@opg.com>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; Innes, Michael <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; Smith, Elliot <ESmith@osler.com>; King, Richard <rking@osler.com>; Royer, Kate <KRoyer@osler.com>; Hughes, Timothy <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; Sebastiano, Rocco <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; Sebastiano, Rocco <RSebastiano@osler.com>; Fullerton, Rick <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; Adam, Ahmad <Ahmad.Adam@bnymellon.com>; Krowles, Geralyn <Geralyn.Krowles@BNYMellon.com>; Morris, Eleonore <Eleonore.Morris@bnymellon.com>; Peter Hamilton <PHamilton@stikeman.com>; Michael Boll <Michael.Boll@ieso.ca>; Anthony Martinello (Anthony.Martinello@ieso.ca) <Anthony.Martinello@ieso.ca>; Jeannette Briggs (jeannette.briggs@ieso.ca) <jeannette.briggs@ieso.ca>; kim.marshall@ieso.ca

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>

Subject: Closing Mechanics - Fair Hydro

Importance: High

Dear all,

As you know we are closing the warehouse financing this coming Thursday, December 21 at 9 am. We have set out below the pre-closing and closing mechanics to ensure all parties know what to expect. Please let us know as soon as possible if you have any questions. Thank you.

Wednesday, December 20, 2017

- **by 10 am**, all legal counsel to deliver their client's signature pages and all signed legal opinions in escrow to Torys
- **by 10 am**, the Trust will be formed and Torys will provide the IESO with the necessary documentation to wire the carrying costs
- **by noon**, IESO will wire C$6,000,000 representing the carrying costs to the Collection Account and circulate a wire confirmation to this group
- Oslers, Stikemans and Blakes are welcome to attend the closing room at Torys from 1 pm onwards to review applicable documentation (or request that documentation by email)
- by close of business, Oslers, Stikemans, Blakes and Torys to confirm to their respective

clients that the applicable documents are in satisfactory form and Oslers to confirm to lenders that all CPs to closing are satisfied (subject to OPG's funding of the subordinated debt and payment of lender fees)

Thursday, December 21, 2017

- this group will hold a call at 9 am so that each counsel can confirm release of their clients' signature pages from escrow (Torys to send a calendar invite with call-in details)
- OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to CIBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to RBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$300,000 (for fees) to Goldman per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- Upon receipt of the tracking numbers for the two OPG wires and three BNY wires above:
    - CIBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - RBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - Goldman will transfer C$112,741,875.00 to IESO per the wire details on Schedule A of the attached global direction
- IESO to confirm to this group receipt of all wires sent to them above
- CIBC, RBC and Goldman to confirm to this group receipt of all fees wired above
- Oslers to circulate email to this group confirming closing of warehouse financing

Nina Mansoori
P. 416.865.7332

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From:	Persad, Nicole
To:	"YAO Anthea -FUNDMGMT"; "Mansoori, Nina"; dup-john.s.lee@opg.com; "WONG Leslie -LAWDIV"; Gadi Mayman; "Hunter, Rosalind"; Malle Hanslep (MOF); "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Ronald Kwan; "Thouin, Alena (ENERGY)"; Tom McKinlay (MAG); "VINER, JON"; "PRESTAGE, JA"; Daniel Cayley (ENERGY); "LIU Sheen -TREASURY"; "MCAULEY Tyler -LAWDIV"; "GRECO Clara -LAWDIV"; "GO Matthew -TREASURY"; "JORDA Jenny -FIN & C CTRL"; "PRESTON Stuart -TREASURY"; "DREWNIAK John -TREASURY"; "HAHN PARKER Janet -TREASURY"; Alvi, Shariq; "Innes, Michael"; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; "mfitzpatrick@hunton.com"; "aobrian@hunton.com"; "Smith, Elliot"; "King, Richard"; "Royer, Kate"; "Hughes, Timothy"; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; "Sebastiano, Rocco"; Maciel, Andrew; "Benaiah, Ian"; "Khan, Nur"; ""Niehaus, Katrina" (Katrina.Niehaus@gs.com)"; "Delaney, Brian (Brian.Delaney@gs.com)"; "Conner, Robbin"; "Milligan, Peter"; "Sebastiano, Rocco"; "Fullerton, Rick"; "Lively, Pamela"; "Adam, Ahmad"; "Krowles, Geralyn"; "Morris, Eleonore"; "Peter Hamilton"; "Michael Boll"; dup-anthony.martinello@ieso.ca; "Jeannette Briggs (jeannette.briggs@ieso.ca)"; "kim.marshall@ieso.ca"; "RYFA Ken -TREASURY"
Cc:	"Feldman, Michael"; "Ramchandani, Rima"; "Emes, Aaron"; "Olusoga, Yinka"; "Saulnier, Brett"; "Prado, Melissa"; "Dost, Mitchell"
Subject:	RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Date:	Thursday, December 21, 2017 9:29:03 AM

Anthea,

CIBC wire reference numbers are as follows:

SOUND Trust - $200,000,000.00 - LVTS65GXJ078QTR2

SURE Trust - $44,274,062.50 - LVTS65GXJAPDOTR2

Thanks,

Nicole

Nicole Persad | Associate, Securitization | CIBC Capital Markets | CIBC World Markets Inc.

161 Bay Street 5th Floor, Toronto ON M5J 2S8 | Tel: 416 594-7576 | nicole.persad@cibc.com

From: YAO Anthea -FUNDMGMT [mailto:anthea.yao@opg.com]

Sent: Thursday, December 21, 2017 9:07 AM

To: Mansoori, Nina; dup-john.s.lee@opg.com; WONG Leslie -LAWDIV; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; GRECO Clara -LAWDIV; GO Matthew -TREASURY; JORDA Jenny -FIN & C CTRL; PRESTON Stuart -TREASURY; DREWNIAK John -TREASURY; HAHN PARKER Janet -TREASURY; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; Persad, Nicole; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; 'Benaiah, Ian'; 'Khan, Nur'; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; RYFA Ken -TREASURY

Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Saulnier, Brett; Prado, Melissa; Dost, Mitchell

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Just to clarify that the wires below were sent.

From: YAO Anthea -FUNDMGMT

Sent: Thursday, December 21, 2017 9:03 AM

To: 'Mansoori, Nina' <nmansoori@torys.com>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning,

Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

Please see the LVTS numbers for the two wire payments below.

OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GXAOJ7ITR2

OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GX5P4FNTR2

Thanks,

Anthea

Anthea Yao | Ontario Power Generation

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---

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: Wednesday, December 20, 2017 10:42 PM

To: LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; YAO Anthea -FUNDMGMT <anthea.yao@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Importance: High

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Dear all – all parties have now confirmed that they are signed off on all applicable transaction documentation and that their respective opinions and signature pages will be automatically released tomorrow. On that basis, we are dispensing with the scheduled 9 am closing call. The

necessary wires have been set up this evening and will be initiated as soon as possible in the morning in accordance with my email below. We look forward to tomorrow's closing and receiving the confirmations requested below. Thanks,

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
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Toronto, Ontario M5K 1N2 Canada | www.torys.com[na01.safelinks.protection.outlook.com]


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From: Mansoori, Nina
Sent: December-19-17 4:52 PM
To: 'dup-john.s.lee@opg.com' <john.s.lee@opg.com>; 'leslie.wong@opg.com' <leslie.wong@opg.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Hunter, Rosalind <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; VINER, JON <JON.VINER@blakes.com>; PRESTAGE, JA <JA.PRESTAGE@blakes.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; 'sheen.liu@opg.com' <sheen.liu@opg.com>; 'tyler.mcauley@opg.com' <tyler.mcauley@opg.com>; 'clara.greco@opg.com' <clara.greco@opg.com>; 'matthew.go@opg.com' <matthew.go@opg.com>; 'anthea.yao@opg.com' <anthea.yao@opg.com>; 'jenny.jorda@opg.com' <jenny.jorda@opg.com>; 'stuart.preston@opg.com' <stuart.preston@opg.com>; 'john.drewniak@opg.com' <john.drewniak@opg.com>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; Innes, Michael <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; Smith, Elliot <ESmith@osler.com>; King, Richard <rking@osler.com>; Royer, Kate <KRoyer@osler.com>; Hughes, Timothy <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; Sebastiano, Rocco <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; Sebastiano, Rocco <RSebastiano@osler.com>; Fullerton, Rick <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; Adam, Ahmad <Ahmad.Adam@bnymellon.com>; Krowles, Geralyn <Geralyn.Krowles@BNYMellon.com>; Morris, Eleonore <Eleonore.Morris@bnymellon.com>; Peter Hamilton <PHamilton@stikeman.com>; Michael Boll <Michael.Boll@ieso.ca>; Anthony Martinello (Anthony.Martinello@ieso.ca) <Anthony.Martinello@ieso.ca>; Jeannette Briggs (jeannette.briggs@ieso.ca) <jeannette.briggs@ieso.ca>; kim.marshall@ieso.ca

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Closing Mechanics - Fair Hydro
Importance: High

Dear all,

As you know we are closing the warehouse financing this coming Thursday, December 21 at 9 am. We have set out below the pre-closing and closing mechanics to ensure all parties know what to expect. Please let us know as soon as possible if you have any questions. Thank you.

Wednesday, December 20, 2017

- **by 10 am**, all legal counsel to deliver their client's signature pages and all signed legal opinions in escrow to Torys
- **by 10 am**, the Trust will be formed and Torys will provide the IESO with the necessary documentation to wire the carrying costs
- **by noon**, IESO will wire C$6,000,000 representing the carrying costs to the Collection Account and circulate a wire confirmation to this group
- Oslers, Stikemans and Blakes are welcome to attend the closing room at Torys from 1 pm onwards to review applicable documentation (or request that documentation by email)
- by close of business, Oslers, Stikemans, Blakes and Torys to confirm to their respective clients that the applicable documents are in satisfactory form and Oslers to confirm to lenders that all CPs to closing are satisfied (subject to OPG's funding of the subordinated debt and payment of lender fees)

Thursday, December 21, 2017

- this group will hold a call at 9 am so that each counsel can confirm release of their clients' signature pages from escrow (Torys to send a calendar invite with call-in details)
- OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to CIBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to RBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$300,000 (for fees) to Goldman per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- Upon receipt of the tracking numbers for the two OPG wires and three BNY wires above:
    - CIBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - RBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of

the attached global direction

- Goldman will transfer C$112,741,875.00 to IESO per the wire details on Schedule A of the attached global direction

- IESO to confirm to this group receipt of all wires sent to them above
- CIBC, RBC and Goldman to confirm to this group receipt of all fees wired above
- Oslers to circulate email to this group confirming closing of warehouse financing

Nina Mansoori
P. 416.865.7332

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From:	YAO Anthea -FUNDMGMT
To:	Mansoori, Nina; LEE John -TREASURY; WONG Leslie -LAWDIV; Gadi Mayman; "Hunter, Rosalind"; Malle Hanslep (MOF); "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Ronald Kwan; "Thouin, Alena (ENERGY)"; Tom McKinlay (MAG); "VINER, JON"; "PRESTAGE, JA"; Daniel Cayley (ENERGY); LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; GRECO Clara -LAWDIV; GO Matthew -TREASURY; JORDA Jenny -FIN & C CTRL; PRESTON Stuart -TREASURY; DREWNIAK John -TREASURY; HAHN PARKER Janet -TREASURY; "Alvi, Shariq"; "Innes, Michael"; "Stoddart, Jesse - Debt Capital Markets"; "Rix, Lindsey - Legal"; "Hume, Tyler"; "Daou, Hadi"; "Persad, Nicole"; "mfitzpatrick@hunton.com"; "aobrian@hunton.com"; "Smith, Elliot"; "King, Richard"; "Royer, Kate"; "Hughes, Timothy"; "Adalja, Sunil"; "Persaud, Donnie - Debt Capital Markets"; "Sebastiano, Rocco"; "Maciel, Andrew"; "Benaiah, Ian"; "Khan, Nur"; ""Niehaus, Katrina" (Katrina.Niehaus@gs.com)"; "Delaney, Brian (Brian.Delaney@gs.com)"; "Conner, Robbin"; "Milligan, Peter"; "Sebastiano, Rocco"; "Fullerton, Rick"; "Lively, Pamela"; "Adam, Ahmad"; "Krowles, Geralyn"; "Morris, Eleonore"; "Peter Hamilton"; "Michael Boll"; "Anthony Martinello (Anthony.Martinello@ieso.ca)"; "Jeannette Briggs (jeannette.briggs@ieso.ca)"; "kim.marshall@ieso.ca"; RYFA Ken -TREASURY
Cc:	Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Saulnier, Brett; Prado, Melissa; Dost, Mitchell
Subject:	RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Date:	Thursday, December 21, 2017 9:07:06 AM

Just to clarify that the wires below were sent.

From: YAO Anthea -FUNDMGMT
Sent: Thursday, December 21, 2017 9:03 AM
To: 'Mansoori, Nina' ; LEE John -TREASURY ; WONG Leslie -LAWDIV ; 'Mayman, Gadi (OFA)' ; 'Hunter, Rosalind' ; 'Hanslep, Malle (MOF)' ; 'ASHBOURNE, STEPHEN' ; 'Whitfield, Tobias P. (MOF)' ; 'Kandeepan, Ken (OFA)' ; 'Manning, Mike (OFA)' ; 'Kwan, Ronald (OFA)' ; 'Thouin, Alena (ENERGY)' ; 'McKinlay, Tom (MAG)' ; 'VINER, JON' ; 'PRESTAGE, JA' ; 'Cayley, Daniel (ENERGY)' ; LIU Sheen -TREASURY ; MCAULEY Tyler -LAWDIV ; GRECO Clara -LAWDIV ; GO Matthew -TREASURY ; JORDA Jenny -FIN & C CTRL ; PRESTON Stuart -TREASURY ; DREWNIAK John -TREASURY ; HAHN PARKER Janet -TREASURY ; 'Alvi, Shariq' ; 'Innes, Michael' ; 'Stoddart, Jesse - Debt Capital Markets' ; 'Rix, Lindsey - Legal' ; 'Hume, Tyler' ; 'Daou, Hadi' ; 'Persad, Nicole' ; 'mfitzpatrick@hunton.com' ; 'aobrian@hunton.com' ; 'Smith, Elliot' ; 'King, Richard' ; 'Royer, Kate' ; 'Hughes, Timothy' ; 'Adalja, Sunil' ; 'Persaud, Donnie - Debt Capital Markets' ; 'Sebastiano, Rocco' ; 'Maciel, Andrew' ; 'Benaiah, Ian' ; 'Khan, Nur' ; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' ; 'Delaney, Brian (Brian.Delaney@gs.com)' ; 'Conner, Robbin' ; 'Milligan, Peter' ; 'Sebastiano, Rocco' ; 'Fullerton, Rick' ; 'Lively, Pamela' ; 'Adam, Ahmad' ; 'Krowles, Geralyn' ; 'Morris, Eleonore' ; 'Peter Hamilton' ; 'Michael Boll' ; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' ; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' ; 'kim.marshall@ieso.ca' ; RYFA Ken -TREASURY
Cc: Feldman, Michael ; Ramchandani, Rima ; Emes, Aaron ; Olusoga, Yinka ; Saulnier, Brett ; Prado, Melissa ; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

Please see the LVTS numbers for the two wire payments below.

OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GXAOJ7ITR2

OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GX5P4FNTR2

Thanks,

Anthea

Anthea Yao | Ontario Power Generation
700 University Avenue, Suite H18 C2, Toronto, Ontario, M5G 1X6 | T416.592.5542 | F 416.592.4189 | E anthea.yao@opg.com

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: Wednesday, December 20, 2017 10:42 PM
To: LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; YAO Anthea -FUNDMGMT <anthea.yao@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
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Subject: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Importance: High

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Dear all – all parties have now confirmed that they are signed off on all applicable transaction

documentation and that their respective opinions and signature pages will be automatically released tomorrow. On that basis, we are dispensing with the scheduled 9 am closing call. The necessary wires have been set up this evening and will be initiated as soon as possible in the morning in accordance with my email below. We look forward to tomorrow's closing and receiving the confirmations requested below. Thanks,

Nina Mansoori
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TORYS LLP[na01.safelinks.protection.outlook.com]

From: Mansoori, Nina
Sent: December-19-17 4:52 PM
To: 'dup-john.s.lee@opg.com' <john.s.lee@opg.com>; 'leslie.wong@opg.com' <leslie.wong@opg.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Hunter, Rosalind <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; VINER, JON <JON.VINER@blakes.com>; PRESTAGE, JA <JA.PRESTAGE@blakes.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; 'sheen.liu@opg.com' <sheen.liu@opg.com>; 'tyler.mcauley@opg.com' <tyler.mcauley@opg.com>; 'clara.greco@opg.com' <clara.greco@opg.com>; 'matthew.go@opg.com' <matthew.go@opg.com>; 'anthea.yao@opg.com' <anthea.yao@opg.com>; 'jenny.jorda@opg.com' <jenny.jorda@opg.com>; 'stuart.preston@opg.com' <stuart.preston@opg.com>; 'john.drewniak@opg.com' <john.drewniak@opg.com>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; Innes, Michael <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; Smith, Elliot <ESmith@osler.com>; King, Richard <rking@osler.com>; Royer, Kate <KRoyer@osler.com>; Hughes, Timothy <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; Sebastiano, Rocco <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; Sebastiano, Rocco <RSebastiano@osler.com>; Fullerton, Rick <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; Adam, Ahmad <Ahmad.Adam@bnymellon.com>; Krowles, Geralyn <Geralyn.Krowles@BNYMellon.com>; Morris, Eleonore <Eleonore.Morris@bnymellon.com>; Peter Hamilton <PHamilton@stikeman.com>; Michael Boll <Michael.Boll@ieso.ca>; Anthony Martinello (Anthony.Martinello@ieso.ca)

<Anthony.Martinello@ieso.ca>; Jeannette Briggs (jeannette.briggs@ieso.ca) <jeannette.briggs@ieso.ca>; kim.marshall@ieso.ca
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Closing Mechanics - Fair Hydro
Importance: High

Dear all,

As you know we are closing the warehouse financing this coming Thursday, December 21 at 9 am. We have set out below the pre-closing and closing mechanics to ensure all parties know what to expect. Please let us know as soon as possible if you have any questions. Thank you.

Wednesday, December 20, 2017

- **by 10 am**, all legal counsel to deliver their client's signature pages and all signed legal opinions in escrow to Torys
- **by 10 am**, the Trust will be formed and Torys will provide the IESO with the necessary documentation to wire the carrying costs
- **by noon**, IESO will wire C$6,000,000 representing the carrying costs to the Collection Account and circulate a wire confirmation to this group
- Oslers, Stikemans and Blakes are welcome to attend the closing room at Torys from 1 pm onwards to review applicable documentation (or request that documentation by email)
- by close of business, Oslers, Stikemans, Blakes and Torys to confirm to their respective clients that the applicable documents are in satisfactory form and Oslers to confirm to lenders that all CPs to closing are satisfied (subject to OPG's funding of the subordinated debt and payment of lender fees)

Thursday, December 21, 2017

- this group will hold a call at 9 am so that each counsel can confirm release of their clients' signature pages from escrow (Torys to send a calendar invite with call-in details)
- OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to CIBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to RBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$300,000 (for fees) to Goldman per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- Upon receipt of the tracking numbers for the two OPG wires and three BNY wires above:
    - CIBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of

the attached global direction

- RBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
- Goldman will transfer C$112,741,875.00 to IESO per the wire details on Schedule A of the attached global direction

- IESO to confirm to this group receipt of all wires sent to them above
- CIBC, RBC and Goldman to confirm to this group receipt of all fees wired above
- Oslers to circulate email to this group confirming closing of warehouse financing

Nina Mansoori
P. 416.865.7332

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THIS MESSAGE IS ONLY INTENDED FOR THE USE OF THE INTENDED RECIPIENT(S) AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, PROPRIETARY AND/OR CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any review, retransmission, dissemination, distribution, copying, conversion to hard copy or other use of this communication is strictly prohibited. If you are not the intended recipient and have received this message in error, please notify me by return e-mail and delete this message from your system. Ontario Power Generation Inc.

From: Ramchandani, Rima
To: "Delaney, Brian"; "Benaiah, Ian"; Saulnier, Brett; Persad, Nicole; "YAO Anthea -FUNDMGMT"; Mansoori, Nina; dup-john.s.lee@opg.com; "WONG Leslie -LAWDIV"; Gadi Mayman; "Hunter, Rosalind"; Malle Hanslep (MOF); "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Ronald Kwan; "Thouin, Alena (ENERGY)"; Tom McKinlay (MAG); "VINER, JON"; "PRESTAGE, JA"; Daniel Cayley (ENERGY); "LIU Sheen -TREASURY"; "MCAULEY Tyler -LAWDIV"; "GRECO Clara -LAWDIV"; "GO Matthew -TREASURY"; "JORDA Jenny -FIN & C CTRL"; "PRESTON Stuart -TREASURY"; "DREWNIAK John -TREASURY"; "HAHN PARKER Janet -TREASURY"; Alvi, Shariq; "Innes, Michael"; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; "mfitzpatrick@hunton.com"; "aobrian@hunton.com"; "Smith, Elliot"; "King, Richard"; "Royer, Kate"; "Hughes, Timothy"; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; "Sebastiano, Rocco"; Maciel, Andrew; Khan, Nur; Niehaus, Katrina; Conner, Robbin; "Milligan, Peter"; "Sebastiano, Rocco"; "Fullerton, Rick"; "Lively, Pamela"; "Adam, Ahmad"; "Krowles, Geralyn"; "Morris, Eleonore"; "Peter Hamilton"; "Michael Boll"; dup-anthony.martinello@ieso.ca; "Jeannette Briggs (jeannette.briggs@ieso.ca)"; "kim.marshall@ieso.ca"; "RYFA Ken -TREASURY"; Malhi, Harman; Taylor, Brent R
Cc: Feldman, Michael; Emes, Aaron; Olusoga, Yinka; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Date: Thursday, December 21, 2017 12:33:40 PM

That confirms we are officially closed. Congratulations all, and Happy Holidays!

Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Delaney, Brian [mailto:Brian.Delaney@gs.com]
Sent: December-21-17 12:19 PM
To: 'Benaiah, Ian' ; Saulnier, Brett ; Persad, Nicole ; 'YAO Anthea -FUNDMGMT' ; Mansoori, Nina ; dup-john.s.lee@opg.com ; 'WONG Leslie -LAWDIV' ; 'Mayman, Gadi (OFA)' ; 'Hunter, Rosalind' ; 'Hanslep, Malle (MOF)' ; 'ASHBOURNE, STEPHEN' ; 'Whitfield, Tobias P. (MOF)' ; 'Kandeepan, Ken (OFA)' ; 'Manning, Mike (OFA)' ; 'Kwan, Ronald (OFA)' ; 'Thouin, Alena (ENERGY)' ; 'McKinlay, Tom (MAG)' ; 'VINER, JON' ; 'PRESTAGE, JA' ; 'Cayley, Daniel (ENERGY)' ; 'LIU Sheen -TREASURY' ; 'MCAULEY Tyler -LAWDIV' ; 'GRECO Clara -LAWDIV' ; 'GO Matthew -TREASURY' ; 'JORDA Jenny -FIN & C CTRL' ; 'PRESTON Stuart -TREASURY' ; 'DREWNIAK John -TREASURY' ; 'HAHN PARKER Janet -TREASURY' ; Alvi, Shariq ; 'Innes, Michael' ; Stoddart, Jesse - Debt Capital Markets ; Rix, Lindsey - Legal ; Hume, Tyler ; Daou, Hadi ; 'mfitzpatrick@hunton.com' ; 'aobrian@hunton.com' ; 'Smith, Elliot' ; 'King, Richard' ; 'Royer, Kate' ; 'Hughes, Timothy' ; Adalja, Sunil ; Persaud, Donnie - Debt Capital Markets ; 'Sebastiano, Rocco' ; Maciel, Andrew ; Khan, Nur ; Niehaus, Katrina ; Conner, Robbin ; 'Milligan, Peter' ; 'Sebastiano, Rocco' ; 'Fullerton, Rick' ; 'Lively, Pamela' ; 'Adam, Ahmad' ; 'Krowles, Geralyn' ; 'Morris, Eleonore' ; 'Peter Hamilton' ; 'Michael Boll' ; dup-anthony.martinello@ieso.ca ; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' ; 'kim.marshall@ieso.ca' ; 'RYFA Ken -TREASURY' ; Malhi, Harman ; Taylor, Brent R
Cc: Feldman, Michael ; Ramchandani, Rima ; Emes, Aaron ; Olusoga, Yinka ; Prado, Melissa ; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

GS also confirmed receipt.

Thanks,

Brian

From: Benaiah, Ian [mailto:ian.benaiah@rbccm.com]
Sent: Thursday, December 21, 2017 11:50 AM
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Prado, Melissa; Dost, Mitchell
Subject: Re: EXTERNAL – RE: Closing Mechanics - Fair Hydro

RBC confirms receipt of fees. Thanks. Ian

From: Saulnier, Brett
Sent: Thursday, December 21, 2017 11:05 AM

To: Delaney, Brian; Benaiah, Ian; Persad, Nicole; 'YAO Anthea -FUNDMGMT'; Mansoori, Nina; dup-john.s.lee@opg.com; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Khan, Nur; Niehaus, Katrina; Conner, Robbin; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; 'RYFA Ken -TREASURY'; Malhi, Harman; Taylor, Brent R
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

IESO has confirmed that they have received the total amount of $1,179,000,000 in the attached email. Could each of the dealers please confirm whether they have received the wires representing their fees? Once confirmed, we will be officially closed.

Thanks,

Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679

From: Delaney, Brian [mailto:Brian.Delaney@gs.com]
Sent: December-21-17 10:26 AM
To: 'Benaiah, Ian' <ian.benaiah@rbccm.com>; Persad, Nicole <Nicole.Persad@cibc.com>; 'YAO Anthea -FUNDMGMT' <anthea.yao@opg.com>; Mansoori, Nina <nmansoori@torys.com>; dup-john.s.lee@opg.com <john.s.lee@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; 'LIU Sheen -TREASURY' <sheen.liu@opg.com>; 'MCAULEY Tyler -LAWDIV' <tyler.mcauley@opg.com>; 'GRECO Clara -LAWDIV' <clara.greco@opg.com>; 'GO Matthew -TREASURY' <matthew.go@opg.com>; 'JORDA Jenny -FIN & C CTRL' <jenny.jorda@opg.com>; 'PRESTON Stuart -TREASURY' <stuart.preston@opg.com>; 'DREWNIAK John -TREASURY' <john.drewniak@opg.com>; 'HAHN PARKER Janet -TREASURY' <j.hahnparker@opg.com>; Alvi, Shariq <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; Stoddart, Jesse - Debt Capital Markets <Jesse.Stoddart@cibc.com>; Rix, Lindsey - Legal <Lindsey.Rix@cibc.com>; Hume, Tyler <Tyler.Hume@cibc.com>; Daou, Hadi <Hadi.Daou@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>;

Adalja, Sunil <Sunil.Adalja@cibc.com>; Persaud, Donnie - Debt Capital Markets <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; Maciel, Andrew <Andrew.Maciel@cibc.com>; Khan, Nur <nur.khan@rbccm.com>; Niehaus, Katrina <Katrina.Niehaus@gs.com>; Conner, Robbin <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; dup-anthony.martinello@ieso.ca <anthony.martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; 'RYFA Ken -TREASURY' <ken.ryfa@opg.com>; Malhi, Harman <harman.malhi@rbccm.com>; Taylor, Brent R <brent.r.taylor@rbccm.com>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea—

GS reference number below.

Thanks,

Brian

Ref: CA171221220339

From: Benaiah, Ian [mailto:ian.benaiah@rbccm.com]
Sent: Thursday, December 21, 2017 10:05 AM
Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'
Subject: Re: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea,

RBC wire reference number for Lakeshore Trust is:

Lakeshore Trust - $244,274,062.50 - LVTS 65GXL6VDCTR2

Please let us know if you have any questions. Thanks. Ian

From: Persad, Nicole
Sent: Thursday, December 21, 2017 9:29 AM
To: 'YAO Anthea -FUNDMGMT'; 'Mansoori, Nina'; dup-john.s.lee@opg.com; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Benaiah, Ian; Khan, Nur; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)';

'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; 'RYFA Ken - TREASURY'
Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea,

CIBC wire reference numbers are as follows:

SOUND Trust - $200,000,000.00 - LVTS65GXJ078QTR2

SURE Trust - $44,274,062.50 - LVTS65GXJAPDOTR2

Thanks,

Nicole

Nicole Persad | Associate, Securitization | CIBC Capital Markets | CIBC World Markets Inc.

161 Bay Street 5th Floor, Toronto ON M5J 2S8 | Tel: 416 594-7576 | nicole.persad@cibc.com

---

From: YAO Anthea -FUNDMGMT [mailto:anthea.yao@opg.com]
Sent: Thursday, December 21, 2017 9:07 AM
To: Mansoori, Nina; dup-john.s.lee@opg.com; WONG Leslie -LAWDIV; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; GRECO Clara -LAWDIV; GO Matthew - TREASURY; JORDA Jenny -FIN & C CTRL; PRESTON Stuart -TREASURY; DREWNIAK John -TREASURY; HAHN PARKER Janet -TREASURY; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; Persad, Nicole; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; 'Benaiah, Ian'; 'Khan, Nur'; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; RYFA Ken - TREASURY
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Saulnier, Brett; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Just to clarify that the wires below were sent.

From: YAO Anthea -FUNDMGMT
Sent: Thursday, December 21, 2017 9:03 AM
To: 'Mansoori, Nina' <nmansoori@torys.com>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen - TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; JORDA Jenny

-FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

Please see the LVTS numbers for the two wire payments below.

OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GXAOJ7ITR2

OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GX5P4FNTR2

Thanks,

Anthea

Anthea Yao | Ontario Power Generation

700 University Avenue, Suite H18 C2, Toronto, Ontario, M5G 1X6 | T416.592.5542 | F 416.592.4189 | E anthea.yao@opg.com

---

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: Wednesday, December 20, 2017 10:42 PM

To: LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena

(ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; YAO Anthea -FUNDMGMT <anthea.yao@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>

Subject: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Importance: High

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Dear all – all parties have now confirmed that they are signed off on all applicable transaction documentation and that their respective opinions and signature pages will be automatically released tomorrow. On that basis, we are dispensing with the scheduled 9 am closing call. The necessary wires have been set up this evening and will be initiated as soon as possible in the morning in accordance with my email below. We look forward to tomorrow's closing and receiving the confirmations requested below. Thanks,

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com



From: Mansoori, Nina
Sent: December-19-17 4:52 PM
To: 'dup-john.s.lee@opg.com' <john.s.lee@opg.com>; 'leslie.wong@opg.com' <leslie.wong@opg.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Hunter, Rosalind <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; VINER, JON <JON.VINER@blakes.com>; PRESTAGE, JA <JA.PRESTAGE@blakes.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; 'sheen.liu@opg.com' <sheen.liu@opg.com>; 'tyler.mcauley@opg.com' <tyler.mcauley@opg.com>; 'clara.greco@opg.com' <clara.greco@opg.com>; 'matthew.go@opg.com' <matthew.go@opg.com>; 'anthea.yao@opg.com' <anthea.yao@opg.com>; 'jenny.jorda@opg.com' <jenny.jorda@opg.com>; 'stuart.preston@opg.com' <stuart.preston@opg.com>; 'john.drewniak@opg.com' <john.drewniak@opg.com>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; Innes, Michael <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; Smith, Elliot <ESmith@osler.com>; King, Richard <rking@osler.com>; Royer, Kate <KRoyer@osler.com>; Hughes, Timothy <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; Sebastiano, Rocco <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; Sebastiano, Rocco <RSebastiano@osler.com>; Fullerton, Rick <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; Adam, Ahmad <Ahmad.Adam@bnymellon.com>; Krowles, Geralyn <Geralyn.Krowles@BNYMellon.com>; Morris, Eleonore <Eleonore.Morris@bnymellon.com>; Peter Hamilton <PHamilton@stikeman.com>; Michael Boll <Michael.Boll@ieso.ca>; Anthony Martinello (Anthony.Martinello@ieso.ca) <Anthony.Martinello@ieso.ca>; Jeannette Briggs (jeannette.briggs@ieso.ca) <jeannette.briggs@ieso.ca>; kim.marshall@ieso.ca
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Closing Mechanics - Fair Hydro
Importance: High

Dear all,

As you know we are closing the warehouse financing this coming Thursday, December 21 at 9 am. We have set out below the pre-closing and closing mechanics to ensure all parties know what to expect. Please let us know as soon as possible if you have any questions. Thank you.

Wednesday, December 20, 2017

- **by 10 am**, all legal counsel to deliver their client's signature pages and all signed legal opinions in escrow to Torys
- **by 10 am**, the Trust will be formed and Torys will provide the IESO with the necessary documentation to wire the carrying costs
- **by noon**, IESO will wire C$6,000,000 representing the carrying costs to the Collection Account and circulate a wire confirmation to this group
- Oslers, Stikemans and Blakes are welcome to attend the closing room at Torys from 1 pm onwards to review applicable documentation (or request that documentation by email)
- by close of business, Oslers, Stikemans, Blakes and Torys to confirm to their respective clients that the applicable documents are in satisfactory form and Oslers to confirm to lenders that all CPs to closing are satisfied (subject to OPG's funding of the subordinated debt and payment of lender fees)

Thursday, December 21, 2017

- this group will hold a call at 9 am so that each counsel can confirm release of their clients' signature pages from escrow (Torys to send a calendar invite with call-in details)
- OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to CIBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to RBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$300,000 (for fees) to Goldman per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- Upon receipt of the tracking numbers for the two OPG wires and three BNY wires above:
    - CIBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - RBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - Goldman will transfer C$112,741,875.00 to IESO per the wire details on Schedule A of the attached global direction
- IESO to confirm to this group receipt of all wires sent to them above
- CIBC, RBC and Goldman to confirm to this group receipt of all fees wired above
- Oslers to circulate email to this group confirming closing of warehouse financing

Nina Mansoori
P. 416.865.7332

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From:	LAURETA LAPIRA May -TREASURY
To:	Ken Kandeepan; LEE John -TREASURY
Cc:	Mike Manning; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY; Tim Christie (ENERGY); Ronald Kwan
Subject:	RE: EXTERNAL – RE: Draft Fair Hydro Investor Presentation.
Date:	Wednesday, January 03, 2018 10:56:11 AM

Thanks Ken and happy new year to you! I hope you enjoyed your holidays!
All of your proposed changes have been incorporated into the latest draft of the presentation.
May

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Wednesday, January 03, 2018 10:00 AM
To: LEE John -TREASURY
Cc: Mike Manning ; LAURETA LAPIRA May -TREASURY ; LADAK Lubna -TREASURY ; RYFA Ken -TREASURY ; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY ; Tim Christie (ENERGY) ; Ronald Kwan
Subject: EXTERNAL – RE: Draft Fair Hydro Investor Presentation.
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Hi John
Happy new year, hope you had a few days off. Pls see some minor comments, I have limited my review to the Province's role in the OFHP. Mike may have others.

- Page 15 – last bullet; the $2 billion credit facility has been extended from the OFA, not the OEFC
- Page 25 - Change of law Process Agreement; I would add that the PAM is set and updated by the Financing Plan.

Thanks
Ken k

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: Thursday, December 21, 2017 5:33 PM
To: Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Cc: Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>
Subject: Draft Fair Hydro Investor Presentation.
Tim:
As discussed attached is the most current draft of the Investor Presentation. If you or the MOE or OFA have any comments please let us know.
The plan is to have another turn of the document in the 1st week in January. May will have the "pen" from our side.
Have a Merry Christmas.
John
John Lee | Vice President Treasurer |
Ontario Power Generation | 700 University Avenue, H18 A6, Toronto, Ontario M5G 1X6 |
416.592.6392 | john.s.lee@opg.com

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From:	Ricky Lai
To:	"Katrina.Niehaus@gs.com"
Cc:	Mike Manning; James Devine; Carlos Yep
Subject:	RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
Date:	Friday, February 09, 2018 3:43:03 PM

Hi Katrina, can you also add the recipients of this email as well. Mike, James and Carlos.
Thank you.
Ricky

From: Ricky Lai
Sent: Friday, February 09, 2018 3:39 PM
To: 'Katrina.Niehaus@gs.com'
Subject: FW: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
Hi Katrina, can you please add me to the distribution list for the Fair Hydro spreads file.
Thanks.
Ricky Lai
Trader, Funding
Ontario Financing Authority

From: Mike Manning
Sent: Friday, February 09, 2018 3:30 PM
To: Ricky Lai <Ricky.Lai@ofina.on.ca>
Subject: FW: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
Hi Ricky:
Could you please contact to get us on the distribution list.
Thanks, Mike

From: LADAK Lubna -TREASURY [mailto:lubna.ladak@opg.com]
Sent: Friday, February 09, 2018 3:29 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Subject: RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
Hi Mike,
I would contact:
Katrian Niehaus (Managing Director, Investment Banking Division)
200 West Street | 7th Floor | New York, New York 10282-2198
Tel: 212-357-8161 | Fax: 212-256-5491
Katrina.Niehaus@gs.com
Or
Brian Delaney (Investment Analyst)
Goldman Sachs & Co. LLC
200 West Street | New York, NY 10282
Tel: 212.902.4585 | E-mail: brian.delaney@gs.com
Lubna Ladak | VP Treasury - FHP| Ontario Power Generation
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

From: Mike Manning [mailto:Mike.Manning@ofina.on.ca]
Sent: Friday, February 09, 2018 2:50 PM
To: LADAK Lubna -TREASURY <lubna.ladak@opg.com>
Subject: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
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Thanks Lubna:
Do you know if there is a contact person at Goldman we can reach out to for future spread runs?

Thanks, Mike

From: LADAK Lubna -TREASURY [mailto:lubna.ladak@opg.com]
Sent: Thursday, February 08, 2018 4:52 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Cc: LIU Sheen -TREASURY <sheen.liu@opg.com>
Subject: Subdebt Pricing - Goldman Sachs

Mike,

Please find attached pricing spreads from Goldman Sachs.

Lubna Ladak | VP Treasury - FHP| Ontario Power Generation
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

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From:	Ricky Lai
To:	Mike Manning
Subject:	RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
Date:	Friday, February 09, 2018 3:39:58 PM

Done. Thank you.

From: Mike Manning
Sent: Friday, February 09, 2018 3:30 PM
To: Ricky Lai
Subject: FW: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
Hi Ricky:
Could you please contact to get us on the distribution list.
Thanks, Mike

From: LADAK Lubna -TREASURY [mailto:lubna.ladak@opg.com]
Sent: Friday, February 09, 2018 3:29 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Subject: RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
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lubna.ladak@opg.com

From: Mike Manning [mailto:Mike.Manning@ofina.on.ca]
Sent: Friday, February 09, 2018 2:50 PM
To: LADAK Lubna -TREASURY <lubna.ladak@opg.com>
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Sent: Thursday, February 08, 2018 4:52 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Cc: LIU Sheen -TREASURY <sheen.liu@opg.com>
Subject: Subdebt Pricing - Goldman Sachs
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From:	Mike Manning
To:	"LADAK Lubna -TREASURY"
Subject:	RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
Date:	Friday, February 09, 2018 3:29:29 PM

Thanks, much appreciated.
Mike

From: LADAK Lubna -TREASURY [mailto:lubna.ladak@opg.com]
Sent: Friday, February 09, 2018 3:29 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Subject: RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs

Hi Mike,

I would contact:

Katrian Niehaus (Managing Director, Investment Banking Division)

200 West Street | 7th Floor | New York, New York 10282-2198
Tel: 212-357-8161 | Fax: 212-256-5491
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From: LADAK Lubna -TREASURY [mailto:lubna.ladak@opg.com]
Sent: Thursday, February 08, 2018 4:52 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
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From:	LADAK Lubna -TREASURY
To:	Mike Manning
Subject:	RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
Date:	Friday, February 09, 2018 3:28:54 PM

Hi Mike,
I would contact:
Katrian Niehaus (Managing Director, Investment Banking Division)
200 West Street | 7th Floor | New York, New York 10282-2198
Tel: 212-357-8161 | Fax: 212-256-5491
Katrina.Niehaus@gs.com
Or
Brian Delaney (Investment Analyst)
Goldman Sachs & Co. LLC
200 West Street | New York, NY 10282
Tel: 212.902.4585 | E-mail: brian.delaney@gs.com
Lubna Ladak | VP Treasury - FHP| Ontario Power Generation
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

From: Mike Manning [mailto:Mike.Manning@ofina.on.ca]
Sent: Friday, February 09, 2018 2:50 PM
To: LADAK Lubna -TREASURY
Subject: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
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Thanks Lubna:
Do you know if there is a contact person at Goldman we can reach out to for future spread runs?
Thanks, Mike

From: LADAK Lubna -TREASURY [mailto:lubna.ladak@opg.com]
Sent: Thursday, February 08, 2018 4:52 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Cc: LIU Sheen -TREASURY <sheen.liu@opg.com>
Subject: Subdebt Pricing - Goldman Sachs
Mike,
Please find attached pricing spreads from Goldman Sachs.
Lubna Ladak | VP Treasury - FHP| Ontario Power Generation
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From:	Ricky Lai
To:	"Niehaus, Katrina"
Cc:	Delaney, Brian; "sheen.liu@opg.com"; Carlos Yep; Mike Manning; James Devine
Subject:	RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
Date:	Wednesday, February 14, 2018 1:45:46 PM
Attachments:	Blank FHP spreads.xlsx

Hi Katrina, please find attached a template for reporting the Fair Hydro spreads. This report should be updated on a weekly basis.
Please include the recipients in this email as regular recipients of this weekly report.
Thank you.
Ricky

From: Niehaus, Katrina [mailto:Katrina.Niehaus@gs.com]
Sent: Wednesday, February 14, 2018 12:19 PM
To: Ricky Lai
Cc: Delaney, Brian
Subject: RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
No problem. We seem to be getting left off email chains for some reason on this topic.

From: Ricky Lai <Ricky.Lai@ofina.on.ca>
Sent: Wednesday, February 14, 2018 12:10:31 PM
To: Niehaus, Katrina [IBD]
Cc: Delaney, Brian [IBD]
Subject: RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
I thought OPG had already done so. My colleague will be in touch with you very shortly with more details.
Thanks.
Ricky

From: Niehaus, Katrina [mailto:Katrina.Niehaus@gs.com]
Sent: Wednesday, February 14, 2018 10:43 AM
To: Ricky Lai <Ricky.Lai@ofina.on.ca>
Cc: Delaney, Brian <Brian.Delaney@gs.com>
Subject: RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
And do you send us something as a first step? We have not received anything from you?

From: Ricky Lai <Ricky.Lai@ofina.on.ca>
Sent: Wednesday, February 14, 2018 10:40:06 AM
To: Niehaus, Katrina [IBD]
Cc: Delaney, Brian [IBD]
Subject: RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
These are weekly reports which are sent in the beginning of the week. I usually get all the updates by the end of Monday.

From: Niehaus, Katrina [mailto:Katrina.Niehaus@gs.com]
Sent: Wednesday, February 14, 2018 10:38 AM
To: Ricky Lai <Ricky.Lai@ofina.on.ca>
Cc: Delaney, Brian <Brian.Delaney@gs.com>

Subject: RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
I'm sorry - we were never on the original instructions. When are people sending updates? Weekly? On Fridays?

From: Ricky Lai <Ricky.Lai@ofina.on.ca>
Sent: Wednesday, February 14, 2018 10:16:26 AM
To: Niehaus, Katrina [IBD]
Cc: Delaney, Brian [IBD]
Subject: RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
Hi Katrina, would we be getting an update for the Fair Hydro spreads this week?
Thanks.
Ricky

From: Niehaus, Katrina [mailto:Katrina.Niehaus@gs.com]
Sent: Friday, February 09, 2018 3:51 PM
To: Ricky Lai <Ricky.Lai@ofina.on.ca>
Cc: Walter, Scott <Scott.Walter@gs.com>; Smith-Constantine, Alex <Alex.Smith-Constantine@gs.com>; Sabri, Salina <Salina.Sabri@gs.com>; Delaney, Brian <Brian.Delaney@gs.com>; Sheena, Alexander <Alex.Sheena@gs.com>
Subject: RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
Adding the GS team.

> **From:** Ricky Lai [mailto:Ricky.Lai@ofina.on.ca]
> **Sent:** Friday, February 09, 2018 3:39 PM
> **To:** Niehaus, Katrina [IBD]
> **Subject:** FW: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
> Hi Katrina, can you please add me to the distribution list for the Fair Hydro spreads file.
> Thanks.
> Ricky Lai
> Trader, Funding
> Ontario Financing Authority

> **From:** Mike Manning
> **Sent:** Friday, February 09, 2018 3:30 PM
> **To:** Ricky Lai <Ricky.Lai@ofina.on.ca>
> **Subject:** FW: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
> Hi Ricky:
> Could you please contact to get us on the distribution list.
> Thanks, Mike

> **From:** LADAK Lubna -TREASURY [mailto:lubna.ladak@opg.com]
> **Sent:** Friday, February 09, 2018 3:29 PM
> **To:** Mike Manning <Mike.Manning@ofina.on.ca>
> **Subject:** RE: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
> Hi Mike,
> I would contact:
> Katrian Niehaus (Managing Director, Investment Banking Division)
> 200 West Street | 7th Floor | New York, New York 10282-2198
> Tel: 212-357-8161 | Fax: 212-256-5491

Katrina.Niehaus@gs.com
Or
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700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

From: Mike Manning [mailto:Mike.Manning@ofina.on.ca]
Sent: Friday, February 09, 2018 2:50 PM
To: LADAK Lubna -TREASURY <lubna.ladak@opg.com>
Subject: EXTERNAL – RE: Subdebt Pricing - Goldman Sachs
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Thanks Lubna:
Do you know if there is a contact person at Goldman we can reach out to for future spread runs?
Thanks, Mike

From: LADAK Lubna -TREASURY [mailto:lubna.ladak@opg.com]
Sent: Thursday, February 08, 2018 4:52 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Cc: LIU Sheen -TREASURY <sheen.liu@opg.com>
Subject: Subdebt Pricing - Goldman Sachs
Mike,
Please find attached pricing spreads from Goldman Sachs.
Lubna Ladak | VP Treasury - FHP| Ontario Power Generation
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

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-- Confidential --

Bank Name	
Date	

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity												
Benchmark Canada Bond Coupon												
Benchmark Yield												
Curve Adjustment (bp)												
Spread to GoC Curve (bp)												
Re-Offered Yield												
Commission (bp)												
All-in Yield												

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))												

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
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Spread to GoC Curve (bp)												
Re-Offered Yield												
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Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))												

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
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Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
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Benchmark Canada Bond Coupon												
Benchmark Yield												
Curve Adjustment (bp)												
Spread to GoC Curve (bp)												
Re-Offered Yield												
Commission (bp)												
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From:	LEE John -TREASURY
To:	Ken Kandeepan
Cc:	WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Mike Manning; Tobias P. Whitfield (MOF); Anna Strathy; Thouin, Alena (ENERGY); Malle Hanslep (MOF); David McLean (MOF); Anna Strathy; Jonathan Tekle (CAB); Ronald Kwan; Steen Hume (CAB); Tim Christie (ENERGY)
Subject:	RE: EXTERNAL – RE: Waiver Process
Date:	Thursday, January 04, 2018 12:17:52 PM

Ken/Steen:
We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Thursday, January 04, 2018 9:36 AM
To: LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks

Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc’ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the “letter” ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY

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<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY
<matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY
<j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV
<leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY
<lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY
<may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY
<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY
<matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY
<j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV
<leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY
<lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY
<may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY
<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY
<matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY
<j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Hanslep, Malle (MOF)
To:	Ken Kandeepan; Tobias P. Whitfield (MOF); Mike Manning
Cc:	Anna Strathy; Thouin, Alena (ENERGY); David McLean (MOF); Jonathan Tekle (CAB); Ronald Kwan; Steen Hume (CAB); Tim Christie (ENERGY); Michael Waterston (MOF)
Subject:	RE: EXTERNAL – RE: Waiver Process
Date:	Thursday, January 04, 2018 12:40:32 PM

Hi - Copying in some others on the email.

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-04-18 12:28 PM
To: Kandeepan, Ken (OFA); Whitfield, Tobias P. (MOF); Manning, Mike (OFA)
Subject: FW: EXTERNAL – RE: Waiver Process

If OPG has a workplan that has a target date of Jan 15th for a launch, I would think that they have final versions of additional transaction documents which would become reference documents under the terms of the Process Agreement and in accordance with the process set out in there.
i.e. underwriting agreement, supplemental term indenture, info memo and possibly a selling agreement

We have not received anything nor have we received the closing documents from the warehouse closing on Dec 20th.

I don't really understand why they are making the 10 day period a critical decision point for this discussion at this time without providing us with any other information.

Malle

-----Original Message-----
From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-04-18 12:18 PM
To: Kandeepan, Ken (OFA)
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:
We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----
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Sent: Thursday, January 04, 2018 9:36 AM
To: LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF)

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Subject: Re: Waiver Process

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From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

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Subject: RE: EXTERNAL – RE: Diligence Questions

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Rima Ramchandani

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To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
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Subject: RE: EXTERNAL – RE: Diligence Questions

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From:	LIU Sheen -TREASURY
To:	TD DCM; Brett Kichiy; LEE John -TREASURY; Linda Smith; Mike Manning; RYFA Ken -TREASURY; HAHN PARKER Janet -TREASURY; RYFA Ken -TREASURY; Kevin Shvarts; Ricky Lai; MAHMOOD Irma -FINANCE
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	RE: EXTERNAL – Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (04.19.18)
Date:	Thursday, April 19, 2018 11:49:19 AM

Can you please send an excel version as well? thx

From: TD DCM [mailto:TDDCM@tdsecurities.com]
Sent: Thursday, April 19, 2018 11:40 AM
To: 'Brett kichiy' ; LEE John -TREASURY ; 'Linda Smith' ; 'Mike Manning' ; LIU Sheen -TREASURY ; RYFA Ken -TREASURY ; HAHN PARKER Janet -TREASURY ; RYFA Ken -TREASURY ; Kevin.Shvarts@ofina.on.ca; Ricky.Lai@ofina.on.ca; MAHMOOD Irma -FINANCE
Cc: Scace, Patrick ; Laing, Mark ; McDonald, Greg ; Wolff, Michael ; Begg, Graeme ; Holloway, Harold ; Becker, Andrew ; Brennan, Emma ; Hynes, Gordon ; Pong, Brian
Subject: EXTERNAL – Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (04.19.18)
*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Following pricing of Fair Hydro Trust's new 20 year offering, please find attached updated new issue indications.

Theresa Mosley | Associate | Debt Capital Markets | **TD Securities Inc.**
Ernst & Young Tower 7th Floor, 222 Bay Street, Toronto, ON M5K 1A2
T: 416 944 5321 | theresa.mosley@tdsecurities.com
http://www.tdsecurities.com/tds/content/SalesTrading_Disclaimer?language=en_CA[na01.safelinks.protection.outlook.com]
http://www.tdsecurities.com/tds/content/SalesTrading_Disclaimer?language=fr_CA[na01.safelinks.protection.outlook.com]

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Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	RE: EXTERNAL – Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (04.19.18)
Date:	Thursday, April 19, 2018 12:04:38 PM
Attachments:	FHP_TDB_20180419.xlsx

Please see attached.

Theresa Mosley | Associate | Debt Capital Markets | **TD Securities Inc.**

Ernst & Young Tower 7th Floor, 222 Bay Street, Toronto, ON M5K 1A2
T: 416 944 5321 | theresa.mosley@tdsecurities.com

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Sent: Thursday, April 19, 2018 11:49 AM
To: TD DCM; 'Brett kichiy'; LEE John -TREASURY; 'Linda Smith'; 'Mike Manning'; RYFA Ken -TREASURY; HAHN PARKER Janet -TREASURY; RYFA Ken -TREASURY; Kevin.Shvarts@ofina.on.ca; Ricky.Lai@ofina.on.ca; MAHMOOD Irma -FINANCE
Cc: Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject: RE: EXTERNAL – Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (04.19.18)
Can you please send an excel version as well? thx

From: TD DCM [mailto:TDDCM@tdsecurities.com]
Sent: Thursday, April 19, 2018 11:40 AM
To: 'Brett kichiy' <brett.kichiy@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>; 'Linda Smith' <linda.smith@ofina.on.ca>; 'Mike Manning' <mike.manning@ofina.on.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Kevin.Shvarts@ofina.on.ca; Ricky.Lai@ofina.on.ca; MAHMOOD Irma -FINANCE <irma.mahmood@opg.com>
Cc: Scace, Patrick <Patrick.Scace@tdsecurities.com>; Laing, Mark <Mark.Laing@tdsecurities.com>; McDonald, Greg <Greg.McDonald@tdsecurities.com>; Wolff, Michael <Michael.Wolff@tdsecurities.com>; Begg, Graeme <Graeme.Begg@tdsecurities.com>; Holloway, Harold <Harold.Holloway@tdsecurities.com>; Becker, Andrew <Andrew.Becker@tdsecurities.com>; Brennan, Emma <Emma.Brennan@tdsecurities.com>; Hynes, Gordon <Gordon.Hynes@tdsecurities.com>; Pong, Brian <Brian.Pong@tdsecurities.com>
Subject: EXTERNAL – Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (04.19.18)
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Following pricing of Fair Hydro Trust's new 20 year offering, please find attached updated new issue indications.

Theresa Mosley | Associate | Debt Capital Markets | **TD Securities Inc.**

Ernst & Young Tower 7th Floor, 222 Bay Street, Toronto, ON M5K 1A2
T: 416 944 5321 | theresa.mosley@tdsecurities.com

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Bank Name	TD Securuties
Date	4/16/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.45%	2.44%	2.38%	2.35%	2.21%	2.05%
Curve Adjustment (bp)	0.0	0.6	2.5	1.6	0.0	1.6
Spread to GoC Curve (bp)	**115**	**107**	**97**	**90**	**60**	**45**
Re-Offered Yield	3.60%	3.52%	3.38%	3.26%	2.81%	2.52%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7
All-in Yield	**3.62%**	**3.55%**	**3.41%**	**3.31%**	**2.88%**	**2.61%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	73	68	45	29

Other Comparables (S&P/Moody's/ DBRS)	**Current**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPB Finance Trust (AA+/-/AA(H))	107	97	92	88	65	44
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	85	66	53
Hydro One Inc. (A/A3/AH)	134	124	100	92	72	58

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.45%	2.44%	2.38%	2.35%	2.21%	2.05%
Curve Adjustment (bp)	0.0	0.6	2.5	1.6	0.0	1.6
Spread to GoC Curve (bp)	**145**	**137**	**127**	**120**	**90**	**75**
Re-Offered Yield	3.90%	3.82%	3.68%	3.56%	3.11%	2.82%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7
All-in Yield	**3.92%**	**3.85%**	**3.71%**	**3.61%**	**3.18%**	**2.91%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	73	68	45	29

Other Comparables (S&P/Moody's/ DBRS)	**Current**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS						
ABS						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.45%	2.44%	2.38%	2.35%	2.21%	2.05%
Curve Adjustment (bp)	0.0	0.6	2.5	1.6	0.0	1.6
Spread to GoC Curve (bp)	**175**	**167**	**157**	**150**	**120**	**105**
Re-Offered Yield	4.20%	4.12%	3.98%	3.86%	3.41%	3.12%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7
All-in Yield	**4.22%**	**4.15%**	**4.01%**	**3.91%**	**3.48%**	**3.21%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	73	68	45	29

Other Comparables (S&P/Moody's/ DBRS)	**Current**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS						
ABS						

From:	Ken Kandeepan
To:	John Kim; Mike Manning
Cc:	Ronald Kwan
Subject:	RE: Energy on waiver
Date:	Thursday, January 04, 2018 4:23:46 PM
Attachments:	FW EXTERNAL RE Waiver Process.msg

No we don't and I communicated this to Tim Christie a little while ago. I am attaching an email from John which makes the whole waiver issue moot.

From: John Kim
Sent: Thursday, January 04, 2018 4:21 PM
To: Ken Kandeepan ; Mike Manning
Cc: Ronald Kwan
Subject: Energy on waiver

Hi Ken, Mike,

Energy was inquiring whether we had a view on providing a waiver for being provided documentation 10 business days prior to the FHT's bond issue. Energy staff noted that it would be a difference of whether they go on the market on the 22nd or the 15th. Energy haven't fully considered either way.

Do you have a view on this?

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

From: LEE John -TREASURY [john.s.lee@opg.com]
To: Ken Kandeepan [Ken.Kandeepan@ofina.on.ca]; Steen Hume (CAB) [Steen.Hume@ontario.ca]
Subject: FW: EXTERNAL – RE: Waiver Process
Date: Thursday, January 04, 2018 17:07:49

Ken/Steen:

Just a bit of an update, it appears that DBRS is unlikely to hit the earlier 15th date.
It is looking more likely that the marketing launch will fall back to the original target date of the 22nd.

John

-----Original Message-----
From: LEE John -TREASURY
Sent: Thursday, January 04, 2018 12:18 PM
To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:
We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Thursday, January 04, 2018 9:36 AM
To: LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
Subject: EXTERNAL – RE: Waiver Process

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Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks

Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc’ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

_____

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From: Mike Manning
To: John Kim; Ken Kandeepan
Cc: Ronald Kwan
Subject: RE: Energy on waiver
Date: Friday, January 05, 2018 9:01:16 AM

Hi John:
Ignoring the issue of a waiver, I think it would be good to get the Fair hydro bond issue done sooner rather than later, but I think we'd want them to be able to meet all the new documentation requirements as outlined in the Change of Law Process Agreement, etc. Overall, getting the deal done in January would be a good outcome, with the 15th or 22nd probably not mattering too much. Having said that, in response to Ken's email. It looks like the 22nd wins by default.

Mike

From: John Kim
Sent: Thursday, January 04, 2018 4:21 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>
Cc: Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Subject: Energy on waiver

Hi Ken, Mike,

Energy was inquiring whether we had a view on providing a waiver for being provided documentation 10 business days prior to the FHT's bond issue. Energy staff noted that it would be a difference of whether they go on the market on the 22nd or the 15th. Energy haven't fully considered either way.

Do you have a view on this?

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

From:	Anna Strathy
To:	Martin Schlaepfer (MOF)
Cc:	David McLean (MOF); Mike Manning; Gadi Mayman; Ken Kandeepan
Subject:	RE: FHP Trust Offering
Date:	Tuesday, February 06, 2018 2:25:25 PM

Hi Martin,

I'm told the 92 bps over GoC looks right. And the issue was 23 bps over the Ontario curve.

Thanks Mike for the quick response.

Anna

From: Schlaepfer, Martin (ENERGY) [mailto:Martin.Schlaepfer@ontario.ca]

Sent: Tuesday, February 06, 2018 2:19 PM

To: Anna Strathy

Cc: David McLean (MOF)

Subject: RE: FHP Trust Offering

Sorry. Just to clarify it would als be helpful to know how many basis points this is over provincial borrowing rates.

Thanks,

Martin

From: Schlaepfer, Martin (ENERGY)

Sent: February 6, 2018 2:14 PM

To: Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>

Cc: McLean, David (MOF) <David.McLean@ontario.ca>

Subject: FHP Trust Offering

Hi Anna,

OPG has informed us that pricing has been confirmed at 3.357% and they financed $500m.

They are claiming this 92 bps over GOC. Can you confirm if this is correct or if it is a different number?

Thanks,

Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
M: 647-980-4634
E: martin.schlaepfer@ontario.ca

From:	Anna Strathy
To:	Mike Manning
Cc:	Ken Kandeepan; Gadi Mayman
Subject:	RE: FHP Trust Offering
Date:	Tuesday, February 06, 2018 2:23:59 PM

Thanks Mike.

From: Mike Manning
Sent: Tuesday, February 06, 2018 2:21 PM
To: Anna Strathy
Cc: Ken Kandeepan ; Gadi Mayman
Subject: RE: FHP Trust Offering

Hi Anna:

Looks correct to me. Term was 15.25 years.

Mike

From: Anna Strathy
Sent: Tuesday, February 06, 2018 2:16 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Cc: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Gadi Mayman <Gadi.Mayman@ofina.on.ca>
Subject: FW: FHP Trust Offering

Hi Mike,

Please see question below from the Ministry of Energy (Deputy's EA). Could you please confirm?

Thanks, Anna

From: Schlaepfer, Martin (ENERGY) [mailto:Martin.Schlaepfer@ontario.ca]
Sent: Tuesday, February 06, 2018 2:14 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Cc: David McLean (MOF) <David.McLean@ontario.ca>
Subject: FHP Trust Offering

Hi Anna,
OPG has informed us that pricing has been confirmed at 3.357% and they financed $500m.
They are claiming this 92 bps over GOC. Can you confirm if this is correct or if it is a different number?
Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
M: 647-980-4634
E: martin.schlaepfer@ontario.ca

From:	Mike Manning
To:	Anna Strathy
Cc:	Ken Kandeepan; Gadi Mayman
Subject:	RE: FHP Trust Offering
Date:	Tuesday, February 06, 2018 2:22:13 PM

It is estimated that the issue was 23 basis points over the Ontario curve.

Regards, Mike

From: Anna Strathy
Sent: Tuesday, February 06, 2018 2:16 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Cc: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Gadi Mayman <Gadi.Mayman@ofina.on.ca>
Subject: FW: FHP Trust Offering

Hi Mike,

Please see question below from the Ministry of Energy (Deputy's EA). Could you please confirm?

Thanks, Anna

From: Schlaepfer, Martin (ENERGY) [mailto:Martin.Schlaepfer@ontario.ca]
Sent: Tuesday, February 06, 2018 2:14 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Cc: David McLean (MOF) <David.McLean@ontario.ca>
Subject: FHP Trust Offering

Hi Anna,

OPG has informed us that pricing has been confirmed at 3.357% and they financed $500m.

They are claiming this 92 bps over GOC. Can you confirm if this is correct or if it is a different number?

Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
M: 647-980-4634
E: martin.schlaepfer@ontario.ca

From:	Mike Manning
To:	Anna Strathy
Cc:	Ken Kandeepan; Gadi Mayman
Subject:	RE: FHP Trust Offering
Date:	Tuesday, February 06, 2018 2:21:07 PM

Hi Anna:
Looks correct to me. Term was 15.25 years.
Mike

From: Anna Strathy
Sent: Tuesday, February 06, 2018 2:16 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Cc: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Gadi Mayman <Gadi.Mayman@ofina.on.ca>
Subject: FW: FHP Trust Offering

Hi Mike,

Please see question below from the Ministry of Energy (Deputy's EA). Could you please confirm?

Thanks, Anna

From: Schlaepfer, Martin (ENERGY) [mailto:Martin.Schlaepfer@ontario.ca]
Sent: Tuesday, February 06, 2018 2:14 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Cc: David McLean (MOF) <David.McLean@ontario.ca>
Subject: FHP Trust Offering

Hi Anna,

OPG has informed us that pricing has been confirmed at 3.357% and they financed $500m.

They are claiming this 92 bps over GOC. Can you confirm if this is correct or if it is a different number?

Thanks,
Martin

Martin Schlaepfer
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Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
M: 647-980-4634
E: martin.schlaepfer@ontario.ca

From:	Schlaepfer, Martin (ENERGY)
To:	Anna Strathy
Cc:	David McLean (MOF); Mike Manning; Gadi Mayman; Ken Kandeepan
Subject:	RE: FHP Trust Offering
Date:	Tuesday, February 06, 2018 2:26:58 PM

Thanks for confirming, Anna.
Martin

From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: February 6, 2018 2:25 PM
To: Schlaepfer, Martin (ENERGY)
Cc: McLean, David (MOF) ; Manning, Mike (OFA) ; Mayman, Gadi (OFA) ; Kandeepan, Ken (OFA)
Subject: RE: FHP Trust Offering

Hi Martin,
I'm told the 92 bps over GoC looks right. And the issue was 23 bps over the Ontario curve.
Thanks Mike for the quick response.
Anna

From: Schlaepfer, Martin (ENERGY) [mailto:Martin.Schlaepfer@ontario.ca]
Sent: Tuesday, February 06, 2018 2:19 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Cc: David McLean (MOF) <David.McLean@ontario.ca>
Subject: RE: FHP Trust Offering

Sorry. Just to clarify it would als be helpful to know how many basis points this is over provincial borrowing rates.
Thanks,
Martin

From: Schlaepfer, Martin (ENERGY)
Sent: February 6, 2018 2:14 PM
To: Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>
Cc: McLean, David (MOF) <David.McLean@ontario.ca>
Subject: FHP Trust Offering

Hi Anna,
OPG has informed us that pricing has been confirmed at 3.357% and they financed $500m. They are claiming this 92 bps over GOC. Can you confirm if this is correct or if it is a different number?
Thanks,
Martin

Martin Schlaepfer
Director of Operations
Deputy Minister's Office
Ministry of Energy
T: 416-326-7688
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E: martin.schlaepfer@ontario.ca

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From:	Ricky Lai
To:	Mike Manning
Cc:	James Devine; Carlos Yep
Subject:	RE: FHP spreads
Date:	Wednesday, March 14, 2018 9:52:19 AM
Attachments:	Fair Hydro price indications March 12 2018.xlsx

Revised FHP spreads with updated spreads from NBF.

Thanks.

Ricky

From: Ricky Lai
Sent: Wednesday, March 14, 2018 8:13 AM
To: Mike Manning
Cc: James Devine ; Carlos Yep
Subject: FHP spreads

Good morning Mike,

Please find attached the latest FHP spreads.

Thanks.

Ricky

FAIR HYDRO SPREADS

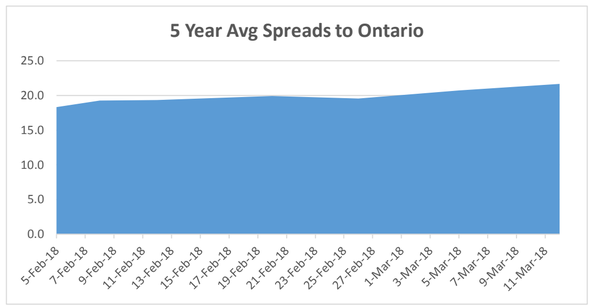
Senior Note

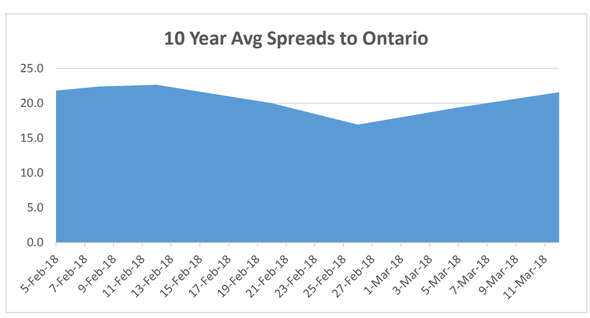
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
32.0	28.9	23.5	20.7	21.7	22.1

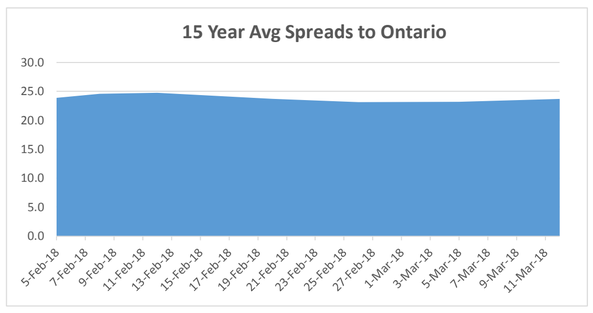
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
107.9	104.2	97.0	85.3	63.8	48.7
104.6	100.6	94.0	82.1	59.4	45.7
3.3	3.6	3.0	3.3	4.4	3.0

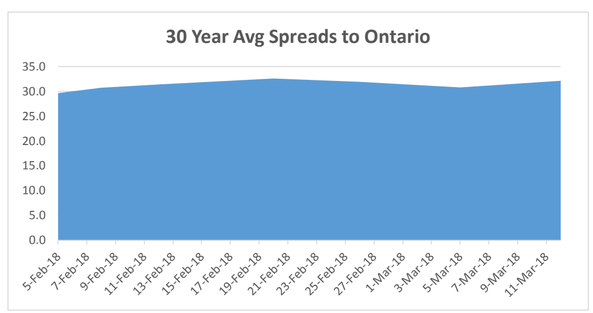
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*RBC*	*GS*	*GS*	*NBF*	*CIBC*
	99.0	98.0	91.9	71.9	60.0	45.0
Maximum	*TD*	*NBF*	*BMO*	*TD*	*Scotia*	*Scotia*
	118.0	109.0	99.0	93.0	69.5	54.0









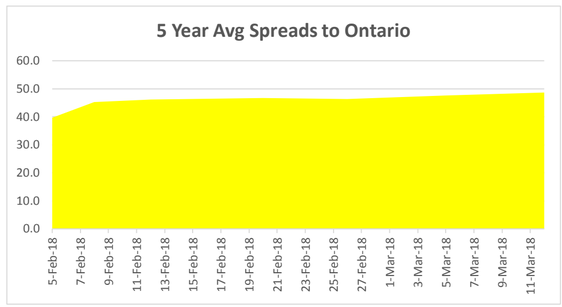
Sub Note

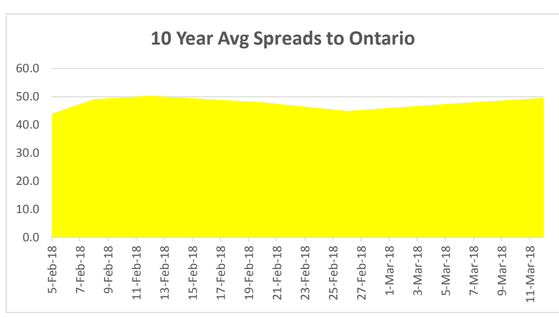
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
62.4	59.0	52.9	48.7	48.7	48.9

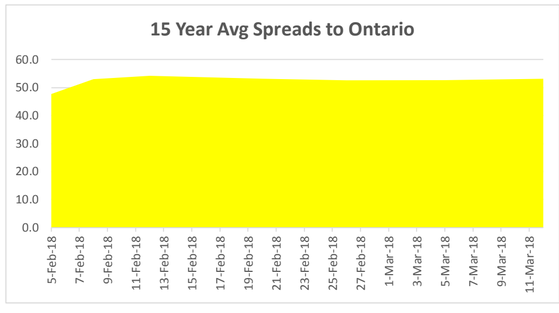
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
138.3	134.3	126.4	113.3	90.8	75.5
135.1	130.8	123.4	110.1	86.3	72.3
3.3	3.6	3.0	3.3	4.6	3.2

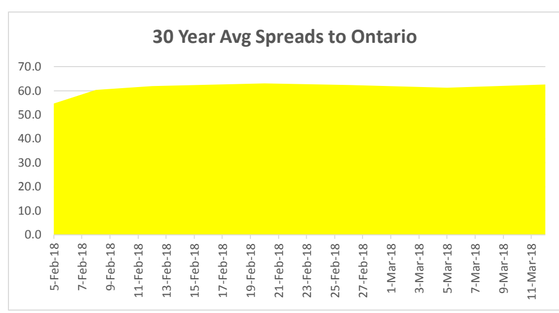
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*RBC*	*CIBC*	*GS*	*NBF*	*CIBC*
	127.0	126.0	120.0	101.9	83.0	70.0
Maximum	*TD*	*BMO*	*BMO*	*NBF*	*Scotia*	*Scotia*
	148.0	143.0	138.0	123.0	99.5	84.0









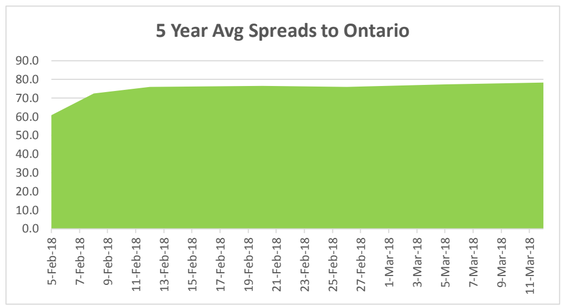
Junior Sub Note

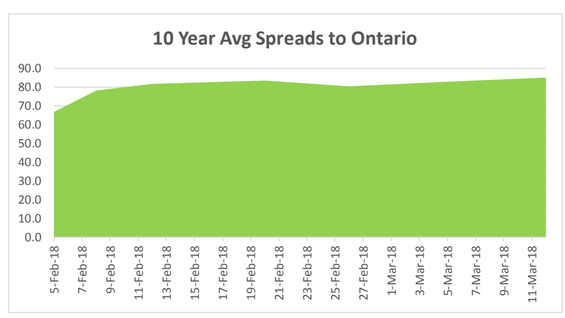
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
103.5	99.2	92.3	85.0	78.3	78.9

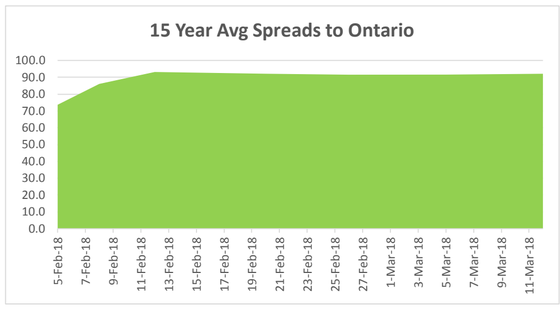
Average Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
179.3	174.9	165.4	148.9	120.5	105.5
176.1	171.3	162.4	145.6	115.9	102.3
3.3	3.6	3.0	3.3	4.6	3.2

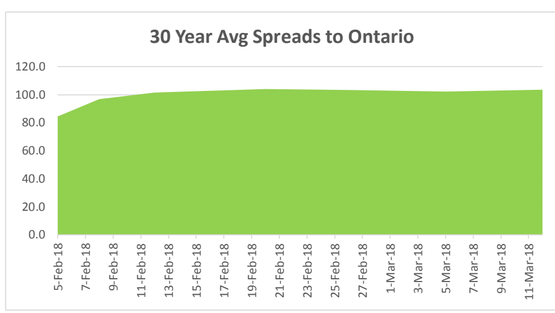
Last Week's
Change

Spreads to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*CIBC*	*CIBC*	*CIBC*	*NBF*	*NBF*	*NBF*
	156.0	156.0	145.0	127.0	100.0	88.0
Maximum	*BMO*	*BMO*	*BMO*	*BMO*	*BMO*	*BMO*
	219.0	217.0	206.0	168.0	133.0	118.0









Indicative New Issue Spreads
Week of March 12, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	GS	GS	GS	*GS*	*GS*	GS	NBF	NBF
	BMO						CIBC						GS							
	Current						Current						Current							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.75%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.40%	2.39%	2.27%	2.22%	2.06%	1.88%	2.43%	2.41%	2.35%	2.25%	2.15%	2.08%	2.38%	2.37%	2.30%	2.22%			2.44%	2.43%
Curve Adjustment (bp)	0.0	0.6	5.2	2.0	0.2	5.7	0.0	0.3	(0.3)	1.9	3.8	0.2	0.0	0.8	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	104	103	99	88	63	47	106	106	95	86	63	45	112	102	92	71.9			112	109
Re-Offered Yield	3.44%	3.42%	3.32%	3.12%	2.69%	2.41%	3.49%	3.48%	3.30%	3.13%	2.81%	2.53%	3.50%	3.39%	3.21%	2.94%			3.56%	3.52%
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.47%**	**3.46%**	**3.35%**	**3.17%**	**2.76%**	**2.48%**	**3.51%**	**3.50%**	**3.32%**	**3.15%**	**2.83%**	**2.54%**	**3.51%**	**3.42%**	**3.25%**	**2.99%**			**3.59%**	**3.56%**
All-in Spread to GoC Curve (bp)	**106.64**	**106.41**	**102.35**	**92.62**	**70.43**	**53.87**	**108.71**	**108.71**	**97.39**	**88.08**	**64.24**	**46.20**	**113.57**	**104.40**	**95.23**	**76.90**			**114.73**	**112.51**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	63	43	27	76	76	73	66	43	25	75	78	72	58			76	75

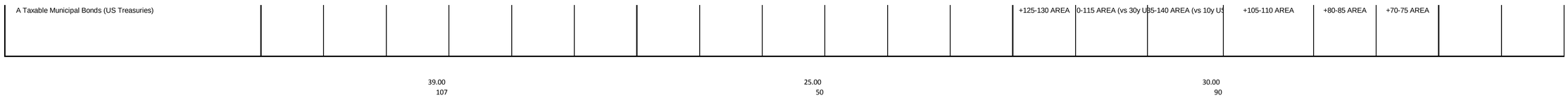
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																				
City of Toronto (AA/Aa1/AA)																				
Hydro One Inc. (A(H)/A3/A)																				
Ontario Power Generation Inc. (A(low)/-/BBB+)							165	--	--	118	77	61								
Toronto Hydro Corporation (A/-/A)							130	--	--	89	63	51								
Canadian National Railway Co (A/A2/A)																				
Greater Toronto Airports Authority (A(high)/Aa3/A+)																				
NAV Canada (AA(low)/Aa2/AA-)	101	0	0	82	57	50														
OPB Finance Trust (AA+/-/AA(H))																				
Covered Bond - Bank (AAA/Aaa/AAA)																				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																			135	128
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																			118	111
Schedule I Bank ABS (Aaa ; AAA ; AAA)																			140	135
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	85	0														
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	79	63														
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	64	48														
CMBs: (AAA/Aaa/AAA)	0	0	43	38	30	19														
PSP Investments (AAA/Aaa/AAA)	0	0	0	70	47	30														
CPP Investment Board (AAA/Aaa/AAA)	90	0	0	70	47	30														
BMO (Senior) (A+/A1/AA)	119	0	0	94	77	66														
Nova Scotia Power (BBB+ / - / A(l))							144	--	--	100	71	56								
FortisAlberta (A- / Baa1 / A(l))							134	--	--	92	66	--								
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							229	--	--	169	119	94								
Bruce Power (BBB / Baa2 / BBB)							200	--	--	145	100	--								
City of Toronto (- / Aa1 / AA)							99	96	--	82	--	--								
BNS - Denior Deposit Notes																				
Golden Credit Card Trust																				
Master Credit Card Trust																				
AAA CMBS (USD Swaps)																75 - 78 bps area				
AAA Taxable Municipal Bonds (US Treasuries)													+90 AREA	5-80 AREA (vs 30y US	90-105 AREA (vs 10y U	+70-75 AREA	+55-60 AREA	+40-45 AREA		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.75%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.40%	2.39%	2.27%	2.22%	2.06%	1.88%	2.43%	2.41%	2.35%	2.25%	2.15%	2.08%	2.38%	2.37%	2.30%	2.22%			2.44%	2.43%
Curve Adjustment (bp)	0.0	0.6	5.2	2.0	0.2	5.7	0.0	0.3	(0.3)	1.9	3.8	0.2	0.0	0.8	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	144	143	138	118	89	73	131	131	120	111	88	70	142	132	122	102			137	134
Re-Offered Yield	3.84%	3.82%	3.71%	3.42%	2.95%	2.67%	3.74%	3.73%	3.55%	3.38%	3.06%	2.78%	3.80%	3.69%	3.51%	3.24%			3.81%	3.77%
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**3.87%**	**3.86%**	**3.74%**	**3.47%**	**3.02%**	**2.74%**	**3.76%**	**3.75%**	**3.57%**	**3.40%**	**3.08%**	**2.79%**	**3.81%**	**3.72%**	**3.51%**	**3.29%**			**3.84%**	**3.81%**
All-in Spread to GoC Curve (bp)	**146.77**	**146.53**	**141.44**	**122.68**	**96.47**	**79.89**	**133.71**	**133.71**	**122.39**	**113.08**	**89.24**	**71.20**	**143.57**	**134.40**	**125.23**	**106.90**			**139.73**	**137.51**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
RBC Sr-Sub.																				
Highway 407 (A, A)																			130	123
NAV Canada (AA-, AA low)																			100	97
GTAA (Aa3, A+)																			100	97
Hydro One (A3/A/A high)																			130	124
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	83														
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	98														
BMO (Senior) (A+/A1/AA)	119	0	0	94	77	66														
Nav Canada (sub) (AA-/Aa2/AAL)	101	0	0	82	57	50														
City of Toronto (AA / Aa1 / AA)	97	96	95	80	59	41														
Bank ABS (AAA / - / AAA)							--	--	--	--	77	63								
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	88	75								
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	52	40								
AA CMBS (USD Swaps)																100 - 110 bps AREA				
AA Taxable Municipal Bonds (US Treasuries)													+100-105 AREA	85 AREA (vs 30y US	10-115 AREA (vs 10y U	+85-90 AREA	+60-65 AREA	+45-50 AREA		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						GS							
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	1DEC48	1JUN37 and 1JUN41	1JUN29 and 1JUN33	1JUN27 and 1JUN29			01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.75%	2.75%	2.00%	5.75%	2.00%			2.75%	5.00%
Benchmark Yield	2.40%	2.39%	2.27%	2.22%	2.06%	1.88%	2.43%	2.41%	2.35%	2.25%	2.15%	2.08%	2.38%	2.37%	2.30%	2.22%			2.44%	2.43%
Curve Adjustment (bp)	0.0	0.6	5.2	2.0	0.2	5.7	0.0	0.3	(0.3)	1.9	3.8	0.2	0.0	0.8	4.9	0.8			0.0	0.0
Spread to GoC Curve (bp)	219	217	206	168	133	118	156	156	145	136	113	95	202	192	182	162			167	164
Re-Offered Yield	4.59%	4.56%	4.39%	3.92%	3.39%	3.12%	3.99%	3.98%	3.80%	3.63%	3.31%	3.03%	4.40%	4.29%	4.11%	3.84%			4.11%	4.07%
Commission (bp)	2.9	3.7	3.5	4.8	7.5	6.9	2.7	2.7	2.4	2.1	1.7	1.2	1.7	2.5	3.3	5.0			2.7	3.5
All-in Yield	**4.62%**	**4.60%**	**4.42%**	**3.97%**	**3.46%**	**3.19%**	**4.01%**	**4.00%**	**3.82%**	**3.65%**	**3.33%**	**3.04%**	**4.41%**	**4.32%**	**4.11%**	**3.89%**			**4.14%**	**4.11%**
All-in Spread to GoC Curve (bp)	**221.87**	**220.66**	**209.54**	**172.76**	**140.53**	**124.93**	**158.71**	**158.71**	**147.39**	**138.08**	**114.24**	**96.20**	**203.57**	**194.40**	**185.23**	**166.90**			**169.73**	**167.51**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						GS							
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year
Ontario Power Generation (BBB+/A low)																			155.0	149.8
Highway 407 (A, A)																			130.0	123.3
Enbridge Gas Distribution (A-, A)																			130.0	124.8
Hydro One (A3/A/A high)																			130.0	124.0
Schedule 1 Bank ABS (A)																			195.0	190.0
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	150.0	-														
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	132.0	-														
Hydro One (A/A3/AH)	134.0	-	-	91.0	66.0	51.0														
OPG (BBB+/-/AL)	169.0	-	-	117.0	92.0	77.0														
10-year A CMBS (USD Swaps)																150 - 160 bps AREA				


A Taxable Municipal Bonds (US Treasuries)
+125-130 AREA
0-115 AREA (vs 30y U
35-140 AREA (vs 10y US
+105-110 AREA
+80-85 AREA
+70-75 AREA
39.00
107
25.00
50
30.00
90

Indicative New Issue Spreads
Week of March 12, 2018

NBF *NBF* *NBF* NBF

Indicative New Issue Spreads - Senior Notes (AA/Aa2)	NBF			
	Current			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.37%	2.29%	2.09%	1.95%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	99	82.00	60	48
Re-Offered Yield	3.36%	3.11%	2.69%	2.43%
Commission (bp)	3.9	4.7	7.5	8.7
All-in Yield	**3.40%**	**3.16%**	**2.77%**	**2.52%**
All-in Spread to GoC Curve (bp)	**102.85**	**86.70**	**67.54**	**56.70**

Primary Comparable (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	74	63	42	27

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)				
City of Toronto (AA/Aa1/AA)				
Hydro One Inc. (A(H)/A3/A)				
Ontario Power Generation Inc. (A(low)/-/BBB+)				
Toronto Hydro Corporation (A/-/A)				
Canadian National Railway Co (A/A2/A)				
Greater Toronto Airports Authority (A(high)/Aa3/A+)				
NAV Canada (AA(low)/Aa2/AA-)				
OPB Finance Trust (AA+/-/AA(H))				
Covered Bond - Bank (AAA/Aaa/AAA)				
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	109	90	75	65
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	92	75	60	52
Schedule I Bank ABS (Aaa ; AAA ; AAA)	118	95	80	70
ABS - Eagle 2017-1 A (AAA)				
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)				
MBS - BAML NHA MBS (AAA/AAA)				
CMBs: (AAA/Aaa/AAA)				
PSP Investments (AAA/Aaa/AAA)				
CPP Investment Board (AAA/Aaa/AAA)				
BMO (Senior) (A+/A1/AA)				
Nova Scotia Power (BBB+ / - / A(l))				
FortisAlberta (A- / Baa1 / A(l))				
Brookfield Renewable Energy Partners (BBB / - / BBB(H))				
Bruce Power (BBB / Baa2 / BBB)				
City of Toronto (- / Aa1 / AA)				
BNS - Denior Deposit Notes				
Golden Credit Card Trust				
Master Credit Card Trust				
AAA CMBS (USD Swaps)				
AAA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.37%	2.29%	2.09%	1.95%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	123	105	83	70
Re-Offered Yield	3.60%	3.34%	2.92%	2.65%
Commission (bp)	3.9	4.7	7.5	8.7
All-in Yield	**3.64%**	**3.39%**	**3.00%**	**2.74%**
All-in Spread to GoC Curve (bp)	**126.85**	**109.70**	**90.54**	**78.70**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
RBC Sr-Sub.				
Highway 407 (A, A)	104	85	60	50
NAV Canada (AA-, AA low)	89	80	55	45
GTAA (Aa3, A+)	89	80	55	45
Hydro One (A3/A/A high)	107	90	65	50
ABS - BMO Fortified (HELOC ABS) (AA/AA)				
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)				
BMO (Senior) (A+/A1/AA)				
Nav Canada (sub) (AA-/Aa2/AAL)				
City of Toronto (AA / Aa1 / AA)				
Bank ABS (AAA / - / AAA)				
Auto ABS (Ford) (AAA / Aaa / AAA)				
NHA MBS (AAA / Aaa / AAA)				
AA CMBS (USD Swaps)				
AA Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	NBF			
	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Jun-33	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.37%	2.29%	2.09%	1.95%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	151	127	100	88
Re-Offered Yield	3.88%	3.56%	3.09%	2.83%
Commission (bp)	3.9	4.7	7.5	8.7
All-in Yield	**3.92%**	**3.61%**	**3.17%**	**2.92%**
All-in Spread to GoC Curve (bp)	**154.85**	**131.70**	**107.54**	**96.70**

Other Comparables (S&P/Moody's/ DBRS)	NBF			
Spread to GoC Curve (bp)	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	134.9	120.0	90.0	75.0
Highway 407 (A, A)	104.1	85.0	60.0	50.0
Enbridge Gas Distribution (A-, A)	109.9	95.0	70.0	55.0
Hydro One (A3/A/A high)	107.0	90.0	65.0	50.0
Schedule 1 Bank ABS (A)	173.0	150.0	135.0	120.0
ABS - Eagle 2017-1 Sub A Rated Tranche				
ABS - BMO Fortified Sub A Rated Tranche				
Hydro One (A/A3/AH)				
OPG (BBB+/-/AL)				
10-year A CMBS (USD Swaps)				

A Taxable Municipal Bonds (US Treasuries)				

Indicative New Issue Spreads
Week of March 12, 2018

	RBC	RBC	RBC	*RBC*	*RBC*	RBC	Scotia	Scotia	Scotia	*Scotia*	*Scotia*	Scotia	TD	TD	TD	*TD*	*TD*	TD
	RBC						Scotia						TD					
Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Current						Current					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.41%	2.40%	2.29%	2.24%	2.07%	1.94%	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	2.38%	2.37%	2.25%	2.21%	2.04%	1.90%
Curve Adjustment (bp)	0.0	0.6	4.9	2.0	0.1	0.2	0.0	0.6	(0.2)	2.0	0.1	0.3	0.0	0.7	5.3	1.9	0.0	0.3
Spread to GoC Curve (bp)	99	98	98	88.00	65	50	105	104	98	89	70	54	118	108	98	93	63	48
Re-Offered Yield	3.40%	3.39%	3.32%	3.14%	2.72%	2.44%	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	3.56%	3.45%	3.29%	3.15%	2.67%	2.39%
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	2.3	3.2	3.6	4.5	7.4	8.6	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.43%**	**3.42%**	**3.35%**	**3.18%**	**2.79%**	**2.53%**	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**3.59%**	**3.49%**	**3.32%**	**3.20%**	**2.74%**	**2.47%**
All-in Spread to GoC Curve (bp)	**101.68**	**101.47**	**101.84**	**92.70**	**72.55**	**58.71**	**106.85**	**106.66**	**101.57**	**92.99**	**76.91**	**62.63**	**120.35**	**111.16**	**101.58**	**97.49**	**70.41**	**56.63**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	75	65	42	27	77	77	75	65	43	28	76	75	71	66	42	27

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	38	30	19												
City of Toronto (AA/Aa1/AA)	98	97	94	81	57	41												
Hydro One Inc. (A(H)/A3/A)	134	n/a	n/a	93	63	53							133	123	95	87	64	51
Ontario Power Generation Inc. (A(low)/-/BBB+)	157	n/a	n/a	115	84	73	160	0	0	115	90	78						
Toronto Hydro Corporation (A/-/A)	125	n/a	n/a	89	59	50												
Canadian National Railway Co (A/A2/A)	130	n/a	n/a	90	67	59												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	102	n/a	n/a	82	61	51												
NAV Canada (AA(low)/Aa2/AA-)	97	n/a	n/a	74	57	50												
OPB Finance Trust (AA+/-/AA(H))													113	103	98	89	62	45
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	82	63	49
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							76	0	0	66	45	31						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							124	0	0	94	78	65						
Golden Credit Card Trust							0	0	0	92	76	64						
Master Credit Card Trust							0	0	0	92	76	64						
AAA CMBS (USD Swaps)																		
AAA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.41%	2.40%	2.29%	2.24%	2.07%	1.94%	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	2.38%	2.37%	2.25%	2.21%	2.04%	1.90%
Curve Adjustment (bp)	0.0	0.6	4.9	2.0	0.1	0.2	0.0	0.6	(0.2)	2.0	0.1	0.3	0.0	0.7	5.3	1.9	0.0	0.3
Spread to GoC Curve (bp)	127	126	126	116	93	78	140	137	128	119	100	84	148	138	128	123	93	78
Re-Offered Yield	3.68%	3.67%	3.60%	3.42%	3.00%	2.72%	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	3.86%	3.75%	3.59%	3.45%	2.97%	2.69%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.7	2.3	3.2	3.6	4.5	7.4	8.6	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.71%**	**3.70%**	**3.64%**	**3.46%**	**3.07%**	**2.81%**	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**3.89%**	**3.79%**	**3.62%**	**3.50%**	**3.04%**	**2.77%**
All-in Spread to GoC Curve (bp)	**129.78**	**129.56**	**129.92**	**120.77**	**100.61**	**86.75**	**141.85**	**139.66**	**131.57**	**122.99**	**106.91**	**92.63**	**150.35**	**141.16**	**131.58**	**127.49**	**100.41**	**86.63**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	n/a	n/a	n/a	67	45	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		
AA CMBS (USD Swaps)																		
AA Taxable Municipal Bonds (US Treasuries)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.41%	2.40%	2.29%	2.24%	2.07%	1.94%	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	2.38%	2.37%	2.25%	2.21%	2.04%	1.90%
Curve Adjustment (bp)	0.0	0.6	4.9	2.0	0.1	0.2	0.0	0.6	(0.2)	2.0	0.1	0.3	0.0	0.7	5.3	1.9	0.0	0.3
Spread to GoC Curve (bp)	159	158	158	148	125	110	175	170	158	149	130	114	178	168	158	153	123	108
Re-Offered Yield	4.00%	3.99%	3.92%	3.74%	3.32%	3.04%	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	4.16%	4.05%	3.89%	3.75%	3.27%	2.99%
Commission (bp)	2.9	3.7	4.0	4.8	7.7	8.8	2.3	3.2	3.6	4.5	7.4	8.6	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.03%**	**4.02%**	**3.96%**	**3.79%**	**3.39%**	**3.13%**	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**4.19%**	**4.09%**	**3.92%**	**3.80%**	**3.34%**	**3.07%**
All-in Spread to GoC Curve (bp)	**161.89**	**161.66**	**162.01**	**152.84**	**132.67**	**118.80**	**176.85**	**172.66**	**161.57**	**152.99**	**136.91**	**122.63**	**180.35**	**171.16**	**161.58**	**157.49**	**130.41**	**116.63**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		
10-year A CMBS (USD Swaps)																		

A Taxable Municipal Bonds (US Treasuries)																		
			28.00 60						30.00 60						30.00 60			

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	18.3	21.8	23.9
8-Feb-18	19.3	22.4	24.6
12-Feb-18	19.3	22.7	24.8
20-Feb-18	19.9	20.0	23.7
26-Feb-18	19.6	16.9	23.2
5-Mar-18	20.8	19.4	23.2
12-Mar-18	21.7	21.6	23.7

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	**5 Year**	**10 Year**	**15 Year**	**30 Year**	**5 Year**
29.7	56.8	80.6	91.2	99.1	38.5
30.8	59.3	81.4	92.0	100.4	40.1
31.4	61.0	83.7	94.5	103.6	41.7
32.6	59.8	82.1	94.1	104.8	39.8
31.9	59.4	82.1	94.0	104.6	39.8
30.8	63.4	84.9	96.7	107.1	42.7
32.2	63.8	85.3	97.0	107.9	42.2

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	39.7	44.0	47.7
8-Feb-18	45.3	49.2	53.0
12-Feb-18	46.2	50.3	54.2
20-Feb-18	46.8	48.0	53.2
26-Feb-18	46.4	44.9	52.6
5-Mar-18	47.6	47.4	52.6
12-Mar-18	48.7	49.6	53.1

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
54.7	78.2	102.8	115.0	124.1	38.5
60.3	85.4	108.2	120.4	130.0	40.1
61.9	87.8	111.3	123.9	134.1	41.7
63.0	86.6	110.1	123.6	135.2	39.8
62.4	86.3	110.1	123.4	135.1	39.8
61.2	90.3	112.9	126.1	137.6	42.7
62.6	90.8	113.3	126.4	138.3	42.2

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8

	Fair Hydro Spread to Ontarios		
	5 Year	**10 Year**	**15 Year**
5-Feb-18	60.8	66.8	73.7
8-Feb-18	72.6	78.3	86.1
12-Feb-18	76.0	81.8	93.2
20-Feb-18	76.4	83.6	92.2
26-Feb-18	76.1	80.5	91.6
5-Mar-18	77.3	83.0	91.6
12-Mar-18	78.3	85.2	92.1

	Fair Hydro Spread to GOC				Ontario Spread to GOC
30 Year	5 Year	10 Year	15 Year	30 Year	5 Year
84.5	99.3	125.6	141.0	153.9	38.5
96.8	112.7	137.3	153.5	166.5	40.1
101.5	117.7	142.8	162.9	173.7	41.7
104.0	116.3	145.6	162.6	176.2	39.8
103.4	115.9	145.6	162.4	176.1	39.8
102.2	119.9	148.5	165.1	178.6	42.7
103.6	120.5	148.9	165.4	179.3	42.2

10 Year	15 Year	30 Year
58.8	67.3	69.4
59.0	67.4	69.7
61.0	69.7	72.2
62.0	70.4	72.2
65.1	70.8	72.7
65.5	73.5	76.3
63.7	73.3	75.8

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.39%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**104**	**103**
Re-Offered Yield	3.44%	3.42%
Commission (bp)	2.6	3.4
All-in Yield	**3.47%**	**3.46%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	76	75

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	90	
BMO (Senior) (A+/A1/AA)	119	
Nav Canada (sub) (AA-/Aa2/AAL)	101	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.39%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**144**	**143**
Re-Offered Yield	3.84%	3.82%
Commission (bp)	2.8	3.5
All-in Yield	**3.87%**	**3.86%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	119	
Nav Canada (sub) (AA-/Aa2/AAL)	101	
City of Toronto (AA / Aa1 / AA)	97	96

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.40%	2.39%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**219**	**217**
Re-Offered Yield	4.59%	4.56%
Commission (bp)	2.9	3.7
All-in Yield	**4.62%**	**4.60%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	134	
OPG (BBB+/-/AL)	169	

Generic Corporate Credit Spreads AA	104	
Generic Corporate Credit Spreads A	156	
Generic Corporate Credit Spreads BBB	231	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.27%	2.22%	2.06%	1.88%	0bps	0bps	1bps	-3bps	2bps
5.2	2.0	0.2	5.7	0bps	0bps	0bps	1bps	0bps
99	**88**	**63**	**47**	-1bps	-1bps	-3bps	-2bps	-1bps
3.32%	3.12%	2.69%	2.41%	-1bps	-1bps	-2bps	-3bps	1bps
3.4	4.6	7.4	6.9					
3.35%	**3.17%**	**2.76%**	**2.48%**	-1bps	-1bps	-2bps	-3bps	1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
74	63	42.5	27	-3bps	-3bps	-3bps	-3bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		85						-1bps
		79	63					1bps
		64	48					-1bps
43	38	30	18.5			-1bps	-1bps	0bps
	70	47	30				2bps	2bps
	70	47	30	2bps			2bps	2bps
	94	77	66	0bps			0bps	-1bps
	82	57	50	-4bps			-1bps	-1bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.27%	2.22%	2.06%	1.88%	0bps	0bps	1bps	-3bps	2bps
5.2	2.0	0.2	5.7	0bps	0bps	0bps	1bps	0bps
138	**118**	**89**	**73**	-1bps	-1bps	-3bps	-2bps	0bps
3.71%	3.42%	2.95%	2.67%	-1bps	-1bps	-2bps	-3bps	2bps
3.4	4.7	7.5	6.9					
3.74%	**3.47%**	**3.02%**	**2.74%**	-1bps	-1bps	-2bps	-3bps	2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
74	63	43	27	-3bps	-3bps	-3bps	-3bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			83					
			98					
	94	77	66	0bps			0bps	-1bps
	82	57	50	-4bps			-1bps	-1bps
94.5	80	58.5	40.5	-3bps	-3bps	-3bps	-3bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.27%	2.22%	2.06%	1.88%	0bps	0bps	1bps	-3bps	2bps
5.2	2.0	0.2	5.7	0bps	0bps	0bps	1bps	0bps
206	**168**	**133**	**118**	-1bps	-1bps	-3bps	-2bps	0bps
4.39%	3.92%	3.39%	3.12%	-1bps	-1bps	-2bps	-3bps	2bps
3.5	4.8	7.5	6.9					
4.42%	**3.97%**	**3.46%**	**3.19%**	-1bps	-1bps	-2bps	-3bps	2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
74	63	43	27	-3bps	-3bps	-3bps	-3bps	-2bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		150						-1bps
		132						-1bps
	91	66	51	2bps			1bps	1bps
	117	92	77	2bps			-1bps	-1bps

	89	67		-1bps			-2bps	-2bps
	115	84		-2bps			-2bps	-2bps
	174	120		-1bps			-1bps	-2bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
13-Mar-18

3-year
3bps 1bps -1bps 3bps
3bps

3-year
-2bps

3-year
-1bps -1bps 0bps 1bps 1bps -1bps 1bps

3-year
3bps 1bps 0bps 4bps
4bps

3-year
-2bps

3-year
-1bps
-1bps
-1bps
1bps
-2bps

3-year
3bps
1bps
0bps
4bps
4bps

3-year
-2bps

3-year
1bps
-1bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.43%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**106**
Re-Offered Yield	3.49%
Commission (bp)	2.7
All-in Yield	**3.51%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	165
Toronto Hydro (A / - / A)	130
Nova Scotia Power (BBB+ / - / A(l))	144
FortisAlberta (A- / Baa1 / A(l))	134
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	229
Bruce Power (BBB / Baa2 / BBB)	200
City of Toronto (- / Aa1 / AA)	99

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.43%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**131**
Re-Offered Yield	3.74%
Commission (bp)	2.7
All-in Yield	**3.76%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.43%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**156**
Re-Offered Yield	3.99%
Commission (bp)	2.7
All-in Yield	**4.01%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Mar-23	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.75%	-	-	-	-	-
2.41%	2.35%	2.25%	2.15%	2.08%	0.06%	0.06%	0.06%	0.07%	0.08%
0.3	(0.3)	1.9	3.8	0.2	0.0	(0.0)	0.0	0.1	(0.3)
106	**95**	**86**	**63**	**45**	1	2	0	1	1
3.48%	3.30%	3.13%	2.81%	2.53%	0.06%	0.08%	0.06%	0.08%	0.08%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
3.50%	**3.32%**	**3.15%**	**2.83%**	**2.54%**	**0.06%**	**0.08%**	**0.06%**	**0.08%**	**0.08%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
76	73	66	43	25	1	2	1	1	1

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	118	77	61	2	--	--	2	2
--	--	89	63	51	2	--	--	3	2
--	--	100	71	56	2	--	--	2	1
--	--	92	66	--	3	--	--	3	2
--	--	169	119	94	2	--	--	2	2
--	--	145	100	--	0	--	--	5	5
96	--	82	--	--	1	0	--	0	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Mar-23	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.75%	-	-	-	-	-
2.41%	2.35%	2.25%	2.15%	2.08%	0.06%	0.06%	0.06%	0.07%	0.08%
0.3	(0.3)	1.9	3.8	0.2	0	(0)	0	0	(0)
131	**120**	**111**	**88**	**70**	1	2	0	1	1
3.73%	3.55%	3.38%	3.06%	2.78%	0.06%	0.08%	0.06%	0.08%	0.08%
2.7	2.4	2.1	1.7	1.2	0.00%	0.00%	0.00%	0.00%	0.00%
3.75%	**3.57%**	**3.40%**	**3.08%**	**2.79%**	**0.06%**	**0.08%**	**0.06%**	**0.08%**	**0.08%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
76	73	66	43	25	1	2	1	1	1

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
--	--	--	77	63	--	--	--	--	-1
--	--	--	88	75	--	--	--	--	1
--	--	--	52	40	--	--	--	--	0

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Mar-23	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.75%	-	-	-	-	-
2.41%	2.35%	2.25%	2.15%	2.08%	0.06%	0.06%	0.06%	0.07%	0.08%
0.3	(0.3)	1.9	3.8	0.2	0	(0)	0	0	(0)
156	**145**	**136**	**113**	**95**	1	2	0	1	1
3.98%	3.80%	3.63%	3.31%	3.03%	0.06%	0.08%	0.06%	0.08%	0.08%
2.7	2.4	2.1	1.7	1.2	-	-	-	-	-
4.00%	**3.82%**	**3.65%**	**3.33%**	**3.04%**	**0.06%**	**0.08%**	**0.06%**	**0.08%**	**0.08%**

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
76	73	66	43	25	1	2	1	1	1

Current					Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

CIBC
3/12/2018

3-year
-
-
0.08%
0.1
-2
0.07%
-
0.07%

3-year
(2)

3-year
0
2
0
--
2
--
--

3-year
-
-
0.08%
0
(2)
0.07%
0.00%
0.07%

3-year
(2)

3-year
-2
1
0

3-year
-
-
0.08%
0
(2)
0.07%
-
0.07%

3-year
(2)

3-year

	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.379%	2.373%
Curve Adjustment (bp)	0.000%	0.008%
Spread to GoC Curve (bp)	**1.119%**	**1.019%**
Re-Offered Yield	3.498%	3.392%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.51%**	**3.42%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.748%**	**0.775%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AAA CMBS (USD Swaps)		
AAA Taxable Municipal Bonds (US Treasuries)	+90 AREA	-80 AREA (vs 30y U

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.379%	2.373%
Curve Adjustment (bp)	0.000%	0.008%
Spread to GoC Curve (bp)	**1.419%**	**1.319%**
Re-Offered Yield	3.798%	3.692%
Commission (bp)	0.017%	0.025%
All-in Yield	**3.81%**	**3.72%**

Primary Comparable (S&P/Moody's/ DBRS)	

Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(l))	**0.748%**	**0.775%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
AA CMBS (USD Swaps)		
AA Taxable Municipal Bonds (US Treasuries)	+100-105 AREA	35 AREA (vs 30y US

ndicative New Issue Spreads - Jr. Sub Notes (A/Aa2	**30-year**	**20-year**
Benchmark Canada Bond Maturity	1DEC48	1JUN37 and 1JUN41
Benchmark Canada Bond Coupon	2.750%	2.000%
Benchmark Yield	2.379%	2.373%
Curve Adjustment (bp)	0.000%	0.008%
Spread to GoC Curve (bp)	**2.019%**	**1.919%**
Re-Offered Yield	4.398%	4.292%
Commission (bp)	0.017%	0.025%
All-in Yield	**4.41%**	**4.32%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(l))	**0.748%**	**0.775%**

Other Comparables (S&P/Moody's/ DBRS)		
Spread to Relevant Benchmark (bp)	**30-year**	**20-year**
10-year A CMBS (USD Swaps)		
A Taxable Municipal Bonds (US Treasuries)	+125-130 AREA	-115 AREA (vs 30y

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.295%	2.223%			
0.049%	0.008%			
0.919%	**0.719%**			
3.214%	2.942%			
0.033%	0.050%			
3.25%	**2.99%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.719%	**0.582%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-105 AREA (vs 10y	75 - 78 bps area +70-75 AREA	+55-60 AREA	+40-45 AREA	+5 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.295%	2.223%			
0.049%	0.008%			
1.219%	**1.019%**			
3.514%	3.242%			
0.033%	0.050%			
3.51%	**3.29%**			

Current				

15-year	10-year	5-year	3-year	30-year
0.719%	**0.582%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-115 AREA (vs 10y	100 - 110 bps AREA +85-90 AREA	+60-65 AREA	+45-50 AREA	+5 bps

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1JUN29 and 1JUN33	1JUN27 and 1JUN29			
5.750%	2.000%			
2.295%	2.223%			
0.049%	0.008%			
1.819%	**1.619%**			
4.114%	3.842%			
0.033%	0.050%			
4.11%	**3.89%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
0.719%	**0.582%**			

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
-140 AREA (vs 10y	150 - 160 bps AREA +105-110 AREA	+80-85 AREA	+70-75 AREA	+5 bps

Bank Name	GS
Date	2/15/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+5 bps	+3 - 5 bps +5 bps	+5 bps	+5 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week

20-year	15-year	10-year	5-year	3-year

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+5 bps	-5 bps +5 bps	+5 bps	+5 bps

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
+5 bps	+5 bps	+0 bps +5 bps	+5 bps	+5 bps

Fair Hydro Trust, Indicative Spreads from NBC

(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.44%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	112
Re-Offered Yield	3.56%
Commission (bp)	2.7
All-in Yield	**3.59%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	135
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	118
Schedule I Bank ABS (Aaa ; AAA ; AAA)	140

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.44%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	137
Re-Offered Yield	3.81%
Commission (bp)	2.7
All-in Yield	**3.84%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	130
NAV Canada (AA-, AA low)	100
GTAA (Aa3, A+)	100
Hydro One (A3/A/A high)	130

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.44%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	167
Re-Offered Yield	4.11%
Commission (bp)	2.7
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	155
Highway 407 (A, A)	130
Enbridge Gas Distribution (A-, A)	130
Hydro One (A3/A/A high)	130
Schedule 1 Bank ABS (A)	195

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.43%	2.37%	2.29%	2.09%
0.0	0.0	0.0	0.0
109	99	82	60
3.52%	3.36%	3.11%	2.69%
3.5	3.9	4.7	7.5
3.56%	**3.40%**	**3.16%**	**2.77%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	74	63	42

Current			
20-year	**15-year**	**10-year**	**5-year**
128	109	90	75
111	92	75	60
135	118	95	80

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.43%	2.37%	2.29%	2.09%
0.0	0.0	0.0	0.0
134	123	105	83
3.77%	3.60%	3.34%	2.92%
3.5	3.9	4.7	7.5
3.81%	**3.64%**	**3.39%**	**3.00%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	74	63	42

Current			
20-year	**15-year**	**10-year**	**5-year**
123	104	85	60
97	89	80	55
97	89	80	55
124	107	90	65

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.43%	2.37%	2.29%	2.09%
0.0	0.0	0.0	0.0
164	151	127	100
4.07%	3.88%	3.56%	3.09%
3.5	3.9	4.7	7.5
4.11%	**3.92%**	**3.61%**	**3.17%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	74	63	42

Current			
20-year	**15-year**	**10-year**	**5-year**
150	135	120	90
123	104	85	60
125	110	95	70
124	107	90	65
190	173	150	135

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.95%	0.10%	0.10%	0.10%
0.0	0.0	0.0	0.0
48	3	3	3
2.43%	0.13%	0.13%	0.13%
8.7	0.0	0.0	0.0
2.52%	**0.13%**	**0.13%**	**0.13%**

			Week
3-year	**30-year**	**20-year**	**15-year**
26.5	0	0	0.5

			Week
3-year	**30-year**	**20-year**	**15-year**
65	0	-1	-3
52	0	-1	-3
70	0	0	0

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
1.95%	0.10%	0.10%	0.10%
0.0	0.0	0.0	0.0
70	3	3	3
2.65%	0.13%	0.13%	0.13%
8.7	0.0	0.0	0.0
2.74%	**0.13%**	**0.13%**	**0.13%**

			Week
3-year	**30-year**	**20-year**	**15-year**
27	0	0	1

			Week
3-year	**30-year**	**20-year**	**15-year**
50	0	1	3
45	5	5	5
45	5	5	5
50	0	0	0

	Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.95%	0.10%	0.10%	0.10%
0.0	0.0	0.0	0.0
88	3	3	3
2.83%	0.13%	0.13%	0.13%
8.7	0.0	0.0	0.0
2.92%	**0.13%**	**0.13%**	**0.13%**

	Week
3-year	**30-year**	**20-year**	**15-year**
27	0	0	1

	Week
3-year	**30-year**	**20-year**	**15-year**
75	0	0	0
50	0	1	3
55	0	0	0
50	0	0	0
120	0	0	0

Bank Name	National Bank of Canada
Date	3/12/2018

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.10%	0.11%	0.11%
0.0	0.0	0.0
2	1	1
0.12%	0.12%	0.12%
0.0	0.0	0.0
0.12%	**0.12%**	**0.12%**

over Week		
10-year	**5-year**	**3-year**
0.5	-0.5	-0.5

over Week		
10-year	**5-year**	**3-year**
-5	0	0
-5	0	0
0	0	0

over Week		
10-year	**5-year**	**3-year**
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.10%	0.11%	0.11%
0.0	0.0	0.0
2	1	1
0.12%	0.12%	0.12%
0.0	0.0	0.0
0.12%	**0.12%**	**0.12%**

over Week		
10-year	**5-year**	**3-year**
1	-1	-1

over Week		
10-year	**5-year**	**3-year**
5	0	0
5	0	0
5	0	0
0	0	0

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.10%	0.11%	0.11%
0.0	0.0	0.0
2	1	1
0.12%	0.12%	0.12%
0.0	0.0	0.0
0.12%	**0.12%**	**0.12%**

over Week		
10-year	**5-year**	**3-year**
1	-1	-1

over Week		
10-year	**5-year**	**3-year**
0	0	0
5	0	0
0	0	0
0	0	0
0	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.41%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**99**
Re-Offered Yield	3.40%
Commission (bp)	2.7
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**76**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**98**
Hydro One Inc. (A(H)/A3/A)	**134**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**157**
Toronto Hydro Corporation (A/-/A)	**125**
Canadian National Railway Co (A/A2/A)	**130**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**102**
NAV Canada (AA(low)/Aa2/AA-)	**97**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**127**
Re-Offered Yield	3.68%
Commission (bp)	2.8
All-in Yield	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**159**
Re-Offered Yield	4.00%
Commission (bp)	2.9
All-in Yield	**4.03%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

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Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.40%	**2.29%**	**2.24%**	**2.07%**
0.6	**4.9**	**2.0**	**0.1**
98	**98**	**88**	**65**
3.39%	3.32%	3.14%	2.72%
3.5	3.8	4.7	7.5
3.42%	**3.35%**	**3.18%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	**75**	**65**	**42**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**38**	**30**
97	**94**	**81**	**57**
n/a	**n/a**	**93**	**63**
n/a	**n/a**	**115**	**84**
n/a	**n/a**	**89**	**59**
n/a	**n/a**	**90**	**67**
n/a	**n/a**	**82**	**61**
n/a	**n/a**	**74**	**57**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.40%	2.29%	2.24%	2.07%
0.6	4.9	2.0	0.1
126	**126**	**116**	**93**
3.67%	3.60%	3.42%	3.00%
3.6	3.9	4.8	7.6
3.70%	**3.64%**	**3.46%**	**3.07%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	75	65	42

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**67**	**45**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.40%	2.29%	2.24%	2.07%
0.6	4.9	2.0	0.1
158	**158**	**148**	**125**
3.99%	3.92%	3.74%	3.32%
3.7	4.0	4.8	7.7
4.02%	**3.96%**	**3.79%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	75	65	42

Current			
20-year	**15-year**	**10-year**	**5-year**

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Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.94%	0.1	-1.2	-9.8	-10.3	-3.1
0.2	-	0.2	-0.5	0.3	-3.4
50	-	-1.0	-1.0	-1.0	-1.0
2.44%	0.1	-2.0	-11.3	-11.0	-7.5
8.7	0.0	-0.0	-0.0	-0.0	-0.0
2.53%	0.1	-2.0	-11.3	-11.0	-7.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
27	-0.5	-1.5	-1.5	-1.0	-1.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
19				1.0	2.0
41	-4.0	-4.5	-5.0	-4.5	-2.5
53	3.0			1.0	1.0
73	4.0			4.0	2.0
50	1.0			2.0	1.0
59	5.0			3.0	1.0
51	3.0			3.0	3.0
50	3.0			-4.0	-1.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Mar-21					
0.75%					
1.94%					
0.2					
78	-	-1.0	-1.0	-1.0	-1.0
2.72%	0.1	-2.0	-11.3	-11.0	-7.5
8.7	0.00	-0.01	-0.03	-0.03	-0.02
2.81%	0.1	-2.0	-11.3	-11.0	-7.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
27	-0.5	-1.5	-1.5	-1.0	-1.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				-	-

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.94%					
0.2					
110	-	-1.0	-1.0	-1.0	-1.0
3.04%	0.1	-2.0	-11.3	-11.0	-7.5
8.8	0.00	-0.01	-0.03	-0.03	-0.02
3.13%	0.1	-2.0	-11.3	-11.0	-7.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	-0.5	-1.5	-1.5	-1.0	-1.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

fer, or an indication of RBC's willingness to make such an offer at any time. As a general matter, and particularly in times of distressed markets
e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does n
dify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not comm

y at RBC by using the indicative price. The indicative price is provided without any warranty, express or implied, as to its legal effect or complet
MATION) ARISING OUT OF THE USE OF OR INABILITY TO USE THE MATERIALS. You should discuss with your auditors, lawyers and othe

nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

RBC
13-Mar-18

3-year
4.1
-5.0
-1.0
-1.9
-0.0
-1.9

3-year
-1.5

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1.0
-2.0
-
-
-
1.0
3.0
-

3-year
-1.0
-1.9
-0.00
-1.9

3-year
-1.5

3-year

3-year
-1.0
-1.9
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icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.38%	2.36%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+105**	**+104**
Re-Offered Yield	3.43%	3.40%
Commission (bp)	2.3	3.2
All-in Yield	**3.45%**	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	160	
CPP	76	
BNS - Denior Deposit Notes	124	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.38%	2.36%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+140**	**+137**
Re-Offered Yield	3.78%	3.73%
Commission (bp)	2.3	3.2
All-in Yield	**3.80%**	**3.77%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.38%	2.36%
Curve Adjustment (bp)	0.0	0.6
Spread to GoC Curve (bp)	**+175**	**+170**
Re-Offered Yield	4.13%	4.06%
Commission (bp)	2.3	3.2
All-in Yield	**4.15%**	**4.10%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.30%	2.20%	2.03%	1.90%	-0.01%
(0.2)	2.0	0.1	0.3	0
+98	**+89**	**+70**	**+54**	2
3.28%	3.11%	2.72%	2.44%	0.01%
3.6	4.5	7.4	8.6	0
3.31%	**3.15%**	**2.80%**	**2.53%**	**0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
75	65	43	28	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	115	90	78	0
	66	45	31	(1)
	94	78	65	(1)
	92	76	64	
	92	76	64	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.30%	2.20%	2.03%	1.90%	-0.01%
(0.2)	2.0	0.1	0.3	0
+128	**+119**	**+100**	**+84**	2
3.58%	3.41%	3.02%	2.74%	0.01%
3.6	4.5	7.4	8.6	0
3.61%	**3.45%**	**3.10%**	**2.83%**	**0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
75	65	43	28	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	92	76	64	
	92	76	64	

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21	
5.75%	1.00%	1.75%	0.75%	
2.30%	2.20%	2.03%	1.90%	-0.01%
(0.2)	2.0	0.1	0.3	0
+158	**+149**	**+130**	**+114**	2
3.88%	3.71%	3.32%	3.04%	0.01%
3.6	4.5	7.4	8.6	0
3.91%	**3.75%**	**3.40%**	**3.13%**	**0.01%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
75	65	43	28	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	92	76	64	
	92	76	64	

Bank Name	BNS
Date	3/13/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.01%	-0.02%	-0.03%	-0.02%	0.02%
0	0	0	0	0
2	2	2	2	2
0.01%	0.00%	-0.01%	0.00%	0.04%
0	0	0	0	0
0.01%	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	5.5	1	1	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		0	0	0
		0	(1)	(1)
		(1)	(1)	(1)
		1	0	0
		1	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.01%	-0.02%	-0.03%	-0.02%	0.02%
0	0	0	0	0
2	2	2	2	2
0.01%	0.00%	-0.01%	0.00%	0.04%
0	0	0	0	0
0.01%	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	5.5	1	1	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		1	0	0
		1	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-0.01%	-0.02%	-0.03%	-0.02%	0.02%
0	0	0	0	0
2	2	2	2	2
0.01%	0.00%	-0.01%	0.00%	0.04%
0	0	0	0	0
0.01%	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	5.5	1	1	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
		1	0	0
		1	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.38%	2.37%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**118**	**108**
Re-Offered Yield	3.56%	3.45%
Commission (bp)	2.3	3.2
All-in Yield	**3.59%**	**3.49%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	113	103
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	133	123

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.38%	2.37%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**148**	**138**
Re-Offered Yield	3.86%	3.75%
Commission (bp)	2.3	3.2
All-in Yield	**3.89%**	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.38%	2.37%
Curve Adjustment (bp)	0.0	0.7
Spread to GoC Curve (bp)	**178**	**168**
Re-Offered Yield	4.16%	4.05%
Commission (bp)	2.3	3.2
All-in Yield	**4.19%**	**4.09%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-
5.75%	1.00%	1.50%	0.75%	-
2.25%	2.21%	2.04%	1.90%	0.013%
5.3	1.9	0.0	0.3	-
98	**93**	**63**	**48**	1
3.29%	3.15%	2.67%	2.39%	0.02%
3.6	4.5	7.4	8.6	-
3.32%	**3.20%**	**2.74%**	**2.47%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
70.5	66	42	27	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
98	89	62	45	2
N/A	82	63	49	N/A
95	87	64	51	1

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-
5.75%	1.00%	1.50%	0.75%	-
2.25%	2.21%	2.04%	1.90%	0.013%
5.3	1.9	0.0	0.3	-
128	**123**	**93**	**78**	1
3.59%	3.45%	2.97%	2.69%	0.02%
3.6	4.5	7.4	8.6	-
3.62%	**3.50%**	**3.04%**	**2.77%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

71	66	42	27	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-
5.75%	1.00%	1.50%	0.75%	-
2.25%	2.21%	2.04%	1.90%	0.013%
5.3	1.9	0.0	0.3	-
158	**153**	**123**	**108**	1
3.89%	3.75%	3.27%	2.99%	0.02%
3.6	4.5	7.4	8.6	-
3.92%	**3.80%**	**3.34%**	**3.07%**	**0.02%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
71	66	42	27	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	3/13/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.008%	0.013%	0.005%	0.029%	0.054%
-	-	-	-	-
1	1	1	1	1
0.02%	0.03%	0.02%	0.04%	0.07%
-	-	-	-	-
0.02%	**0.02%**	**0.02%**	**0.03%**	**0.06%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
(1.0)	(1.0)	(1.0)	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
2	2	2	5	3
N/A	N/A	-	(1)	-4
1	2	2	1	1

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.008%	0.013%	0.005%	0.029%	0.054%
-	-	-	-	-
1	1	1	1	1
0.02%	0.03%	0.02%	0.04%	0.07%
-	-	-	-	-
0.02%	**0.02%**	**0.02%**	**0.03%**	**0.06%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

(1.0)	(1.5)	(1.0)	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.008%	0.013%	0.005%	0.029%	0.054%
-	-	-	-	-
1	1	1	1	1
0.02%	0.03%	0.02%	0.04%	0.07%
-	-	-	-	-
0.02%	**0.02%**	**0.02%**	**0.03%**	**0.06%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
(1.0)	(1.5)	(1.0)	(1.0)	0.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	James Devine
To:	Mike Manning
Subject:	RE: FHT - Asset Purchase from IESO
Date:	Monday, June 11, 2018 8:02:07 AM

Working on it

From: Mike Manning
Sent: Sunday, June 10, 2018 8:57 AM
To: James Devine ; Carlos Yep
Subject: Fwd: FHT - Asset Purchase from IESO

Not sure why they are asking about this, have never been asked about the financing before. As I'm away can you please get back to them.
Regards, Mike

Begin forwarded message:

> **From:** LADAK Lubna -TREASURY <lubna.ladak@opg.com>
> **Date:** June 8, 2018 at 5:21:10 PM EDT
> **To:** Mike Manning <Mike.Manning@ofina.on.ca>
> **Subject: FHT - Asset Purchase from IESO**
>
> Hello Mike,
> We received a notice from the IESO this afternoon to purchase the current balance of $566 Million in their deferral account. This covers the months of April and May. I wanted to touch base with you before drawing on our warehouse facility to confirm you're able to provide financing for this purchase. Please let me know via email or give me a call. Thanks.
> Have a good weekend.
> **Lubna Ladak | VP Treasury - FHP| Ontario Power Generation**
> 700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
> lubna.ladak@opg.com
>
> ---
>
> **THIS MESSAGE IS ONLY INTENDED FOR THE USE OF THE INTENDED RECIPIENT(S) AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, PROPRIETARY AND/OR CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any review, retransmission, dissemination, distribution, copying, conversion to hard copy or other use of this communication is strictly prohibited. If you are not the intended recipient and have received this message in error, please notify me by return e-mail and delete this message from your system. Ontario Power Generation Inc.**

From:	LADAK Lubna -TREASURY
To:	Mike Manning
Cc:	LIU Sheen -TREASURY; GRECO Clara -LAWDIV
Subject:	RE: FHT Series 2018-2 Sub debt Pricing
Date:	Friday, April 20, 2018 3:28:28 PM
Attachments:	Manning FHT2018-2 Subdebt Pricing.pdf

Good afternoon Mike,

Attached is the subdebt pricing for FHT series 2018-2.

Lubna Ladak | VP Treasury - FHP| Ontario Power Generation
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

From: LADAK Lubna -TREASURY
Sent: Thursday, April 19, 2018 6:10 PM
To: 'Mike Manning'
Cc: LIU Sheen -TREASURY
Subject: FHP Sub Pricing

Hello Mike,

I hope you're doing well. As you know we completed the 2nd senior bond issuance for the FHT today ($400M at 3.52% for 20 years). Attached is pricing for the subdebt, based on quotes from banks this afternoon. Please take a look and let me know if you have any questions.

I'll send the information to you more formally tomorrow, along with a letter.

Lubna Ladak | VP Treasury - FHP| Ontario Power Generation
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

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ONTARIO POWER GENERATION

700 University Avenue, Toronto, Ontario M5G 1X6

April 19, 2018

The Ontario Financing Authority
1 Dundas Street West, 12th Floor
Toronto, ON M5G 1Z3

Attention: Mike Manning, Executive Director & Chief Investment Officer, Capital Markets

Re: Subordinated Debt Pricing Protocol

Dear Mr. Manning:

We refer to the Subordinated Debt Pricing Protocol (the Protocol), between Ontario Power Generation Inc. (OPG), solely in its capacity as financial services manager (the "FSM") of the Fair Hydro Trust (the "Issuer"), and the Ontario Financing Authority (OFA), made as of December 21, 2017.

Pursuant to Section 2.04 Applicable Spread, OPG is providing OFA with the Indicative Spreads as defined in the Protocol, based on the most recent indicative pricing provided by investment dealers. As the senior debt was priced on April 19 and to be settled on April 24, please let us know if you have any concerns regarding Indicative Spreads by the end of the day April 20.

Should you require any further information, please do not hesitate to contact me at 416-592-5984.

Sincerely,

Lubna Ladak
VP Fair Hydro Plan

FHP 20 Yr Issuance Rates (Due May 15, 2038)

Senior Debt Pricing Date 19-Apr-18

New Issue Spreads	Senior	Sub Indicative	Jr. Sub Indicative
*Benchmark Canada Bond Maturity	01-Jun-37	01-Jun-37	01-Jun-37
Benchmark Yield	2.444%	2.444%	2.444%
Curve Adjustment (bp)	0.6	0.6	0.6
Spread to GoC Curve (bp)	107.0	138.4	176.4
Adjusted Spread to GoC Curve (bp)	107.6	139.0	177.0
Spread difference vs Senior (bp)		**31.4**	**69.4**
Coupon rate	**3.520%**	**3.834%**	**4.214%**

Notes:

*Benchmark bond has a maturity date of June 1, 2037 and coupon of 5%

1. For Sub and Jr. Sub Debt, benchmark yield & curve adjustment are based on senior debt pricing on April 19, 2018
2. For Sub and Jr. Sub Debt, spreads are calculated as the average of dealers quotes, excluding high and low

Dealer Quotes

Dealers Indicative Spreads (bps)	BNS	NB	CIBC	RBC	BMO	TD	GS	average excl high/low
Sub Spread vs Senior	35	25	27	30	39	30	35	31.4
Jr. Sub Spread vs Senior	73	55	54	64	110	60	95	69.4

From:	Ken Kandeepan
To:	Tobias P. Whitfield (MOF)
Cc:	Malle Hanslep (MOF); Mike Manning; Anna Strathy
Subject:	RE: Fair Hydro - OM
Date:	Thursday, January 18, 2018 4:17:47 PM

Ok
Thanks
Ken k

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Thursday, January 18, 2018 4:17 PM
To: Ken Kandeepan ; Mike Manning ; Anna Strathy
Cc: Malle Hanslep (MOF)
Subject: FW: Fair Hydro - OM

FYI. Ken, I will give you a call to discuss the approach.
Thanks
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Thouin, Alena (ENERGY)
Sent: January 18, 2018 4:01 PM
To: Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF)
Cc: ASHBOURNE, STEPHEN; Cayley, Daniel (ENERGY); VINER, JON; Christie, Tim (ENERGY)
Subject: RE: Fair Hydro - OM

Hi all,
Steve/Jon – thank you for the very helpful table. We had a chance to review the table together with our client group. We have no show stoppers.
Our recommended plan as discussed on the call yesterday would be for me to respond Les not to consent to anything in specific, but to confirm with OPG whether they will be using the new version.
Toby/Malle – are you ok with this?

From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January 18, 2018 11:00 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF)
Cc: ASHBOURNE, STEPHEN
Subject: Fair Hydro - OM

Hi Malle, Toby and Alena,
We've reviewed the revised drafts of the OM and the Investor Presentation circulated by Torys yesterday. Based on our understanding of the Province's position and materiality threshold, we have drafted the tables below highlighting items that we thought might be considered consequential to the Province.
Once you have had a chance to review, please let me know if you'd like to arrange a call to discuss the items set out below.
The next step will be to raise any points with Torys/ OPG, or otherwise confirm that the circulated documents are acceptable. In regard to Les' email yesterday, we agree with Malle that you should not be boxed in to the initial draft of the OM. Rather, Les can be informed that once you are satisfied with the disclosure, you will waive any applicable 10 BD period.
Kind regards,

Jon

Investor Presentation				
No	**Item**	**Slide (corresponding to blackline)**	**Notes**	**Thoughts of Blakes**
1	Disclaimers	2	The Investor Presentation has not included a clear legend that the Investor Presentation forms part of the OM.	We think there should be a clear legend that the Investor Presentation forms part of the OM.
2	No mention of other potential financing entities	6	The Investor Presentation does not mention that other Financing Entities may have Investment Interests. Sentences such as "The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust…" may lead one to believe that other financing entities may not be involved in the Fair Hydro Program.	Simplification is understandable. However, detached Investor Presentation is a possibility so a standalone read would omit the possibility of future Financing Entities and so could be practically important as limiting. We recommend some notation in the deck regarding other Financing Entities.
3	Description of Legislation stating CEAs are not collected between July 1, 2017 to April 30, 2021	16	On a slide titled "Legislation Overview, cont'd", a bullet states "CEAs are not permitted to be collected from Specified Consumers during this period [referring to the period between July 1, 2017 and April 30, 2021]." Consider whether simplifications of the Act as described in the Investor Presentation (such as this) are acceptable to you.	While there is no prohibition on the collection of CEAs during this period, the effect of a negative FAA is similar. They are conflating the restriction on IESO with charging of CEAs during this period. This is not a troublesome mis-disclosure as it overstates the restriction.
4	"Fair Allocation Amount" slide	19	The "Fair Allocation Amount" slide has been substantially revised and includes text. Please confirm whether you are comfortable with the disclosure on this slide, including the footnote that explains the "Readjustment Amount".	**MOE should specifically confirm the description, including references to past overcharges (in the footnote). Is this consistent with how the MOE views the concept of readjustment?**
5	Update of charts	32, 33	Please review the updated charts that indicate illustrative aggregate funding and repayment profile, and the RPP bill forecast	Blakes defers to the Province
6	Change of Law Protection Agreement description	22	Comments regarding the Change of Law Protection Agreement disclosure were not accepted in this draft, including: (i) describing OPG as FSM and Manager as a party to the agreement; and (ii) describing	See OM Chart. Blakes thinks it should be clear that amounts payable under the CLPA will differ depending on whether there has been an acceleration (similar to OM

			that the Province's obligations when performing on the Limited Guarantee are subject to limits on payment obligations following an acceleration.	disclosure)

Offering Memorandum				
No	**Item**	**Page (corresponding to blackline)**	**Notes**	**Thoughts of Blakes**
1	Reference to Fair Allocation Amount provided by the Province	4	Please confirm that you are fine with the statement "Based on the Fair Allocation Amount provided by the Province, from July 1, 2017 until April 30, 2021…no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers"	While there is no prohibition on the collection of CEAs during this period, the effect of a negative FAA is similar. They are conflating the restriction on IESO with charging of CEAs during this period. This is not a troublesome mis-disclosure as it overstates the restriction.
2	Reference to Province as determining OPG's board	8, 19	Please confirm that you are fine with the statement "The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors."	No issue if accurate.
3	Deletion of details regarding Province's Subrogation Amounts	10, 33	Certain details regarding the priority of the Province's Subrogation Amounts and the Province's right to the benefit of the Collateral have been deleted.	While beneficial, we can think you can leave without the more detailed description.
4	Presupposing that Senior Notes are Approved Obligations	11, 34, 36	Language has been added that presupposes that the Senior Notes are Approved Obligations. For example: - "The [CLPA] will remain in full force and effect until the indefeasible payment…in full of the Approved Obligations, including all Senior Notes" - "Accordingly, subject to compliance with the [CLPA] any Senior Notes…that may be issued following a Suspension Event to refinance Senior Notes that were ~~Approved Obligations~~ issued prior to a Suspension Event	This is a technical point. It only becomes an issue regarding future Senior Notes since we know that these 2018-1 Notes will be Approved Obligations.

			will continue to have the benefit of the Limited Guarantee."	
5	Definition of Fair Allocation Amount	12, 30	The description of the Fair Allocation Amount is generalized. Please confirm you are comfortable with this description.	The simplification is understandable although MOE may feel that sticking with a precise description avoids mischaracterization.
6	Removal of concept of Readjustment Amount	12-13, 30	The disclosure simplifies by removing references to the Readjustment Amount. Please confirm that you are comfortable with this simplification.	The simplification is understandable although MOE may feel that sticking with a precise description avoids mischaracterization.
7	Description of acceleration	13	No explanation that CEAs will automatically reflect principal repayments at maturity without the need to accelerate assuming a refinancing cannot be completed.	This mis-description could raise issues regarding investor expectations as to the timing of cash flows. We think it should be corrected.
8	Disclosure re RPP	23	The revised draft does not accept language proposed by the MOE: "At the request of the Ministry of Energy in 2004, ~~and in accordance with amendments to legislation~~, the OEB created the "Regulated Price Plan" Please confirm whether you are comfortable with this disclosure.	Blakes defers to the Province.
9	Disclosure re Fair Adjustment	23	The revised draft does not accept language proposed by the MOE to add to a footnote: "The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government ~~and the shifting of certain support program costs from the rate base to the tax base~~. Please confirm whether you are comfortable with this disclosure.	Blakes defers to the Province.
10	Removal of concept of Funding Rebates	25, 27	The revised draft does not mention the concept of "Funding Rebates". Please confirm whether you are comfortable with the simplification in the disclosure.	This simplification is not troublesome from the Province's standpoint, although more precision would be preferred.
11	Description of limitations of cash flows on		The OM does not have much disclosure regarding the limitation on cash flows during	Blakes defers to Province.

	acceleration		acceleration. Consider whether you are comfortable with the existing disclosure.	
12	Description of the Senior Notes as not a debt of the Province	79	The revised draft changes this language. Please confirm whether this language is acceptable: "The Senior Notes are not a debt, ~~liability~~ or ~~other~~ general obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Notes.	While accurate, this description seems overly detailed and would be implied. Province to inquire regarding deletion of "liability" and "other"
13	Change of Law Protection Agreement definition	106	The definition of the Change of Law Protection Agreement does not include OPG (as Manager and FSM) as a party	This should be fixed.

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499

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Blake, Cassels & Graydon LLP | Barristers & Solicitors | Patent & Trade-mark Agents
This email communication is CONFIDENTIAL AND LEGALLY PRIVILEGED. If you are not the intended recipient, please notify me at the telephone number shown above or by return email and delete this communication and any copy immediately. Thank you.
L'information paraissant dans ce message électronique est CONFIDENTIELLE. Si ce message vous est parvenu par erreur, veuillez immédiatement m'en aviser par téléphone ou par courriel et en détruire toute copie. Merci.

From:	Ramchandani, Rima
To:	Tobias P. Whitfield (MOF); Mansoori, Nina; "ASHBOURNE, STEPHEN"; Ken Kandeepan; Mike Manning; Gadi Mayman
Cc:	Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY); Malle Hanslep (MOF); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie - LAWDIV; Feldman, Michael; PALMER, AARON; Ramchandani, Rima
Subject:	RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions
Date:	Wednesday, December 20, 2017 10:33:25 PM

Toby, can you please confirm we should expect someone from the Ministry of Energy to sign off this evening?

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: December-20-17 10:29 PM

To: Mansoori, Nina <nmansoori@torys.com>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>

Cc: Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; John Lee (john.s.lee@opg.com) <john.s.lee@opg.com>; Ken Ryfa (ken.ryfa@opg.com) <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; PALMER, AARON <AARON.PALMER@blakes.com>

Subject: Re: Fair Hydro -- Trust Indenture drafting clean-ups and questions

I confirm on behalf of the Ministry of Finance that the Minister of Finance's signature pages can be released from escrow as per the proposal and that we confirm receipt of the Reference Documents.

The Ministry of Energy will confirm their sign off separately.

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

777 Bay Street, 11th Floor

Toronto, ON, M5G 2C8

tobias.whitfield@ontario.ca

Phone: 416-325-1456

From: Mansoori, Nina

Sent: Wednesday, December 20, 2017 7:00 PM

To: 'ASHBOURNE, STEPHEN'

Cc: Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY); Hanslep, Malle (MOF); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; Ramchandani, Rima; Feldman, Michael; PALMER, AARON; Whitfield, Tobias P. (MOF)

Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Hi Steve – we have now sent you the reference documentation. Once you have had a chance to review, we'd appreciate if you could confirm tonight that the Blakes' opinion and the Ministers' signature pages to the Change of Law Agreements are automatically released from escrow tomorrow. Thanks,

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

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

Sent: December-20-17 4:51 PM

To: Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; PALMER, AARON <AARON.PALMER@blakes.com>

Cc: Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca) <Alena.Thouin@ontario.ca>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca) <Malle.Hanslep@ontario.ca>; John Lee (john.s.lee@opg.com) <john.s.lee@opg.com>; Ken Ryfa (ken.ryfa@opg.com) <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>

Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

I think the only thing left is the Torys email that attaches the "Reference Documentation" contemplated by the Process Agreement. Assuming there are no differences in those from the ones we have previously received from Torys, I think we will be able to sign off today. Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com<mailto:stephen.ashbourne@blakes.com>

Dir: 416-863-3086

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, December 20, 2017 4:43 PM

To: ASHBOURNE, STEPHEN; Feldman, Michael; PALMER, AARON

Cc: Mansoori, Nina; Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>); Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>); John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>); Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>); WONG Leslie -LAWDIV

Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

OK. OPG has been having email issues today so they may not be able to reply to this email chain quickly – however, we understand that there is an interest protocol agreement that has been settled with the Province that sets out how the interest on the sub debt is supposed to be calculated. Steve, can you also please confirm that Blakes will be able to sign off today instead of at 9 am tomorrow (the dealers are asking)?

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

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

Sent: December-20-17 4:25 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; PALMER, AARON <AARON.PALMER@blakes.com<mailto:AARON.PALMER@blakes.com>>

Cc: Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>) <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>) <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>

Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Rima, I think we have provided all of our comments and have seen responses on all but the new Base Rate definition, which Aaron just exchanged with Michael on. We are following up with the Province on Michael's response, which anticipated that some more background on the point will be provided. I think that's where this stands. Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com<mailto:stephen.ashbourne@blakes.com>

Dir: 416-863-3086

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, December 20, 2017 4:18 PM

To: Feldman, Michael; PALMER, AARON

Cc: Mansoori, Nina; Olusoga, Yinka; Saulnier, Brett; ASHBOURNE, STEPHEN; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>); Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>); John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>); Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>); WONG Leslie -LAWDIV; Ramchandani, Rima

Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Hi Aaron, can you please advise whether we should expect additional comments from Blakes on the documents? Since we are closing in the morning and the rating agencies have already signed off on everything, we are going to have trouble managing any additional changes. Also, FYI, in order to avoid any delays in the wires tomorrow morning, the dealers have asked that all counsel sign off on the closing documents as soon as possible today, with all parties to agree that everything is to be automatically released from escrow first this in the morning (i.e. without the need for having a 9 am closing call). Please let us know if you will be in a position to do that today – we will obviously send you any final signed docs by email that you need to sign off.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

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[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=aoimAuZKo3eSa6e_FncgDhj8jPa-bcWNPD1pPt_4X9Y&s=vgI8-nJfUKvgbofrZmA2e5zBdqnTB0Rn8m42jweDFG0&e= >

From: Feldman, Michael

Sent: December-20-17 4:00 PM

To: PALMER, AARON <AARON.PALMER@blakes.com<mailto:AARON.PALMER@blakes.com>>

Cc: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>) <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>) <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>

Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Aaron,

It was intended. OPG has a certain protocol for calculating the interest rate it should charge on its subordinated and junior subordinated notes. Until such time as these classes of notes obtain a rating, the pricing of these notes is to be measured off the “all-in funding costs” of the senior notes.

I am looping in OPG as they are in a better position to explain why its protocol is what it is.

Michael K. Feldman

P. 416.865.7513

From: PALMER, AARON [mailto:AARON.PALMER@blakes.com]

Sent: December-20-17 3:53 PM

To: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>

Cc: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>

Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Importance: High

Hi Michael,

The Sub Note supplements include a change to the Base Rate definition that is surprising and I’m not sure if it was intended:

[cid:image002.png@01D379C4.A8DEF010]

Would this addition of “and fees” catch Commitment Fees or any other fees?

That would of course be a significant change to the deal documents.

I am copying Alena and Malle as well in the interests of timing here.

Best regards, Aaron

Aaron Palmer

aaron.palmer@blakes.com<mailto:aaron.palmer@blakes.com>

Dir: 416.863.4227

_____

[cid:image003.gif@01D379C4.A8DEF010]

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 4000, Toronto ON M5L 1A9

Tel: 416-863-2400 Fax: 416-863-2653

blakes.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=aoimAuZKo3eSa6e_FncgDhj8jPa-bcWNPD1pPt_4X9Y&s=JVePuk_5luOfkCF1aqbaU2MlkLyedUYuEUc0pBDiBUA&e= > | Twitter<https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw_&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=aoimAuZKo3eSa6e_FncgDhj8jPa-bcWNPD1pPt_4X9Y&s=K7jMicQxfWJNSJufeXkAsmKK0ljTc04BKllgeb40XI4&e= > | Unsubscribe<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=aoimAuZKo3eSa6e_FncgDhj8jPa-bcWNPD1pPt_4X9Y&s=VclUeampGyjJuDV5ouHKb9Dx12HBvpLVzviGLhz7CzA&e= >

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From:	Thouin, Alena (ENERGY)
To:	Tobias P. Whitfield (MOF); Mansoori, Nina; "ASHBOURNE, STEPHEN"; Ken Kandeepan; Mike Manning; Gadi Mayman
Cc:	Olusoga, Yinka; Saulnier, Brett; Malle Hanslep (MOF); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; Ramchandani, Rima; Feldman, Michael; PALMER, AARON; Tim Christie (ENERGY); Daniel Cayley (ENERGY); Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS)
Subject:	RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions
Date:	Wednesday, December 20, 2017 10:35:45 PM
Attachments:	image002.png

I confirm on behalf of the Ministry of Energy that the Minister of Energy signature pages can be released from escrow and we confirm the receipt of the Reference Documents.
Alena

Alena Thouin
Deputy Director, Legal Services Branch
Ministries of Energy / Infrastructure / Economic Development & Growth /
Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 **Email:** alena.thouin@ontario.ca
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From: Whitfield, Tobias P. (MOF)
Sent: December 20, 2017 10:29 PM
To: Mansoori, Nina; 'ASHBOURNE, STEPHEN'; Kandeepan, Ken (OFA); Manning, Mike (OFA); Mayman, Gadi (OFA)
Cc: Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY); Hanslep, Malle (MOF); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; Ramchandani, Rima; Feldman, Michael; PALMER, AARON
Subject: Re: Fair Hydro -- Trust Indenture drafting clean-ups and questions

I confirm on behalf of the Ministry of Finance that the Minister of Finance's signature pages can be released from escrow as per the proposal and that we confirm receipt of the Reference Documents.
The Ministry of Energy will confirm their sign off separately.
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Mansoori, Nina
Sent: Wednesday, December 20, 2017 7:00 PM
To: 'ASHBOURNE, STEPHEN'
Cc: Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY); Hanslep, Malle (MOF); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; Ramchandani, Rima; Feldman, Michael; PALMER, AARON; Whitfield, Tobias P. (MOF)
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Hi Steve – we have now sent you the reference documentation. Once you have had a chance to review, we'd appreciate if you could confirm tonight that the Blakes' opinion and the Ministers' signature pages to the Change of Law Agreements are automatically released from escrow tomorrow. Thanks,
Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: December-20-17 4:51 PM
To: Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; PALMER, AARON <AARON.PALMER@blakes.com>
Cc: Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca) <Alena.Thouin@ontario.ca>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca) <Malle.Hanslep@ontario.ca>; John Lee (john.s.lee@opg.com) <john.s.lee@opg.com>; Ken Ryfa (ken.ryfa@opg.com) <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

I think the only thing left is the Torys email that attaches the "Reference Documentation" contemplated by the Process Agreement. Assuming there are no differences in those from the ones we have previously received from Torys, I think we will be able to sign off today. Steve

Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, December 20, 2017 4:43 PM
To: ASHBOURNE, STEPHEN; Feldman, Michael; PALMER, AARON
Cc: Mansoori, Nina; Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca); Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

OK. OPG has been having email issues today so they may not be able to reply to this email chain quickly – however, we understand that there is an interest protocol agreement that has been settled with the Province that sets out how the interest on the sub debt is supposed to be calculated. Steve, can you also please confirm that Blakes will be able to sign off today instead of at 9 am tomorrow (the dealers are asking)?

Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: December-20-17 4:25 PM
To: Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; PALMER, AARON <AARON.PALMER@blakes.com>
Cc: Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca) <Alena.Thouin@ontario.ca>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca) <Malle.Hanslep@ontario.ca>; John Lee (john.s.lee@opg.com) <john.s.lee@opg.com>; Ken Ryfa (ken.ryfa@opg.com) <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Rima, I think we have provided all of our comments and have seen responses on all but the new Base Rate definition, which Aaron just exchanged with Michael on. We are following up with the Province on Michael's response, which anticipated that some more background on the point will be provided. I think that's where this stands. Regards, Steve

Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com
Dir: 416-863-3086

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, December 20, 2017 4:18 PM
To: Feldman, Michael; PALMER, AARON
Cc: Mansoori, Nina; Olusoga, Yinka; Saulnier, Brett; ASHBOURNE, STEPHEN; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca); Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; Ramchandani, Rima
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Hi Aaron, can you please advise whether we should expect additional comments from Blakes on the documents? Since we are closing in the morning and the rating agencies have already signed off on everything, we are going to have trouble managing any additional changes. Also, FYI, in order to avoid any delays in the wires tomorrow morning, the dealers have asked that all counsel sign off on the closing documents as soon as possible today, with all parties to agree that everything is to be automatically released from escrow first this in the morning (i.e. without the need for having a 9 am closing call). Please let us know if you will be in a position to do that today – we will obviously send you any final signed docs by email that you need to sign off.

Thanks,
Rima

Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

From: Feldman, Michael
Sent: December-20-17 4:00 PM
To: PALMER, AARON <AARON.PALMER@blakes.com>
Cc: Ramchandani, Rima <rramchandani@torys.com>; Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca) <Alena.Thouin@ontario.ca>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca) <Malle.Hanslep@ontario.ca>; Feldman, Michael <mfeldman@torys.com>; John Lee (john.s.lee@opg.com) <john.s.lee@opg.com>; Ken Ryfa (ken.ryfa@opg.com) <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Aaron,
It was intended. OPG has a certain protocol for calculating the interest rate it should charge on its subordinated and junior subordinated notes. Until such time as these classes of notes obtain a rating, the pricing of these notes is to be measured off the "all-in funding costs" of the senior notes.
I am looping in OPG as they are in a better position to explain why its protocol is what it is.

Michael K. Feldman
P. 416.865.7513

From: PALMER, AARON [mailto:AARON.PALMER@blakes.com]
Sent: December-20-17 3:53 PM
To: Feldman, Michael <mfeldman@torys.com>
Cc: Ramchandani, Rima <rramchandani@torys.com>; Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca) <Alena.Thouin@ontario.ca>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca) <Malle.Hanslep@ontario.ca>
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions
Importance: High

Hi Michael,
The Sub Note supplements include a change to the Base Rate definition that is surprising and I'm not sure if it was intended:

> "**Base Rate**" means ~~the weighted average interest rate applicable to the~~, for any Payment Date, the amount of interest and fees payable to the holders of Series 2017-1 Senior Notes on such Payment Date, expressed as a rate per annum on the weighted average outstanding principal amount of Series 2017-1 Senior Notes from the preceding Payment Date to such Payment Date.

Would this addition of "and fees" catch Commitment Fees or any other fees?
That would of course be a significant change to the deal documents.
I am copying Alena and Malle as well in the interests of timing here.
Best regards, Aaron

Aaron Palmer
aaron.palmer@blakes.com
Dir: 416.863.4227

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"**Base Rate**" means ~~the weighted average interest rate applicable to the~~ for any Payment Date, the amount of interest and fees payable to the holders of Series 2017-1 Senior Notes on such Payment Date, expressed as a rate per annum on the weighted average outstanding principal amount of Series 2017-1 Senior Notes from the preceding Payment Date to such Payment Date.

From:	Saulnier, Brett
To:	VINER, JON; Thouin, Alena (ENERGY); Tim Christie (ENERGY); Daniel Cayley (ENERGY); Mike Manning; Ken Kandeepan; Anna Strathy; Veinot, Cindy (TBS); Mark Donaldson (MOF); Malle Hanslep (MOF); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN; Ronald Kwan; Huang, Jackson (MEDG/MRIS); Sawwaf, Khareem (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); Gadi Mayman
Cc:	LEE John -TREASURY; "ken.ryfa@opg.com"; WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; Mansoori, Nina; Ramchandani, Rima; Feldman, Michael
Subject:	RE: Fair Hydro Trust - Disclosure Documents
Date:	Sunday, January 21, 2018 3:08:54 PM
Attachments:	_Fair Hydro Trust - Confidential Offering Memorandum.DOCX Blackline_Fair Hydro Trust - Confidential Offering Memorandum.pdf _Fair Hydro - Series 2018-1 Senior Notes Term Sheet.DOCX Blackline_Series 2018-1 Senior Notes Term Sheet (Fair Hydro Trust).pdf _Fair Hydro Trust - Agency Agreement.docx Blackline_Fair Hydro Trust - Agency Agreement.pdf Fair Hydro Trust Investor Presentation - Jan 19.pdf

All,

For your records, please find attached the final versions of the offering memorandum, indicative term sheet and investor presentation. I have also attached the latest version of the Agency Agreement, which is final subject to filling in notice information. I have included blacklines of the OM, term sheet and agency agreement against the versions that were last circulated.

Thanks,

Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

From: Saulnier, Brett
Sent: January-17-18 1:31 AM
To: 'VINER, JON' ; Thouin, Alena (ENERGY) ; Christie, Tim (ENERGY) ; Cayley, Daniel (ENERGY) ; Mike Manning ; Ken Kandeepan ; Anna Strathy ; Veinot, Cindy (TBS) ; Mark Donaldson (MOF) ; Malle Hanslep (MOF) ; Tobias P. Whitfield (MOF) ; ASHBOURNE, STEPHEN ; Ronald Kwan ; Huang, Jackson (MEDG/MRIS) ; Sawwaf, Khareem (ENERGY) ; Lightbody, Ava (ENERGY) ; James Rehob (ENERGY) ; Gadi Mayman (Gadi.Mayman@ofina.on.ca)
Cc: LEE John -TREASURY ; 'ken.ryfa@opg.com' ; WONG Leslie -LAWDIV ; LADAK Lubna -TREASURY ; Mansoori, Nina ; Ramchandani, Rima ; Feldman, Michael
Subject: RE: Fair Hydro Trust - Disclosure Documents

All,

Please find attached revised versions of the Offering Memorandum and Term Sheet. We have accepted the majority of the Province's comments where appropriate and I have included blacklines of each document against the version circulated by Jon below. The attached also reflect comments received from the IESO and some additional clean-up changes made since the documents were provided to the Province on January 5.

In the interest of time, we are circulating these drafts to all parties concurrently. Accordingly,

they remain subject to review and comment by OPG, IESO, the dealers and their respective counsel.

Thanks,

Brett

Brett Saulnier

From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January-16-18 10:48 AM
To: LEE John -TREASURY <john.s.lee@opg.com>; 'ken.ryfa@opg.com' <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Ramchandani, Rima <rramchandani@torys.com>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>
Subject: Fair Hydro Trust - Disclosure Documents

All,

Please find attached the Province's comments on the offering memorandum, investor presentation and term sheet.

We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,

Jon

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499

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The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement — January 22, 2018

FAIR HYDRO TRUST

Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (together with the regulations promulgated thereunder, the "**FHPA**"). Under the FHPA, OPG is appointed as financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this

confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended, supplemented, restated or otherwise modified from time to time.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the

investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page 95 of this confidential shelf offering memorandum. An index of defined terms used in this confidential shelf offering memorandum specifying on which page such terms are defined is provided starting on page 107 of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*, *"Subordinated Debt"* and *"Risk Factors"* of this confidential shelf offering memorandum and *"Fair Allocation Amount"*, *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"* and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval of all Series.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.
- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO in performing their respective obligations under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Power outages could impair payment of the Senior Notes.
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.
- If any Electricity Vendor or the IESO were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against such Electricity Vendor or the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS, AND THEIR RESPECTIVE REPRESENTATIVES, TO WHOM IT IS TRANSMITTED, SOLELY TO ENABLE SUCH PERSONS TO EVALUATE AN INVESTMENT IN THE NOTES DESCRIBED IN THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM. BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER.

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with a future Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer

nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page 95 of this confidential shelf offering memorandum. An index of defined terms used in this summary is provided starting on page 107 of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer) or of the IESO. The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG, IESO or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See "*— Change of Law Protection Agreement*".
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "FHPA"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[1] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[2] for that period. Under the FHPA, OPG is appointed as Financial Services Manager and is given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Notes are Funding Obligations being offered for the purposes of the FHPA. See "*Ontario's Fair Hydro Plan — Background*".

[1] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[2] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of Series, in one or several Offerings. A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the Master Trust Indenture, as supplemented by a Supplemental Indenture authorizing that Series.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a non-share corporation established under the *Electricity Act, 1998* (Ontario). As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy. The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market. Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). Pursuant to the Master Transfer and Servicing Agreement, the IESO may, on a monthly basis, offer to Transfer specified portions of the Regulatory Asset to the Issuer in accordance with the FHPA. See "*The Transferor and Servicer*".
Investment Interest:	Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.
Clean Energy Adjustment:	The FHPA imposes an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager and will be converted by the OEB into a cent per kWh rate and added to the electricity invoices sent to Specified Consumers. See *"— Statutory Duties of the OEB"* below. The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs (including interest and principal on the Senior Notes), derivative payments, required reserve account deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount will also reflect any historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. Based on the Fair Allocation Amount determined and provided by the Province, from July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment of interest on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*. Amounts so contributed by the IESO are not available to pay principal on the Senior Notes.

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs until July 31, 2021:

The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement, the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest.

As security for the performance of the IESO's obligation under the Regulations to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount & Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See "*— Subordinated Debt"* below.

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g.

OEB licensees) in Ontario's electricity market, including the activities of transmitters and distributors as well as the IESO (all of whom are Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided by the IESO to the OEB. See *"The Transferor and Servicer"*.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*The Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA requires Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of the Issuer and any other Financing Entities that may be established, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts and hold such amounts in trust for the benefit of the Financing Entities until remitted to the IESO for the benefit of the Financing Entities (initially, only the Issuer). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required is based on a formula as set out in the Master Transfer and Servicing Agreement and will be equal to: (a) the product of (i) 50% of estimated Clean Energy Adjustment amounts that are to be collected over a twelve-month period by all such non-investment grade rated Electricity Vendors, and (ii) a fraction equal to 45/365 (representing the 45-day period during which funds are expected to be held by such non-investment grade rated Electricity Vendors prior to being remitted to the Issuer); or (b) such

other lesser amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. See *"The Electricity Industry in Ontario — Key Industry Participants — Ontario Power Generation Inc."* and *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of the Financing Entities (of which the Issuer is currently the only one), to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of the Financing Entities (of which the Issuer is currently the only one) and remit such amounts on a monthly basis, subject to daily remittance being required in certain limited circumstances. Pursuant to the Master Transfer and Servicing Agreement, monthly remittances of amounts received in respect of the Clean Energy Adjustment will occur on the 18th business day of each calendar month. In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts and

fulfilling certain additional reporting requirements. Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which includes payments of amounts that are due and payable in respect of Senior Notes), although the amount of the Province of Ontario's payment obligations in a particular period may differ depending on whether an Acceleration has occurred. See *"Change of Law Protection Agreement"*. The Issuer and the Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See "*Capital Markets Platform*".

Generally, an "**Approved Obligation**" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

It will be a condition to any Offering of Senior Notes that such Senior Notes constitute Approved Obligations under the Change of Law Protection Agreement.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the Act or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the Act or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and

subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture (in effect as of the date hereof). See *"Capital Markets Platform — Acceleration and Remedies — Rights of Specified Creditors"*.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include

inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including all Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of Clean Energy Costs in proportion to the relative attribution of the value of Clean Energy Benefits among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations

should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation that is issued is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

Use of Proceeds:

The proceeds from each Offering may be used for one or more of the following purposes: (i) to acquire an Investment Interest pursuant to the FHPA and the Master Transfer and Servicing Agreement, (ii) to refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) to pay Offering and related costs of the Issuer and (iv) to fund specific reserve accounts as required.

The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.

Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount. In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement

or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for Senior Funding Obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for Subordinated Funding Obligations;
- payments of or accumulations in respect of interest for Junior Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Warehouse Obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for Senior Funding Obligations (other than Warehouse Obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on Senior Funding Obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Junior Subordinated Funding Obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for Subordinated Funding Obligations or Junior Subordinated Funding Obligations);
- replenishment of Series Accounts established for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Junior Subordinated Funding Obligations;
- replenishment of Series Accounts established for Junior Subordinated Funding Obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on Senior Funding Obligations and payments under derivative agreements (other than termination payments), *pari passu*, then Subordinated Funding Obligations (other than principal) and then Junior Subordinated Funding Obligations (other than principal);
- principal for Warehouse Obligations;
- *pari passu*, principal on Senior Funding Obligations (other than Warehouse Obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for Subordinated Funding Obligations and then Junior Subordinated Funding Obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 units of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior

	Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103). By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.
Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The following summary of the electricity industry in Ontario does not purport to be comprehensive or definitive. It is a general and high-level overview of the historical context and the current manner in which the industry operates, including how real-time energy supply needs are met.

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydroelectric, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from large generating facilities to local distribution systems and large transmission-connected consumers, as well as to and from inter-jurisdictional entities; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses, as well as the delivery of electricity from small distribution-connected generating facilities, using low voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive wholesale electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes, along with the transmission and distribution system investments needed to support these changes, have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of smaller scale wind and solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be scheduled and dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy by certain domestic loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Most generators in Ontario also have bilateral contracts with the IESO (i.e. power purchase agreements) and one large generator, OPG, receives OEB-regulated prices, or payment amounts, that provide for payments in addition to wholesale market settlements that are paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario). The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold the generation assets of the former Ontario Hydro. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power facility. OPG's mandate is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for a significant portion of the total energy generated and injected into Ontario's electricity transmission system. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for managing the reliability of the provincial transmission system and operating the wholesale electricity markets in Ontario. The OPA was formed to plan the provincial power system and to procure electricity resources. The OPA entered into bilateral power or capacity purchase contracts with generators and other electricity resource providers. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial administrative tribunal and public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors. The IESO and distributors are Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

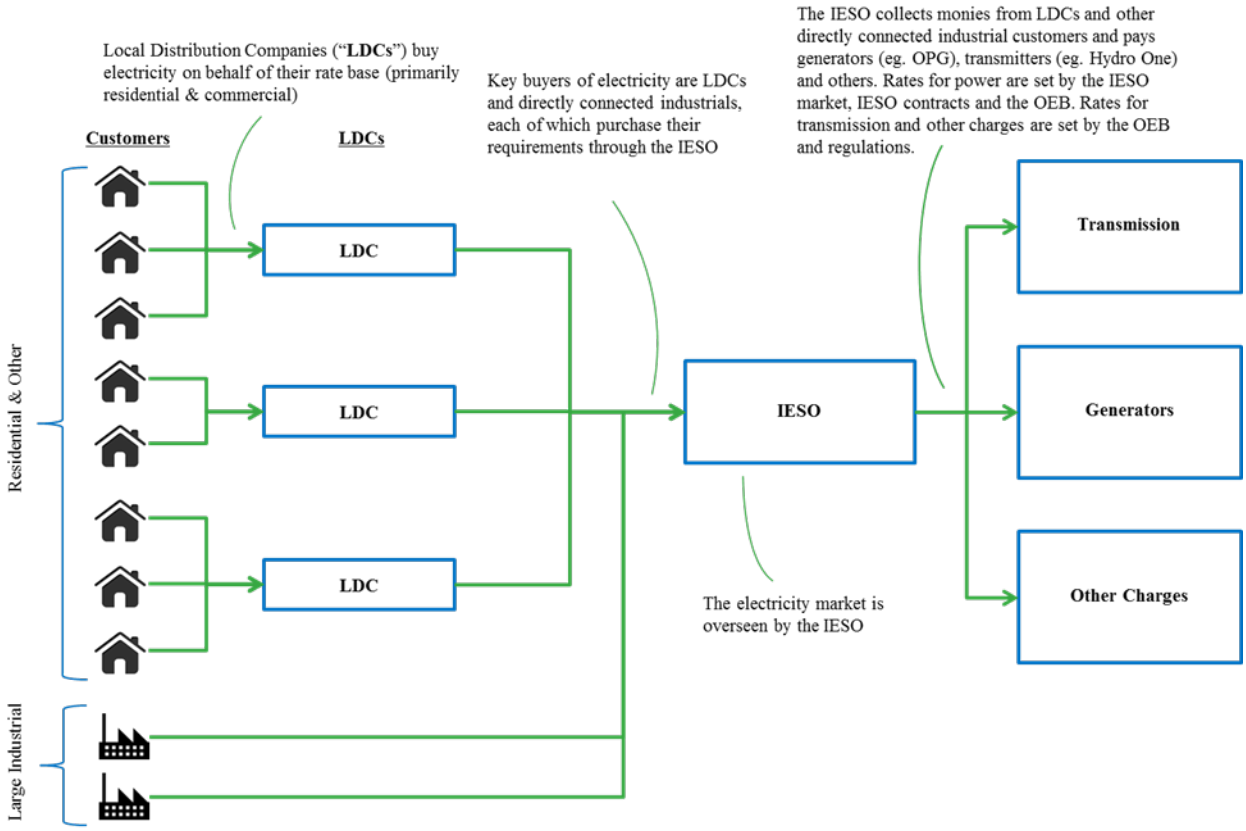
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures affecting regulated assets and regulated entities, such as distributors and transmitters. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, as well as institutions such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB.

The following diagram depicts the flow of funds between the key industry participants:



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two main components that make up the commodity cost of electricity in Ontario, the Hourly Ontario Energy Price ("**HOEP**") and the global adjustment charge.

- The HOEP is set by the IESO based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is established monthly by the IESO in accordance with regulations and is the amount of money necessary to pay certain other costs to generators and other suppliers that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to OPG pursuant to OEB-established payment amounts.

Prior to the FHPA being passed, the amount collected generally over an annual basis by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's current payables to generators and other electricity resource suppliers, subject to certain periodic true-ups, fees and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered prices primarily for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months by the OEB based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in previous periods. RPP prices are now established in accordance with the FHPA. Most

Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from an OEB-licensed retailer pursuant to a retail contract that provides a rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the FHPA. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[3] less than the rate that would otherwise have been determined by the OEB for that period absent Ontario's Fair Hydro Plan (such adjustment, together with the further adjustments described below in this section, the "**Fair Adjustment**").

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

[3] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, the amounts charged to the IESO by the Issuer in respect of the Carrying Costs of the Issuer, when applicable, and certain other amounts in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from Specified Consumers before May 1, 2021. The IESO may, in accordance with the FHPA, Transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that gives rise to the Regulatory Asset and, as an owner of the Investment Interest, will be entitled to recover its Finance Amount (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest by accepting a Transfer of the corresponding specified portion of a Regulatory Asset, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the Transfer of a specified portion of the Regulatory Asset from the IESO, such Transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of Financing Entities that own an Investment Interest (among other things):

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment,

including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest; and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers to cover the cost of financing the shortfall that gives rise to the Regulatory Asset. The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer , or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that are payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a Funding Obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) amounts received during the period in respect of Carrying Costs;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

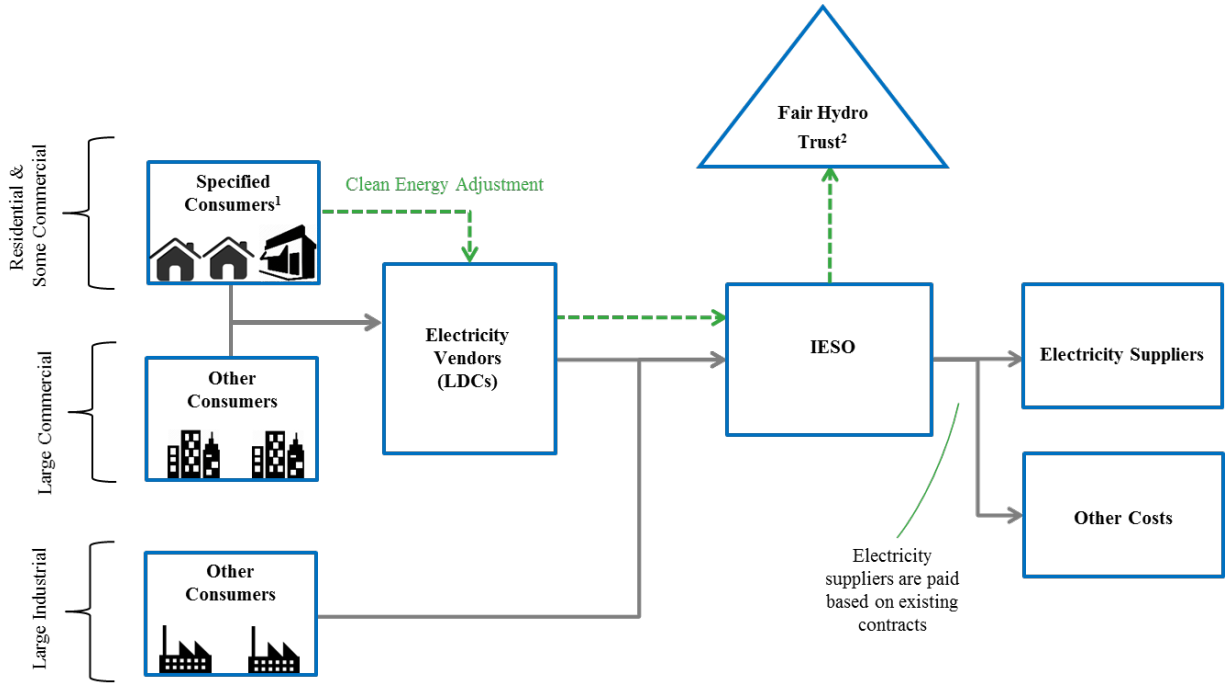
In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. The True-up Amount is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount will also reflect any historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period based on forecast information provided by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the Financing Entities (of which the Issuer is currently the only one), amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the Financing Entities (of which the Issuer is currently the only one) until remitted

to the IESO for the benefit of the Financing Entities (of which the Issuer is currently the only one). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay to the Issuer under the Regulations during such period. See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, once applicable, directly to the IESO.

[2] Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer for a corresponding purchase price. Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset following payment by the Issuer of the corresponding purchase price, the Issuer will acquire an Investment Interest.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers. Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA, provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation that is issued is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Payment of Carrying Costs until July 31, 2021

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes). The amounts paid by the IESO to the Issuer to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest pursuant to the FHPA.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer. Furthermore, as security for the performance of its obligations under the Regulations to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account. The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period, divided by the number of months in such Reference Period. See *"Capital Markets Platform — Acceleration and Remedies — Limitation on Available Amounts on Acceleration"* for a description of the amounts that would be available to be paid under the Master Trust Indenture in such circumstances.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Senior Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the Act or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the Act or any portion thereof, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued, provided that for purposes of determining voting rights with respect to Notes, Notes in which the Province of Ontario has an interest will be deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

It will be a condition to any Offering of Senior Notes that such Senior Notes constitute Approved Obligations under the Change of Law Protection Agreement.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

A "**Certified Primary Obligation**" means a Primary Obligation: (i) incurred by or on behalf of the Issuer to fund its ownership of an Investment Interest, including any Refinancing, other than a Post-Suspension Refinancing or a Pre-Approved Refinancing (each as defined below), of such a Primary Obligation (for greater certainty, including, in the case of any Certified Primary Obligation permitting funding transactions pursuant to a Funding Obligation Agreement applicable to the Certified Primary Obligation, each individual borrowing or funding utilization thereunder), (ii) incurred by or on behalf of the Issuer upon the Issuer entering into a derivative agreement, in which case the Certified Primary Obligation therefor shall be the Master Agreement applicable to such derivative agreement and not any individual trade confirmation other than a trade confirmation that modifies or purports to override the express terms or conditions of the related Master Agreement, or (iii) incurred by or on behalf of the Issuer upon entering into a contract that has a term of more than three (3) years which is not terminable by the Issuer giving three (3) years' notice or less and expected (as determined by the Manager, acting reasonably) aggregate payments by the

Issuer thereunder during the term of such contract are or would be in excess of $5,000,000 (that, for greater certainty, is not otherwise captured in clauses (i) and (ii) above).

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including the Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document to which the Limited Guarantee applies and which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Issuer Trustee is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See "*The Manager.*"

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

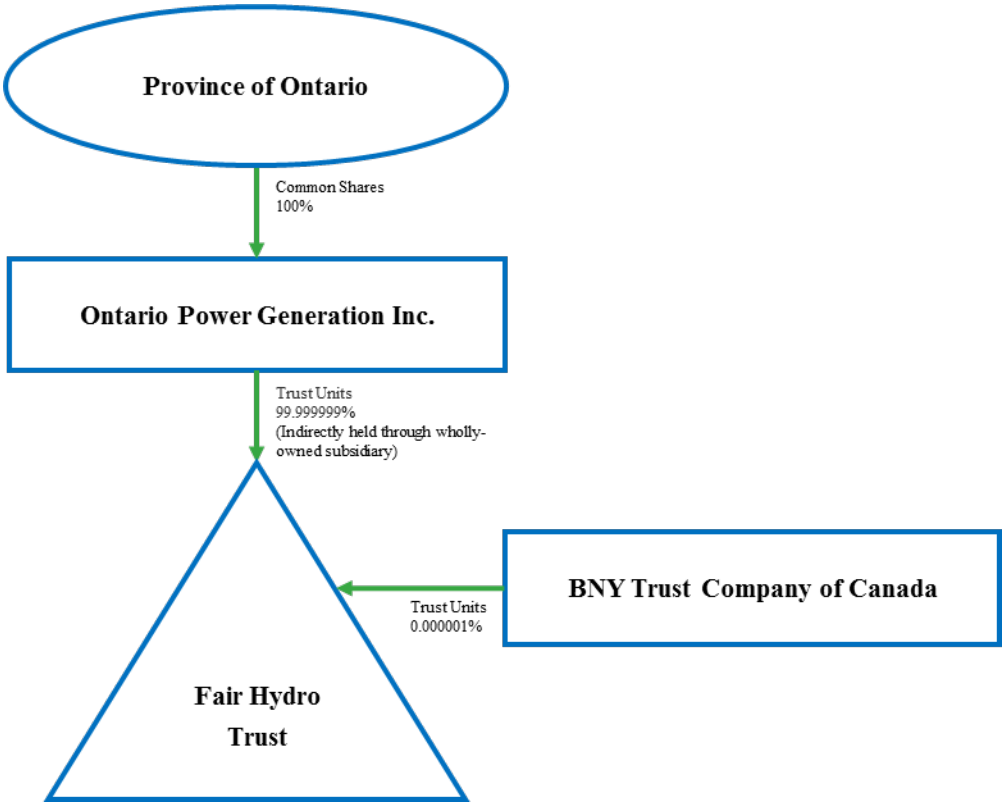
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, the Manager (on behalf of the Issuer) shall review, or cause to be reviewed,

on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors — Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross

negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

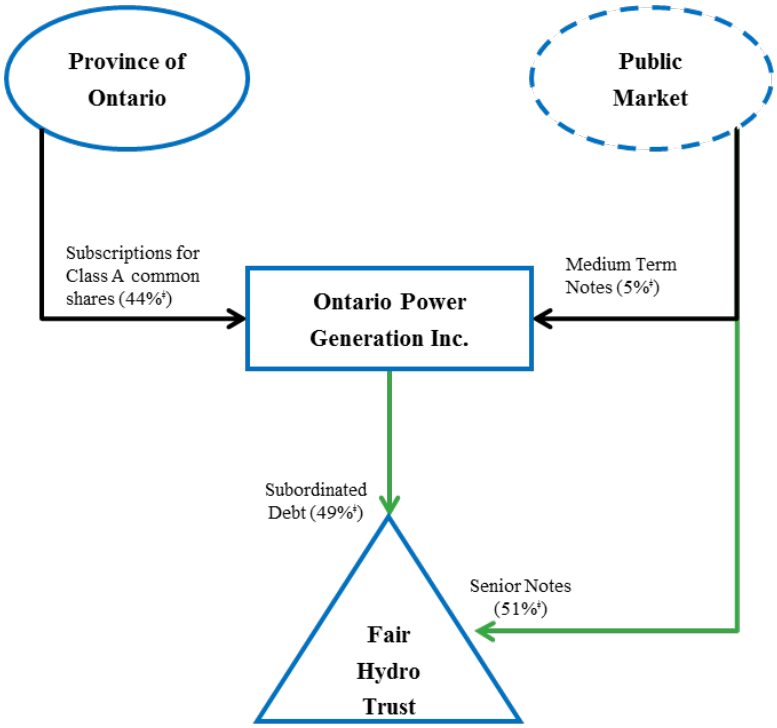
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximately 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



ǂ OPG is expected to acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(a) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(b) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(c) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest on December 21, 2017.

THE TRANSFEROR AND SERVICER

Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to Transfer to the Issuer a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of receiving the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts received in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on the 18th business day of each month, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) providing forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period.

The IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions. The Master Transfer and Servicing Agreement provides for various limitations on the duties and responsibilities of the IESO including that: (i) the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, (ii) the IESO is under no responsibility or obligation to the Issuer with respect to the nature or extent of the Investment Interest, the collectability of the Clean Energy Adjustment or that Clean Energy Adjustment amounts received will be sufficient to satisfy the Issuer's Funding Obligations, (iii) the IESO shall have no liability or responsibility to any person in respect of any forecasts or other information provided, provided only that such forecasts or other information has been prepared and provided in good faith and (iv) the IESO is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from Specified Consumers or not remitted by Electricity Vendors to the IESO. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"* and *"Ontario's Fair Hydro Plan — Other Statutory Protections"* with respect to the manner in which the risks associated with incorrect forecasts by the IESO, and shortfalls in Clean Energy Adjustments as a result of amounts not being collected by Electricity Vendors or remitted by Electricity Vendors, are mitigated.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA, including its obligation to pay the Carrying Costs to the Issuer.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations

of the Issuer, including repayment of principal on the Senior Notes. Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer.

As security for the performance of its obligation to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for Transfer to the Issuer in a subsequent period. Upon completion of such Transfer, the Issuer will acquire an Investment Interest pursuant to the FHPA.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors or such other number as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program

Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement or the FHPA (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the

principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);
- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and
- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material

conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and

deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the Internal Revenue Code, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a

specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all

amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall. Amounts in the Program Cash Reserve Account will be available to pay interest and principal on the Senior Notes.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible

Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "*— Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "*— Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference

to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying

its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "*— Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel, each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized,

executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;

- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;

- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;

- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;

- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;

- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;

- facilitate the issuance of foreign currency Issuer Funding Obligations;

- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;

- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or

- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined based on the extent, if any, to which the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"Capital Markets Platform"*.

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF SENIOR NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this *"Description of Senior Notes"* section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;

- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s), if any, and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;
- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;
- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;
- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;
- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and
- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer) or of the IESO. The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will

also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Payment Dates on which such amounts are to be accumulated for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than an expected Principal Payment Date if an optional redemption occurs and may receive principal payments later than an expected Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on an expected Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit were successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA should no longer be law in Ontario or that the FHPA should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See *"Change of Law Protection Agreement"*. However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA referenced in the previous paragraph were amended or repealed through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Crown, nor may an order for execution or attachment be made against the Crown, although the remedy of damages is available. Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior

Notes, and the Issuer must rely for payment of all of its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs to the Issuer. The amounts paid by the IESO with respect to Carrying Costs cannot be applied on account of principal on the Senior Notes. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Carrying Costs to the Issuer. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring September 30, 2022, which can be used to pay the Carrying Costs to the Issuer. There can be no assurance that the IESO will continue to have sufficient funds available to pay the Carrying Costs to the Issuer during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay the Carrying Costs to the Issuer and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior Notes, and the Issuer must rely on the IESO for the funds necessary to pay its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs to the Issuer. Amounts paid by the IESO are not available to pay principal on the Senior Notes. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and

- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt or general obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA, rights to enforcement of the FHPA and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the

Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform -- Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring Investment Interests. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the Transfer by the IESO of specified portions of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, the Investment Asset will be co-owned by all Financing Entities (including the Issuer) and consequently Clean Energy Adjustment amounts collected by or for the benefit of the Financing Entities will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA and the Master Transfer and Servicing Agreement impose new duties and obligations on the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Master Transfer and Servicing Agreement. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or providing forecast information, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or

reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.

The FHPA imposes new duties and obligations on OPG, as Financial Services Manager, and the Program Agreements impose new duties and obligations on OPG, as Manager. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA, including determining the Clean Energy Adjustment (inclusive of the True-up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated based upon a forecast of Specified Consumer usage to be newly developed based on forecast information provided by the IESO. Under the Regulations, the IESO is required to provide forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period. The amount of the Clean Energy Adjustment collected in any period will depend in part on actual electricity usage by Specified Consumers and the amount of collections and write-offs for Specified Consumers. If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. The FHPA does not require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in FHPA. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment. The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-up Amount. Until such adjustments are made or, if those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to provide indemnification, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20° Celsius. Winters include snow and icy conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization,

if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.

Ordinarily, the interests of the Issuer as acquirer of an Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time the corresponding Regulatory Asset was Transferred to the Issuer. This could reduce the amounts that may be available to the Issuer in respect of the Investment Interest and, consequently, the holders of Senior Notes. Section 27(3) of the Act provides that at the time of the Transfer of the Regulatory Asset to a Financing Entity, such Transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the Act provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the Transfer and the property rights and interests acquired by the Transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the Act in such circumstances is untested. The Transfers of the Regulatory Asset to the Issuer will be made in accordance with section 26 of the Act. Section 27(1) of the Act provides that a Transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Transferee. Therefore, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Regulatory Asset. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO or such Electricity Vendor may be significantly impaired or delayed.

Under the Master Transfer and Servicing Agreement, collections received by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See "*Rating Agency Condition*".

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior

Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities

laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Capital Markets Platform — Covenants of the Issuer — Financial Statements; Statement as to Compliance"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of

an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Financial and Consumer Affairs Authority of Saskatchewan.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

(i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum (which shall for the purposes hereof be considered to include any document or record incorporated or deemed to be incorporated by reference herein), together with any amendments hereto (which shall for the purposes hereof be considered to include any document or record incorporated or deemed to be incorporated by reference therein), or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "misrepresentation"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action may be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any

misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference herein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference herein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference herein, not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the *Securities Act* (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer or the selling security holder on whose behalf the distribution is made. "Misrepresentation" means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer and selling security holder will be liable if the person proves that:

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

  (ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

  (iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that:

    (A) there had been a misrepresentation; or

    (B) the relevant part of the confidential shelf offering memorandum:

      a. did not fairly represent the report, statement or opinion of the expert, or

      b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) while still an owner of the Senior Notes, a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Alberta, British Columbia, Newfoundland and Labrador and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia, Newfoundland and Labrador and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, with respect to a Funding Obligation, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Act**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Change of Law Protection Agreement**" means the change of law protection agreement dated as of December 21, 2017 among the Province, the Issuer and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Ontario government related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**Crown**" means Her Majesty the Queen in Right of Ontario.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" means the declaration of trust made as of December 20, 2017 under which the Issuer was established, as amended, supplemented, restated or otherwise modified from time to time.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under "*Capital Markets Platform — Security — Issuer Accounts*".

"**Euroclear**" has the meaning set out under "*Depository Services . — DTC, Euroclear and Clearstream, Luxembourg*".

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.

"**FHPA**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Entity**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligations**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations,

exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on page (iii) of this confidential shelf offering memorandum.

"**Issuer**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" means the management agreement dated as of December 20, 2017 between the Manager and the Issuer, and acknowledged by the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Manitoba"*.

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**NI 31-103**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**NI 45-106**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their

capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Offering Jurisdiction**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**OPA**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO*.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month or, if such day is not a business day, the next business day.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(i) every six-month period following the period mentioned in (a);

(ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Saskatchewan"*.

"**Section 130.1**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Ontario"*.

"**Section 150**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in New Brunswick"*.

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**Transfer**" has the meaning specified in the *Ontario Fair Hydro Plan Act, 2017*, and "**Transferred**" and "**Transferee**" shall have corresponding meanings.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" has the meaning set out under *"The Issuer"*.

"**U.S. Securities Act**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

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SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "****U.S. Securities Act****") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement

January ~~7~~**22,** 2018

FAIR HYDRO TRUST

Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (together with the regulations promulgated thereunder, the "**FHPA**"). Under the FHPA, OPG is appointed as financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform —Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be

adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended, supplemented, restated or otherwise modified from time to time.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page ~~[92]~~**95** of this confidential shelf offering memorandum. An index of defined terms used in this confidential shelf offering memorandum **specifying on which page such terms are defined** is provided starting on page ~~[104]~~**107** of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*, *"Subordinated Debt"* and *"Risk Factors"* of this confidential shelf offering memorandum and *"Fair Allocation Amount"*, *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"* and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval of all Series.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.
- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO in performing their respective obligations under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Power outages could impair payment of the Senior Notes.
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.
- If any Electricity Vendor or the IESO were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against such Electricity Vendor or the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS, AND THEIR RESPECTIVE REPRESENTATIVES, TO WHOM IT IS TRANSMITTED, SOLELY TO ENABLE SUCH PERSONS TO EVALUATE AN INVESTMENT IN THE NOTES DESCRIBED IN THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM. BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER.

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with ~~an~~**a future** Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a

result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at www.ontario.ca/laws/statute/17o16.

SUMMARY

*This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page ~~92~~ **95** of this confidential shelf offering memorandum. An index of defined terms used in this summary is provided starting on page ~~104~~ **107** of this confidential shelf offering memorandum.*

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer) **or of the IESO**. The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG**, IESO** or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"— Change of Law Protection Agreement"*.
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "FHPA"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[1] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[2] for that period. Under the FHPA, OPG is appointed as Financial Services Manager and is given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Notes are Funding Obligations being offered for the purposes of the FHPA. See *"Ontario's Fair Hydro Plan — Background"*.
Summary of the Fair Hydro Financing	The implementation of the Fair Hydro Plan is intended to be financed

[1] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[2] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

Program:

by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of Series, in one or several Offerings. A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the Master Trust Indenture, as supplemented by a Supplemental Indenture authorizing that Series.

Transferor and Servicer:

The Independent Electricity System Operator (the "**IESO**") is a ~~not for profit~~**non-share** corporation established under the *Electricity Act, 1998* (Ontario). As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy. The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market.

Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). ~~The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from Specified Consumers before May 1, 2021.~~ Pursuant to the Master Transfer and Servicing Agreement, the IESO may, on a monthly basis, offer to Transfer specified portions of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"The Transferor and Servicer"*.

Investment Interest:

Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.

Clean Energy Adjustment:

The FHPA imposes an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager and will be converted by the OEB into a cent per kWh rate and added to the electricity invoices sent to Specified Consumers. See *"— Statutory Duties of the OEB"* below.

The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs **(including interest and principal on the Senior Notes)**, derivative payments,

required **reserve account** deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount ~~may~~**will** also reflect **any** historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. Based on the Fair Allocation Amount **determined and** provided by the Province, from July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment **of interest** on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*. **Amounts so contributed by the IESO are not available to pay principal on the Senior Notes.**

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs

The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying

until July 31, 2021:

Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement, the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used **by the IESO** to pay the ~~Issuer's~~ Carrying Costs **to the Issuer**. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest.

As security for the performance of ~~its~~**the IESO's** obligation under the Regulations to pay the ~~Issuer's~~ Carrying Costs **to the Issuer**, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount & Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of

subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g. OEB licensees) in Ontario's electricity market, including the activities of transmitters and distributors as well as the IESO (all **of whom are** Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided by the IESO to the OEB. See ~~*"— Statutory and Servicing Duties of the IESO"* below~~***The Transferor and Servicer"***.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*The Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA requires Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of ~~all~~**the Issuer and any other** Financing Entities~~, of which the Issuer is the first~~ **that may be established**, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts and hold such amounts in trust for the benefit of the Financing Entities until remitted to the IESO for the benefit of the Financing Entities (initially, only the Issuer). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies

the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required is based on a formula as set out in the Master Transfer and Servicing Agreement and will be equal to: (a) **the product of** (i) 50% of estimated Clean Energy Adjustment amounts that are to be collected over a twelve-month period by all such non-investment grade rated Electricity Vendors, **and** (ii) ~~multiplied by~~ a fraction equal to 45/365 (representing the 45-day period during which funds are expected to be held by such non-investment grade rated Electricity Vendors prior to being remitted to the Issuer); or (b) such other lesser amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. See *"The Electricity Industry in Ontario — Key Industry Participants — Ontario Power Generation Inc."* and *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of the Financing Entities (of which the Issuer is currently the only one), to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of the Financing Entities (of which the Issuer is currently the only one)

and remit such amounts on a monthly basis, subject to daily remittance being required in certain limited circumstances. Pursuant to the Master Transfer and Servicing Agreement, monthly remittances of amounts received in respect of the Clean Energy Adjustment will occur on the 18th business day of each calendar month. In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing forecast information to the OEB and the Issuer, **which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period,** making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts and fulfilling certain additional reporting requirements. Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which~~, provided that the Notes are Approved Obligations,~~ includes payments of amounts that are due and payable in respect of **Senior** Notes), although the amount of the Province of Ontario's payment obligations in a particular period may differ depending on whether an Acceleration has occurred. See *"Change of Law Protection Agreement"*. The Issuer and the Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*.

Generally, an "**Approved Obligation**" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

It will be a condition to any Offering of Senior Notes that such Senior Notes constitute Approved Obligations under the Change

of Law Protection Agreement.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the ~~FHPA~~Act or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the ~~FHPA~~Act or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

(b) a court of competent jurisdiction determines that all or a portion of the ~~FHPA~~Act, as in effect on the date hereof, is *ultra vires* or invalid in a way that adversely affects the ability of the Issuer to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable and that has the effect of the Issuer not in fact having sufficient funds to pay such Approved Obligations that have become due and payable, in each case determined after taking into account and having regard to (i) any funds available at such time to apply to

such Approved Obligations, including in any finance reserve account, capital account or collateral posting account applicable under a derivative agreement, (ii) the availability of any credit enhancement agreement to which the Issuer is a party and (iii) any reasonably expected potential effect of a True-up Amount in the Reference Period immediately following the occurrence of an event described in this paragraph (b).

(c) **The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.**

(d) The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

(e) Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid.

(f) **Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture (in effect as of the date hereof).** **See *"Capital Markets Platform — Acceleration and Remedies — Rights of Specified Creditors".***

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to

the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including all Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes

that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of Clean Energy Costs in proportion to the relative attribution of the value of Clean Energy Benefits among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation **that is issued** is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10%

	of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.
Use of Proceeds:	The proceeds from each Offering may be used ~~to~~**for one or more of the following purposes:** (i) **to** acquire an Investment Interest pursuant to the FHPA and the Master Transfer and Servicing Agreement, (ii) **to** refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) **to** pay Offering and related costs of the Issuer and (iv) **to** fund specific reserve accounts as required. The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", *"Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration"*.
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be

funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount.

In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for Senior Funding Obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for Subordinated Funding Obligations;
- payments of or accumulations in respect of interest for Junior Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Warehouse Obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for Senior Funding Obligations (other than Warehouse Obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on Senior Funding Obligations;

- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Junior Subordinated Funding Obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for Subordinated Funding Obligations or Junior Subordinated Funding Obligations);
- replenishment of Series Accounts established for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Junior Subordinated Funding Obligations;
- replenishment of Series Accounts established for Junior Subordinated Funding Obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

- After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:
  - taxes;
  - trustee fees, expenses and reimbursement amounts;
  - interest, fees and other amounts (other than principal) on Senior Funding Obligations and payments under derivative agreements (other than termination payments), *pari passu*, then Subordinated Funding Obligations (other than principal) and then Junior Subordinated Funding Obligations (other than principal);
  - principal for Warehouse Obligations;
  - *pari passu*, principal on Senior Funding Obligations (other than Warehouse Obligations) and termination payments

under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);

- the Manager's fees, expenses and reimbursement amounts;
- principal for Subordinated Funding Obligations and then Junior Subordinated Funding Obligations; and
- all other obligations not specifically dealt with above.

- Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.
- See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 units of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103).

By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.

Book-Entry Form: The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in

	accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The following summary of the electricity industry in Ontario does not purport to be comprehensive or definitive. It is a general and high-level overview of the ~~history~~**historical context** and **the current** manner in which the industry operates, including how real-time energy supply needs are met.

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, ~~hydropower~~**hydroelectric**, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from **large** generating facilities to local ~~areas~~**distribution systems** and large ~~directly~~ **transmission-**connected consumers**, as well as to and from inter-jurisdictional entities**; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses ~~using lower~~**, as well as the delivery of electricity from small distribution-connected generating facilities, using low** voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive wholesale electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes**, along with the transmission and distribution system investments needed to support these changes,** have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of smaller scale wind and solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be scheduled and dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids **to withdraw energy** by **certain** domestic loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Most generators in Ontario also have bilateral contracts with the IESO ~~or receive~~ **(i.e. power purchase agreements) and one large generator, OPG, receives OEB-**regulated prices, or payment amounts, that provide for payments in addition to wholesale market settlements that are paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario). The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold the generation assets of the former Ontario Hydro. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power facility. OPG's mandate is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for a significant portion of the total energy generated and injected into Ontario's electricity transmission system. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for managing the reliability of the provincial transmission system and operating the wholesale electricity markets in Ontario. The OPA was formed to plan the provincial power system and to procure electricity resources. The OPA entered into bilateral power **or capacity** purchase contracts with generators and other electricity resource providers. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial **administrative tribunal and** public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors~~, which~~**. The IESO and distributors** are ~~also~~ Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the ~~consumers~~**consumer's** economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

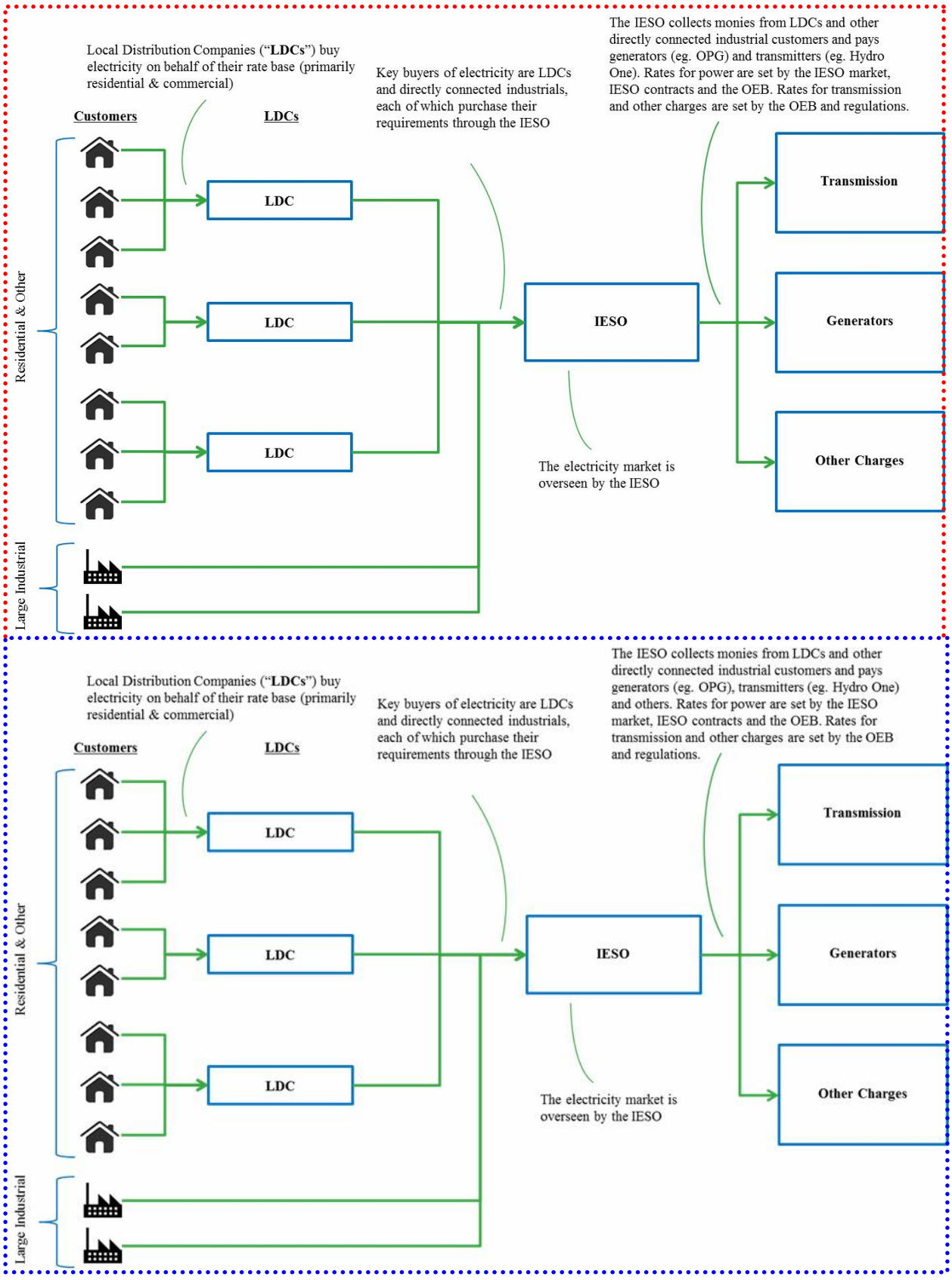
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures ~~involving~~**affecting regulated assets and regulated entities, such as** distributors~~,~~ **and** transmitters ~~and other entities which it licenses~~. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, **as well as institutions** such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB.

The following diagram depicts the flow of funds between the key industry participants:


Local Distribution Companies ("LDCs") buy electricity on behalf of their rate base (primarily residential & commercial)
Key buyers of electricity are LDCs and directly connected industrials, each of which purchase their requirements through the IESO
The IESO collects monies from LDCs and other directly connected industrial customers and pays generators (eg. OPG) and transmitters (eg. Hydro One). Rates for power are set by the IESO market, IESO contracts and the OEB. Rates for transmission and other charges are set by the OEB and regulations.
Customers
LDCs
Residential & Other
Large Industrial
LDC
LDC
LDC
IESO
The electricity market is overseen by the IESO
Transmission
Generators
Other Charges
Local Distribution Companies ("LDCs") buy electricity on behalf of their rate base (primarily residential & commercial)
Key buyers of electricity are LDCs and directly connected industrials, each of which purchase their requirements through the IESO
The IESO collects monies from LDCs and other directly connected industrial customers and pays generators (eg. OPG), transmitters (eg. Hydro One) and others. Rates for power are set by the IESO market, IESO contracts and the OEB. Rates for transmission and other charges are set by the OEB and regulations.
Customers
LDCs
Residential & Other
Large Industrial
LDC
LDC
LDC
IESO
The electricity market is overseen by the IESO
Transmission
Generators
Other Charges

See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are **two** main components that make up the commodity cost of electricity in Ontario, the Hourly Ontario Energy Price ("**HOEP**") and the global adjustment charge.

- The HOEP is set by the IESO based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is established monthly by the IESO in accordance with regulations and is the amount **of money** necessary to pay certain other costs to generators and other suppliers that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to OPG pursuant to OEB-established payment amounts.

Prior to the FHPA being passed, the amount collected generally over an annual basis by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's current payables to generators and other electricity resource suppliers, subject to certain periodic true-ups, fees and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered prices primarily for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months by the OEB based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in previous periods. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from ~~a~~ **an OEB-**licensed retailer pursuant to a retail contract that provides a rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the FHPA. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[3] less than the rate that would otherwise have been determined by the OEB for that period absent Ontario's Fair Hydro Plan (such adjustment, together with the further adjustments described below in this section, the "**Fair Adjustment**").

Under the FHPA, a "**Specified Consumer**" is:

[3] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, the amounts charged to the IESO by the Issuer in respect of the Carrying Costs of the Issuer**, when applicable,** ~~[~~and certain other amounts~~]~~ ~~***[NTD: IESO to confirm what other amounts are included]***~~ in a variance account. The IESO has the right, exercisable in accordance with the FHPA ~~and the Regulations~~, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from Specified Consumers before May 1, 2021. The IESO may, in accordance with the FHPA, Transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon

receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that ~~results from~~**gives rise to** the ~~Fair Adjustment~~**Regulatory Asset** and, as an owner of the Investment Interest, will be entitled to recover its Finance Amount (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest by accepting a Transfer of the corresponding specified portion of a Regulatory Asset, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the Transfer of a specified portion of the Regulatory Asset from the IESO, such Transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of Financing Entities that own an Investment Interest (among other things):

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest; and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers to cover the cost of financing the shortfall that ~~results from~~**gives rise to** the ~~Fair Adjustment~~**Regulatory Asset**. The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer , or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that are payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a Funding Obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) amounts received during the period in respect of Carrying Costs;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax during the period; and

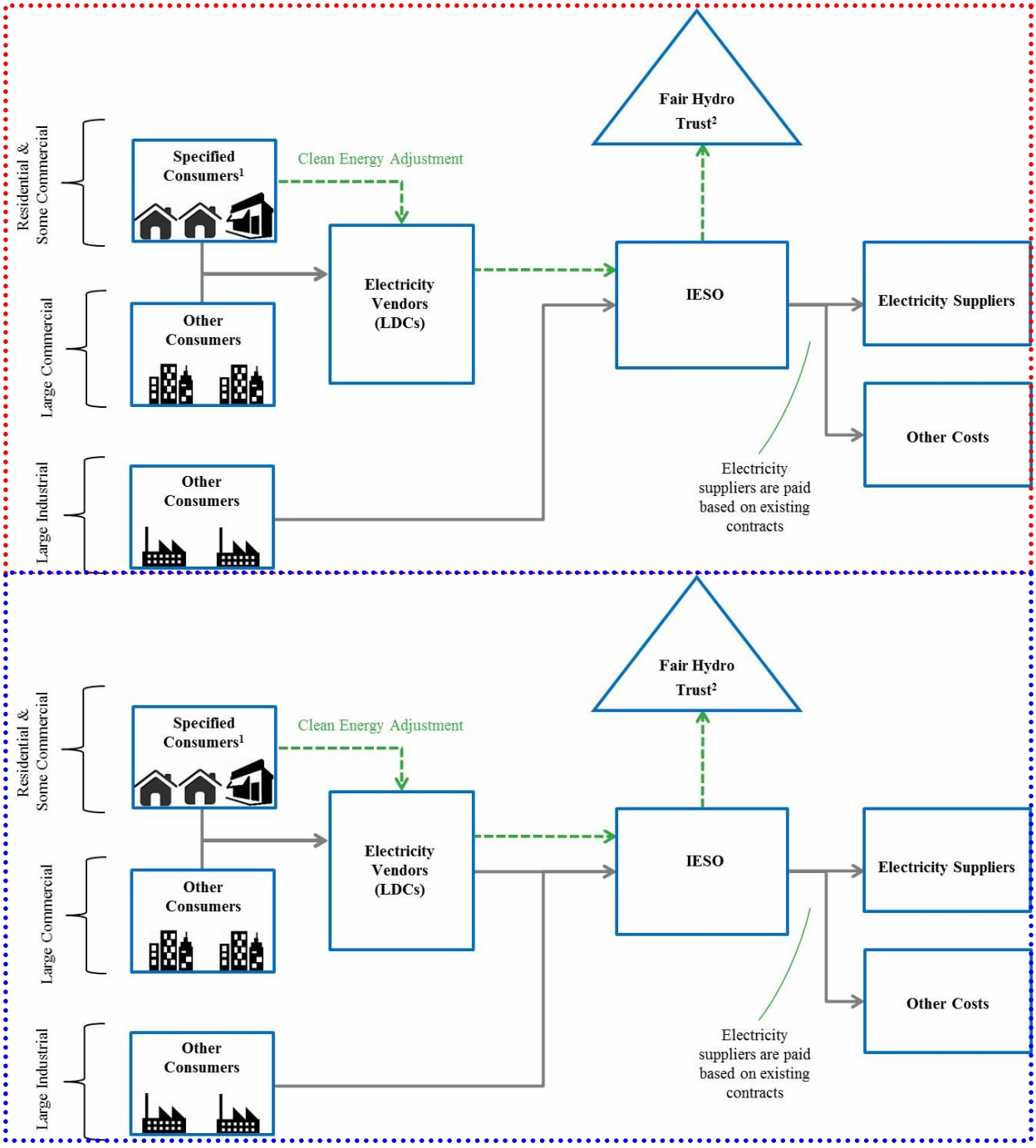
(c) subtracting the sum calculated under (b) from the sum calculated under (a).

In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. The True-up Amount is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount ~~may~~**will** also reflect **any** historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period ~~of time~~ by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period based on forecast information provided by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the Financing Entities (of which the Issuer is currently the only one), amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the Financing Entities (of which the Issuer is currently the only one) until remitted to the IESO for the benefit of the Financing Entities (of which the Issuer is currently the only one). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received ~~on a *pro rata* basis~~ to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA. ~~If there are any amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to the Issuer during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.~~

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay **to the Issuer** under the Regulations during such period. See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, **once applicable,** directly to the IESO.

[2] Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer for a corresponding purchase price. Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset following payment by the Issuer of the corresponding purchase price, the Issuer will acquire an Investment Interest.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align

Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers. Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA, provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation **that is issued** is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Payment of Carrying Costs until July 31, 2021

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes). The amounts paid by the IESO **to the Issuer** to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest pursuant to the FHPA.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used **by the IESO** to pay the ~~Issuer's~~ Carrying Costs **to the Issuer**. Furthermore, as security for the performance of its obligations under the Regulations to pay the ~~Issuer's~~ Carrying Costs **to the Issuer**, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or

terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account. The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period, divided by the number of months in such Reference Period. **See *"Capital Markets Platform — Acceleration and Remedies — Limitation on Available Amounts on Acceleration"* for a description of the amounts that would be available to be paid under the Master Trust Indenture in such circumstances.**

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Senior Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the ~~FHPA~~**Act** or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the ~~FHPA~~**Act** or any portion thereof, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the

extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued, provided that for purposes of determining voting rights with respect to Notes, Notes in which the Province of Ontario has an interest will be deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

It will be a condition to any Offering of Senior Notes that such Senior Notes constitute Approved Obligations under the Change of Law Protection Agreement.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

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

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including the Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

If a Suspension Notice has been provided under the Change of Law Protection Agreement (the provision of such notice being a "**Suspension Event**"), the Limited Guarantee shall not apply in respect of: (i) any Primary

Obligation incurred, excluding any Post-Suspension Refinancing, or (ii) any amendment of any Primary Obligation that has a Material Effect, unless otherwise agreed to by the Province of Ontario, in each case, on or after the time such Suspension Notice is delivered.

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document to which the Limited Guarantee applies and which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Issuer Trustee is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

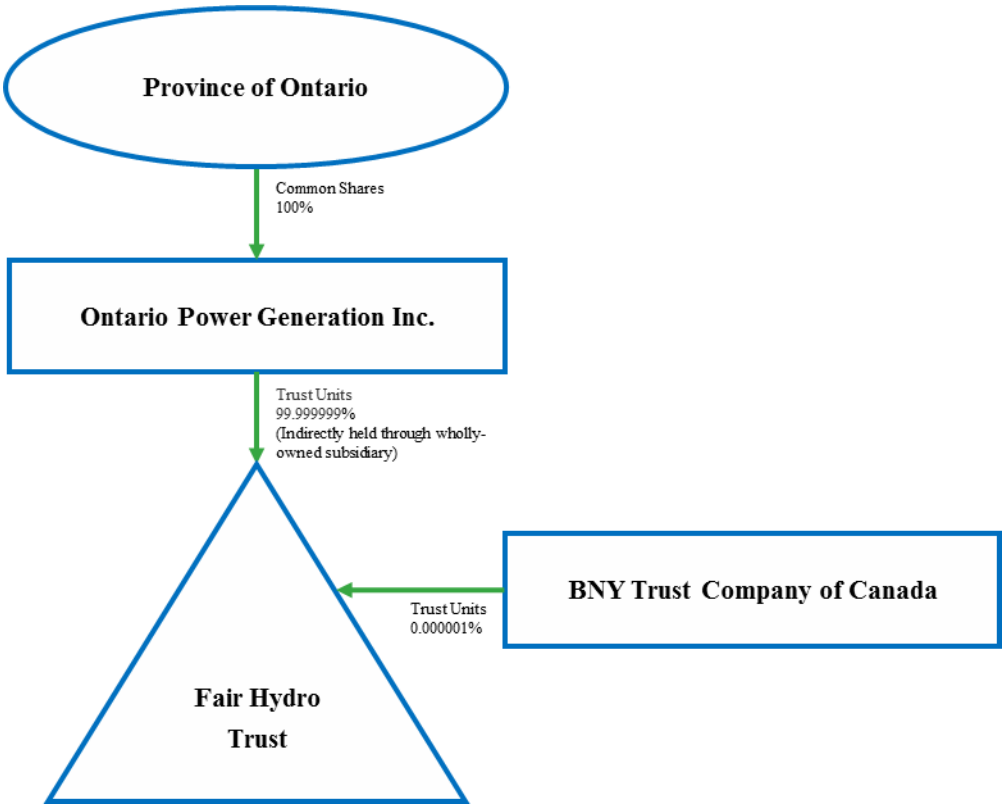
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, the Manager (on behalf of the Issuer) shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors — Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

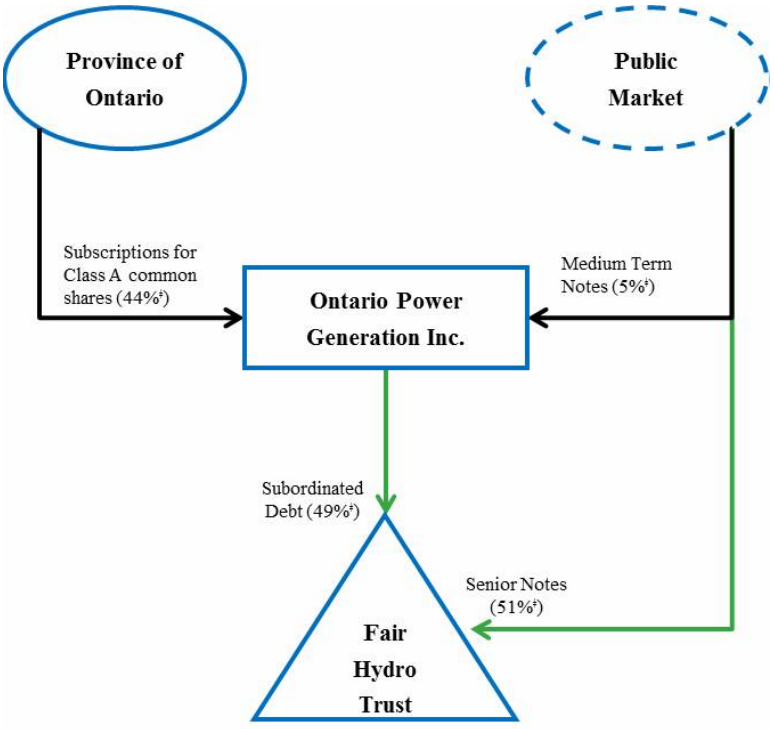
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining ~~approximate~~**approximately** 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



ǂ OPG is expected to acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(a) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(b) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(c) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest on December 21, 2017.

THE TRANSFEROR AND SERVICER

Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to Transfer to the Issuer a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of receiving the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts received in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on the 18th business day of each month, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) providing forecast information to the OEB and the Issuer**, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period**.

The IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions. The Master Transfer and Servicing Agreement provides for various limitations on the duties and responsibilities of the IESO including that: (i) the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that Clean Energy Adjustment amounts will be sufficient to

satisfy the Issuer's Funding Obligations, (ii) the IESO is under no responsibility or obligation to the Issuer with respect to the nature or extent of the Investment Interest, the collectability of the Clean Energy Adjustment or that Clean Energy Adjustment amounts received will be sufficient to satisfy the Issuer's Funding Obligations, (iii) the IESO shall have no liability or responsibility to any person in respect of any forecasts or other information provided, provided only that such forecasts or other information has been prepared and provided in good faith and (iv) the IESO is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from Specified Consumers or not remitted by Electricity Vendors to the IESO. **See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"* and *"Ontario's Fair Hydro Plan — Other Statutory Protections"* with respect to the manner in which the risks associated with incorrect forecasts by the IESO, and shortfalls in Clean Energy Adjustments as a result of amounts not being collected by Electricity Vendors or remitted by Electricity Vendors, are mitigated.**

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA, including its obligation to pay the ~~Issuer's~~ Carrying Costs **to the Issuer**.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes. Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used **by the IESO** to pay the ~~Issuer's~~ Carrying Costs **to the Issuer**.

As security for the performance of its obligation to pay the ~~Issuer's~~ Carrying Costs **to the Issuer**, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for Transfer to the Issuer in a subsequent period. Upon completion of such Transfer, the Issuer will acquire an Investment Interest pursuant to the FHPA.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any

Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors or such other number as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement~~,~~ **or** the FHPA (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;

- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;

- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);

- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and

- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "— *Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "— *Payment Waterfalls Prior to Acceleration — Collection Account*", "— *Payment Waterfalls Prior to Acceleration — Protection Account*" and "— *Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the Internal Revenue Code, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding

Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities

Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall. **Amounts in the Program Cash Reserve Account will be available to pay interest and principal on the Senior Notes.**

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for

the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "— *Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "— *IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "—*Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required

Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "— *Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set

out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program

Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "— *Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel, each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;

- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;

- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;

- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;

- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;

- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;

- facilitate the issuance of foreign currency Issuer Funding Obligations;

- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;

- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or

- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, ~~then~~ the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined ~~without regard to the fact that such amount has become due and payable, unless and only to the extent that~~**based on the extent, if any, to which** the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"Capital Markets Platform"*.

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF SENIOR NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this *"Description of Senior Notes"* section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;

- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s), if any, and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;
- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;
- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;
- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;
- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and
- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer) **or of the IESO**. The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not **be** insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior

Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Payment Dates on which such ~~amount~~**amounts** are to be accumulated for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than an expected Principal Payment Date if an optional redemption occurs and may receive principal payments later than an expected Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on an expected Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however,

that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the

book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the

Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit were successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does

not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA should no longer be law in Ontario or that the FHPA should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See *"Change of Law Protection Agreement"*. However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA referenced in the previous paragraph were amended or repealed through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Crown, nor may an order for execution or attachment be made against the Crown, although the remedy of damages is available. Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior Notes, and the Issuer must rely for payment of all of its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs **to the Issuer**. The amounts paid by the IESO **with respect to Carrying Costs** cannot be applied on account of principal on the Senior Notes. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the ~~Issuer's~~ Carrying Costs **to the Issuer**. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring September 30, 2022, which can be used to pay the ~~Issuer's~~ Carrying Costs **to the Issuer**. There can be no assurance that the IESO will continue to have sufficient funds available to pay the ~~Issuer's~~ Carrying Costs **to the Issuer** during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay the ~~Issuer's~~ Carrying Costs **to the Issuer** and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior Notes, and the Issuer must rely ~~for payment of~~**on the IESO for the funds necessary to pay** its Carrying Costs, upon

the IESO who is obligated under the Regulations to pay these Carrying Costs **to the Issuer**. Amounts paid by the IESO are not available to pay principal on the Senior Notes. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt or general obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA, rights to enforcement of the FHPA and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the

Issuer. **In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.**

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform -- Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring Investment Interests. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the Transfer by the IESO of specified portions of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, the Investment Asset will be co-owned by all Financing Entities (including the Issuer) and consequently Clean Energy Adjustment amounts collected by or for the benefit of the Financing Entities will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA and the Master Transfer and Servicing Agreement impose new duties and obligations ~~of~~**on** the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and

the Master Transfer and Servicing Agreement. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or providing forecast information, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor **or the IESO** fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.

The FHPA imposes new duties and obligations ~~of~~**on** OPG, as Financial Services Manager, and the Program Agreements impose new duties and obligations ~~of~~**on** OPG, as Manager. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA, including determining the Clean Energy Adjustment (inclusive of the True-up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated based upon a forecast of Specified Consumer usage to be newly developed based on forecast information provided by the IESO. Under the Regulations, the IESO is required to provide ~~a forecast of~~ **forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast** electricity consumption of Specified Consumers **in respect of the relevant period**. The amount of the Clean Energy Adjustment collected in any period will depend in part on actual electricity usage by Specified Consumers and the amount of collections and write-offs for Specified Consumers. If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of

electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. The FHPA does not require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in FHPA. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment**, which might result in missed or delayed payments of principal and interest on the Senior Notes**.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment. The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-up Amount. ~~If~~**Until such adjustments are made or, if** those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to provide indemnification, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°~~C~~ **Celsius**. Winters include snow and ~~icing~~**icy** conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the

Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.

Ordinarily, the interests of the Issuer as acquirer of an Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time the corresponding Regulatory Asset was Transferred to the Issuer. This could reduce the amounts that may be available to the Issuer in respect of the Investment Interest and, consequently, the holders of Senior Notes. Section 27(3) of the ~~FHPA~~**Act** provides that at the time of the Transfer of the Regulatory Asset to a Financing Entity, such Transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the ~~FHPA~~**Act** provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the Transfer and the property rights and interests acquired by the Transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the ~~FHPA~~**Act** in such circumstances is untested. The Transfers of the Regulatory Asset to the Issuer will be made in accordance with section 26 of the ~~FHPA~~**Act**. Section 27(1) of the ~~FHPA~~**Act** provides that a Transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Transferee. Therefore, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Regulatory Asset. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO or such Electricity Vendor may be significantly impaired or delayed.

Under the Master Transfer and Servicing Agreement, collections received by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and

used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior

Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no

representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account

managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency

Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly,

purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Capital Markets Platform — Covenants of the Issuer — Financial Statements; Statement as to Compliance"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to

mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the **Financial and Consumer Affairs Authority of** Saskatchewan ~~Financial Services Commission~~.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

(i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum **(which shall for the purposes hereof be considered to include any document or record incorporated or deemed to be incorporated by reference herein)**, together with any amendments hereto **(which shall for the purposes hereof be considered to include any document or record incorporated or deemed to be incorporated by reference therein)**, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "misrepresentation"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action ~~will~~**may** be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment

was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference ~~therein~~**herein**, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference ~~therein~~**herein**, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference ~~therein~~**herein**, not purporting to be made on the authority of an expert, or to be a copy of**,** or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the *Securities Act* (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and

the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer **or the selling security holder on whose behalf the distribution is made**. "Misrepresentation" means an untrue statement of **a** material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer **and selling security holder** will be liable if the person proves that**:**

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

(ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that~~;~~:

(A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) **while still an owner of the Senior Notes,** a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, Newfoundland and Labrador and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia, Newfoundland and Labrador and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, **with respect to a Funding Obligation,** (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"Act" means the *Ontario Fair Hydro Plan Act, 2017.*

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" ~~means~~ has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Change of Law Protection Agreement**" means the change of law protection agreement dated as of December 21, 2017 among the Province, the Issuer and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(b)

(i) renewable energy generation or capacity;

(ii)

(iii) conservation and demand management;

(iv)

(v) energy storage;

(vi)

(vii) energy efficiency; and

(viii)

(ix) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(x)

(c) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(d)

(e) such other costs or estimated costs as may be prescribed by the Regulations.

(f)

"**Clean Energy Initiative**" means the policies of the Ontario government related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b)

(c) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(d)

(e) promoting conservation, demand management and energy efficiency; and

(f)

(g) investing in energy infrastructure to ensure a clean, modern and reliable system.

(h)

"**Clearstream, Luxembourg**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"Crown" means Her Majesty the Queen in Right of Ontario.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" means the declaration of trust made as of December 20, 2017 under which the Issuer was established, as amended, supplemented, restated or otherwise modified from time to time.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b)

(c) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(d)

(e) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(f)

(g) such other person as may be prescribed by the Regulations.

(h)

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor)

from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.

"**FHPA**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Entity**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as

required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligations**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on page (iii) of this confidential shelf offering memorandum.

"**Issuer**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" means the management agreement dated as of December 20, 2017 between the Manager and the Issuer, and acknowledged by the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Manitoba"*.

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**NI 31-103**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**NI 45-106**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

~~"**NL Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Newfoundland and Labrador"*.~~

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Offering Jurisdiction**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**OPA**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The*

IESO.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month **or, if such day is not a business day, the next business day**.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust,

the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b)

(c) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(d)

(i) every six-month period following the period mentioned in (a);

(ii)

(iii) any period shorter than six months, as may be prescribed by the Regulations.

(iv)

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Saskatchewan"*.

"**Section 130.1**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Ontario"*.

"**Section 150**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in New Brunswick"*.

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure

shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**Transfer**" has the meaning specified in the *Ontario Fair Hydro Plan Act, 2017*, and "**Transferred**" and "**Transferee**" shall have corresponding meanings.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" has the meaning set out under *"The Issuer"*.

"**U.S. Securities Act**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

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SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

Document comparison by Workshare Compare on January-21-18 2:55:28 PM

Input:	
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Description	Fair Hydro Trust - Confidential Offering Memorandum
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Description	_Fair Hydro Trust - Confidential Offering Memorandum
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	209
Deletions	462
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	671

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January 22, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Capital Markets Platform" and "Description of Senior Notes" sections of the confidential shelf offering memorandum which contain a more detailed description of certain terms of the Series 2018-1 Senior Notes and the trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture (the "Series 2018-1 Senior Supplemental Indenture") pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *January 22, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE MAY 15, 2033, SERIES 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Expected Credit Ratings:	DBRS: ● (●) Moody's: ● (●)
Principal Amount:	$●[(1)]
Term:	15.25 years
Launch Date:	●, 2018
Pricing Date:	●, 2018
Settlement Date:	●, 2018 (T+3)
Interest Rate:	●% per annum (the "**Series 2018-1 Interest Rate**")
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● +● bps (including a ● bps curve adjustment and +● bps delay adjustment), versus the CAN ●% due ● (priced at $● to yield ●%)

(1) The Issuer may offer and sell Series 2018-1 Senior Notes having a principal amount greater than the amount shown above. In that event, the Principal Accumulation Amounts, the principal amounts of the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes and the use of proceeds amount will be increased proportionately.

Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-1 Senior Notes.
Agents Commission:	$● per $1,000 principal amount of Series 2018-1 Senior Notes sold (payable from existing cash resources of the Issuer)
Interest Payment Dates:	The Interest Payment Dates for the Series 2018-1 Senior Notes are as follows: (i) prior to the occurrence of an Amortization Event, interest on the Series 2018-1 Senior Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Senior Notes on each Payment Date thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event, the first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes. If an Interest Payment Date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis. The record date for each Interest Payment Date is the last day of the calendar month preceding such Interest Payment Date. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-1 Senior Notes, or the outstanding principal amount of the Series 2018-1 Senior Notes has not been paid in full on the Expected Principal Payment Date (as defined below). An "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the Master Trust Indenture, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes and all interest thereon is declared due and payable in accordance with the Indenture as a result of the occurrence of a Series 2018-1 Event of Default (as defined below).
Principal Payment Dates and Principal Payment Amount:	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on May 15, 2033 (such Payment Date, the "**Expected Principal Payment Date**"). Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date in respect of the Series 2018-1 Senior Notes and the then outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date.
Principal Payment Default Date:	May 15, 2035

Principal Accumulation Amounts:	Subject to the occurrence of an Amortization Event, the Series 2018-1 Senior Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix A hereto. Following the occurrence of an Amortization Event, the Principal Accumulation Amount with respect to each Payment Date thereafter shall be an amount equal to the outstanding principal amount of the Series 2018-1 Senior Notes.
Subordination:	Concurrent with the issuance of the Series 2018-1 Senior Notes, OPG will subscribe for (i) $● of ●% subordinated notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**"); and (ii) $● of ●% junior subordinated notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**"). The Series 2018-1 Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations), and the Series 2018-1 Junior Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations) and the Series 2018-1 Subordinated Notes (and all other Subordinated Funding Obligations), in each case in the manner described in the confidential shelf offering memorandum under the heading "*Capital Markets Platform – Subordination Provisions*".
Optional Redemption:	The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "**Par Call Date**" means November 15, 2032. "**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus ●% per annum. "**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

Limited Recourse:	The Series 2018-1 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-1 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-1 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Series 2018-1 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under *"Change of Law Protection Agreement"*. The Series 2018-1 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under the heading *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.
Use of Proceeds:	The proceeds from the Series 2018-1 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement. See *"Consolidated Capitalization"*. Expenses of the Series 2018-1 Senior Notes Offering are to be paid from existing cash resources.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Change of Law Protection Agreement:	The Series 2018-1 Senior Notes are Approved Obligations under the Change of Law Protection Agreement.
Series 2018-1 Events of Default:	In addition to the Events of Default contained in the Master Trust Indenture and described in the confidential shelf offering memorandum, each of the following events constitute a "**Series 2018-1 Events of Default**": (a) failure to pay interest on the Series 2018-1 Senior Notes when due, subject to a 5-day cure period; (b) failure to pay principal on the Principal Payment Default Date for the Series 2018-1 Senior Notes; (c) breach of representation or warranty in the Series 2018-1 Senior Supplemental Indenture applicable to the Series 2018-1 Senior Notes, subject to materiality requirements and a 60-day cure period; (d) breach of a covenant in the Series 2018-1 Senior Supplemental Indenture, subject to materiality requirements and a 60-day cure period; and (e) an event occurs and as a result thereof, all or any portion of the principal amount of any other Senior Funding Obligation has been accelerated.

Acceleration upon a Series 2018-1 Event of Default:	Upon the occurrence of a Series 2018-1 Event of Default, the holders of Series 2018-1 Senior Notes may, by Ordinary Resolution, declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Senior Notes to be immediately due and payable, whether or not all Issuer Funding Obligations have been accelerated pursuant to the Master Trust Indenture. For a discussion of the consequences of such declaration, see the confidential shelf offering memorandum under the headings "*Capital Markets Platform – Acceleration and Remedies*" and "*Risk Factors – If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected*".
Rating Agency Condition:	"**Rating Agency Condition**" means with respect to any action in respect of the Series 2018-1 Senior Notes subject to such condition, the Issuer shall deliver written notice of the proposed action to such Rating Agency or Rating Agencies at least 10 business days prior to the effective date of such action (or if 10 business days prior notice is impractical, such advance notice as is practicable) and (i) the Rating Agencies shall not have informed the Issuer prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, DBRS shall have informed the Issuer in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action.
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	CIBC World Markets Inc. (joint lead and joint bookrunner), Goldman Sachs Canada Inc. (joint lead), RBC Dominion Securities Inc. (joint lead and joint bookrunner), BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Morgan Stanley Canada Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Desjardins Securities Inc. and Casgrain & Company Limited.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the

circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	$●
Debt		
Long-term debt, including current portion…….	Nil	$●
Short-term debt……...	$1,179,000,000.00[(2)]	$●
Bank indebtedness……..	Nil	$●
Total Debt……	$1,179,000,000.00[(2)]	$●
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	$1,179,010,000.01[(2)]	$●

(2) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short term debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes, Series 2017-1 held by OPG; and (iii) $117,900,000, or 10% of all short term debt, represented by Junior Subordinated Notes, Series 2017-1 held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On November 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, 2018, the Issuer had approximately $● outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' commission payable by the Issuer.

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

APPENDIX A
PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
January 15, 2030	$●
February 15, 2030	$●
March 15, 2030	$●
April 15, 2030	$●
May 15, 2030	$●
June 15, 2030	$●
July 15, 2030	$●
August 15, 2030	$●
September 15, 2030	$●
October 15, 2030	$●
November 15, 2030	$●
December 15, 2031	$●
January 15, 2031	$●
February 15, 2031	$●
March 15, 2031	$●
April 15, 2031	$●
May 15, 2031	$●
June 15, 2031	$●
July 15, 2031	$●
August 15, 2031	$●
September 15, 2031	$●
October 15, 2031	$●
November 15, 2031	$●
December 15, 2031	$●
January 15, 2032	$●
February 15, 2032	$●
March 15, 2032	$●
April 15, 2032	$●
May 15, 2032	$●
June 15, 2032	$●
July 15, 2032	$●
August 15, 2032	$●
September 15, 2032	$●
October 15, 2032	$●
November 15, 2032	$●
December 15, 2033	$●
January 15, 2033	$●
February 15, 2033	$●
March 15, 2033	$●
April 15, 2033	$●
May 15, 2033	$●

~~DRAFT: January 17, 2018~~

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January ~~●,~~22, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Capital Markets Platform" and "Description of Senior Notes" sections of the confidential shelf offering memorandum which contain a more detailed description of certain terms of the Series 2018-1 Senior Notes and the trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture (the "Series 2018-1 Senior Supplemental Indenture") pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *January ~~●,~~22, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ~~●, Series~~MAY 15, 2033, SERIES 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due ~~●,~~May 15, 2033, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Expected Credit Ratings:	DBRS: ● (●) Moody's: ● (●)
Principal Amount:	$●[(1)]
Term:	~~●~~15.25 years
Launch Date:	●, 2018
Pricing Date:	●, 2018
Settlement Date:	●, 2018 (T+3)
Interest Rate:	●% per annum (the "**Series 2018-1 Interest Rate**")
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● +● bps (including a ● bps curve adjustment and +● bps ~~curve~~ delay adjustment), ~~both~~ versus the CAN ●% due ● (priced at $● to yield ●%)

(1) The Issuer may offer and sell Series 2018-1 Senior Notes having a principal amount greater than the amount shown above. In that event, the Principal Accumulation Amounts, the principal amounts of the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes and the use of proceeds amount will be increased proportionately.

Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-1 Senior Notes.
Agents Commission:	$● per $1,000 principal amount of Series 2018-1 Senior Notes sold (payable from existing cash resources of the Issuer)
Interest Payment Dates:	The Interest Payment Dates for the Series 2018-1 Senior Notes are as follows: (i) prior to the occurrence of an Amortization Event, interest on the Series 2018-1 Senior Notes shall be payable in equal **semi-annual instalments** (except the first interest payment) ~~semi-annual instalments~~ in arrears on ~~April~~**May** 15 and ~~October~~**November** 15 of each year, commencing ~~April~~**May** 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Senior Notes on each Payment Date thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event, the first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes. If an Interest Payment Date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis. The record date for each Interest Payment Date is the last day of the calendar month preceding such Interest Payment Date. "**Amortization Event**" means either ~~(i)~~ an Acceleration Event has occurred with respect to the Series 2018-1 Senior Notes, or ~~(ii)~~ the outstanding principal amount of the Series 2018-1 Senior Notes has not been paid in full on the Expected Principal Payment Date (as defined below). An "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the Master Trust Indenture, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes and all interest thereon is declared due and payable in accordance with the Indenture as a result of the occurrence of a Series 2018-1 Event of Default (as defined below).
Principal Payment Dates and Principal Payment Amount:	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on ●**May** 15, ~~20~~●**2033** (such Payment Date, the "**Expected Principal Payment Date**"). Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date in respect of the Series 2018-1 Senior Notes and the then outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date.
Principal Payment Default Date:	~~●, 20●~~**May 15, 2035**

Principal Accumulation Amounts: Subject to the occurrence of an Amortization Event, the Series 2018-1 Senior Notes shall have the ~~following~~ Principal Accumulation Amounts ~~on~~**for** the Payment Dates ~~set out below:~~**specified in Appendix A hereto.**

~~Payment Date~~	~~Principal Accumulation Amounts~~
~~●, 20●~~	~~$●~~
~~●, 20●~~	~~$●~~
~~●, 20●~~	~~$●~~
~~●, 20●~~	~~$●~~

Following the occurrence of an Amortization Event, the Principal Accumulation Amount with respect to each Payment Date thereafter shall be an amount equal to the outstanding principal amount of the Series 2018-1 Senior Notes.

Subordination: Concurrent with the issuance of the Series 2018-1 Senior Notes, OPG will subscribe for (i) $● of ●% subordinated notes due ~~●,~~**May 15, 2033,** Series 2018-1 (the "**Series 2018-1 Subordinated Notes**"); and (ii) $● of ●% junior subordinated notes due ~~●,~~**May 15, 2033,** Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**"). The Series 2018-1 Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations), and the Series 2018-1 Junior Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations) and the Series 2018-1 Subordinated Notes (and all other Subordinated Funding Obligations), in each case in the manner described in the confidential shelf offering memorandum under the heading "*Capital Markets Platform – Subordination Provisions*".

Optional Redemption: The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption.

"**Par Call Date**" means ~~●, 20●.~~**November 15, 2032.**

"**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus ●% per annum.

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment

	dealers specified by the Issuer.
Limited Recourse:	The Series 2018-1 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-1 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-1 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Series 2018-1 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under *"Change of Law Protection Agreement"*. The Series 2018-1 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under **the heading** *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.
Use of Proceeds:	The proceeds from the Series 2018-1 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement. See *"Consolidated Capitalization"*. **Expenses of the Series 2018-1 Senior Notes Offering are to be paid from existing cash resources.**
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Change of Law Protection Agreement:	The Series 2018-1 Senior Notes are Approved Obligations under the Change of Law Protection Agreement.
Series 2018-1 Events of Default:	In addition to the Events of Default contained in the Master Trust Indenture and described in the confidential shelf offering memorandum, each of the following events constitute a "**Series 2018-1 Events of Default**": (a) failure to pay interest on the Series 2018-1 Senior Notes when due, subject to a 5-day cure period; (b) failure to pay principal on the Principal Payment Default Date for the Series 2018-1 Senior Notes; (c) breach of representation or warranty in the Series 2018-1 Senior Supplemental Indenture applicable to the Series 2018-1 Senior Notes, subject to materiality requirements and a 60-day cure period; (d) breach of a covenant in the Series 2018-1 Senior Supplemental Indenture, subject to materiality requirements and a 60-day cure period; and (e) an event occurs and as a result thereof, all or any portion of the principal amount of any other Senior Funding Obligation has been accelerated.
Acceleration upon a Series 2018-1 Event of Default:	Upon the occurrence of a Series 2018-1 Event of Default, the holders of Series 2018-1 Senior Notes may, by Ordinary Resolution, declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Senior Notes to be immediately due and payable, whether or not all Issuer Funding Obligations have been accelerated pursuant to the Master Trust Indenture. For a discussion of

	the consequences of such declaration, see the confidential shelf offering memorandum under the headings "*Capital Markets Platform – Acceleration and Remedies*" and "*Risk Factors – If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected*".
Rating Agency Condition:	"**Rating Agency Condition**" means with respect to any action in respect of the Series 2018-1 Senior Notes subject to such condition, the Issuer shall deliver written notice of the proposed action to such Rating Agency or Rating Agencies at least 10 business days prior to the effective date of such action (or if 10 business days prior notice is impractical, such advance notice as is practicable) and (i) the Rating Agencies shall not have informed the Issuer prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, DBRS shall have informed the Issuer in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action.
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	~~[~~CIBC World Markets Inc. (joint lead and joint bookrunner), Goldman Sachs Canada Inc. (joint lead), RBC Dominion Securities Inc. (~~as co-leads and co-bookrunners)]~~, ●, ●, and ●joint lead and joint bookrunner), BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Morgan Stanley Canada Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Desjardins Securities Inc. and Casgrain & Company Limited.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a

lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017. ~~***[NTD: If there are subsequent draws on the warehouse before the launch of the Series 2018-1 Senior Notes Offering, this section to be updated.]***~~

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	$●
Debt		
Long-term debt, including current portion…….	Nil	$●
Short-term debt……...	$1,179,000,000.00[(2)]	$●
Bank indebtedness……..	Nil	$●
Total Debt……	$1,179,000,000.00[(2)]	$●
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	$1,179,010,000.01[(2)]	$●

(2) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short term debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes, Series 2017-1 held by OPG; and (iii) $117,900,000, or 10% of all short term debt, represented by Junior Subordinated Notes, Series 2017-1 held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On ~~October~~**November** 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, 2018, the Issuer had approximately $● outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' commission payable by the Issuer.

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

APPENDIX A
PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
January 15, 2030	$●
February 15, 2030	$●
March 15, 2030	$●
April 15, 2030	$●
May 15, 2030	$●
June 15, 2030	$●
July 15, 2030	$●
August 15, 2030	$●
September 15, 2030	$●
October 15, 2030	$●
November 15, 2030	$●
December 15, 2031	$●
January 15, 2031	$●
February 15, 2031	$●
March 15, 2031	$●
April 15, 2031	$●
May 15, 2031	$●
June 15, 2031	$●
July 15, 2031	$●
August 15, 2031	$●
September 15, 2031	$●
October 15, 2031	$●
November 15, 2031	$●
December 15, 2031	$●
January 15, 2032	$●
February 15, 2032	$●
March 15, 2032	$●
April 15, 2032	$●
May 15, 2032	$●
June 15, 2032	$●
July 15, 2032	$●
August 15, 2032	$●
September 15, 2032	$●
October 15, 2032	$●
November 15, 2032	$●
December 15, 2033	$●
January 15, 2033	$●
February 15, 2033	$●
March 15, 2033	$●
April 15, 2033	$●
May 15, 2033	$●

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Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	113
Deletions	37
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	150

AGENCY AGREEMENT

February ●, 2018

Fair Hydro Trust
c/o Ontario Power Generation Inc.,
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: **[Name]**
[Title]

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: **[Name]**
[Title]

Dear Ladies and Gentlemen:

The undersigned, CIBC World Markets Inc. ("**CIBC**"), RBC Dominion Securities Inc. ("**RBC**" and together, with CIBC, the "**Joint Bookrunners**"), Goldman Sachs Canada Inc. ("**GSCI**", and collectively with RBC and CIBC, the "**Joint Leads**"), BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Morgan Stanley Canada Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Desjardins Securities Inc. and Casgrain & Company Limited (collectively with the Joint Leads, the "**Agents**"), understand that Fair Hydro Trust (the "**Issuer**") proposes to create, issue, offer and sell (the "**Offering**"), by way of private placement in all of the provinces of Canada (collectively, the "**Offering Jurisdictions**") to certain "accredited investors", as such term is defined under applicable Securities Laws (as defined herein), up to an aggregate principal amount of $● of ●% Senior Notes due May 15, 2033, Series 2018-1 (the "**Notes**"), at a price of $● per $1,000 principal amount and having the attributes set forth in the term sheet attached hereto as Appendix "A" (the "**Term Sheet**").

The Notes will be issued pursuant to a master trust indenture (the "**Master Trust Indenture**") dated as of December 21, 2017 between BNY Trust Company of Canada, as trustee (the "**Indenture Trustee**") and the Issuer, as supplemented by a term senior series 2018-1 supplemental indenture to the Master Trust Indenture (the "**First Term Supplemental Indenture**", and the Master Trust Indenture as amended and supplemented by the First Term Supplemental Indenture, the "**Indenture**") to be entered into as of the Closing Date (as defined herein) between the Indenture Trustee and the Issuer. A confidential shelf offering memorandum dated January ●, 2018 (together with the documents and exhibits included or incorporated by reference therein, the "**Shelf Offering Memorandum**"), as supplemented by the Term Sheet which, among other things, updates the Shelf Offering Memorandum to contain the final pricing information with respect to the Notes (collectively, the Shelf Offering Memorandum and the Term Sheet, the "**Offering Memorandum**"), has been prepared by the Issuer, with the assistance of the Agents, for use by the Agents in connection with the Offering.

The Issuer has entered into a management agreement dated as of December 20, 2017 pursuant to which the Issuer has delegated to Ontario Power Generation Inc. ("**OPG**"), as manager of the Issuer (the "**Manager**"), all of the powers and duties of managing the Issuer. OPG is executing this Agreement as principal only with respect to its representations, warranties and covenants set out in Section 10 and its indemnification obligations set out in Section 15(b) related to such representations, warranties and covenants and in all other respects, OPG is executing this Agreement in its capacity as Manager.

1. **Appointment**. The Issuer hereby appoints the Agents to act as its sole and exclusive agents to effect the solicitation and private placement of the Notes in the Offering Jurisdictions, and in such other jurisdictions as may be agreed upon in writing between the Issuer and the Agents, and the Agents hereby agree to act as exclusive agents for such purpose and to use their reasonable best efforts to solicit offers to purchase the Notes on behalf of the Issuer, subject to the terms and conditions contained herein. The Issuer agrees and acknowledges that the Agents will act as agents only and will not at any time be obligated to purchase any Notes.

2. **Agents' Fee**.

   In consideration of the services rendered or to be rendered by the Agents to the Issuer in connection with the Offering, the Issuer shall, on the closing of the Offering (the "**Closing**"), pay to the Agents a fee equal to ●% of the aggregate principal amount of the Notes sold to purchasers (the "**Purchasers**") under the Offering (the "**Agents' Fee**"). The parties agree and acknowledge that the Agents' Fee shall be allocated among the Agents as follows:

   (a) first, a work fee equal to 15% of the aggregate Agents' Fee shall be allocated equally between the Joint Leads;

   (b) second, the remainder of the aggregate Agents' Fee shall be allocated among the Agents pro rata as follows:

CIBC World Markets Inc.	25.00%
RBC Dominion Securities Inc.	25.00%
Goldman Sachs Canada Inc.	25.00%
BMO Nesbitt Burns Inc.	3.50%
Scotia Capital Inc.	3.50%
National Bank Financial Inc.	3.50%
TD Securities Inc.	3.50%
Morgan Stanley Canada Limited	3.50%
HSBC Securities (Canada) Inc.	3.00%
Laurentian Bank Securities Inc.	1.75%
Desjardins Securities Inc.	1.75%
Casgrain & Company Limited	1.00%

3. **Offering Restrictions.**

(a) The Offering is to be effected in a manner exempt from the prospectus requirements of Securities Laws. The Notes shall be offered for sale to Purchasers in accordance with the "accredited investor exemption" as defined in section 2.3 of National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators ("**NI 45-106**") and, in the case of Purchasers resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario) (the "**OSA**"). For the purposes of this Agreement, "**Securities Laws**" means the applicable securities acts and laws, and the rules and regulations promulgated thereunder, of the Offering Jurisdictions and the rules, instruments, orders, published policy statements, rulings and notices of the securities regulatory authorities of such jurisdictions.

(b) The Agents will solicit offers to purchase the Notes only from "accredited investors" (as such term is defined in section 1.1 of NI 45-106 or in section 73.3 of the OSA, as the case may be) in the Offering Jurisdictions who are not individuals unless such individuals are "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Requirements* ("**NI 31-103**")), all in accordance with all applicable Securities Laws and this Agreement and on a private placement basis so as not to require the Issuer to file a prospectus in any jurisdiction.

(c) The Agents acknowledge and agree that the Notes will not be registered under the United States Securities Act of 1933, as amended, (the "**1933 Act**") or applicable state securities laws and the Agents shall not offer or sell, directly or indirectly, in the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the "**United States**") or to a U.S. person (as defined in Regulation S under the 1933 Act).

(d) The Agents will, upon the prior consent of the Issuer, be entitled to offer the Notes to purchasers resident in jurisdictions outside of the United States and Canada, provided that the Agents conduct all such activities in compliance with the applicable laws of any such jurisdictions, and provided that the Agents do not solicit offers to purchase or sell the Notes so as to require registration of the Notes or filing of a prospectus with respect to the Notes under the laws of any jurisdiction or impose any additional obligations on the Issuer.

4. **Distribution of Notes**.

(a) The Issuer shall, as soon as reasonably practicable and in any event prior to the Closing Date, use its reasonable commercial efforts to fulfill to the satisfaction of legal counsel to the Agents (the "**Agents' Counsel**"), acting reasonably, all legal requirements to be fulfilled by the Issuer to enable the Notes to be offered for sale and sold in each of the Offering Jurisdictions through the Agents in the manner contemplated herein and without any requirement that a prospectus be filed under the Securities Laws. The Issuer shall also file or cause to be filed with the securities regulatory authorities in the Offering Jurisdictions all information and forms

required to be supplied or filed by it in connection with the Offering under applicable Securities Laws including, without limitation, filing the Offering Memorandum and the reports on Form 45-106F1 required under applicable Securities Laws. Each Agent acknowledges and agrees that it has taken or will take reasonable steps to confirm that each Purchaser of the Notes meets the terms and conditions of the prospectus exemption set forth in section 2.3 of NI 45-106 or section 73.3 of the OSA, as applicable, and obtains and retains, as necessary, relevant information and documentation to evidence the steps taken by such Agent to verify compliance with the exemption in accordance with its usual document retention policies and procedures in compliance with applicable Securities Laws, and will provide to the Issuer forthwith upon request all such information or documentation as the Issuer may reasonably request in good faith and solely for the purpose of verifying compliance with the exemption and assisting the Issuer with complying with its obligations under NI 45-106, including completing Form 45-106F1.

(b) The obligations of the Agents under this Agreement are several and not joint or joint and several. No Agent will be liable for any act, omission, default or conduct by any other Agent or any selling firm appointed by any other Agent.

5. **Deliveries by the Issuer**. The Issuer shall deliver to the Agents:

(a) reasonably promptly upon the Agents' request, such number of commercial copies of the Offering Memorandum to the offices of the Agents as the Agents may reasonably require by notice to the Issuer and an electronic version of the Offering Memorandum; and

(b) concurrently with the preparation thereof, copies of any other documents required to be signed and/or filed by the Issuer under the laws of any Offering Jurisdiction in connection with the Offering, including any Supplementary Material (as defined in Section 6), all of which the Issuer shall complete in form and substance satisfactory to the Agents, acting reasonably, and in compliance with applicable Securities Laws.

6. **Material Change**. For the purposes of this Agreement, the terms "**material change**", "**material fact**" and "**misrepresentation**" have the meanings ascribed thereto in Section 1(1) of the OSA. During the period from the date hereof to the Closing Date, the Issuer shall promptly notify the Agents in writing the full particulars of:

(a) any material change (actual, anticipated or threatened) in the business, affairs, operations, assets, liabilities (absolute, accrued, contingent or otherwise), capital or condition (financial or otherwise) of the Issuer or the Manager, which change is or will likely be of such nature as to result in a misrepresentation in the Offering Memorandum or any Supplementary Material (collectively, the "**Offering Documents**");

(b) any change in any material fact relating to or in respect of the Issuer or the Manager or to the business, affairs, operations, assets, liabilities (absolute, accrued, contingent or otherwise), capital or condition (financial or otherwise) of the Issuer

or the Manager contained in the Offering Documents, which change is or will likely be of such nature as to result in a misrepresentation therein;

(c) any change, to the knowledge of the Issuer, in applicable laws, materially and adversely affecting, or which may materially and adversely affect, the business, operations, affairs, prospects or property of the Issuer, the Notes or the Offering, including, without limitation, the occurrence of a Protection Event (as defined in the Change of Law Protection Agreement (as defined in the Master Trust Indenture)); and

(d) any order of any court or securities regulatory authority preventing or suspending the use of any portion of the Offering Documents, if any, or preventing or suspending the offering or sale of the Notes in accordance with this Agreement.

The Issuer shall first discuss with the Agents in good faith any change in circumstances (actual, anticipated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt whether notice needs to be given to the Agents pursuant to this Section 6.

The Issuer shall promptly comply with all applicable filings and other requirements under applicable Securities Laws in connection with the matters referred to in subsections (a) to (d) of this Section 6 and shall prepare an amendment or supplement to the Offering Memorandum, and any amendment or supplement thereto (collectively, the "**Supplementary Material**") as may be required by Securities Laws, provided that the Supplementary Material shall be in form and substance satisfactory to the Agents, acting reasonably. Neither the Issuer nor the Agents shall provide to prospective Purchasers any document or other material relating to the Offering other than the Offering Memorandum, any Supplementary Material or any other material previously approved by the Issuer and the Agents from time to time.

7. **Due Diligence**. During the period from the date of this Agreement to the Closing Date, the Agents shall be permitted to conduct such due diligence investigation of the Issuer and its assets, businesses and undertakings, as the Agents, acting reasonably, consider appropriate and to complete formal due diligence question and answer sessions with the Issuer and the Manager and with senior management, legal counsel and the auditor of the Issuer and such other persons as the Agents may reasonably request before the Closing Date. The Issuer and the Manager will make available to the Agents, on a reasonably timely basis, all trust, corporate, business and operating records, financial information, budgets and other information which the Agents may reasonably request, as well as access to appropriate officers and/or senior officers of the Issuer and the Manager (provided, that such access does not unduly interfere with the business operations of the Manager) and advisors and experts retained by the Issuer and/or the Manager in order to enable the Agents to complete their due diligence review.

8. **Offering Documents**. The Issuer and the Manager shall allow the Agents to participate fully in the preparation of the Offering Memorandum and any Supplementary Material and will exercise its reasonable commercial efforts to cause the appropriate officers and/or senior officers of the Issuer and the Manager to make themselves available to provide such assistance with marketing of the Notes as the Agents may reasonably require. The delivery

by the Issuer of the Offering Documents to the Agents will constitute the Issuer's and the Manager's consent to the Agents to the use thereof in connection with the Offering in accordance with the provisions of this Agreement as well as the representation and warranty of the Issuer and the Manager to the Agents that, at the time of such delivery:

(a) the information and statements contained in the Offering Documents (except information and statements relating solely to the Agents and furnished in writing by the Agents for use therein) contain no misrepresentation and contain no untrue statement of a material fact or do not omit to state a material fact regarding the Issuer, the Manager, the Notes or the Program Agreements (as defined in the Master Trust Indenture) that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made; and

(b) the Offering Documents comply in all material respects, as applicable, with all Securities Laws.

9. **Representations, Warranties and Covenants of the Issuer**. The Issuer represents and warrants to, and agrees with, the Agents, as follows:

(a) the Issuer is a trust duly constituted and validly existing under the laws of the province of Ontario and Computershare Trust Company of Canada (the "**Issuer Trustee**") has been appointed as trustee of the Issuer pursuant to the declaration of trust dated as of December 20, 2017 (the "**Declaration of Trust**");

(b) the Issuer is duly qualified to carry on its business in each jurisdiction in which it carries on business and is in good standing in each jurisdiction or place in which such qualification is required, except where the failure so to qualify or to be in good standing would not reasonably be expected to materially adversely affect its business, affairs, operations, financial condition, assets, properties, liabilities, capital, ownership or income taken together or have a material adverse effect on the ability of the Issuer to perform its obligations under any of this Agreement and the other Program Agreements (as defined in the Master Trust Indenture and collectively, the "**Transaction Documents**") to which it is a party (an "**Issuer Material Adverse Effect**");

(c) the Issuer has the power and authority to enter into and perform its obligations under this Agreement and each of the other Transaction Documents to which it is a party, and all other instruments and agreements delivered pursuant hereto and thereto;

(d) the execution, delivery and performance by the Issuer of, this Agreement and each of the other Transaction Documents to which it is a party, and every instrument or agreement delivered pursuant hereto and thereto:

(i) has been or will be duly authorized by all requisite action;

(ii) does not and will not conflict with, result in any breach or violation of, or constitute a default under the Declaration of Trust, or any applicable law, rule, regulation, order, judgment, determination or award presently in effect

and applicable to it, or of any material agreement or any other instrument to which it is now a party or any of its properties are subject or otherwise bound; and

(iii) does not require the consent, filing, authorization, order, registration, qualification or approval (other than those consents or approvals already obtained) of any person or governmental authority, except that the Issuer must file with the applicable securities regulatory authorities a report on Form 45-106F1, prepared and executed in accordance with NI 45-106, accompanied by any applicable prescribed fees, together in certain Offering Jurisdictions with a copy of the Offering Memorandum and any Supplementary Material;

(e) each of the Transaction Documents to which the Issuer is a party has been, or will be at or prior to the Closing, duly executed and delivered by the Issuer Trustee or the Manager, as the case may be, on behalf of the Issuer, and in addition in the case of the Notes, duly certified by the Indenture Trustee and each of the Transaction Documents is, or will be on the Closing, a legal, valid and binding obligation of the Issuer enforceable against it in accordance with its respective terms, subject to applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally and subject to the qualifications that equitable remedies may only be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution and waiver of contribution may be limited under applicable law;

(f) the Issuer is not in violation of the Declaration of Trust or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which it is a party or by which it may be bound or to which any of the property or assets of the Issuer is subject (including, for the avoidance of doubt, any Transaction Documents to which it is a party), except for such defaults that would not reasonably be expected to have an Issuer Material Adverse Effect;

(g) the Issuer: (i) is not in violation in any material respect of any law, ordinance, franchise, governmental rule or regulation to which it is subject, (ii) has not failed to obtain any material license, permit, qualification or governmental authorization necessary to the ownership of its property or the conduct of its business, and (iii) is not in default in any material respect of any order of any court or governmental authority or arbitration board or tribunal to which it is subject;

(h) no event of default has occurred and is continuing in respect of any outstanding indebtedness of the Issuer;

(i) no Protection Event has occurred and no Suspension Notice (as defined in the Change of Law Protection Agreement) has been received by the Issuer, and upon satisfaction of the Adherence Conditions (as defined in the Change of Law Protection Agreement), the Notes shall constitute Approved Obligations (as defined in the Change of Law Protection Agreement);

(j) the Issuer is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);

(k) all tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes in respect of the Issuer;

(l) since ●, 2017, (i) there has been no Issuer Material Adverse Effect and (ii) there has been no change, which would have a material adverse effect on the ability of the Issuer to fulfill its payment obligations under the Notes;

(m) except as disclosed in the Offering Memorandum, there are no actions, suits or proceedings existing, or, to the Issuer's knowledge after having made due enquiry, pending or threatened, affecting the Issuer in any court or before or by any governmental authority as of the date hereof which if decided, determined or resolved in a manner adverse to the Issuer, could reasonably be expected to have an Issuer Material Adverse Effect or have a material adverse effect on: (i) the ability of the Issuer to perform its obligations under the Transaction Documents to which it is a party; (ii) the ability of the Issuer to fulfill its payment obligations under the Notes; or (iii) the ability of the Issuer to conduct its business as described in the Offering Memorandum;

(n) the Issuer is a direct or indirect subsidiary of the Manager;

(o) the Issuer is structured so as not to be a "covered fund" under the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the "Volcker Rule";

(p) the Issuer is not in material default of its obligations under any applicable legislation, rules, regulations, instruments, guidelines or policies, including Securities Laws;

(q) no securities commission, stock exchange or similar regulatory authority has issued any order preventing or suspending trading in any securities of the Issuer or preventing or suspending use of the Shelf Offering Memorandum or the Offering Memorandum, and, to the knowledge of the Issuer, no proceedings, investigations or inquiries for such purpose are pending or contemplated or threatened;

(r) neither the Shelf Offering Memorandum (except to the extent corrected in the Term Sheet) nor the Term Sheet, as of their respective dates, contain any misrepresentation or contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which such statement was made, and the Offering Memorandum complies in all material respects with Securities Laws;

(s) the attributes and characteristics of the Notes and the Indenture conform, in all material respects, to the attributes and characteristics thereof described in the Offering Memorandum;

(t) the proceeds from the issuance of the Notes will be applied as described in the Term Sheet under the heading *"Use of Proceeds"*;

(u) the statements in the Shelf Offering Memorandum under the heading *"Statutory Rights of Actions*" and in the Term Sheet under the heading *"Certain Canadian Federal Income Tax Considerations"* accurately summarize, in all material respects, the matters referred to therein;

(v) other than as provided for in this Agreement, the Issuer has not incurred any obligation or liability (absolute, accrued, contingent or otherwise) for brokerage fees, finder's fees, agent's commission or other similar forms of compensation with respect to the transactions contemplated herein;

(w) the Indenture Trustee at its principal office in the City of Toronto, Ontario has been or will be on the Closing Date duly appointed as the trustee under the Indenture in respect of the Notes;

(x) prior to the Closing Date, the form and terms of the global certificate(s) representing the Notes will have been approved and adopted by the Issuer and will comply with all legal requirements and will not conflict with the Indenture;

(y) all requisite action has been, or will be, taken by the Issuer to authorize the delivery of the Offering Memorandum and the filing of the Offering Memorandum with all applicable securities commissions or similar regulatory authorities, as applicable, as required by Securities Laws;

(z) the Issuer Trustee, as trustee of the Issuer, has all requisite power, authority and capacity to create, authorize, issue and sell the Notes and on or prior to the Closing Date all actions required to be taken by or on behalf of the Issuer will have occurred so as to validly create, authorize, issue and sell the Notes; and

(aa) on the Closing Date, upon execution and delivery of the Indenture, the Notes will be duly and validly created and, upon receipt of the purchase price will be duly and validly issued as fully paid Notes.

10. **Representations, Warranties and Covenants of OPG**. OPG represents and warrants to, and agrees with, the Agents, as follows:

(a) OPG is (i) a corporation duly incorporated and organized and validly existing under the *Business Corporations Act* (Ontario), (ii) duly qualified to carry on its business in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property and assets requires such qualification, except where the failure to so qualify would not reasonably be expected to materially adversely affect its business, affairs, operations, financial condition, assets, properties, liabilities, capital, ownership or income taken together or have a material adverse effect on its ability to perform its obligations under the change of law process agreement dated as of December 21, 2017 (the "**Change of Law Process Agreement**") between Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy and the Minister of Finance (the "**Province**") or its obligations under any of the

Transaction Documents to which it is a party (a "**Manager Material Adverse Effect**"), and (iii) has the power and authority to enter into and perform its obligations under the Change of Law Process Agreement and each of the Transaction Documents to which it is a party (including, for the avoidance of doubt, the Management Agreement);

(b) the execution, delivery and performance by OPG of, this Agreement, the Change of Law Process Agreement and each of the other Transaction Documents to which it is a party, and every instrument or agreement delivered pursuant hereto or thereto:

(i) has been or will be duly authorized by all requisite action;

(ii) does not and will not conflict with, result in any breach or violation of, or constitute a default under its constating documents, as amended, or bylaws, or any resolutions of its board of directors or shareholders, or any applicable law, rule, regulation, order, judgment, determination or award presently in effect and applicable to it, or of any material agreement or any other instrument to which it is now a party or any of its properties are subject or otherwise bound; and

(iii) does not require the consent, filing, authorization, order, registration, qualification or approval (other than those consents or approvals already obtained) of any person or governmental authority;

(c) none of OPG nor any of its subsidiaries is in violation of its constating documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which it or any of its subsidiaries is a party or by which it or any of them may be bound or to which any of the property or assets of OPG or any subsidiary of OPG is subject (including, for the avoidance of doubt, the Change of Law Process Agreement and any Transaction Documents to which it is a party), except for such defaults that would not reasonably be expected to have a Manager Material Adverse Effect;

(d) the Change of Law Process Agreement and each of the Transaction Documents to which OPG is a party has been, or will be at or prior to the Closing, duly executed and delivered by OPG, and the Change of Law Process Agreement and each of the Transaction Documents to which OPG is a party is, or will be on the Closing, a valid and binding obligation of OPG enforceable against it in accordance with its respective terms, subject to applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally and subject to the qualifications that equitable remedies may only be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution and waiver of contribution may be limited under applicable law;

(e) OPG is not in material default of its obligations under any applicable legislation, rules, regulations, instruments, guidelines or policies, including Securities Laws, except, in each case for such defaults that would not reasonably be expected to have a Manager Material Adverse Effect;

(f) no Protection Event has occurred and no Suspension Notice has been received by OPG, and upon satisfaction of the Adherence Conditions, the Notes shall constitute Approved Obligations;

(g) except as disclosed in the Offering Memorandum, there are no actions, suits or proceedings pending or, to OPG's knowledge after having made due enquiry, pending or threatened, affecting OPG in any court or before or by any governmental authority as of the date hereof against OPG, any of its undertaking, property and assets which, if adversely decided, could reasonably be expected to materially adversely affect the issuance of the Notes or the consummation of the transactions contemplated by the Change of Law Process Agreement or the Transaction Documents; and

(h) neither the Shelf Offering Memorandum (except to the extent corrected in the Term Sheet) nor the Term Sheet, as of their respective dates, contain any misrepresentation or contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which such statement was made, and the Offering Memorandum complies in all material respects with Securities Laws.

11. **Representations, Warranties and Covenants of the Agents**. Each of the Agents, severally (and not jointly or jointly and severally) represent and warrant to the Issuer and agree with the Issuer that:

(a) it has not offered or sold, and will not offer or sell, any Notes to, or for the benefit of, any resident of Canada or any province thereof or to, or for the benefit of, any resident of any other jurisdiction (to the extent permitted to offer and sell Notes in such other jurisdictions pursuant to Section 3(d) hereof) in contravention of applicable Securities Laws or such other jurisdictions, as applicable;

(b) any offer of Notes in Canada will be made only pursuant to the exemption from the requirement to file a prospectus set forth in Section 2.3 of NI 45-106 and, in the case of Purchasers resident in Ontario, section 73.3(2) of the OSA, such that: (i) each Purchaser of Notes will be an "accredited investor" (as such term is defined in section 1.1 of NI 45-106 or in section 73.3 of the OSA, as the case may be) and further such that one or more of the categories set forth in the definition of "accredited investor" will correctly and in all respects describe such Purchaser; (ii) such Purchaser will not be a person created or being used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in Section 1.1 of NI 45-106; and (iii) such Purchaser will either be purchasing the Notes as principal for their own account, or are deemed to be purchasing the Notes as principal by applicable law;

(c) any offer of Notes will not be made to individuals unless such individuals are "permitted clients" (as such term is defined in NI 31-103);

(d) it has taken or will take reasonable steps to confirm that each Purchaser of Notes in Canada meets the terms and conditions of the "accredited investor exemption" as defined in section 2.3 of NI 45-106 and, in the case of Purchasers resident in

Ontario, section 73.3(2) of the OSA (collectively, the "**AI Requirements**") and shall obtain and retain, as necessary, relevant information and documentation to evidence the steps taken to verify compliance with the AI Requirements in accordance with its usual document retention policies and procedures in compliance with applicable laws and provide to the Issuer forthwith upon request all such information or documentation as the Issuer may reasonably request in good faith and solely for the purpose of verifying compliance with the AI Requirements and assisting the Issuer with complying with its obligations under NI 45-106, including completing Form 45-106F1;

(e) it is duly qualified in the Offering Jurisdictions in a category of registration under applicable Securities Laws that permits it to offer and sell the Notes to purchasers resident in each of the Offering Jurisdictions in the manner contemplated herein and in the Offering Memorandum; and

(f) it has not and shall not make any representation or warranty with respect to the Issuer, the Manager or the Notes other than as set forth in the Offering Documents.

12. **Closing**. The Closing of the purchase and sale of the Notes under this Agreement will take place at the offices of Torys LLP, 79 Wellington St. West, 30th Floor, Box 270, TD South Tower Toronto, Ontario at [**9:00]** a.m. (Toronto time) on February ●, 2018 or at such other date and time as may be agreed upon by the Agents and the Issuer (the date of Closing, the "**Closing Date**" and the time of Closing on the Closing Date, the "**Closing Time**").

13. **Conditions to Closing; Closing Deliveries**. The obligations of the Agents under this Agreement to complete the purchase and sale of the Notes at the Closing Time is subject to the following conditions:

(a) the Issuer shall have obtained and provided to the Agents a final rating letter in respect of the Notes from each of DBRS Limited and Moody's Investor Services, Inc. providing a rating of **[AAA(sf)]** and **[Aa2(sf)]**, respectively, and such ratings shall not have been withdrawn, or down-graded or placed under "credit watch" nor shall any such action have been threatened;

(b) each of the Program Agreements to which the Issuer is a party (excluding the 2018-1 Term Supplemental Indentures (as defined below)) shall be in full force and effect as of the Closing Date;

(c) each of the First Term Supplemental Indenture, the junior subordinated series 2018-1 supplemental indenture to the Master Trust Indenture (the "**Junior Subordinated Term Supplemental Indenture**") and the subordinated series 2018-1 supplemental indenture to the Master Trust Indenture (the "**Subordinated Term Supplemental Indenture**" and together with the First Term Supplemental Indenture and the Junior Subordinated Term Supplemental Indenture, the "**2018-1 Term Supplemental Indentures**") shall have been executed and delivered by the appropriate parties thereunder, in form and substance satisfactory to the Agents, acting reasonably and the notes contemplated thereby shall have been validly issued;

(d) an adherence compliance certificate with respect to the Notes required pursuant to Section 4.02(a)(ii) of the Change of Law Protection Agreement or written confirmation that the Notes constitute Approved Obligations pursuant to Section 4.01(ii) of the Change of Law Protection Agreement, shall have been executed and delivered by the appropriate parties thereunder, in form and substance satisfactory to the Agents, acting reasonably;

(e) the Agents shall have received certificates from each of the Issuer and OPG dated the Closing Date, addressed to the Agents, and signed by two Responsible Officers (as defined in the Indenture) of the Issuer and two officers of OPG as may be acceptable to the Agents, acting reasonably, substantially as set out in Appendix "B" and Appendix "C", as applicable;

(f) the Agents shall have received a certificate, dated the Closing Date, signed by any Responsible Officer of the Issuer and addressed to the Agents and the Agents' Counsel, with respect to the constating documents of the Issuer and other action relating to the Master Trust Indenture, the 2018-1 Term Supplemental Indentures, the authorization, creation, issue and sale of the Notes and the incumbency and specimen signatures of signing officers;

(g) the Agents shall have received a certificate, dated the Closing Date, signed by any authorized officer of the Manager, with respect to: (i) a copy of its incorporating documents and all amendments thereto and applicable by-laws; (ii) resolutions of the board of directors of the Manager approving and authorizing the execution, delivery and performance of each of the Master Trust Indenture and 2018-1 Term Supplemental Indentures; and (iii) incumbency and signatures of signing officers of the Manager executing the Master Trust Indenture and the 2018-1 Term Supplemental Indentures and the other documents to be delivered by the Manager thereunder, in each case showing their names, offices and specimen signatures;

(h) the Agents shall have received a certificate, dated the Closing Date, signed by any authorized officer of the Issuer Trustee with respect to: (i) a copy of its incorporating documents and all amendments thereto and applicable by-laws; and (ii) incumbency and signatures of signing officers of the Issuer Trustee, in each case showing their names, offices and specimen signatures;

(i) the Agents shall have received certificates of status or compliance or other similar documents issued by the applicable governmental authority to evidence that each of the Issuer Trustee and the Manager is validly existing pursuant to the laws of the jurisdiction of their respective establishment or incorporation;

(j) the Agents shall have received:

(i) an opinion of Torys LLP, legal counsel to the Issuer, addressed to the Agents, the Agents' Counsel and the Issuer dated the Closing Date, in form and substance satisfactory to the Agents, acting reasonably, with respect to matters relating to the Issuer and the Offering; it being understood that Torys LLP may rely, to the extent appropriate in the circumstances, as to

matters of fact, on certificates of officers, trustees, directors or other representatives of the Issuer, the Manager or the Issuer Trustee;

(i) an opinion of Hunton & Williams LLP, U.S. legal counsel to the Issuer, addressed to the Agents, the Agents' Counsel and the Issuer dated the Closing Date, in form and substance satisfactory to the Agents, acting reasonably, that the Issuer is structured so as not to be a "covered fund" under the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the "Volcker Rule"; it being understood that Hunton & Williams LLP may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, trustees, directors or other representatives of Issuer, the Manager or the Issuer Trustee;

(k) the Agents shall have received a final report from Operis Business Engineering Limited, the model auditor, in form and substance acceptable to the Agents, acting reasonably, with respect to their review of the financial model;

(l) the Agents shall have received a favourable legal opinion, addressed to the Agents and dated the Closing Date, from Agents' Counsel, in a form acceptable to the Agents, acting reasonably; it being understood that Agents' Counsel may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, directors or other representatives of the Issuer, the Issuer Trustee or the Manager;

(m) the Issuer shall have met all requirements of CDS Clearing and Depository Services Inc. ("**CDS**") necessary to make use of its book entry system;

(n) the Issuer shall deliver one global certificate representing the Notes, registered in the name of "CDS & Co." (or in such other name as the Agents may direct in writing not less than 24 hours prior to the Closing) and duly signed by a Responsible Officer of the Issuer and countersigned by the Indenture Trustee, against payment to the Issuer, or as the Issuer may direct to the Agents in writing not less than 48 hours prior to the Closing, of the aggregate purchase price for the Notes, net of the Agents' Fee, by electronic wire transfer of immediately available funds or in such other manner as the Issuer and the Agents may agree;

(o) all consents, approvals and authorizations from any governmental authority or body or any other third party required for the creation, issuance, sale and delivery of the Notes or the fulfillment of the terms of the Transaction Documents shall have been obtained; and

(p) the receipt of such other documentation or information as may be requested by the Agents and which they have determined to be necessary to give effect to the Offering, acting reasonably.

14. **Rights of Termination.**

(a) If, prior to the Closing:

(i) any action, suit or other proceeding, whether formal or informal, occurs or is commenced, announced or threatened, or any order is made by any governmental authority or there is a change of law or in the interpretation or administration thereof (including a Protection Event), which in the opinion of any of the Agents, acting reasonably, operates to prevent or materially restrict trading or the distribution of the Notes or which would be expected to have an Issuer Material Adverse Effect or which materially adversely affects the market price or value of the Notes;

(ii) there occurs any material change or a change in any material fact or any new fact such as is contemplated by Section 6, which has, or in the opinion of any of the Agents could reasonably be expected to have, an Issuer Material Adverse Effect or materially adversely affect the market price or value of the Notes; or

(iii) there develops, occurs or comes into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, acts of hostilities or escalation thereof or other calamity or crises or any change or development involving a prospective change in national or international political, financial or economic conditions or any incident, governmental action, law, regulation, policy, inquiry or other occurrence of any nature whatsoever which, in the reasonable opinion of any of the Agents, materially adversely affects, or involves, or will materially adversely affect the financial markets or which operates to prevent or materially restrict the trading or the distribution of the Notes;

the Agents (or any of them) are entitled at their sole option, to terminate their obligations under this Agreement by written notice to that effect given to the Issuer any time prior to the Closing Time.

(b) The Issuer agrees that all terms and conditions contained herein will be construed as conditions, that they shall use commercially reasonable efforts to cause such conditions to be complied with, and that any breach or failure by the Issuer to comply with any such conditions, in any material respect, will entitle any of the Agents to terminate their obligations under this Agreement by written notice to that effect given to the Issuer at or prior to the Closing Time. The Agents may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to their rights in respect of any other terms and conditions or any other breach, subsequent breach or non-compliance, provided that to be binding on an Agent, any such waiver must be in writing and signed by such Agent.

(c) The rights of termination contained in subsections (a) and (b) of this Section 14 are in addition to any other rights or remedies the Agents may have in respect of any default, act or failure to act or non-compliance by the Issuer in respect of any of the

matters contemplated by this Agreement or otherwise. In the event of any such termination, there will be no further liability on the part of the Agents to the Issuer, or on the part of the Issuer to the Agents, except, in each case, in respect of any liability which may have arisen prior to or which arises after such termination under any of Sections 15 and 16.

15. **Indemnity.**

(a) The Issuer agrees to indemnify and hold harmless each of the Agents and each of their affiliates and each of their respective directors, officers, employees and agents, (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**"), from and against any and all losses (other than loss of profit in connection with the distribution of the Notes), expenses, claims (including shareholder actions, derivative or otherwise), actions, damages and liabilities, joint or several, including, without limitation, the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel (collectively, the "**Losses**") that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, or connected with or arising out of any action, suit, proceeding, investigation or claim that may be made or threatened by any person or in enforcing this indemnity (collectively the "**Claims**") insofar as the Claims relate to, are caused by, or result from, arise out of or are based upon, directly or indirectly:

(i) any breach by the Issuer of applicable Securities Laws in connection with the offer, issue and sale of the Notes under this Agreement or as a result of any order made against the Issuer by any court or governmental authority in the Offering Jurisdictions which operates to prevent or materially restrict trading in or the distribution of the Notes;

(ii) any misrepresentation or alleged misrepresentation in the Offering Documents or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (other than a misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the information contained therein relating solely to the Agents which was furnished in writing by the Agents for use therein);

(iii) any order made or any inquiry, investigation or proceeding commenced or threatened by any securities regulatory authority or other competent authority, based on any misrepresentation or any alleged misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the Offering Memorandum, which prevents or restricts the trading in or the distribution of the Notes;

(iv) any inaccuracy of any representation or warranty of the Issuer contained in this Agreement or in any certificate or other document delivered by the Issuer pursuant hereto; or

(v) any breach by the Issuer of any covenant, term or condition to be performed by it contained in this Agreement or in any document or certificate delivered by the Issuer pursuant hereto.

(b) In addition to the Issuer's obligations under section 15(a), OPG agrees to indemnify and hold harmless each of the Indemnified Parties, from and against any and all Losses that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, or connected with or arising out of any Claim insofar as the Claims relate to, are caused by, or result from, arise out of or are based upon, directly or indirectly:

(i) any breach by OPG or the Issuer of applicable Securities Laws in connection with the offer, issue and sale of the Notes under this Agreement or as a result of any order made against the Issuer by any court or governmental authority in the Offering Jurisdictions which operates to prevent or materially restrict trading in or the distribution of the Notes;

(ii) any misrepresentation or alleged misrepresentation in the Offering Documents or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (other than a misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the information contained therein relating solely to the Agents which was furnished in writing by the Agents for use therein);

(iii) any order made or any inquiry, investigation or proceeding commenced or threatened by any securities regulatory authority or other competent authority, based on any misrepresentation or any alleged misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the Offering Memorandum, which prevents or restricts the trading in or the distribution of the Notes;

(iv) any inaccuracy of any representation or warranty of OPG or the Issuer contained in this Agreement or in any certificate or other document delivered by OPG or the Issuer pursuant hereto; or

(v) any breach by OPG or the Issuer of any covenant, term or condition to be performed by either of them contained in this Agreement or in any document or certificate delivered by OPG or the Issuer pursuant hereto, excluding the 2018-1 Term Supplemental Indentures or the notes issued thereunder.

(c) Notwithstanding anything contained in this Agreement, it is expressly understood that with respect to its indemnification obligations set out in Section 15(b)(i), (iv) and (v), OPG is not agreeing to indemnify or hold any Indemnified Party harmless with respect to any of the following:

(i) any Losses resulting from any breach by the Issuer of any covenant, term or condition to be performed by it contained in this Agreement or in any document or certificate delivered by the Issuer pursuant hereto caused by a breach or failure to perform on the part of any other third party under any Program Agreement, the Ontario Fair Hydro Plan Act, 2017 or the regulations passed thereunder; provided that this Section 15(c)(i) shall not apply to limit the liability of OPG in respect of any delegation to a third party as provided for in Section 4.7 of the Management Agreement;

(ii) any Losses resulting from changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any final and non-appealable judicial decision, other than Losses resulting solely from OPG's failure to comply with Section 4.1(a)(xiv) of the Management Agreement; or

(iii) any Losses resulting from the validity of the Change of Law Protection Agreement or the applicability thereof to the Province, the Issuer or the Indenture Trustee or any material part thereof being disaffirmed by or on behalf of the Province.

(d) The parties hereto agree that neither the Issuer nor OPG is providing any representations, warranties or covenants in this Agreement or in any document or certificate delivered by OPG or the Issuer pursuant hereto, and shall have no liability to any Indemnified Party, with respect to the collectability of the Clean Energy Adjustment (as defined in the Management Agreement) or the Carrying Costs (as defined in the Management Agreement), or that the Clean Energy Adjustment amounts or Carrying Costs collected will be sufficient to satisfy the Notes, provided that, for greater certainty, the foregoing qualification is not meant to diminish in any way the representations and warranties given by OPG or the Issuer in this Agreement, or in any document or certificate delivered by OPG or the Issuer pursuant hereto, that neither the Shelf Offering Memorandum (except to the extent corrected in the Term Sheet) nor the Term Sheet, as of their respective dates, contain any misrepresentation or contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which such statement was made.

(e) The Issuer and OPG are each referred to in this Section 15 as an "**Indemnifying Party**". Each Indemnifying Party agrees to waive any right such Indemnifying Party may have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under the indemnity in this Section 15. Each Indemnifying Party will not, without the Agents' prior written consent (as the case may be), such consent not to be unreasonably withheld, settle, compromise, consent to the entry

of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Party is a party thereto) unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party.

(f) Promptly after receiving notice of a Claim against the Agents or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from an Indemnifying Party, the Agents or any such other Indemnified Party will notify the Indemnifying Party promptly in writing of the particulars thereof, provided that the omission so to notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability which the Indemnifying Party may have to the Agents or any other Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein required prejudices the defence of such Claim or results in any material increase in the liability which the Indemnifying Party has under this Section 15. Each Indemnifying Party shall have 14 calendar days after receipt of the notice to undertake, conduct and control, through counsel of its own choosing and at its own expense, the settlement or defence of the Claim. If the Indemnifying Party undertakes, conducts and controls the settlement or defence of the Claim, the relevant Indemnified Parties shall have the right to participate in the settlement or defence of the Claim at their own cost subject to Section 15(h).

(g) The indemnity in this Section 15 shall cease to apply to an Indemnified Party to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable determines that such Losses to which the Indemnified Party may be subject were primarily caused by the fraud, fraudulent misrepresentation or gross negligence of such Indemnified Party or the Claim being asserted is as a result of a person not being provided with the Offering Memorandum or any Supplementary Material which corrects any misrepresentation or omission or alleged misrepresentation or omission in the Offering Memorandum or any other Supplementary Material due to a failure by the Agents to provide to such person such documents, as applicable, and which the Indemnifying Party has provided to the Agents to provide to such person, and in such event the Indemnified Party shall reimburse to the Indemnifying Party any funds advanced to the Indemnified Party in respect of such Claim.

(h) Each of the Indemnified Parties may retain counsel to separately represent them in the defence of a Claim, which shall be at the applicable Indemnifying Party's expense if: (i) the Indemnifying Party does not promptly assume the defence of the Claim no later than 14 calendar days after receiving actual notice of the Claim, (ii) the Indemnifying Party agrees to such separate representation, or (iii) the Indemnified Party, as the case may be, are advised by counsel that there is an actual or potential conflict between the Indemnifying Party's interests on the one hand and the Indemnified Party's interests on the other hand or additional defences are

available to the Indemnified Parties, which makes representation by the same counsel inappropriate.

(i) In order to provide for just and equitable contribution in circumstances in which the indemnity in this Section 15 is unavailable (other than in accordance with the terms hereof) to the Indemnified Parties or insufficient to hold them harmless in respect of a Claim, the Indemnifying Parties shall jointly and severally contribute to the amount paid or payable by the Agents, as a result of such Claim in such proportion so that the Agents shall be responsible for that portion represented by percentage that the Agents' Fee received by the Agents hereunder bears to the aggregate principal amount of the Notes sold hereunder and the Indemnifying Parties shall be responsible for the balance whether or not they have been sued separately or together, provided, however that each Agent shall not in any event be liable to contribute, in the aggregate, any amount in excess of the Agents' Fee actually received by such Agent. The rights to contribution provided hereunder shall be in addition to and not in derogation of any other right to contribution which the Agents may have by statute or otherwise at law. No person that is determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have engaged in any fraud, fraudulent misrepresentation or gross negligence in connection with any matter that is the subject of the contribution payments contemplated by this Section 15(i) shall be entitled to such contribution.

(j) Each Indemnifying Party hereby constitutes each of the Agents as trustee, respectively, for each of the other Indemnified Parties, as appropriate, of the Indemnifying Party's covenants under the indemnity in this Section 15 with respect to those persons and the Agents agree to accept that trust and to hold and enforce those covenants on behalf of those persons.

(k) The obligations of the Indemnifying Party hereunder are in addition to any liabilities which such Indemnifying Party may otherwise have to the Agents or any other Indemnified Party.

16. **Expenses**. Whether or not the Offering is completed, all expenses of or incidental to the creation, authorization, issue, delivery and sale of the Notes and of or incidental to all other matters in connection with the Offering shall be borne by the Issuer, including, without limitation, reasonable expenses payable in connection with the fees and expenses of counsel to the Issuer, counsel to the Agents and local counsel in each of the Offering Jurisdictions, fees and disbursements of its accountants and auditors and other experts, the Indenture Trustee's fees, fees of ratings agencies and CDS, printing costs, delivery charges, fees and costs incurred in connection with the marketing of the Notes including travel expenses, road-shows, and filing fees (including securities regulatory private placement filing fees and fees payable to the Investment Industry Regulatory Organization of Canada), reasonable and documented out-of-pocket expenses of the Agents and all taxes payable on such fees and expenses.

17. **Severability**. If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

18. **Public Announcement**. For the period commencing on the date hereof and expiring on the Closing Date, and subject to the requirements of the Securities Laws, each of the Issuer and the Manager shall not, without first obtaining the approval of the Agents (such approval not to be unreasonably withheld), and the Agents shall not, without first obtaining the approval of the Issuer and the Manager, make any public communications, verbally, electronically or in writing, including issuing any press release respecting the issue of the Notes.

19. **Survival**. The representations, warranties, covenants, obligations and agreements of the parties contained herein or delivered pursuant hereto shall survive the issuance and sale of the Notes and shall continue in full force and effect notwithstanding any subsequent disposition of the Notes. The Agents shall be entitled to rely on the representations and warranties of the Issuer and the Manager contained in Sections 8, 9 and 10 herein or delivered pursuant hereto notwithstanding any investigation which the Agents may undertake or which may be undertaken on the Agents' behalf.

20. **Acknowledgement of Agents**. Each Agent (i) acknowledges and agrees in favour of the Indenture Trustee that it is a Specified Creditor (as defined in the Master Trust Indenture) under the Master Trust Indenture and its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 7.12 (Payments Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Section 8.14 (Limited Recourse), Article IX (Indenture Trustee) (including all limitations of liability hereunder), Section 9.14 (Communications to Specified Creditors) and Section 16.01 (No Petition); (ii) irrevocably authorizes and directs the Indenture Trustee on its behalf to take such action (including the execution and delivery of documents of subordination) as may be necessary or appropriate to further assure the priority arrangements provided for in Article VI, Article VII and Section 8.13 of the Master Trust Indenture, and appoints the Indenture Trustee as its agent for any and all such purposes; and (iii) consents, requests and authorizes the Issuer and the Indenture Trustee to (y) add the Agents (or their respective agents) to the register of Specified Creditors described in Section 13.13 of the Master Trust Indenture and (z) disseminate the notice details of the Agents to other Specified Creditors for the purposes set out in subsection 9.14(b) of the Master Trust Indenture.

21. **Notices**. Any notice or other communication to be given hereunder shall, in the case of notice to the Issuer, be addressed to:

Fair Hydro Trust
c/o Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: Lubna Ladak
Telephone: (416) 592-5984
Facsimile: (416) 592-4189
E-mail: lubna.ladak@opg.com

with a copy to:

Computershare Trust Company of Canada, in its capacity as Issuer Trustee for the Issuer
100 University Avenue, 11th Floor
Toronto, Ontario M5J 2Y1

Attention: ●
Telephone: ●
Facsimile: ●
E-mail: ●

- and -

Ontario Power Generation Inc., in its capacity as Manager of the Issuer
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: Lubna Ladak
Telephone: (416) 592-5984
Facsimile: (416) 592-4189
E-mail: lubna.ladak@opg.com

with a copy to:

Torys LLP
79 Wellington St. West
30th Floor, Box 270
TD South Tower
Toronto, ON M5K 1N2

Attention: Rima Ramchandani
Telephone: (416) 865-7500
Facsimile: (416) 865-7380
E-mail: rramchandani@torys.com

and, in the case of notice to the Agents, to:

CIBC World Markets Inc.
Brookfield Place
5th Floor, 161 Bay Street
Toronto, ON M5J 2S8

Attention: ●

Telephone: ●
Facsimile: (416) 594-7760
E-mail: ●

- and -

RBC Dominion Securities Inc.

200 Bay Street, 2nd Floor
Royal Bank Plaza, North Tower
Toronto, ON M5J 2W7

Attention: Nur Khan, Managing Director
Telephone: (416) 842-3828
Facsimile: (416) 842-3888
E-mail: Nur.Khan@rbccm.com

- and -

Goldman Sachs Canada Inc.
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

BMO Nesbitt Burns Inc.
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

Scotia Capital Inc.
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

National Bank Financial Inc.

●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

TD Securities Inc.
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

Morgan Stanley Canada Limited
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

HSBC Securities (Canada) Inc.
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

Laurentian Bank Securities Inc.

●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

Desjardins Securities Inc.
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

Casgrain & Company Limited
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

with a copy to the Agents' Counsel at:

Osler, Hoskin & Harcourt LLP
100 King Street West
Suite 6200, P.O. Box 50
1 First Canadian Place
Toronto, ON M5X 1B8

Attention: Michael Innes
Telephone: (416) 862-4284
Facsimile: (416) 862-6666
E-mail: MInnes@osler.com

Any such notice or other communication shall be in writing, and unless delivered personally to a responsible officer of the addressee, shall be given by courier service or fax (with receipt confirmed) or e-mail, and will be deemed to have been received, if given by fax or e-mail, on the day of sending (if such day is a Business Day and, if not, on the next Business Day following the sending thereof) and, if given by courier service, on the next Business Day following the sending thereof. For the purposes of this Agreement, a "**Business Day**" means a day which is not a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario.

22. **Confidentiality.** Other than the terms and conditions of this Agreement that are disclosed in the Offering Memorandum, the Issuer, the Manager and the Agents agree that they shall keep the terms and conditions of this Agreement confidential and shall not disclose the terms and conditions of this Agreement to any other person except to their affiliates and those directors, officers, employees and agents of each of the Issuer, the Manager and the Agents who need to review such terms and conditions so as to be able to give effect to the Offering (including pursuant to standard internal requirements); provided, however, that nothing in this Section 22 shall restrict disclosure by the Issuer, the Manager or any of the Agents of the terms and conditions of this Agreement if: (i) such party is legally compelled to do so by order of a court or other competent governmental or regulatory agency, in the course of any judicial or administrative proceeding or by applicable law, or (ii) such party is reasonably required to do so in order to protect its legitimate interests in connection with a legal proceeding under this Agreement.

23. **Time of the Essence**. Time is of the essence of this Agreement.

24. **Currency**. Unless otherwise indicated, all references to "$" in this Agreement are references to the lawful currency of Canada.

25. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein and the courts of such province will have exclusive jurisdiction over any dispute hereunder.

26. **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings relating to the Offering. This Agreement may only be amended or modified in any respect by the written agreement of all of the parties hereto.

27. **Assignment.** None of the rights and obligations of the parties hereunder shall be assignable or transferable by any party without the prior written consent of the other parties hereto.

28. **Successors and Assigns**. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Issuer, the Manager and the Agents and their respective successors and permitted assigns.

29. **Singular and Plural; Gender**. Where the context so requires, words importing the singular number include the plural and *vice versa*, and words importing gender shall include the masculine, feminine and neuter genders.

30. **Execution in Counterparts**. This Agreement may be executed in counterparts (including counterparts by facsimile), each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

[Signature page follows]

If the foregoing is acceptable to the Issuer and the Manager, please signify such acceptance by signing and returning one copy of this letter to the Agents, which accepted offer shall constitute the contract for the provision of services of the Agents in connection with the Offering referred to herein and shall constitute a binding agreement between the parties hereto.

Yours very truly,

CIBC WORLD MARKETS INC.

By: _____
Name:
Title:

RBC DOMINION SECURITIES INC.

By: _____
Name:
Title:

GOLDMAN SACHS CANADA INC.

By: _____
Name:
Title:

BMO NESBITT BURNS INC.

By: _____
Name:
Title:

SCOTIA CAPITAL INC.

By: _____
Name:
Title:

[Signature page to Agency Agreement]

NATIONAL BANK FINANCIAL INC.

By: _____
Name:
Title:

TD SECURITIES INC.

By: _____
Name:
Title:

MORGAN STANLEY CANADA LIMITED

By: _____
Name:
Title:

HSBC SECURITIES (CANADA) INC.

By: _____
Name:
Title:

LAURENTIAN BANK SECURITIES INC.

By: _____
Name:
Title:

DESJARDINS SECURITIES INC.

By: _____
Name:
Title:

CASGRAIN & COMPANY LIMITED

By: _____
Name:
Title:

[Signature page to Agency Agreement]

ACCEPTED AND AGREED to this _____ day of February, 2018.

FAIR HYDRO TRUST, by its Manager, **ONTARIO POWER GENERATION INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

ONTARIO POWER GENERATION INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

APPENDIX “A”

TERM SHEET

(see attached)

APPENDIX "B"

FORM OF OFFICERS' CERTIFICATE OF THE ISSUER

1. the Issuer has duly complied with all terms and conditions of this Agreement, the Master Trust Indenture and the 2018-1 Term Supplemental Indentures on its part to be complied with and satisfied at or prior to the Closing and no Termination Event (as defined in the Master Trust Indenture) has occurred;

2. no order, ruling or determination having the effect of suspending the sale or ceasing or suspending trading in the Notes or any other securities of the Issuer has been issued by any securities commission or any other regulatory authority and is continuing in effect and no proceedings for such purpose have been instituted and are continuing or are pending or, to the knowledge, information and belief of the persons signing such certificate, are contemplated or threatened;

3. the representations and warranties of the Issuer contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time, after giving effect to the transactions contemplated by this Agreement;

4. the representations and warranties of the Issuer set forth in Section 12.01 of the Master Trust Indenture and Section 3.1 of the Supplemental Indenture are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated hereby; and

5. to the knowledge of the Issuer (after due inquiry), no default or Event of Default has occurred or is continuing. For the purposes of such certificate, an "Event of Default" has the meaning to be given to such terms in the Indenture.

APPENDIX "C"

FORM OF OFFICERS' CERTIFICATE OF OPG

1. OPG has duly complied with all terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing; and

2. the representations and warranties of OPG contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time, after giving effect to the transactions contemplated by this Agreement.

~~Form of Agency Agreement~~
~~Dated~~Draft: January ~~5,~~19, 2018

AGENCY AGREEMENT

~~January~~February ●, 2018

Fair Hydro Trust
c/o Ontario Power Generation Inc.,
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: **[Name]**
[Title]

Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: **[Name]**
[Title]

Dear Ladies and Gentlemen:

The undersigned, CIBC World Markets Inc. **("CIBC")**, RBC Dominion Securities Inc. **("RBC" and together, with CIBC, the "Joint Bookrunners")**, Goldman Sachs Canada Inc.~~, ● and ● (collectively~~ **("GSCI", and collectively with RBC and CIBC, the "Joint Leads"), BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Morgan Stanley Canada Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Desjardins Securities Inc. and Casgrain & Company Limited (collectively with the Joint Leads**, the "**Agents**"), understand that Fair Hydro Trust (the "**Issuer**") proposes to create, issue, offer and sell (the "**Offering**"), by way of private placement in all of the provinces of Canada (collectively, the "**Offering Jurisdictions**") to certain "accredited investors", as such term is defined under applicable Securities Laws (as defined herein), up to an aggregate principal amount of $● of ●% Senior Notes due ~~●,~~**May 15, 2033,** Series 2018-1 (the "**Notes**"), at a price of $● per $1,000 principal amount and having the attributes set forth in the term sheet attached hereto as Appendix "A" (the "**Term Sheet**").

The Notes will be issued pursuant to a master trust indenture (the "**Master Trust Indenture**") dated as of December 21, 2017 between BNY Trust Company of Canada, as trustee (the "**Indenture Trustee**") and the Issuer, as supplemented by a term senior series ~~[~~2018-1~~]~~ supplemental indenture to the Master Trust Indenture (the "**First Term Supplemental Indenture**", and the Master Trust Indenture as amended and supplemented by the First Term Supplemental Indenture, the "**Indenture**") to be entered into as of the Closing Date (as defined herein) between the Indenture Trustee and the Issuer. A confidential shelf offering memorandum dated January ●, 2018 (**together with the documents and exhibits included or incorporated by reference therein,** the "**Shelf Offering Memorandum**"), as supplemented by the Term Sheet which, among other things, updates the Shelf Offering Memorandum to contain the final pricing information with respect to the Notes (collectively, the Shelf Offering Memorandum and the

Term Sheet, the "**Offering Memorandum**"), has been prepared by the Issuer, with the assistance of the Agents, for use by the Agents in connection with the Offering.

The Issuer has entered into a management agreement dated as of December 20, 2017 pursuant to which the Issuer has delegated to Ontario Power Generation Inc. ("**OPG**"), as manager of the Issuer (the "**Manager**"), all of the powers and duties of managing the Issuer. OPG is executing this Agreement as principal only with respect to its representations, warranties and covenants set out in Section 10 and its indemnification obligations set out in Section 15(b) related to such representations, warranties and covenants and in all other respects, OPG is executing this Agreement in its capacity as Manager.

1. **Appointment**. The Issuer hereby appoints the Agents to act as its sole and exclusive agents to effect the solicitation and private placement of the Notes in the Offering Jurisdictions, and in such other jurisdictions as may be agreed upon in writing between the Issuer and the Agents, and the Agents hereby agree to act as exclusive agents for such purpose and to use their reasonable best efforts to solicit offers to purchase the Notes on behalf of the Issuer, subject to the terms and conditions contained herein. The Issuer agrees and acknowledges that the Agents will act as agents only and will not at any time be obligated to purchase any Notes.

2. **Agents' Fee**.

   In consideration of the services rendered or to be rendered by the Agents to the Issuer in connection with the Offering, the Issuer shall, on the closing of the Offering (the "**Closing**"), pay to the Agents a fee equal to ●% of the aggregate principal amount of the Notes sold to purchasers (the "**Purchasers**") under the Offering (the "**Agents' Fee**"). The parties agree and acknowledge that the Agents' Fee shall be allocated among the Agents as follows:

   (a) first, a work fee equal to 15% of the aggregate Agents' Fee shall be allocated equally between the Joint Leads;

   (b) second, the remainder of the aggregate Agents' Fee shall be allocated among the Agents pro rata as follows:

CIBC World Markets Inc.	●25.00%
RBC Dominion Securities Inc.	●25.00%
Goldman Sachs Canada Inc.	●25.00%
●BMO Nesbitt Burns Inc.	●3.50%
●Scotia Capital Inc.	●3.50%
National Bank Financial Inc.	3.50%
TD Securities Inc.	3.50%
Morgan Stanley Canada Limited	3.50%
HSBC Securities (Canada) Inc.	3.00%
Laurentian Bank Securities Inc.	1.75%
Desjardins Securities Inc.	1.75%

Casgrain & Company Limited	1.00%

3. **Offering Restrictions.**

(a) The Offering is to be effected in a manner exempt from the prospectus requirements of Securities Laws. The Notes shall be offered for sale to Purchasers in accordance with the "accredited investor exemption" as defined in section 2.3 of National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators ("**NI 45-106**") and, in the case of Purchasers resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario) (the "**OSA**"). For the purposes of this Agreement, "**Securities Laws**" means the applicable securities acts and laws, and the rules and regulations promulgated thereunder, of the Offering Jurisdictions and the rules, instruments, orders, published policy statements, rulings and notices of the securities regulatory authorities of such jurisdictions.

(b) The Agents will solicit offers to purchase the Notes only from "accredited investors" (as such term is defined in section 1.1 of NI 45-106 or in section 73.3 of the OSA, as the case may be) in the Offering Jurisdictions who are not individuals unless such individuals are "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Requirements* ("**NI 31-103**")), all in accordance with all applicable Securities Laws and this Agreement and on a private placement basis so as not to require the Issuer to file a prospectus in any jurisdiction.

(c) The Agents acknowledge and agree that the Notes will not be registered under the United States Securities Act of 1933, as amended, (the "**1933 Act**") or applicable state securities laws and the Agents shall not offer or sell, directly or indirectly, in the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the "**United States**") or to a U.S. person (as defined in Regulation S under the 1933 Act).

(d) The Agents will, upon the prior consent of the Issuer, be entitled to offer the Notes to purchasers resident in jurisdictions outside of the United States and Canada, provided that the Agents conduct all such activities in compliance with the applicable laws of any such jurisdictions, and provided that the Agents do not solicit offers to purchase or sell the Notes so as to require registration of the Notes or filing of a prospectus with respect to the Notes under the laws of any jurisdiction or impose any additional obligations on the Issuer.

4. **Distribution of Notes**.

(a) The Issuer shall, as soon as reasonably practicable and in any event prior to the Closing Date, use its reasonable commercial efforts to fulfill to the satisfaction of

legal counsel to the Agents (the "**Agents' Counsel**"), acting reasonably, all legal requirements to be fulfilled by the Issuer to enable the Notes to be offered for sale and sold in each of the Offering Jurisdictions through the Agents in the manner contemplated herein and without any requirement that a prospectus be filed under the Securities Laws. The Issuer shall also file or cause to be filed with the securities regulatory authorities in the Offering Jurisdictions all information and forms required to be supplied or filed by it in connection with the Offering under applicable Securities Laws including, without limitation, filing the Offering Memorandum and the reports on Form 45-106F1 required under applicable Securities Laws. Each Agent acknowledges and agrees that it has taken or will take reasonable steps to confirm that each Purchaser of the Notes meets the terms and conditions of the prospectus exemption set forth in section 2.3 of NI 45-106 or section 73.3 of the OSA, as applicable, and obtains and retains, as necessary, relevant information and documentation to evidence the steps taken by such Agent to verify compliance with the exemption in accordance with its usual document retention policies and procedures in compliance with applicable Securities Laws, and will provide to the Issuer forthwith upon request all such information or documentation as the Issuer may reasonably request in good faith and solely for the purpose of verifying compliance with the exemption and assisting the Issuer with complying with its obligations under NI 45-106, including completing Form 45-106F1.

(b) The obligations of the Agents under this Agreement are several and not joint or joint and several. No Agent will be liable for any act, omission, default or conduct by any other Agent or any selling firm appointed by any other Agent.

5. **Deliveries by the Issuer**. The Issuer shall deliver to the Agents:

(a) reasonably promptly upon the Agents' request, such number of commercial copies of the Offering Memorandum to the offices of the Agents as the Agents may reasonably require by notice to the Issuer and an electronic version of the Offering Memorandum; and

(b) concurrently with the preparation thereof, copies of any other documents required to be signed and/or filed by the Issuer under the laws of any Offering Jurisdiction in connection with the Offering, including any Supplementary Material (as defined in Section 6), all of which the Issuer shall complete in form and substance satisfactory to the Agents, acting reasonably, and in compliance with applicable Securities Laws.

6. **Material Change**. For the purposes of this Agreement, the terms "**material change**", "**material fact**" and "**misrepresentation**" have the meanings ascribed thereto in Section 1(1) of the OSA. During the period from the date hereof to the Closing Date, the Issuer shall promptly notify the Agents in writing the full particulars of:

(a) any material change (actual, anticipated or threatened) in the business, affairs, operations, assets, liabilities (absolute, accrued, contingent or otherwise), capital or condition (financial or otherwise) of the Issuer or the Manager, which change is or will likely be of such nature as to result in a misrepresentation in the Offering

Memorandum or any Supplementary Material (collectively, the "**Offering Documents**");

(b) any change in any material fact relating to or in respect of the Issuer or the Manager or to the business, affairs, operations, assets, liabilities (absolute, accrued, contingent or otherwise), capital or condition (financial or otherwise) of the Issuer or the Manager contained in the Offering Documents, which change is or will likely be of such nature as to result in a misrepresentation therein;

(c) any change, to the knowledge of the Issuer, in applicable laws, materially and adversely affecting, or which may materially and adversely affect, the business, operations, affairs, prospects or property of the Issuer, the Notes or the Offering, including, without limitation, the occurrence of a Protection Event (as defined in the Change of Law Protection Agreement (as defined in the Master Trust Indenture)); and

(d) any order of any court or securities regulatory authority preventing or suspending the use of any portion of the Offering Documents, if any, or preventing or suspending the offering or sale of the Notes in accordance with this Agreement.

The Issuer shall first discuss with the Agents in good faith any change in circumstances (actual, anticipated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt whether notice needs to be given to the Agents pursuant to this Section 6.

The Issuer shall promptly comply with all applicable filings and other requirements under applicable Securities Laws in connection with the matters referred to in subsections (a) to (d) of this Section 6 and shall prepare an amendment or supplement to the Offering Memorandum, and any amendment or supplement thereto (collectively, the "**Supplementary Material**") as may be required by Securities Laws, provided that the Supplementary Material shall be in form and substance satisfactory to the Agents, acting reasonably. Neither the Issuer nor the Agents shall provide to prospective Purchasers any document or other material relating to the Offering other than the Offering Memorandum, any Supplementary Material or any other material previously approved by the Issuer and the Agents from time to time.

7. **Due Diligence**. During the period from the date of this Agreement to the Closing Date, the Agents shall be permitted to conduct such due diligence investigation of the Issuer and its assets, businesses and undertakings, as the Agents, acting reasonably, consider appropriate and to complete formal due diligence question and answer sessions with the Issuer and the Manager and with senior management, legal counsel and the auditor of the Issuer and such other persons as the Agents may reasonably request before the Closing Date. The Issuer and the Manager will make available to the Agents, on a reasonably timely basis, all trust, corporate, business and operating records, financial information, budgets and other information which the Agents may reasonably request, as well as access to appropriate officers and/or senior officers of the Issuer and the Manager (provided, that such access does not unduly interfere with the business operations of the Manager) and advisors and experts retained by the Issuer and/or the Manager in order to enable the Agents to complete their due diligence review.

8. **Offering Documents**. The Issuer and the Manager shall allow the Agents to participate fully in the preparation of the Offering Memorandum and any Supplementary Material and will exercise its reasonable commercial efforts to cause the appropriate officers and/or senior officers of the Issuer and the Manager to make themselves available to provide such assistance with marketing of the Notes as the Agents may reasonably require. The delivery by the Issuer of the Offering Documents to the Agents will constitute the Issuer's and the Manager's consent to the Agents to the use thereof in connection with the Offering in accordance with the provisions of this Agreement as well as the representation and warranty of the Issuer and the Manager to the Agents that, at the time of such delivery:

   (a) the information and statements contained in the Offering Documents (except information and statements relating solely to the Agents and furnished in writing by the Agents for use therein) contain no misrepresentation and contain no untrue statement of a material fact or do not omit to state a material fact regarding the Issuer, the Manager, the Notes or the Program Agreements (as defined ~~below~~**in the Master Trust Indenture**) that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made; and

   (b) the Offering Documents comply in all material respects, as applicable, with all Securities Laws.

9. **Representations, Warranties and Covenants of the Issuer**. The Issuer represents and warrants to, and agrees with, the Agents, as follows:

   (a) the Issuer is a trust duly constituted and validly existing under the laws of the province of Ontario and Computershare Trust Company of Canada (the "**Issuer Trustee**") has been appointed as trustee of the Issuer pursuant to the declaration of trust dated as of December 20, 2017 (the "**Declaration of Trust**");

   (b) the Issuer is duly qualified to carry on its business in each jurisdiction in which it carries on business and is in good standing in each jurisdiction or place in which such qualification is required, except where the failure so to qualify or to be in good standing would not reasonably be expected to materially adversely affect its business, affairs, operations, financial condition, assets, properties, liabilities, capital, ownership or income taken together or have a material adverse effect on the ability of the Issuer to perform its obligations under any of this Agreement and the other Program Agreements (as defined in the Master Trust Indenture and collectively, the "**Transaction Documents**") to which it is a party (an "**Issuer Material Adverse Effect**");

   (c) the Issuer has the power and authority to enter into and perform its obligations under this Agreement and each of the other Transaction Documents to which it is a party, and all other instruments and agreements delivered pursuant hereto and thereto;

(d) the execution, delivery and performance by the Issuer of, this Agreement and each of the other Transaction Documents to which it is a party, and every instrument or agreement delivered pursuant hereto and thereto:

(i) has been or will be duly authorized by all requisite action;

(ii) does not and will not conflict with, result in any breach or violation of, or constitute a default under the Declaration of Trust, or any applicable law, rule, regulation, order, judgment, determination or award presently in effect and applicable to it, or of any material agreement or any other instrument to which it is now a party or any of its properties are subject or otherwise bound; and

(iii) does not require the consent, filing, authorization, order, registration, qualification or approval (other than those consents or approvals already obtained) of any person or governmental authority, except that the Issuer must file with the applicable securities regulatory authorities a report on Form 45-106F1, prepared and executed in accordance with NI 45-106, accompanied by any applicable prescribed fees, together in certain Offering Jurisdictions with a copy of the Offering Memorandum and any Supplementary Material;

(e) each of the Transaction Documents to which the Issuer is a party has been, or will be at or prior to the Closing, duly executed and delivered by the Issuer Trustee or the Manager, as the case may be, on behalf of the Issuer, and in addition in the case of the Notes, duly certified by the Indenture Trustee and each of the Transaction Documents is, or will be on the Closing, a legal, valid and binding obligation of the Issuer enforceable against it in accordance with its respective terms, subject to applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally and subject to the qualifications that equitable remedies may only be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution and waiver of contribution may be limited under applicable law;

(f) the Issuer is not in violation of the Declaration of Trust or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which it is a party or by which it may be bound or to which any of the property or assets of the Issuer is subject (including, for the avoidance of doubt, any Transaction Documents to which it is a party), except for such defaults that would not reasonably be expected to have an Issuer Material Adverse Effect;

(g) the Issuer: (i) is not in violation in any material respect of any law, ordinance, franchise, governmental rule or regulation to which it is subject, (ii) has not failed to obtain any material license, permit, qualification or governmental authorization necessary to the ownership of its property or the conduct of its business, and (iii) is not in default in any material respect of any order of any court or governmental authority or arbitration board or tribunal to which it is subject;

(h) no event of default has occurred and is continuing in respect of any outstanding indebtedness of the Issuer;

(i) no Protection Event has occurred and no Suspension Notice (as defined in the Change of Law Protection Agreement) has been received by the Issuer, and upon satisfaction of the Adherence Conditions (as defined in the Change of Law Protection Agreement), the Notes shall constitute Approved Obligations (as defined in the Change of Law Protection Agreement);

(j) the Issuer is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);

(k) all tax returns (federal, provincial and local) required to be filed with respect to the Issuer have been filed and there has been paid or adequate provision made for the payment of all material Taxes in respect of the Issuer;

(l) since ●, 2017, (i) there has been no Issuer Material Adverse Effect and (ii) there has been no change, which would have a material adverse effect on the ability of the Issuer to fulfill its payment obligations under the Notes;

(m) except as disclosed in the Offering Memorandum, there are no actions, suits or proceedings existing, or, to the Issuer's knowledge after having made due enquiry, pending or threatened, affecting the Issuer in any court or before or by any governmental authority as of the date hereof which if decided, determined or resolved in a manner adverse to the Issuer, could reasonably be expected to have an Issuer Material Adverse Effect or have a material adverse effect on: (i) the ability of the Issuer to perform its obligations under the Transaction Documents to which it is a party; (ii) the ability of the Issuer to fulfill its payment obligations under the Notes; or (iii) the ability of the Issuer to conduct its business as described in the Offering Memorandum;

~~(n) as of the date of delivery, the financial model delivered by the Issuer to the Agents (the "**Financial Model**") contains the Issuer's reasonable estimate of projected [describe financial model metrics]. The Financial Model has been prepared in good faith, with due care and skill, is based on all information known to the Issuer and the Manager at the time which could reasonably be relevant to the preparation thereof, and is subject to assumptions that, as of the date of delivery, are reasonable in the circumstances and the Issuer is not aware of any material inaccuracies in the Financial Model;~~

(n) ~~(o)~~ the Issuer is a direct or indirect subsidiary of the Manager;

(o) ~~(p)~~ the Issuer is structured so as not to be a "covered fund" under the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the "Volcker Rule";

(p) ~~(q)~~ the Issuer is not in material default of its obligations under any applicable legislation, rules, regulations, instruments, guidelines or policies, including Securities Laws;

(q) ~~(r)~~ no securities commission, stock exchange or similar regulatory authority has issued any order preventing or suspending trading in any securities of the Issuer or preventing or suspending use of the Shelf Offering Memorandum or the Offering Memorandum, and, to the knowledge of the Issuer, no proceedings, investigations or inquiries for such purpose are pending or contemplated or threatened;

(r) ~~(s)~~ neither the Shelf Offering Memorandum (except to the extent corrected in the Term Sheet) nor the Term Sheet, as of their respective dates, contain any misrepresentation or contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which such statement was made, and the Offering Memorandum complies in all material respects with Securities Laws;

(s) ~~(t)~~ the attributes and characteristics of the Notes and the Indenture conform, in all material respects, to the attributes and characteristics thereof described in the Offering Memorandum;

(t) ~~(u)~~ the proceeds from the issuance of the Notes will be applied as described in the Term Sheet under the heading *"Use of Proceeds"*;

(u) ~~(v)~~ the statements in the Shelf Offering Memorandum under the heading *"Statutory Rights of Actions*" and in the Term Sheet under the heading *"Certain Canadian Federal Income Tax Considerations"* accurately summarize, in all material respects, the matters referred to therein;

(v) ~~(w)~~ other than as provided for in this Agreement, the Issuer has not incurred any obligation or liability (absolute, accrued, contingent or otherwise) for brokerage fees, finder's fees, agent's commission or other similar forms of compensation with respect to the transactions contemplated herein;

(w) ~~(x)~~ the Indenture Trustee at its principal office in the City of Toronto, Ontario has been or will be on the Closing Date duly appointed as the trustee under the Indenture in respect of the Notes;

(x) ~~(y)~~ prior to the Closing Date, the form and terms of the global certificate(s) representing the Notes will have been approved and adopted by the Issuer and will comply with all legal requirements and will not conflict with the Indenture;

(y) ~~(z)~~ all requisite action has been, or will be, taken by the Issuer to authorize the delivery of the Offering Memorandum and the filing of the Offering Memorandum with all applicable securities commissions or similar regulatory authorities, as applicable, as required by Securities Laws;

(z) ~~(aa)~~ the Issuer Trustee, as trustee of the Issuer, has all requisite power, authority and capacity to create, authorize, issue and sell the Notes and on or prior to the Closing Date all actions required to be taken by or on behalf of the Issuer will have occurred so as to validly create, authorize, issue and sell the Notes; and

(aa) ~~(bb)~~ on the Closing Date, upon execution and delivery of the Indenture, the Notes will be duly and validly created and, upon receipt of the purchase price will be duly and validly issued as fully paid Notes.

10. **Representations, Warranties and Covenants of OPG**. OPG represents and warrants to, and agrees with, the Agents, as follows:

(a) OPG is (i) a corporation duly incorporated and organized and validly existing under the *Business Corporations Act* (Ontario), (ii) duly qualified to carry on its business in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property and assets requires such qualification, except where the failure to so qualify would not reasonably be expected to materially adversely affect its business, affairs, operations, financial condition, assets, properties, liabilities, capital, ownership or income taken together or have a material adverse effect on its ability to perform its obligations under the change of law process agreement dated as of December 21, 2017 (the "**Change of Law Process Agreement**") between Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy and the Minister of Finance (the "**Province**") or its obligations under any of the Transaction Documents to which it is a party (a "**Manager Material Adverse Effect**"), and (iii) has the power and authority to enter into and perform its obligations under the Change of Law Process Agreement and each of the Transaction Documents to which it is a party (including, for the avoidance of doubt, the Management Agreement);

(b) the execution, delivery and performance by OPG of, this Agreement, the Change of Law Process Agreement and each of the other Transaction Documents to which it is a party, and every instrument or agreement delivered pursuant hereto or thereto:

(i) has been or will be duly authorized by all requisite action;

(ii) does not and will not conflict with, result in any breach or violation of, or constitute a default under its constating documents, as amended, or bylaws, or any resolutions of its board of directors or shareholders, or any applicable law, rule, regulation, order, judgment, determination or award presently in effect and applicable to it, or of any material agreement or any other instrument to which it is now a party or any of its properties are subject or otherwise bound; and

(iii) does not require the consent, filing, authorization, order, registration, qualification or approval (other than those consents or approvals already obtained) of any person or governmental authority;

(c) none of OPG nor any of its subsidiaries is in violation of its constating documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which it or any of its subsidiaries is a party or by which it or any of them may be bound or to which any of the property or assets of OPG or any subsidiary of OPG

is subject (including, for the avoidance of doubt, the Change of Law Process Agreement and any Transaction Documents to which it is a party), except for such defaults that would not reasonably be expected to have a Manager Material Adverse Effect;

(d) the Change of Law Process Agreement and each of the Transaction Documents to which OPG is a party has been, or will be at or prior to the Closing, duly executed and delivered by OPG, and the Change of Law Process Agreement and each of the Transaction Documents to which OPG is a party is, or will be on the Closing, a valid and binding obligation of OPG enforceable against it in accordance with its respective terms, subject to applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally and subject to the qualifications that equitable remedies may only be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution and waiver of contribution may be limited under applicable law;

(e) OPG is not in material default of its obligations under any applicable legislation, rules, regulations, instruments, guidelines or policies, including Securities Laws, except, in each case for such defaults that would not reasonably be expected to have a Manager Material Adverse Effect;

(f) no Protection Event has occurred and no Suspension Notice has been received by OPG, and upon satisfaction of the Adherence Conditions, the Notes shall constitute Approved Obligations;

(g) except as disclosed in the Offering Memorandum, there are no actions, suits or proceedings pending or, to OPG's knowledge after having made due enquiry, pending or threatened, affecting OPG in any court or before or by any governmental authority as of the date hereof against OPG, any of its undertaking, property and assets which, if adversely decided, could reasonably be expected to materially adversely affect the issuance of the Notes or the consummation of the transactions contemplated by the Change of Law Process Agreement or the Transaction Documents; and

(h) neither the Shelf Offering Memorandum (except to the extent corrected in the Term Sheet) nor the Term Sheet, as of their respective dates, contain any misrepresentation or contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which such statement was made, and the Offering Memorandum complies in all material respects with Securities Laws.

11. **Representations, Warranties and Covenants of the Agents**. Each of the Agents, severally (and not jointly or jointly and severally) represent and warrant to the Issuer and agree with the Issuer that:

(a) it has not offered or sold, and will not offer or sell, any Notes to, or for the benefit of, any resident of Canada or any province thereof or to, or for the benefit of, any resident of any other jurisdiction (to the extent permitted to offer and sell Notes in

such other jurisdictions pursuant to Section 3(d) hereof) in contravention of applicable Securities Laws or such other jurisdictions, as applicable;

(b) any offer of Notes in Canada will be made only pursuant to the exemption from the requirement to file a prospectus set forth in Section 2.3 of NI 45-106 and, in the case of Purchasers resident in Ontario, section 73.3(2) of the OSA, such that: (i) each Purchaser of Notes will be an "accredited investor" (as such term is defined in section 1.1 of NI 45-106 or in section 73.3 of the OSA, as the case may be) and further such that one or more of the categories set forth in the definition of "accredited investor" will correctly and in all respects describe such Purchaser; (ii) such Purchaser will not be a person created or being used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in Section 1.1 of NI 45-106; and (iii) such Purchaser will either be purchasing the Notes as principal for their own account, or are deemed to be purchasing the Notes as principal by applicable law;

(c) any offer of Notes will not be made to individuals unless such individuals are "permitted clients" (as such term is defined in NI 31-103);

(d) it has taken or will take reasonable steps to confirm that each Purchaser of Notes in Canada meets the terms and conditions of the "accredited investor exemption" as defined in section 2.3 of NI 45-106 and, in the case of Purchasers resident in Ontario, section 73.3(2) of the OSA (collectively, the "**AI Requirements**") and shall obtain and retain, as necessary, relevant information and documentation to evidence the steps taken to verify compliance with the AI Requirements in accordance with its usual document retention policies and procedures in compliance with applicable laws and provide to the Issuer forthwith upon request all such information or documentation as the Issuer may reasonably request in good faith and solely for the purpose of verifying compliance with the AI Requirements and assisting the Issuer with complying with its obligations under NI 45-106, including completing Form 45-106F1;

(e) it is duly qualified in the Offering Jurisdictions in a category of registration under applicable Securities Laws that permits it to offer and sell the Notes to purchasers resident in each of the Offering Jurisdictions in the manner contemplated herein and in the Offering Memorandum; and

(f) it has not and shall not make any representation or warranty with respect to the Issuer, the Manager or the Notes other than as set forth in the Offering Documents.

12. **Closing**. The Closing of the purchase and sale of the Notes under this Agreement will take place at the offices of Torys LLP, 79 Wellington St. West, 30th Floor, Box 270, TD South Tower Toronto, Ontario at [**9:00]** a.m. (Toronto time) on ~~January~~**February** ●, 2018 or at such other date and time as may be agreed upon by the Agents and the Issuer (the date of Closing, the "**Closing Date**" and the time of Closing on the Closing Date, the "**Closing Time**").

13. **Conditions to Closing; Closing Deliveries**. The obligations of the Agents under this Agreement to complete the purchase and sale of the Notes at the Closing Time is subject to the following conditions:

(a) the Issuer shall have obtained and provided to the Agents a final rating letter in respect of the Notes from each of DBRS Limited and Moody's Investor Services, Inc. providing a rating of **[AAA(sf)]** and **[Aa2(sf)]**, respectively, and such ratings shall not have been withdrawn, or down-graded or placed under "credit watch" nor shall any such action have been threatened;

(b) each of the Program Agreements to which the Issuer is a party (excluding the 2018-1 Term Supplemental Indentures (as defined below)) shall be in full force and effect as of the Closing Date;

(c) each of the First Term Supplemental Indenture, the junior subordinated series 2018-1 supplemental indenture to the Master Trust Indenture (the "**Junior Subordinated Term Supplemental Indenture**") and the subordinated series 2018-1 supplemental indenture to the Master Trust Indenture (the "**Subordinated Term Supplemental Indenture**" and together with the First Term Supplemental Indenture and the Junior Subordinated Term Supplemental Indenture, the "**2018-1 Term Supplemental Indentures**") shall have been executed and delivered by the appropriate parties thereunder, in form and substance satisfactory to the Agents, acting reasonably and the notes contemplated thereby shall have been validly issued;

(d) an adherence compliance certificate with respect to the Notes required pursuant to Section 4.02(a)(ii) of the Change of Law Protection Agreement or written confirmation that the Notes constitute Approved Obligations pursuant to Section 4.01(ii) of the Change of Law Protection Agreement, shall have been executed and delivered by the appropriate parties thereunder, in form and substance satisfactory to the Agents, acting reasonably;

(e) the Agents shall have received certificates from each of the Issuer and OPG dated the Closing Date, addressed to the Agents, and signed by two Responsible Officers (as defined in the Indenture) of the Issuer and two officers of OPG as may be acceptable to the Agents, acting reasonably, substantially as set out in Appendix "B" and Appendix "C", as applicable;

(f) the Agents shall have received a certificate, dated the Closing Date, signed by any Responsible Officer of the Issuer and addressed to the Agents and the Agents' Counsel, with respect to the constating documents of the Issuer and other action relating to the Master Trust Indenture, the 2018-1 Term Supplemental Indentures, the authorization, creation, issue and sale of the Notes and the incumbency and specimen signatures of signing officers;

(g) the Agents shall have received a certificate, dated the Closing Date, signed by any authorized officer of the Manager, with respect to: (i) a copy of its incorporating documents and all amendments thereto and applicable by-laws; (ii) resolutions of the board of directors of the Manager approving and authorizing the execution,

delivery and performance of each of the Master Trust Indenture and 2018-1 Term Supplemental Indentures; and (iii) incumbency and signatures of signing officers of the Manager executing the Master Trust Indenture and the 2018-1 Term Supplemental Indentures and the other documents to be delivered by the Manager thereunder, in each case showing their names, offices and specimen signatures;

(h) the Agents shall have received a certificate, dated the Closing Date, signed by any authorized officer of the Issuer Trustee with respect to: (i) a copy of its incorporating documents and all amendments thereto and applicable by-laws; and (ii) incumbency and signatures of signing officers of the Issuer Trustee, in each case showing their names, offices and specimen signatures;

(i) the Agents shall have received certificates of status or compliance or other similar documents issued by the applicable governmental authority to evidence that each of the Issuer Trustee and the Manager is validly existing pursuant to the laws of the jurisdiction of their respective establishment or incorporation;

(j) the Agents shall have received:

(i) an opinion of Torys LLP, legal counsel to the Issuer, addressed to the Agents, the Agents' Counsel and the Issuer dated the Closing Date, in form and substance satisfactory to the Agents, acting reasonably, with respect to matters relating to the Issuer and the Offering; it being understood that Torys LLP may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, trustees, directors or other representatives of the Issuer, the Manager or the Issuer Trustee;

(i) an opinion of Hunton & Williams LLP, U.S. legal counsel to the Issuer, addressed to the Agents, the Agents' Counsel and the Issuer dated the Closing Date, in form and substance satisfactory to the Agents, acting reasonably, that the Issuer is structured so as not to be a "covered fund" under the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the "Volcker Rule"; it being understood that Hunton & Williams LLP may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, trustees, directors or other representatives of Issuer, the Manager or the Issuer Trustee;

(k) the Agents shall have received a final report from Operis Business Engineering Limited, the model auditor, in form and substance acceptable to the Agents, acting reasonably, with respect to their review of the ~~Financial Model~~**financial model**;

(l) the Agents shall have received a favourable legal opinion, addressed to the Agents and dated the Closing Date, from Agents' Counsel, in a form acceptable to the Agents, acting reasonably; it being understood that Agents' Counsel may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, directors or other representatives of the Issuer, the Issuer Trustee or the Manager;

(m) the Issuer shall have met all requirements of CDS Clearing and Depository Services Inc. ("**CDS**") necessary to make use of its book entry system;

(n) the Issuer shall deliver one global certificate representing the Notes, registered in the name of "CDS & Co." (or in such other name as the Agents may direct in writing not less than 24 hours prior to the Closing) and duly signed by a Responsible Officer of the Issuer and countersigned by the Indenture Trustee, against payment to the Issuer, or as the Issuer may direct to the Agents in writing not less than 48 hours prior to the Closing, of the aggregate purchase price for the Notes, net of the Agents' Fee, by electronic wire transfer of immediately available funds or in such other manner as the Issuer and the Agents may agree;

(o) all consents, approvals and authorizations from any governmental authority or body or any other third party required for the creation, issuance, sale and delivery of the Notes or the fulfillment of the terms of the Transaction Documents shall have been obtained; and

(p) the receipt of such other documentation or information as may be requested by the Agents and which they have determined to be necessary to give effect to the Offering, acting reasonably.

14. **Rights of Termination.**

(a) If, prior to the Closing:

(i) any action, suit or other proceeding, whether formal or informal, occurs or is commenced, announced or threatened, or any order is made by any governmental authority or there is a change of law or in the interpretation or administration thereof (including a Protection Event), which in the opinion of any of the Agents, acting reasonably, operates to prevent or materially restrict trading or the distribution of the Notes or which would be expected to have an Issuer Material Adverse Effect or which materially adversely affects the market price or value of the Notes;

(ii) there occurs any material change or a change in any material fact or any new fact such as is contemplated by Section 6, which has, or in the opinion of any of the Agents could reasonably be expected to have, an Issuer Material Adverse Effect or materially adversely affect the market price or value of the Notes; or

(iii) there develops, occurs or comes into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, acts of hostilities or escalation thereof or other calamity or crises or any change or development involving a prospective change in national or international political, financial or economic conditions or any incident, governmental action, law, regulation, policy, inquiry or other occurrence of any nature whatsoever which, in the reasonable opinion of any of the Agents, materially adversely affects, or involves, or will

materially adversely affect the financial markets or which operates to prevent or materially restrict the trading or the distribution of the Notes;

the Agents (or any of them) are entitled at their sole option, to terminate their obligations under this Agreement by written notice to that effect given to the Issuer any time prior to the Closing Time.

(b) The Issuer agrees that all terms and conditions contained herein will be construed as conditions, that they shall use commercially reasonable efforts to cause such conditions to be complied with, and that any breach or failure by the Issuer to comply with any such conditions, in any material respect, will entitle any of the Agents to terminate their obligations under this Agreement by written notice to that effect given to the Issuer at or prior to the Closing Time. The Agents may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to their rights in respect of any other terms and conditions or any other breach, subsequent breach or non-compliance, provided that to be binding on an Agent, any such waiver must be in writing and signed by such Agent.

(c) The rights of termination contained in subsections (a) and (b) of this Section 14 are in addition to any other rights or remedies the Agents may have in respect of any default, act or failure to act or non-compliance by the Issuer in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there will be no further liability on the part of the Agents to the Issuer, or on the part of the Issuer to the Agents, except, in each case, in respect of any liability which may have arisen prior to or which arises after such termination under any of Sections 15 and 16.

15. **Indemnity.**

(a) The Issuer agrees to indemnify and hold harmless each of the Agents and each of their affiliates and each of their respective directors, officers, employees and agents, (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**"), from and against any and all losses (other than loss of profit in connection with the distribution of the Notes), expenses, claims (including shareholder actions, derivative or otherwise), actions, damages and liabilities, joint or several, including, without limitation, the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel (collectively, the "**Losses**") that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, or connected with or arising out of any action, suit, proceeding, investigation or claim that may be made or threatened by any person or in enforcing this indemnity (collectively the "**Claims**") insofar as the Claims relate to, are caused by, or result from, arise out of or are based upon, directly or indirectly:

(i) any breach by the Issuer of applicable Securities Laws in connection with the offer, issue and sale of the Notes under this Agreement or as a result of any order made against the Issuer by any court or governmental authority

in the Offering Jurisdictions which operates to prevent or materially restrict trading in or the distribution of the Notes;

(ii) any misrepresentation or alleged misrepresentation in the Offering Documents or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (other than a misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the information contained therein relating solely to the Agents which was furnished in writing by the Agents for use therein);

(iii) any order made or any inquiry, investigation or proceeding commenced or threatened by any securities regulatory authority or other competent authority, based on any misrepresentation or any alleged misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the Offering Memorandum, which prevents or restricts the trading in or the distribution of the Notes;

(iv) any inaccuracy of any representation or warranty of the Issuer contained in this Agreement or in any certificate or other document delivered by the Issuer pursuant hereto; or

(v) any breach by the Issuer of any covenant, term or condition to be performed by it contained in this Agreement or in any document or certificate delivered by the Issuer pursuant hereto.

(b) In addition to the Issuer's obligations under section 15(a), OPG agrees to indemnify and hold harmless each of the Indemnified Parties, from and against any and all Losses that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, or connected with or arising out of any Claim insofar as the Claims relate to, are caused by, or result from, arise out of or are based upon, directly or indirectly:

(i) any breach by OPG or the Issuer of applicable Securities Laws in connection with the offer, issue and sale of the Notes under this Agreement or as a result of any order made against the Issuer by any court or governmental authority in the Offering Jurisdictions which operates to prevent or materially restrict trading in or the distribution of the Notes;

(ii) any misrepresentation or alleged misrepresentation in the Offering Documents or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (other than a misrepresentation or any untrue statement of a

material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the information contained therein relating solely to the Agents which was furnished in writing by the Agents for use therein);

(iii) any order made or any inquiry, investigation or proceeding commenced or threatened by any securities regulatory authority or other competent authority, based on any misrepresentation or any alleged misrepresentation or any untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made in the Offering Memorandum, which prevents or restricts the trading in or the distribution of the Notes;

(iv) any inaccuracy of any representation or warranty of OPG or the Issuer contained in this Agreement or in any certificate or other document delivered by OPG or the Issuer pursuant hereto; or

(v) any breach by OPG or the Issuer of any covenant, term or condition to be performed by either of them contained in this Agreement or in any document or certificate delivered by OPG or the Issuer pursuant hereto, excluding the 2018-1 Term Supplemental Indentures or the notes issued thereunder.

(c) Notwithstanding anything contained in this Agreement, it is expressly understood that with respect to its indemnification obligations set out in Section 15(b)(i), (iv) and (v), OPG is not agreeing to indemnify or hold any Indemnified Party harmless with respect to any of the following:

(i) any Losses resulting from any breach by the Issuer of any covenant, term or condition to be performed by it contained in this Agreement or in any document or certificate delivered by the Issuer pursuant hereto caused by a breach or failure to perform on the part of any other third party under any Program Agreement, the Ontario Fair Hydro Plan Act, 2017 or the regulations passed thereunder; provided that this Section 15(c)(i) shall not apply to limit the liability of OPG in respect of any delegation to a third party as provided for in Section 4.7 of the Management Agreement;

(ii) any Losses resulting from changes in law after the date hereof, whether such changes in law are effected by means of any legislative enactment or any final and non-appealable judicial decision, other than Losses resulting solely from OPG's failure to comply with Section 4.1(a)(xiv) of the Management Agreement; or

(iii) any Losses resulting from the validity of the Change of Law Protection Agreement or the applicability thereof to the Province, the Issuer or the Indenture Trustee or any material part thereof being disaffirmed by or on behalf of the Province.

(d) The parties hereto agree that neither the Issuer nor OPG is providing any representations, warranties or covenants in this Agreement or in any document or certificate delivered by OPG or the Issuer pursuant hereto, and shall have no liability to any Indemnified Party, with respect to the collectability of the Clean Energy Adjustment (as defined in the Management Agreement) or the Carrying Costs (as defined in the Management Agreement), or that the Clean Energy Adjustment amounts or Carrying Costs collected will be sufficient to satisfy the Notes, provided that, for greater certainty, the foregoing qualification is not meant to diminish in any way the representations and warranties given by OPG or the Issuer in this Agreement, or in any document or certificate delivered by OPG or the Issuer pursuant hereto, that neither the Shelf Offering Memorandum (except to the extent corrected in the Term Sheet) nor the Term Sheet, as of their respective dates, contain any misrepresentation or contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which such statement was made.

(e) The Issuer and OPG are each referred to in this Section 15 as an "**Indemnifying Party**". Each Indemnifying Party agrees to waive any right such Indemnifying Party may have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under the indemnity in this Section 15. Each Indemnifying Party will not, without the Agents' prior written consent (as the case may be), such consent not to be unreasonably withheld, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Party is a party thereto) unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party.

(f) Promptly after receiving notice of a Claim against the Agents or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from an Indemnifying Party, the Agents or any such other Indemnified Party will notify the Indemnifying Party promptly in writing of the particulars thereof, provided that the omission so to notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability which the Indemnifying Party may have to the Agents or any other Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein required prejudices the defence of such Claim or results in any material increase in the liability which the Indemnifying Party has under this Section 15. Each Indemnifying Party shall have 14 calendar days after receipt of the notice to undertake, conduct and control, through counsel of its own choosing and at its own expense, the settlement or defence of the Claim. If the Indemnifying Party undertakes, conducts and controls the settlement or defence of the Claim, the relevant Indemnified Parties shall have the right to participate in the settlement or defence of the Claim at their own cost subject to Section 15(h).

(g) The indemnity in this Section 15 shall cease to apply to an Indemnified Party to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable determines that such Losses to which the Indemnified Party may be subject were primarily caused by the fraud, fraudulent misrepresentation or gross negligence of such Indemnified Party or the Claim being asserted is as a result of a person not being provided with the Offering Memorandum or any Supplementary Material which corrects any misrepresentation or omission or alleged misrepresentation or omission in the Offering Memorandum or any other Supplementary Material due to a failure by the Agents to provide to such person such documents, as applicable, and which the Indemnifying Party has provided to the Agents to provide to such person, and in such event the Indemnified Party shall reimburse to the Indemnifying Party any funds advanced to the Indemnified Party in respect of such Claim.

(h) Each of the Indemnified Parties may retain counsel to separately represent them in the defence of a Claim, which shall be at the applicable Indemnifying Party's expense if: (i) the Indemnifying Party does not promptly assume the defence of the Claim no later than 14 calendar days after receiving actual notice of the Claim, (ii) the Indemnifying Party agrees to such separate representation, or (iii) the Indemnified Party, as the case may be, are advised by counsel that there is an actual or potential conflict between the Indemnifying Party's interests on the one hand and the Indemnified Party's interests on the other hand or additional defences are available to the Indemnified Parties, which makes representation by the same counsel inappropriate.

(i) In order to provide for just and equitable contribution in circumstances in which the indemnity in this Section 15 is unavailable (other than in accordance with the terms hereof) to the Indemnified Parties or insufficient to hold them harmless in respect of a Claim, the Indemnifying Parties shall jointly and severally contribute to the amount paid or payable by the Agents, as a result of such Claim in such proportion so that the Agents shall be responsible for that portion represented by percentage that the Agents' Fee received by the Agents hereunder bears to the aggregate principal amount of the Notes sold hereunder and the Indemnifying Parties shall be responsible for the balance whether or not they have been sued separately or together, provided, however that each Agent shall not in any event be liable to contribute, in the aggregate, any amount in excess of the Agents' Fee actually received by such Agent. The rights to contribution provided hereunder shall be in addition to and not in derogation of any other right to contribution which the Agents may have by statute or otherwise at law. No person that is determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have engaged in any fraud, fraudulent misrepresentation or gross negligence in connection with any matter that is the subject of the contribution payments contemplated by this Section 15(i) shall be entitled to such contribution.

(j) Each Indemnifying Party hereby constitutes each of the Agents as trustee, respectively, for each of the other Indemnified Parties, as appropriate, of the Indemnifying Party's covenants under the indemnity in this Section 15 with

respect to those persons and the Agents agree to accept that trust and to hold and enforce those covenants on behalf of those persons.

(k) The obligations of the Indemnifying Party hereunder are in addition to any liabilities which such Indemnifying Party may otherwise have to the Agents or any other Indemnified Party.

16. **Expenses**. Whether or not the Offering is completed, all expenses of or incidental to the creation, authorization, issue, delivery and sale of the Notes and of or incidental to all other matters in connection with the Offering shall be borne by the Issuer, including, without limitation, reasonable expenses payable in connection with the fees and expenses of counsel to the Issuer, counsel to the Agents and local counsel in each of the Offering Jurisdictions, fees and disbursements of its accountants and auditors and other experts, the Indenture Trustee's fees, fees of ratings agencies and CDS, printing costs, delivery charges, fees and costs incurred in connection with the marketing of the Notes including travel expenses, road-shows, and filing fees (including securities regulatory private placement filing fees and fees payable to the Investment Industry Regulatory Organization of Canada), reasonable and documented out-of-pocket expenses of the Agents and all taxes payable on such fees and expenses.

17. **Severability**. If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

18. **Public Announcement**. For the period commencing on the date hereof and expiring on the Closing Date, and subject to the requirements of the Securities Laws, each of the Issuer and the Manager shall not, without first obtaining the approval of the Agents (such approval not to be unreasonably withheld), and the Agents shall not, without first obtaining the approval of the Issuer and the Manager, make any public communications, verbally, electronically or in writing, including issuing any press release respecting the issue of the Notes.

19. **Survival**. The representations, warranties, covenants, obligations and agreements of the parties contained herein or delivered pursuant hereto shall survive the issuance and sale of the Notes and shall continue in full force and effect notwithstanding any subsequent disposition of the Notes. The Agents shall be entitled to rely on the representations and warranties of the Issuer and the Manager contained in Sections 8, 9 and 10 herein or delivered pursuant hereto notwithstanding any investigation which the Agents may undertake or which may be undertaken on the Agents' behalf.

20. **Acknowledgement of Agents**. Each Agent (i) acknowledges and agrees in favour of the Indenture Trustee that it is a Specified Creditor (as defined in the Master Trust Indenture) under the Master Trust Indenture and its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, Sections 7.04 through 7.11 and 8.13 (Payment Priorities), Section 7.12 (Payments Held in Trust), Section 8.11 (Control by Controlling Class Creditors), Section 8.12 (Limitation on Suits), Section 8.14 (Limited Recourse), Article IX (Indenture Trustee) (including all limitations of liability hereunder), Section 9.14

(Communications to Specified Creditors) and Section 16.01 (No Petition); (ii) irrevocably authorizes and directs the Indenture Trustee on its behalf to take such action (including the execution and delivery of documents of subordination) as may be necessary or appropriate to further assure the priority arrangements provided for in Article VI, Article VII and Section 8.13 of the Master Trust Indenture, and appoints the Indenture Trustee as its agent for any and all such purposes; and (iii) consents, requests and authorizes the Issuer and the Indenture Trustee to (y) add the Agents (or their respective agents) to the register of Specified Creditors described in Section 13.13 of the Master Trust Indenture and (z) disseminate the notice details of the Agents to other Specified Creditors for the purposes set out in subsection 9.14(b) of the Master Trust Indenture.

21. **Notices**. Any notice or other communication to be given hereunder shall, in the case of notice to the Issuer, be addressed to:

Fair Hydro Trust
c/o Ontario Power Generation Inc.
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: Lubna Ladak
Telephone: (416) 592-5984
Facsimile: (416) 592-4189
E-mail: lubna.ladak@opg.com

with a copy to:

Computershare Trust Company of Canada, in its capacity as Issuer Trustee for the Issuer
100 University Avenue, 11th Floor
Toronto, Ontario M5J 2Y1

Attention: ●
Telephone: ●
Facsimile: ●
E-mail: ●

- and -

Ontario Power Generation Inc., in its capacity as Manager of the Issuer
700 University Avenue
Toronto, Ontario M5G 1X6

Attention: Lubna Ladak
Telephone: (416) 592-5984
Facsimile: (416) 592-4189
E-mail: lubna.ladak@opg.com

with a copy to:

Torys LLP
79 Wellington St. West
30th Floor, Box 270
TD South Tower
Toronto, ON M5K 1N2

Attention: Rima Ramchandani
Telephone: (416) 865-7500
Facsimile: (416) 865-7380
E-mail: rramchandani@torys.com

and, in the case of notice to the Agents, to:

CIBC World Markets Inc.
Brookfield Place
5th Floor, 161 Bay Street
Toronto, ON M5J 2S8

Attention: ●

Telephone: ●
Facsimile: (416) 594-7760
E-mail: ●

- and -

RBC Dominion Securities Inc.
200 Bay Street, ~~4th~~**2nd** Floor
Royal Bank Plaza, ~~South~~**North** Tower
Toronto, ON M5J 2W7

Attention: ~~●~~
~~●~~

Nur Khan, Managing Director
Telephone: (416) 842-3828
Facsimile: (416) 842-~~7777~~**3888**
E-mail: Nur.Khan@rbccm.com

- and -

Goldman Sachs Canada Inc.
●

Attention: ●
●

Telephone: ●
Facsimile: ●

E-mail: ●

- and -

BMO Nesbitt Burns Inc.
●

Attention: ●
●

~~Facsimile~~**Telephone**: ●
~~●~~

~~Attention:~~ ~~●~~
~~●~~

Facsimile: ●
E-mail: ●

- and -

Scotia Capital Inc.
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

National Bank Financial Inc.
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

TD Securities Inc.
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

Morgan Stanley Canada Limited
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

HSBC Securities (Canada) Inc.
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

Laurentian Bank Securities Inc.
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

Desjardins Securities Inc.
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

- and -

Casgrain & Company Limited
●

Attention: ●
●

Telephone: ●
Facsimile: ●
E-mail: ●

with a copy to the Agents' Counsel at:

Osler, Hoskin & Harcourt LLP
100 King Street West
Suite 6200, P.O. Box 50
1 First Canadian Place
Toronto, ON M5X 1B8

Attention: Michael Innes
Telephone: **(416) 862-4284**
Facsimile: (416) 862-6666
E-mail: **MInnes@osler.com**

Any such notice or other communication shall be in writing, and unless delivered personally to a responsible officer of the addressee, shall be given by courier service or fax (with receipt confirmed) or e-mail, and will be deemed to have been received, if given by fax or e-mail, on the day of sending (if such day is a Business Day and, if not, on the next Business Day following the sending thereof) and, if given by courier service, on the next Business Day following the sending thereof. For the purposes of this Agreement, a "**Business Day**" means a day which is not a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario.

22. **Confidentiality.** Other than the terms and conditions of this Agreement that are disclosed in the Offering Memorandum, the Issuer, the Manager and the Agents agree that they shall keep the terms and conditions of this Agreement confidential and shall not disclose the terms and conditions of this Agreement to any other person except to their affiliates and those directors, officers, employees and agents of each of the Issuer, the Manager and the Agents who need to review such terms and conditions so as to be able to give effect to

the Offering (including pursuant to standard internal requirements); provided, however, that nothing in this Section 22 shall restrict disclosure by the Issuer, the Manager or any of the Agents of the terms and conditions of this Agreement if: (i) such party is legally compelled to do so by order of a court or other competent governmental or regulatory agency, in the course of any judicial or administrative proceeding or by applicable law, or (ii) such party is reasonably required to do so in order to protect its legitimate interests in connection with a legal proceeding under this Agreement.

23. **Time of the Essence**. Time is of the essence of this Agreement.

24. **Currency**. Unless otherwise indicated, all references to "$" in this Agreement are references to the lawful currency of Canada.

25. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein and the courts of such province will have exclusive jurisdiction over any dispute hereunder.

26. **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings relating to the Offering. This Agreement may only be amended or modified in any respect by the written agreement of all of the parties hereto.

27. **Assignment.** None of the rights and obligations of the parties hereunder shall be assignable or transferable by any party without the prior written consent of the other parties hereto.

28. **Successors and Assigns**. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Issuer, the Manager and the Agents and their respective successors and permitted assigns.

29. **Singular and Plural; Gender**. Where the context so requires, words importing the singular number include the plural and *vice versa*, and words importing gender shall include the masculine, feminine and neuter genders.

30. **Execution in Counterparts**. This Agreement may be executed in counterparts (including counterparts by facsimile), each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

[Signature page follows]

If the foregoing is acceptable to the Issuer and the Manager, please signify such acceptance by signing and returning one copy of this letter to the Agents, which accepted offer shall constitute the contract for the provision of services of the Agents in connection with the Offering referred to herein and shall constitute a binding agreement between the parties hereto.

Yours very truly,

CIBC WORLD MARKETS INC.

By:
Name:
Title:

RBC DOMINION SECURITIES INC.

By:
Name:
Title:

GOLDMAN SACHS CANADA INC.

By:
Name:
Title:

BMO NESBITT BURNS INC.

By:
Name:
Title:

SCOTIA CAPITAL INC.

By:
Name:
Title:

[Signature page to Agency Agreement]

NATIONAL BANK FINANCIAL INC.

By:
Name:
Title:

~~**[NTD: Other Dealers to be added as determined**~~**TD SECURITIES INC.**~~**]**~~

By:
Name:
Title:

MORGAN STANLEY CANADA LIMITED

By:
Name:
Title:

HSBC SECURITIES (CANADA) INC.

By:
Name:
Title:

LAURENTIAN BANK SECURITIES INC.

By:
Name:
Title:

DESJARDINS SECURITIES INC.

By:
Name:
Title:

CASGRAIN & COMPANY LIMITED

By:
Name:
Title:

[Signature page to Agency Agreement]

ACCEPTED AND AGREED to this _____ day of ~~January~~**February**, 2018.

FAIR HYDRO TRUST, by its Manager,
ONTARIO POWER GENERATION INC.

By:
Name:
Title:
By:
Name:
Title:

ONTARIO POWER GENERATION INC.

By:
Name:
Title:
By:
Name:
Title:

[Signature page to Agency Agreement]

APPENDIX "A"

TERM SHEET

(see attached)

APPENDIX "B"

FORM OF OFFICERS' CERTIFICATE OF THE ISSUER

1. the Issuer has duly complied with all terms and conditions of this Agreement, the Master Trust Indenture and the 2018-1 Term Supplemental Indentures on its part to be complied with and satisfied at or prior to the Closing and no Termination Event (as defined in the Master Trust Indenture) has occurred;

2. no order, ruling or determination having the effect of suspending the sale or ceasing or suspending trading in the Notes or any other securities of the Issuer has been issued by any securities commission or any other regulatory authority and is continuing in effect and no proceedings for such purpose have been instituted and are continuing or are pending or, to the knowledge, information and belief of the persons signing such certificate, are contemplated or threatened;

3. the representations and warranties of the Issuer contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time, after giving effect to the transactions contemplated by this Agreement;

4. the representations and warranties of the Issuer set forth in Section 12.01 of the Master Trust Indenture and Section 3.1 of the Supplemental Indenture are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated hereby; and

5. to the knowledge of the Issuer (after due inquiry), no default or Event of Default has occurred or is continuing. For the purposes of such certificate, an "Event of Default" has the meaning to be given to such terms in the Indenture.

APPENDIX "C"

FORM OF OFFICERS' CERTIFICATE OF OPG

1. OPG has duly complied with all terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing; and

2. the representations and warranties of OPG contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time, after giving effect to the transactions contemplated by this Agreement.

Document comparison by Workshare Compare on January-21-18 3:01:10 PM

Input:	
Document 1 ID	file://C:\Users\bsaulnie\Desktop\Form of Agency Agreement.docx
Description	Form of Agency Agreement
Document 2 ID	file://C:\Users\bsaulnie\AppData\Local\Temp\Workshare\wmtemp22f0\#46582593v _1_ - FH Trust - Agency Agreement (Draft - January 201....docx
Description	#46582593v15_LEGAL_1_ - FH Trust - Agency Agreement (Draft - January 201...
Rendering set	Firm_Standard

Legend:	
Insertion	
~~Deletion~~	
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Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	148
Deletions	87
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	235

Fair Hydro Trust
Investor Presentation

January [xx], 2018

Disclaimers

This presentation and its contents are being supplied for informational purposes only by Fair Hydro Trust (the "Issuer") and are not an offer to buy or sell or a solicitation of an offer to buy or sell any securities of the Issuer.

This presentation does not, and does not purport to, contain all information that may be material to an investment decision in respect of the Issuer's Notes. It is only a summary of certain information in respect of the Issuer. Prior to making an investment decision with respect to the Issuer's Notes, prospective investors should carefully review the Confidential Shelf Offering Memorandum, including the related Term Sheet, pursuant to which such Notes are offered (the Offering Memorandum). The information and opinions contained in this presentation are qualified in their entirety by reference to the Offering Memorandum. In particular, reference should be made to the risks of any investment in the Issuer's Notes offered and the statutory rights of rescission or rights to damages available to purchasers of such Notes described in the Offering Memorandum. No representation or warranty, express or implied, is given by or on behalf of the Issuer, the Agents or any other person as to the accuracy or completeness of the information or opinions contained in this presentation.

Some of the statements contained in this presentation, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. The forward-looking information contained in this presentation is presented for the purposes of assisting prospective purchasers in making an investment decision regarding the Notes and may not be appropriate for other circumstances. Reference should be made to the information under the headings "Caution Regarding Forward-Looking Information" and "Risk Factors" in the Offering Memorandum.

The information presented herein is only current as of the date on the cover of this presentation. Except as required by law, neither the Issuer nor Ontario Power Generation ("OPG") intends, or assumes any obligation, to revise or update any information in this presentation.

By attending this presentation, or accepting a copy of this presentation, each prospective purchaser agrees that all information contained herein, all documents delivered in connection herewith and all other information obtained by such prospective purchaser in relation to the Issuer or OPG (collectively, the Confidential Information) is confidential, that none of the Confidential Information will be copied, transcribed, recorded or transmitted by the recipient for any reason or used for any purpose other than evaluating an investment in the Issuer's Notes, and that the recipient will hold all of the Confidential Information in confidence and will not provide any of it to third parties other than persons retained to advise the recipient with respect to the purchase of the Issuer's Notes (so long as they advise such persons of the confidential nature of such Confidential Information), without the prior written consent of the Issuer and OPG.

Presenters

ONTARIO POWER GENERATION

Ken Hartwick
Chief Financial Officer &
Senior Vice President – Finance

John Lee
Vice President, Treasurer

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I. Introduction and Transaction Overview

Introduction

Ontario's Fair Hydro Plan	• The Province of Ontario announced its Fair Hydro Plan ("FHP") on March 2, 2017, which proposed to lower the average electricity bill for eligible customers[1] by 25% (the "Fair Adjustment") • The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax granted by the Ontario government in January 2017
Legislation	• On June 1, 2017, the Ontario Legislature passed the *Ontario Fair Hydro Plan Act, 2017* (the "FHPA" or the "Act") to give effect to the FHP • The FHPA was enacted to ensure that clean energy costs and clean energy benefits associated with Ontario's clean energy initiatives are fairly allocated among present and future Specified Consumers and to provide fairness for Specified Consumers over time • The FHPA is supplemented by regulations related to the implementation of the FHPA (the "Regulations" and together with the FHPA, the "Legislation") • The FHPA imposes an irrevocable and non-bypassable charge recoverable from Specified Consumers which is referred to as the Clean Energy Adjustment ("CEA"); the CEA will be determined by Ontario Power Generation ("OPG") in accordance with the Legislation in its role as Financial Services Manager ("FSM") under the Act • The CEA will be determined for each six month reference period and converted by the Ontario Energy Board ("OEB") into a $/kWh rate and added to electricity invoices sent to Specified Consumers commencing on May 1, 2021 • From July 1, 2017 to April 30, 2021 (the "Moratorium Period"), no payments in respect of CEA are expected to be collected; during the Moratorium Period and extending to July 31, 2021, the Independent Electricity System Operator ("IESO") is obligated to pay all funding and other expenses of the Trust (excluding principal) (referred to as "Carrying Costs") under the Legislation
Fair Hydro Trust	• The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") through the issuance of senior, subordinated and junior subordinated notes • Structured to be bankruptcy remote and even though consolidated by OPG on an accounting basis, the Trust is ring fenced from OPG's other creditors • The FHT term notes will be repaid through the CEA payments received from Specified Consumers

[1] Defined as Specified Consumers under the FHPA.

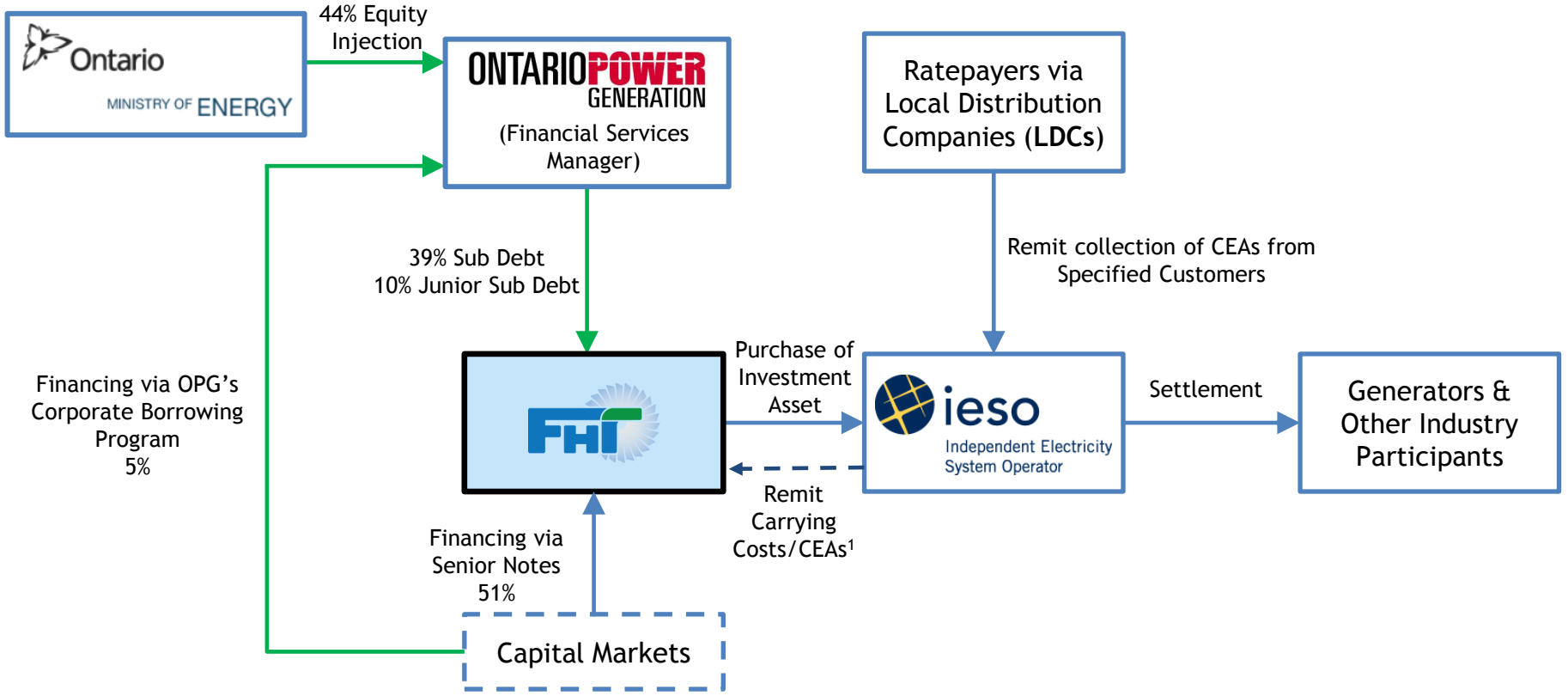
Summary of Indicative Terms

Overview of Notes

Class	Senior	Subordinated	Junior Subordinated
Issue Amount	$[●]MM	$[●]MM (placed with OPG)	$[●]MM (placed with OPG)
Initial % of Aggregate Notes	51%	39%	10%
Expected Ratings (DBRS / Moody's)	[AAA(sf)/AA(sf)]	[●(sf)/●(sf)]	[●(sf)/●(sf)]
Term to Maturity	15.25 years	15.25 years	15.25 years
Expected Maturity Date	May 15, 2033	May 15, 2033	May 15, 2033
Principal Payment Default Date	May 15, 2035	May 15, 2035	May 15, 2035
Par Call Date	November 15, 2032	November 15, 2032	November 15, 2032
Principal Accumulation	Principal will be accumulated monthly commencing January 2030 to facilitate repayment of notes on the Expected Maturity Date		
Interest Type	Fixed rate		
Day Count	180/360, first payment actual/365		
Payment Dates	May 15 and November 15 or next business day		
Senior Note Credit Enhancements	Credit enhancements for the FHT 2018-1 Senior Notes will consist of: • Subordinated and Junior Subordinated notes initially equal to 49% of the aggregate issuance amount and will be retained by OPG • A segregated trust account with an eligible institution, referred to as a Program Cash Reserve Account, which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations • True-up mechanism to address any shortfalls in collections		
Operating Agents	OPG serving as the Financial Services Manager and the Independent Electricity System Operator as the Servicer		

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt and junior subordinated debt of the Trust in an aggregate amount not to exceed 49% of all outstanding debt
  - The subordination amount may vary but must at least be equal to or greater than 35% of all outstanding debt

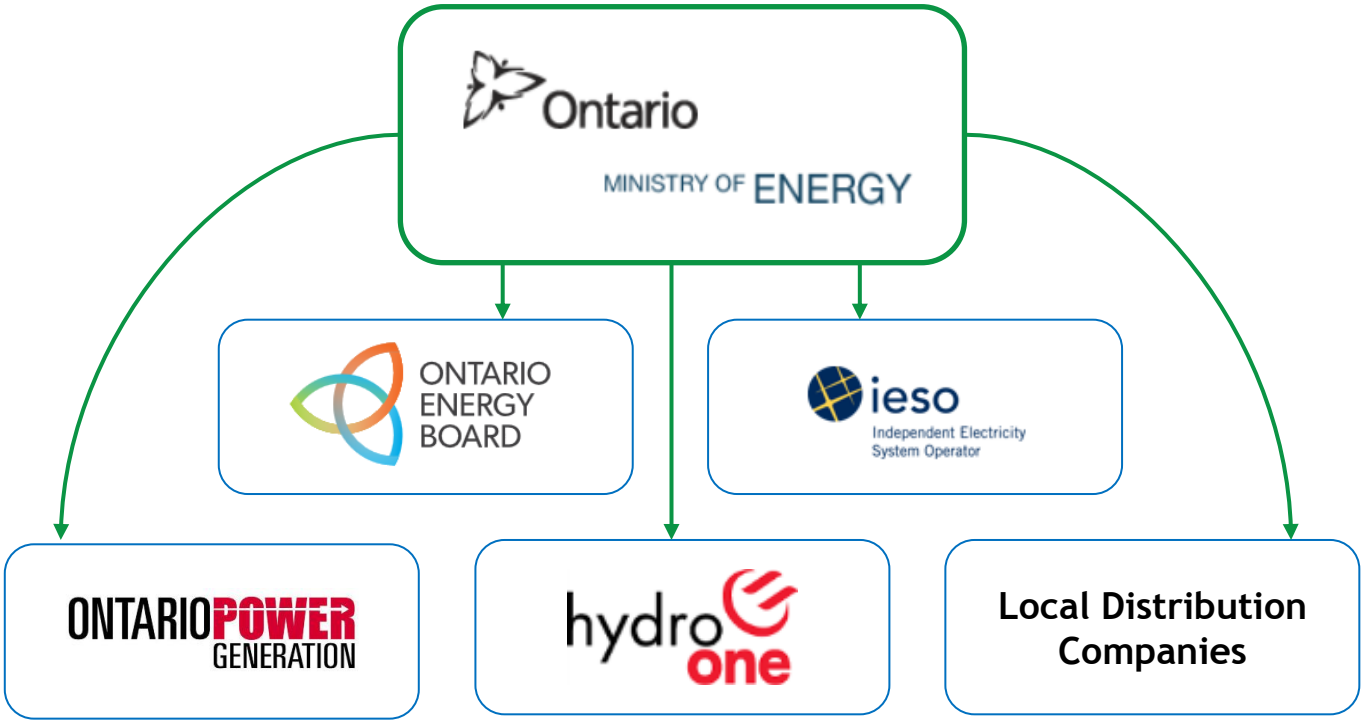


[1] The IESO is required to pay and remit Carrying Costs to the FHT up to July 31, 2021. Commencing May 1, 2021, CEAs will be included on invoices sent to Specified Consumers and collections will be used to pay all funding and other expenses of the Trust. The additional three months of IESO remittances from May 1, 2021 to July 31, 2021 is intended to cover billing and collection lags from the introduction of CEAs.
Note: The diagram above is based on subordinated debt of 49% of all outstanding debt.
Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to exclude the assets and liabilities of OPG, and vice versa.

II. Ontario Electricity Market

Overview of Ontario's Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in average annual cash flows[1]
- Transmission rates, distribution rates, and OPG's regulated rates are set by the OEB
- Rates for the majority of the remaining generation supply are set by the wholesale electricity market and by direct contracts with the IESO (e.g. Bruce Power (nuclear), wind, solar, hydroelectric)



[1] Source: "Ontario Planning Outlook – A technical report on the electricity system prepared by the IESO" dated September 1, 2016. The amount represents the mathematical average of the system costs on page 44 in the appendix "Data Tables for the OPO Technical Report".

Key Industry Participants

Participants	Credit Ratings *(DBRS / S&P / Moody's)*	Description
Ontario Ministry of Energy	**AA (l) / A+ / Aa2** [1]	• The Province of Ontario through the Ministry of Energy sets policy for the electricity system
Ontario Energy Board	--	• Independent public regulatory agency established under the *Ontario Energy Board Act, 1998* and has the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • Sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan ("RPP"); RPP rates are set twice a year (May and November)
ieso Independent Electricity System Operator	**A(h) / -- / Aa2**	• Corporation without share capital established under the *Electricity Act, 1998 (Ontario)* • Manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
Ontario Power Generation	**A(l) / BBB+ / --**	• Corporation formed under the *Business Corporation Act (Ontario)*, whose sole shareholder is the Province of Ontario • Principal business is the generation and sale of electricity in Ontario and is Ontario's largest clean energy electricity generator, providing a significant portion of the province's electricity
hydro one	**A(h) / A / A3**	• Ontario's largest electricity transmission and distribution company, delivering electricity to over 1.3 million customers across the province, and to large industrial customers and municipal utilities

[1] The credit ratings noted are for the Province of Ontario.

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry under the *Energy Competition Act, 1998*, the municipal electricity utilities became municipally-owned business corporations. The majority of LDCs continue to be municipally-owned, while others have been acquired by Hydro One or private-sector owners
- An LDC, referenced as an Electricity Vendor in the FHPA, is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors

Select Aggregate Market Stats[1]

Number of LDCs in Ontario	65
Total Revenue	$18.89 billion
Total Metered Usage (kWh)	116.11 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

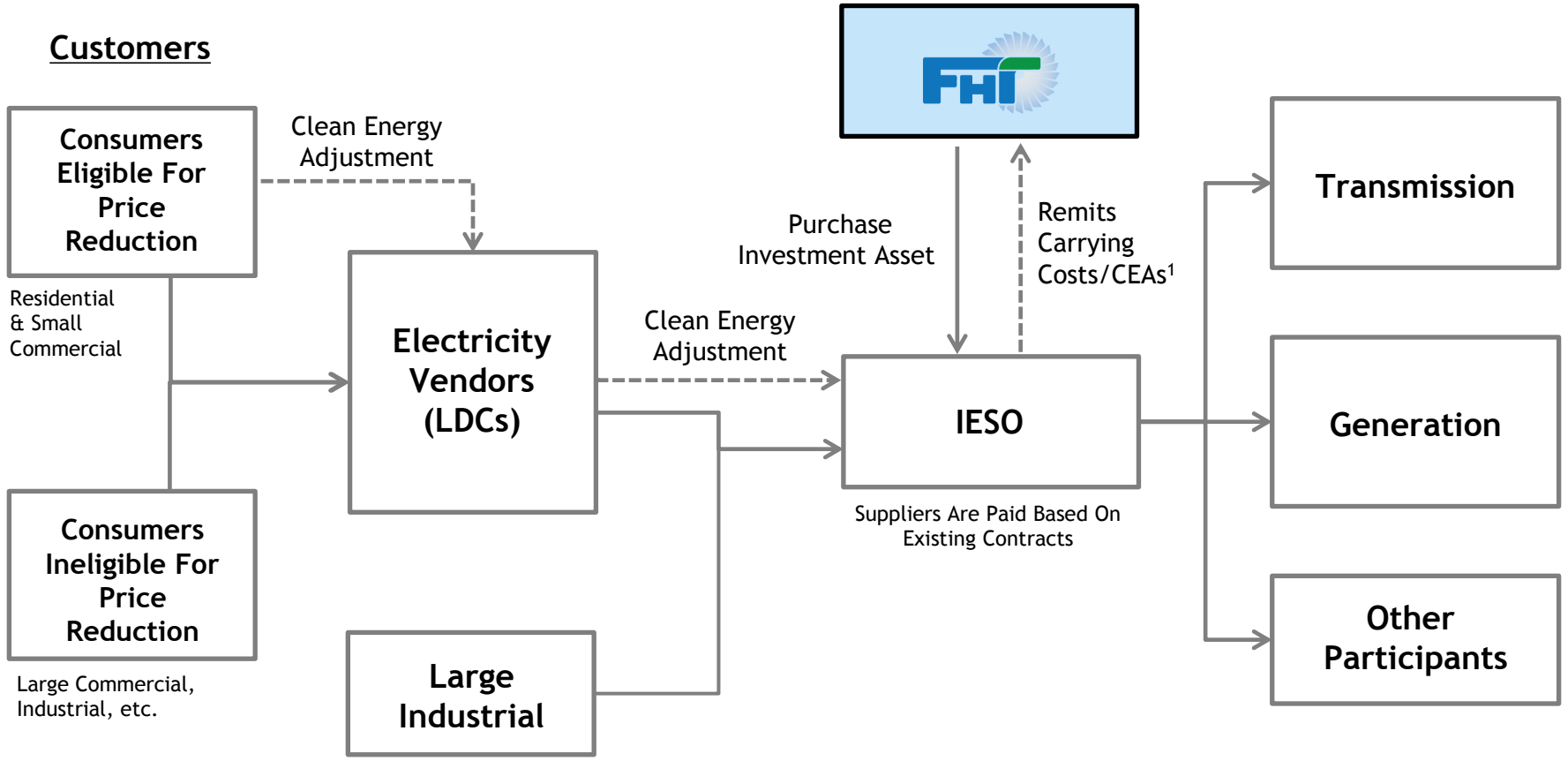
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	Customers[4] *(MM)*	Total Revenue *(C$MM)*
hydro one	A / A(h) / A3	1.30	$4,533
alectra utilities	A / A / --	0.96	$3,642
TORONTO HYDRO	A / A / --	0.75	$3,886
HydroOttawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	**$13,680**
Percentage of Residential & Small Commercial[2]		**69%**	

[1] Source: OEB 2016 Yearbook of Electricity Distributors
[2] Small Commercial includes General Service <50kW Customers
[3] Most recent rating reports from S&P, DBRS and Moody's
[4] Residential and Small Commercial customers

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the IESO deferral (the shortfall that results from the Fair Adjustment together with Carrying Costs paid, financing costs and other related costs)
- FHT will finance the shortfall and is entitled to recover its costs and the principal and interest on its debt through CEAs from Specified Consumers, commencing May 1, 2021



[1] The IESO is required to pay and remit Carrying Costs to the FHT up to July 31, 2021. Commencing May 1, 2021, CEAs will be included on invoices sent to Specified Consumers and collections will be used to pay all funding and other expenses of the Trust. The additional three months of IESO remittances from May 1, 2021 to July 31, 2021 is intended to cover billing and collection lags from the introduction of CEAs.

III. Legislative and Regulatory Framework

Legislation Overview

Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to Specified Consumers as a result of Ontario's clean energy initiatives; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• **July 1, 2017 - April 30, 2018** – Specified Consumers charged an invoice amount that is 25%[1] less than the regulated rate that would otherwise have been determined by the OEB; the 25% reduction includes an 8% rebate equivalent to the provincial portion of the HST previously granted by the Ontario government • **May 1, 2018 - April 30, 2019** - regulated rate established in the first year of the Rate Reduction Period anticipated to increase by the rate of inflation in Ontario • **May 1, 2019 - April 30, 2021** - rate reductions will be established by future regulation but anticipated to increase by the rate of inflation in Ontario

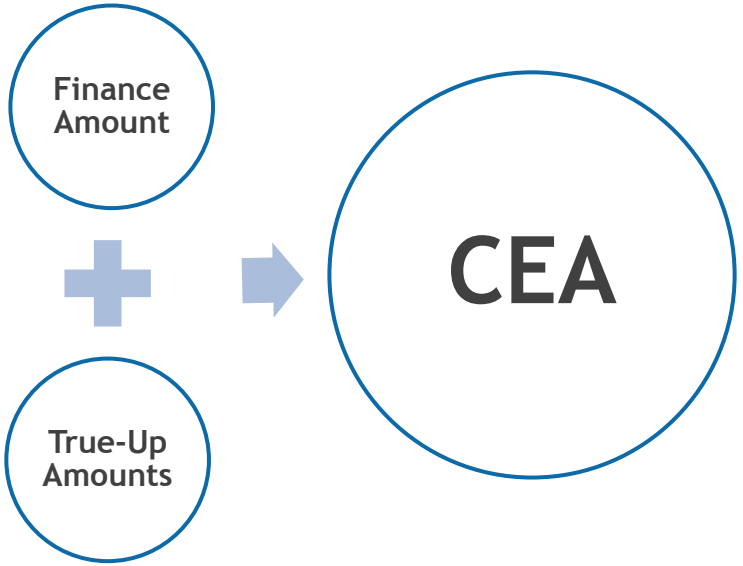
[1] Based on a typical Toronto Hydro customer; the amount of the reduction for any given Specified Consumer may vary from this account.

Legislation Overview, cont'd

Regulatory Asset	• Each month the IESO determines the IESO deferral (the shortfall that results from the Fair Adjustment together with Carrying Costs paid, financing costs and other related costs) and records this amount, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right is the "Regulatory Asset") • The IESO may from time to time transfer a specified portion of the Regulatory Asset to the Trust for a cash purchase price equal to the corresponding amount recorded in the variance account
Investment Asset	• The Trust is not obligated to purchase Regulatory Assets from the IESO • If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right is an "Investment Interest" in an Investment Asset) • By acquiring an Investment Interest, the Trust will be entitled to recover all of its associated financing costs and acquires the right to collect, receive and recover CEAs from Specified Consumers in accordance with the Legislation
Moratorium Period *(July 1, 2017 to April 30, 2021)*	• CEAs are not permitted to be collected from Specified Consumers during this period • The IESO is obligated to pay the Trust all Carrying Costs, excluding repayment of principal on any debt obligations, during the Moratorium Period and extending to July 31, 2021. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to the Regulations • As security for the performance of its obligations, the IESO has granted the Trust a first-priority security interest in its accounts receivable owing by Electricity Vendors to the IESO • The IESO has a $2 billion credit facility from the Ontario Financing Authority ("OFA") which can be used, among other things, to fund payments of the Carrying Costs

Clean Energy Adjustments

- Under the FHPA, the CEA is the amount payable by Specified Consumers to cover the financing and other costs related to the acquisition by the Trust of the Investment Asset and the associated costs of the financing, including payment of principal, interest, operating costs of the Trust and funding of reserve accounts
- CEAs shown on an invoice issued to Specified Consumers represent the amount of the consumers' indebtedness and may not be set off or bypassed

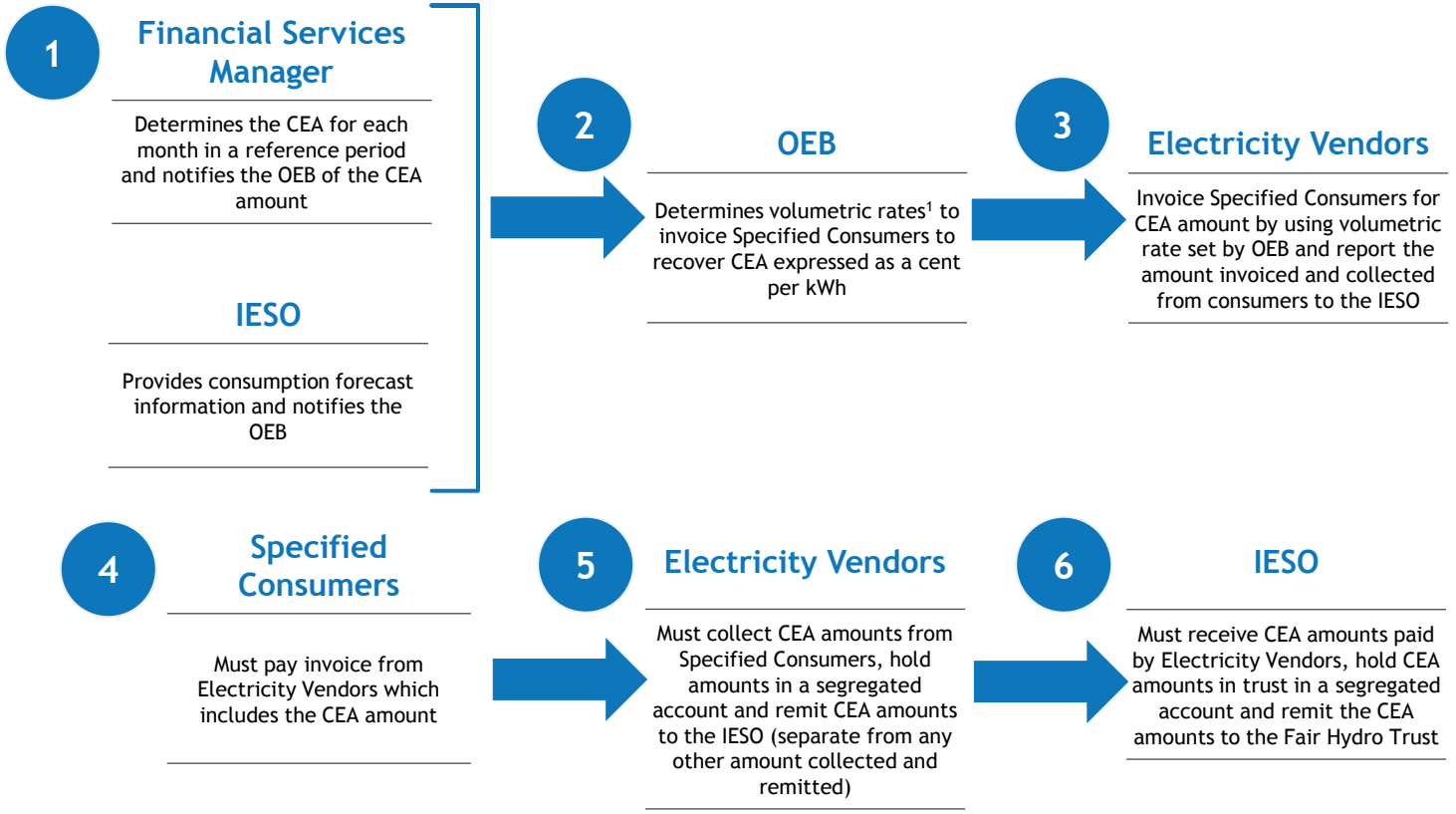


Finance amount is an estimate of the amount payable by the Trust mainly in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments

True-up amounts capture the difference between the finance amounts incurred by the Trust and the CEAs collected from Specified Consumers and also include other reasonably foreseeable differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)

Billing and Collection of CEAs

- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are mitigated through statutory rights in the FHPA, the obligations of the IESO under the Master Transfer & Servicing Agreement, and the ability to include amounts in the CEA by means of the true-up mechanism
- IESO is required to segregate the CEAs during a monthly period before remitting to FHT. If the IESO's credit rating is downgraded below investment grade, the IESO will be required to remit within two business days of receipt

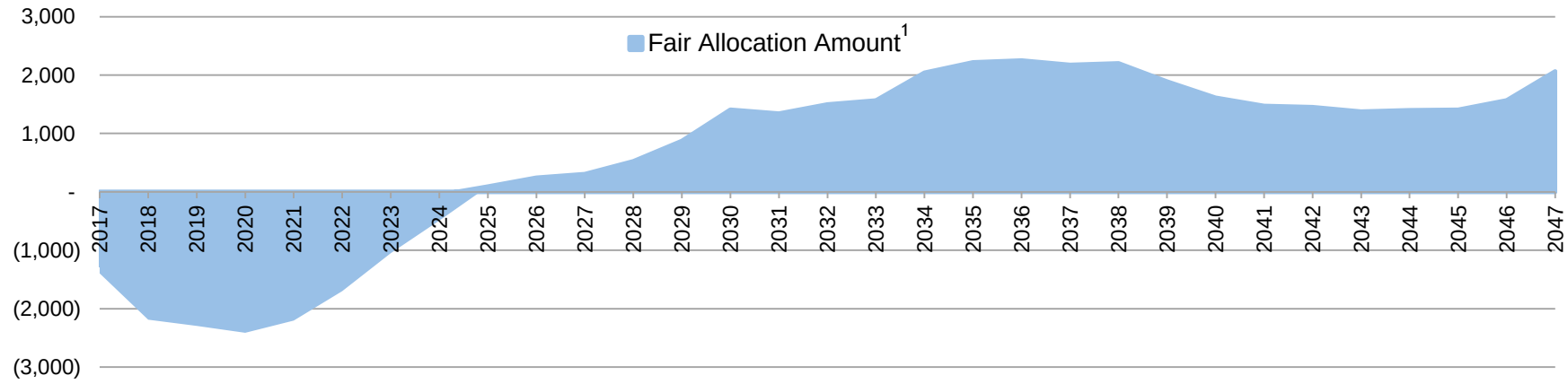


[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers.

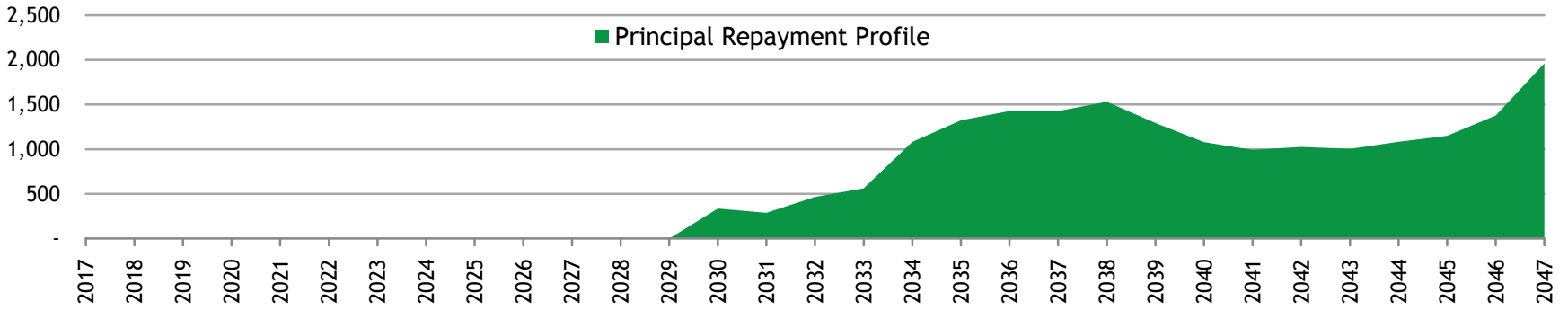
Fair Allocation Amount

- The Fair Allocation Amount ("FAA") is an amount calculated under the FHPA by the Minister of Energy in respect of each reference period that, among other things, allocates the estimated value of clean energy costs in proportion to the relative attribution of the value of clean energy benefits among Specified Consumers

Fair Allocation Amount ($ million)



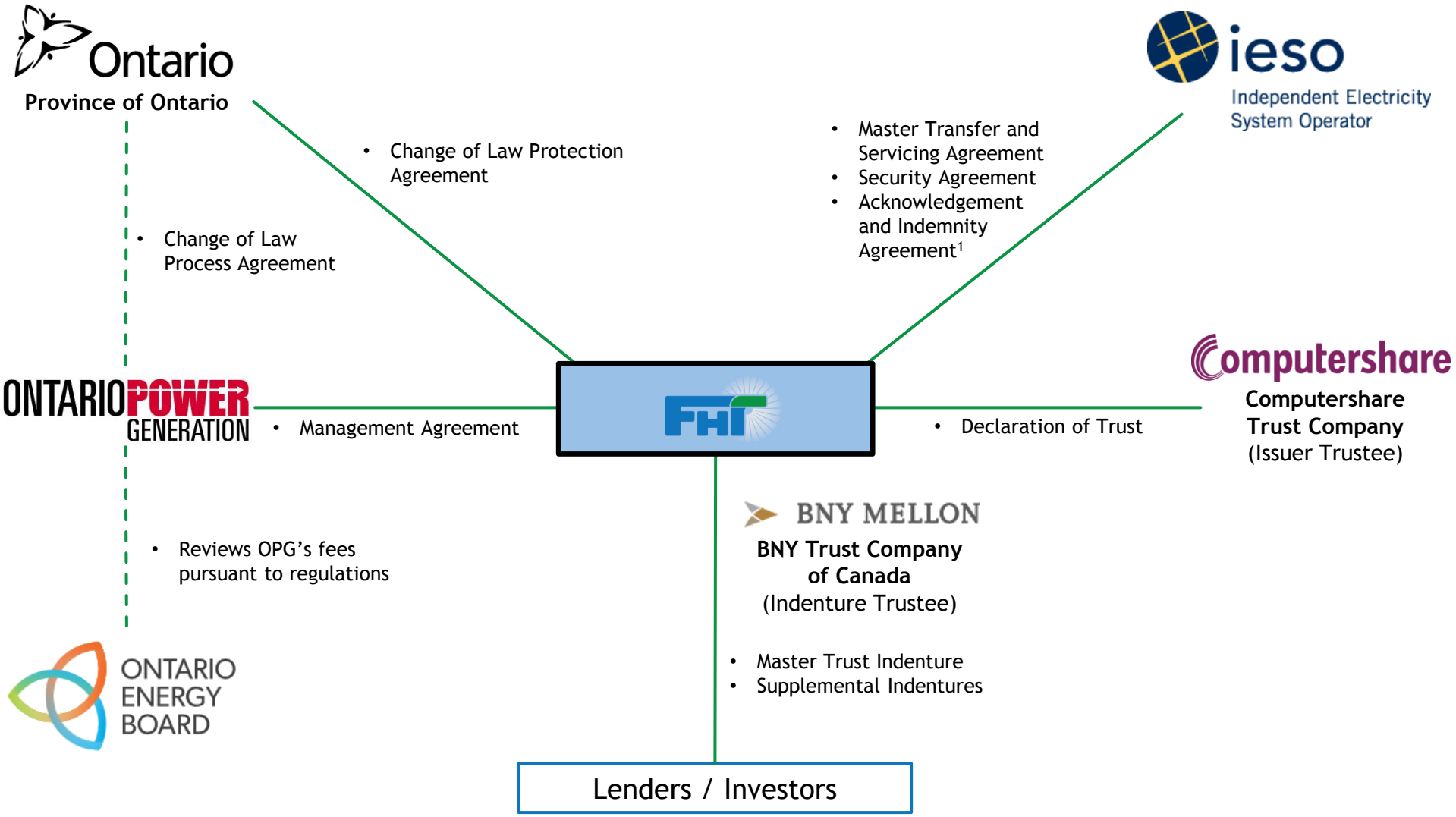
Principal Repayment Profile (derived from the FAA)



[1] Prior to 2025, the above graph of the FAA incorporates the Readjustment Amount. The Readjustment Amount represents the estimated amounts by which Specified Consumers overpaid for clean energy initiatives in the past. It has been incorporated into the FAA to further reduce electricity bills for such consumers.

IV. Contractual Framework

Simplified Contractual Structure



[1] Agreement between IESO and Indenture Trustee.

Contract Highlights

Change of Law Protection Agreement

Purpose	• Provides assurance to Specified Creditors[1] that upon the occurrence of a Protection Event, the Province of Ontario is required to make payments in respect of all Approved Obligations when due and payable
Protection Events	The occurrence of any of the following events: (1) • The Legislature repeals (and does not replace on an equivalent basis) or amends the Act or any portion thereof as in effect on the date hereof • The Legislature enacts or amends any other statute • The Lieutenant Governor in Council repeals (and does not replace on an equivalent basis) the regulations made under the Act or any portion thereof as in effect on the date hereof • The Lieutenant Governor in Council makes or amends any "Regulation" as in effect on the date hereof • The implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province or an entity controlled by the Province in each case that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount; or (2) • A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is *ultra vires* or invalid in a way that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable

Note: Additional information on the Change of Law Protection Agreement can be found in the Appendix.

[1] **Specified Creditors** refers to any Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Contract Highlights

Key Agreements

Master Transfer and Servicing Agreement	• Provides for the transfer by the IESO to the Trust of the Regulatory Asset, and upon such transfer the Trust acquires an Investment Interest in the Investment Asset • The IESO will be responsible for servicing the Investment Interest, including receiving CEA amounts from Electricity Vendors and remitting to the Trust
Management Agreement	• Issuer Trustee delegates to OPG, as Manager under the Management Agreement, all powers and duties of managing the Trust • The Manager will determine how and when to incur funding obligations to acquire Investment Interests
Other Key Agreements	• Security Agreement • Acknowledgement and Indemnity Agreement • Change of Law Process Agreement • Declaration of Trust

Note: Additional information on these key agreements can be found in the Appendix.

Allocation of Servicing Role and Responsibilities

- The shared responsibilities of servicing and management roles are summarized below

	OPG	IESO	LDC
Review Records of LDCs with Respect to CEAs (annually or less frequently in certain circumstances)	✔		
Determination of CEA for a Reference Period, including the True-Up Amount	✔		
Ongoing Reporting for Trust and Reporting to the Rating Agencies	✔		
Management of Ongoing Debt Issuances	✔		
Cash Management	✔	✔	
Preparation of Monthly Servicer Reports		✔	
Remittance of CEA to IESO and to the Trust		✔	✔
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		✔	✔
Customer Billing			✔
Customer Collections			✔
Customer Meter Reading			✔

V. Financing Program

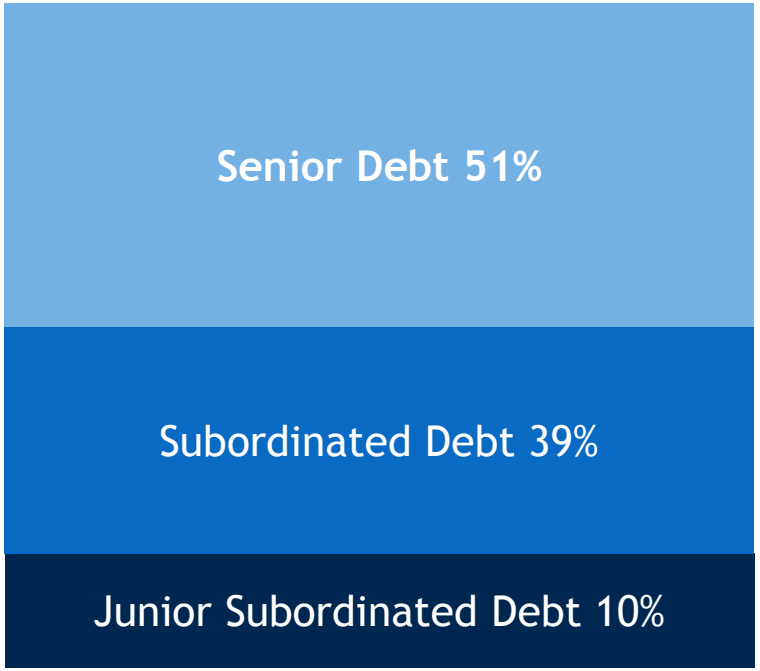
Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program
- Given the size (~$20 billion) and longevity (~10 years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Warehouse financing (ABCP conduit and bank funded senior debt) and subordinated warehouse debt and junior subordinated warehouse debt funded by OPG will be used to fund monthly Regulatory Asset purchases from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- Term debt can take the form of bullet bonds or could be issued as amortizing bonds

Warehouse Financing	• ABCP conduit and bank funded senior debt with subordinated debt funded by OPG will be used by the Trust to fund monthly Regulatory Asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance warehouse financing and the subordinated and junior subordinated warehouse debt funded by OPG • Both Canadian term debt and U.S. term debt market will be considered • Maturity profiles will be structured to ensure reasonable alignment with the FAA (bullet bonds with sinking funds or amortizing bonds) • FHT may issue debt that may be refinanced in the future
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall)

Financing Structure

- The Trust will fund Regulatory Asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51% anticipated) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required[1]) will be purchased by OPG, primarily funded by equity injections from the Province (44% of 49%) and the remaining portion from OPG (5% of 49%)



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

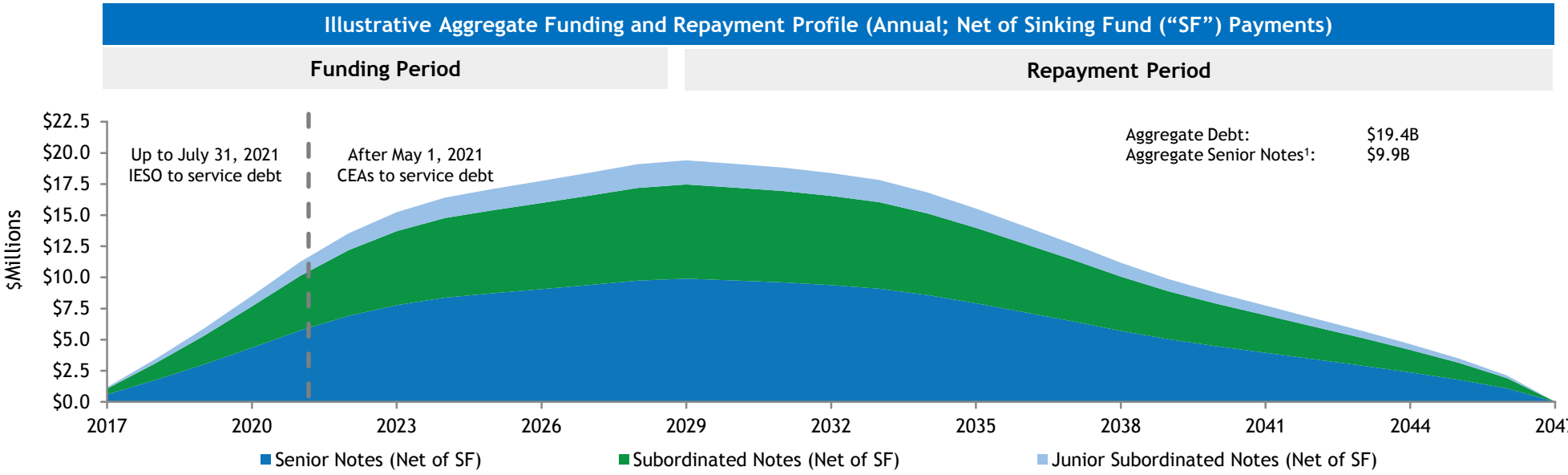
Note: Assumes 49% subordinated debt.

[1] Under the MTI, FHT is required at all times to ensure that all outstanding subordinated and junior subordinated debt be not less than 35% of all outstanding debt.

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount and the Province's electricity bill reduction targets, the following debt profile for the program is expected, peaking at just under $20 billion by 2029
- Various tranches of debt will be issued periodically during the period of 2018 - 2028, which are expected to mature over a period after 2029



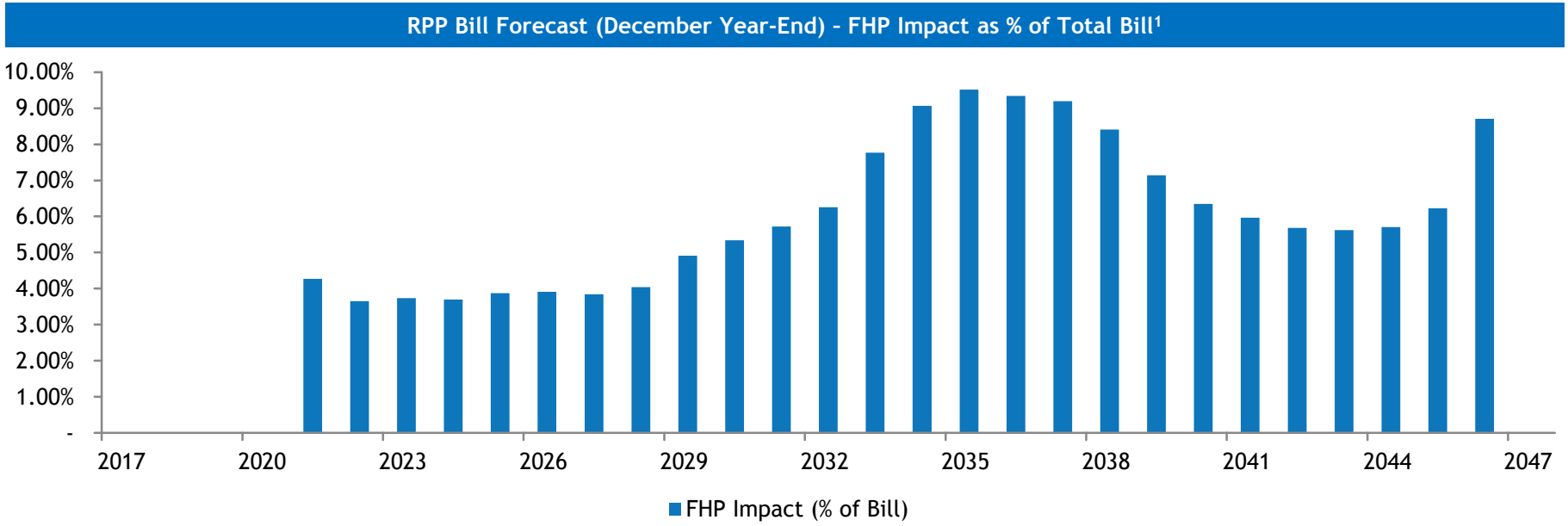
[1] Assumes 51% Senior Notes

Note: During the Moratorium Period and extending three additional months to July 31, 2021, the IESO is required under the Regulations to pay all Carrying Costs. The additional three month period is intended to cover the billing and collection lag from the introduction of Clean Energy Adjustments in May 2021.

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro Program, the CEA for the average residential customer is anticipated to remain below 10% of the total electricity bill
- Maximum CEA as a percent of the total bill is forecast to be 10.0%
- Average CEA as a percent of the total bill is forecast to be 6.9%



[1] Presents % of total bill at December year-ends; individual months in any given year may have a higher or lower impact as % of total bill.

Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• Governs the terms of the debt issued by FHT and cash flow waterfall and collateral structure for all Trust obligations to all Specified Creditors

Key Terms

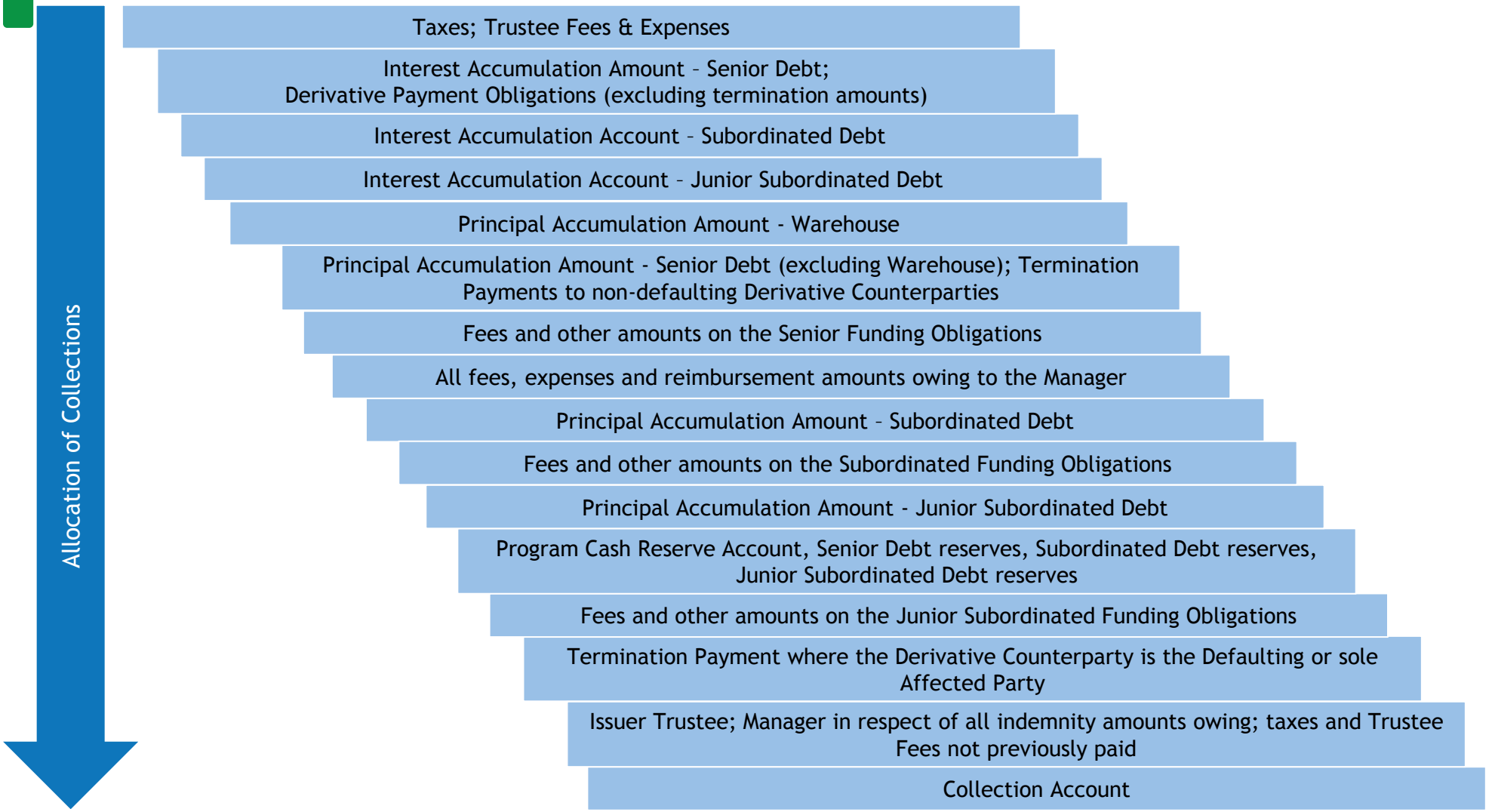
Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments including: – Note issuances under supplemental indentures – Borrowings under credit agreements – Purchase of notes under note purchase agreements – Letters of Credit/Guarantees under credit enhancement agreements – Liquidity loans under liquidity agreements backing short term notes
Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that: – the incurrence of such additional obligations will not cause an adverse effect – the incurrence of such additional obligations is materially consistent with the Financing Plan • It will also be a condition precedent that (i) each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations and (ii) the Indenture Trustee has received certain assurances as to the applicability of the Change of Law Protection Agreement to such funding obligations

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts
Subordination	• Provides for three different classes of funding obligations – (i) senior – (ii) subordinated – (iii) junior subordinated
Events of Default	• Includes payment and senior defaults, representation and covenant breaches, insolvency and Change of Law Protection Agreement ceasing to be in full force and effect against the Province
Acceleration	• Upon an acceleration, CEAs may be insufficient to repay all amounts becoming due in a period. CEAs for a period will be capped under the Regulation at the otherwise scheduled amounts, plus an additional amount equal to the amounts available under the FAA • However, the amounts received from CEAs after an acceleration will be allocated to pay senior indebtedness before principal amounts owing on subordinated and junior subordinated indebtedness. Accordingly, the subordination of debt across all series of debt should advance the repayment of the principal amount for senior funding obligations • After an acceleration, all Senior Term Notes will be paid pari-passu

Waterfall



Note: This waterfall indicates the priority of payment prior to an Event of Default and acceleration; additional information on the priority of payments after an Event of Default and acceleration can be found in the Offering Memorandum.
Note: After paying interest on the senior debt, no interest payments will be made on the subordinated debt unless there will be sufficient amounts remaining in the Interest Accumulation Account for what should be accumulated for the Senior Notes after making such payments.

VI. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• Future legislative action to change or challenge/invalidate the Act or the Change of Law Protection Agreement might materially adversely affect a holder's investment in the Notes	• Limited Guarantee provided by the Province of Ontario via the Change of Law Protection Agreement in favour of the Indenture Trustee for lenders/investors in these circumstances
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• True-up mechanism may result in a delay, but will be corrected in next True-up • Cash reserve and 35%-49% subordination which would first absorb any shortfalls • 6-month reference period • Any shortfall in collections are recoverable from all Specified Consumers
Reliance on IESO and LDCs	• Until July 31, 2021, the Trust is dependent on the IESO to remit payments to the Trust for all Carrying Costs • Receipt of CEAs dependent on the performance of LDCs and IESO • Limited ability to enforce against or replace an LDC	• Highly regulated industry and LDC and IESO are required under law and regulation to perform duties under FHP • IESO has a very strong credit profile and very low losses and grants security over its accounts receivable owed by Electricity Vendors as security during the Moratorium Period • IESO will provide a letter of credit/other security to mitigate commingling risks for CEAs held by non-rated or below investment grade rated LDCs until they are remitted to IESO • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment • $2 billion credit facility from the OFA which can be used by the IESO to pay the Carrying Costs
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	• 20-year repayment period allows for gradual rate increases • Max CEAs as a percent of the total bill over the collection period is forecast to be 10%
Disruptive Technology Risk / Change in Demographics	• Technological developments may result in reduced CEA payments as a result of increased use of alternative energy sources • Population fluctuations may result in fewer Specified Consumers	• True-up mechanism available to offset the reduction in CEAs due to technological advancements or fluctuations in the number of Specified Consumers • Collection shortfalls are allocated among a large base of Specified Consumers

VII. Summary of Offering

Summary of Indicative Terms

Initial Fair Hydro Term Issuance	**Class**	**Issue Amount**	**% of Initial Aggregate Notes**	**Expected Maturity Date**	**Principal Payment Default Date**	**Expected Ratings (DBRS / Moody's)**
	Senior Term Notes	$[●]MM	51%	May 15, 2033	May 15, 2035	AAA (sf) / Aa2 (sf)
	Subordinated Notes	$[●]MM (placed with OPG)	39%	May 15, 2033	May 15, 2035	[●]
	Jr. Subordinated Notes	$[●]MM (placed with OPG)	10%	May 15, 2033	May 15, 2035	[●]
Issuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager					
Financial Services Manager	Ontario Power Generation, Inc.					
Servicer	Independent Electricity System Operator					
Source of Repayment	• Moratorium Period: Statutorily mandated remittances (not including principal) from IESO (Up to July 31, 2021) • Post Moratorium Period: Non-bypassable charge from residential and small commercial customers in Ontario (After May 1, 2021)					
Payment Frequency	Semi-annual pay on May 15 and November 15 until the Expected Maturity Date, monthly thereafter if the notes are not repaid on the Expected Maturity Date					
Principal Accumulation	Principal will be accumulated monthly commencing January 2030 to facilitate repayment of notes on the Expected Maturity Date					
Interest Type	Fixed rate					
Senior Note Credit Enhancements	• Subordinated and Junior Subordinated notes initially equal to 49% of the aggregate issuance amount • Program Cash Reserve Account • Semi-annual (or more frequent) True-up mechanism to address any shortfalls in collections					
Program Cash Reserve Account	After the Moratorium Period, an amount equal to 0.50% of the aggregate amount of all outstanding Senior, Subordinated and Junior Subordinated funding obligations					
True-up	Calculated on at least a semi-annual basis post Moratorium Period					
Subordination	Subordinated and Junior Subordinated Notes will be retained by OPG					

VIII. Investment Highlights

Investment Highlights

- Protection against political risk through the Change of Law Protection Agreement
- Irrevocable & non-bypassable ratepayer charge, recoverable from Specified Consumers across the Province of Ontario
- Repayment risk spread across all Specified Consumers. Full cross-collateralization; collection shortfalls allocated among all Specified Consumers
- Robust true-up mechanism
- Credit enhancement for senior debt provided via subordinated debt
- Highly regulated market with experienced operating agents (OPG, IESO, and LDCs)
- Strong ratepayer base in Ontario

Appendix – Key Agreement Summaries

Key Agreements

Change of Law Protection Agreement

Parties	• (1) Province of Ontario and (2) Indenture Trustee as Trustee of the Issuer, on behalf of Specified Creditors[1], and (3) OPG as FSM
Purpose	• Provides assurance to Specified Creditors that upon the occurrence of a Protection Event (see slide 22 for details) the Province of Ontario will pay all Approved Obligations on behalf of the Trust, with limited rights of acceleration
Key Terms	• **Term**: Continues for as long as any protected obligations of the Trust that are secured under the Master Trust Indenture ("MTI") remain outstanding • **Limited Guarantee**: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all Approved Obligations when due and payable • **Priority of Payments**: The priority application of guarantee payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: For the Limited Guarantee to apply to an obligation of the Trust, OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the incurrence of such obligation (such obligation called an "Approved Obligation") • **Suspension Notice**: The Province may deliver a suspension notice upon the occurrence of the acceleration of any indebtedness of the Trust or other Program Breach or a default in performance or misrepresentation by OPG as FSM pursuant to certain internal reporting and other requirements contained in a Change of Law Process Agreement between OPG and the Province. Any new funding obligations that are incurred during a suspension period will not have the benefit of the Limited Guarantee, except that the Change of Law Protection Agreement applies to post-suspension refinancing of previously issued Approved Obligations

[1] **Specified Creditors** refers to any Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Key Agreements

Master Transfer and Servicing Agreement

Parties	• (1) IESO, as transferor and servicer; (2) Trust
Purpose	• Provides for the transfer, by the IESO to the Trust of specified portions of the Regulatory Asset, and upon such transfers the Trust acquires an Investment Interest; also describes the servicing obligations of IESO
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer specified portions of the Regulatory Asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer • **Servicing Duties:** The IESO will be responsible for servicing the Investment Interest under the Legislation, including receiving CEA amounts from Electricity Vendors and remitting the same to the Trust; other duties of the IESO include: – Establishing a segregated account for collecting CEAs and using commercially reasonable efforts to cause Electricity Vendors to do the same; – Remitting CEAs monthly to the Trust (unless downgraded below investment grade in which case it will remit within two business days); – Preparing monthly servicer reports; and – Providing a forecast of electricity consumption • **Carrying Costs:** During the Moratorium Period (until April 30, 2021) and extending to July 31, 2021, the IESO is required by regulation to fund all Carrying Costs of the Trust. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to regulation • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, as security for the commingling risk of CEAs collected by non-rated or non-investment grade rated Electricity Vendors and not yet remitted to the IESO

Key Agreements

Management Agreement

Parties	• (1) Issuer Trustee, on behalf of the Trust, and (2) OPG, as Manager and acknowledged and accepted by the Indenture Trustee, on behalf of specified creditors
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust
Key Terms	• **Duties Include**: – Negotiating and executing program agreements; – Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations; – Review or cause to be reviewed, records of electricity vendors on an annual basis with respect to CEAs (or less frequently in certain circumstances); – Preparing monthly portfolio reports; – Preparing financial statements; and – Paying taxes on behalf of the Trust • **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire Investment Interests • **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements • **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding • **Management Fees:** OPG is entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer

Key Agreements

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulation to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in its accounts receivable owing by Electricity Vendors
Acknowledgement and Indemnity Agreement	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee, including the right to enforce the indemnities provided to the issuer with respect to IESO's duties and obligations under the MTSA
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Limited Guarantee under the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as updated from time to time in the Financing Plan) to be exceeded
Declaration of Trust	• Establishes FHT to carry out activities for the exclusive benefit of its unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare) • The Issuer Trustee has delegated all of the powers and duties of managing the Trust to OPG under the Management Agreement

From:	Saulnier, Brett
To:	VINER, JON; Thouin, Alena (ENERGY); Tim Christie (ENERGY); Daniel Cayley (ENERGY); Mike Manning; Ken Kandeepan; Anna Strathy; Veinot, Cindy (TBS); Mark Donaldson (MOF); Malle Hanslep (MOF); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN; Ronald Kwan; Huang, Jackson (MEDG/MRIS); Sawwaf, Khareem (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); Gadi Mayman
Cc:	LEE John -TREASURY; "ken.ryfa@opg.com"; WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; Mansoori, Nina; Ramchandani, Rima; Feldman, Michael
Subject:	RE: Fair Hydro Trust - Disclosure Documents
Date:	Wednesday, January 17, 2018 1:32:33 AM
Attachments:	Series 2018-1 Senior Notes Term Sheet (Fair Hydro Trust).docx Blackline_Series 2018-1 Senior Notes Term Sheet (Fair Hydro Trust).pdf Fair Hydro Trust - Confidential Offering Memorandum.docx Blackline_Fair Hydro Trust - Confidential Offering Memorandum.pdf

All,

Please find attached revised versions of the Offering Memorandum and Term Sheet. We have accepted the majority of the Province's comments where appropriate and I have included blacklines of each document against the version circulated by Jon below. The attached also reflect comments received from the IESO and some additional clean-up changes made since the documents were provided to the Province on January 5.

In the interest of time, we are circulating these drafts to all parties concurrently. Accordingly, they remain subject to review and comment by OPG, IESO, the dealers and their respective counsel.

Thanks,

Brett

Brett Saulnier
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TORYS LLP[torys.com]

From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January-16-18 10:48 AM
To: LEE John -TREASURY ; 'ken.ryfa@opg.com' ; WONG Leslie -LAWDIV ; LADAK Lubna -TREASURY ; Mansoori, Nina ; Saulnier, Brett ; Ramchandani, Rima
Cc: Thouin, Alena (ENERGY) ; Christie, Tim (ENERGY) ; Cayley, Daniel (ENERGY) ; Mike Manning ; Ken Kandeepan ; Anna Strathy ; Veinot, Cindy (TBS) ; Mark Donaldson (MOF) ; Malle Hanslep (MOF) ; Tobias P. Whitfield (MOF) ; ASHBOURNE, STEPHEN ; Ronald Kwan ; Huang, Jackson (MEDG/MRIS) ; Sawwaf, Khareem (ENERGY) ; Lightbody, Ava (ENERGY) ; James Rehob (ENERGY) ; Gadi Mayman (Gadi.Mayman@ofina.on.ca)
Subject: Fair Hydro Trust - Disclosure Documents

All,

Please find attached the Province's comments on the offering memorandum, investor presentation and term sheet.

We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,

Jon

Jon Viner

Associate
jon.viner@blakes.com
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DRAFT: January 17, 2018

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January ●, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Capital Markets Platform" and "Description of Notes" sections of the confidential shelf offering memorandum which contain a more detailed description of certain terms of the Series 2018-1 Senior Notes and the trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture (the "Series 2018-1 Senior Supplemental Indenture") pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *January ●, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ●, Series 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Expected Credit Ratings:	DBRS: ● (●) Moody's: ● (●)
Principal Amount:	$●[(1)]
Term:	● years
Launch Date:	●, 2018
Pricing Date:	●, 2018
Settlement Date:	●, 2018 (T+3)
Interest Rate:	●% per annum (the "**Series 2018-1 Interest Rate**")
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● +● bps curve adjustment and +● bps curve delay adjustment, both versus the CAN ●% due ● (priced at $● to yield ●%)

(1) The Issuer may offer and sell Series 2018-1 Senior Notes having a principal amount greater than the amount shown above. In that event, the Principal Accumulation Amounts, the principal amounts of the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes and the use of proceeds amount will be increased proportionately.

Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-1 Senior Notes.
Agents Commission:	$● per $1,000 principal amount of Series 2018-1 Senior Notes sold (payable from existing cash resources of the Issuer)
Interest Payment Dates:	The Interest Payment Dates for the Series 2018-1 Senior Notes are as follows: (i) prior to the occurrence of an Amortization Event, interest on the Series 2018-1 Senior Notes shall be payable in equal (except the first interest payment) semi-annual instalments in arrears on April 15 and October 15 of each year, commencing April 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Senior Notes on each Payment Date thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event, the first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes. If an Interest Payment Date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis. The record date for each Interest Payment Date is the last day of the calendar month preceding such Interest Payment Date. "**Amortization Event**" means either (i) an Acceleration Event has occurred with respect to the Series 2018-1 Senior Notes, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes has not been paid in full on the Expected Principal Payment Date (as defined below). An "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the Master Trust Indenture, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes and all interest thereon is declared due and payable in accordance with the Indenture as a result of the occurrence of a Series 2018-1 Event of Default (as defined below).
Principal Payment Dates and Principal Payment Amount:	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on ● 15, 20● (such Payment Date, the "**Expected Principal Payment Date**"). Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date in respect of the Series 2018-1 Senior Notes and the then outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date.
Principal Payment Default Date:	●, 20●

Principal Accumulation Amounts: Subject to the occurrence of an Amortization Event, the Series 2018-1 Senior Notes shall have the following Principal Accumulation Amounts on the Payment Dates set out below:

Payment Date	Principal Accumulation Amounts
●, 20●	$●
●, 20●	$●
●, 20●	$●
●, 20●	$●

Following the occurrence of an Amortization Event, the Principal Accumulation Amount with respect to each Payment Date thereafter shall be an amount equal to the outstanding principal amount of the Series 2018-1 Senior Notes.

Subordination: Concurrent with the issuance of the Series 2018-1 Senior Notes, OPG will subscribe for (i) **$●** of ●% subordinated notes due ●, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**"); and (ii) $● of ●% junior subordinated notes due ●, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**"). The Series 2018-1 Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations), and the Series 2018-1 Junior Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations) and the Series 2018-1 Subordinated Notes (and all other Subordinated Funding Obligations), in each case in the manner described in the confidential shelf offering memorandum under the heading "*Capital Markets Platform – Subordination Provisions*".

Optional Redemption: The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption.

"**Par Call Date**" means ●, 20●.

"**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus ●% per annum.

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption),

such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

Limited Recourse: The Series 2018-1 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-1 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-1 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Series 2018-1 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under *"Change of Law Protection Agreement"*. The Series 2018-1 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

Use of Proceeds: The proceeds from the Series 2018-1 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement. See *"Consolidated Capitalization"*.

Ranking: Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.

Change of Law Protection Agreement: The Series 2018-1 Senior Notes are Approved Obligations under the Change of Law Protection Agreement.

Series 2018-1 Events of Default: In addition to the Events of Default contained in the Master Trust Indenture and described in the confidential shelf offering memorandum, each of the following events constitute a "**Series 2018-1 Events of Default**":

(a) failure to pay interest on the Series 2018-1 Senior Notes when due, subject to a 5-day cure period;

(b) failure to pay principal on the Principal Payment Default Date for the Series 2018-1 Senior Notes;

(c) breach of representation or warranty in the Series 2018-1 Senior Supplemental Indenture applicable to the Series 2018-1 Senior Notes, subject to materiality requirements and a 60-day cure period;

(d) breach of a covenant in the Series 2018-1 Senior Supplemental Indenture, subject to materiality requirements and a 60-day cure period; and

(e) an event occurs and as a result thereof, all or any portion of the principal amount of any other Senior Funding Obligation has been accelerated.

Acceleration upon a Series 2018-1 Event of Default:	Upon the occurrence of a Series 2018-1 Event of Default, the holders of Series 2018-1 Senior Notes may, by Ordinary Resolution, declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Senior Notes to be immediately due and payable, whether or not all Issuer Funding Obligations have been accelerated pursuant to the Master Trust Indenture. For a discussion of the consequences of such declaration, see the confidential shelf offering memorandum "*Capital Markets Platform – Acceleration and Remedies*" and "*Risk Factors – If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected*".
Rating Agency Condition:	"**Rating Agency Condition**" means with respect to any action in respect of the Series 2018-1 Senior Notes subject to such condition, the Issuer shall deliver written notice of the proposed action to such Rating Agency or Rating Agencies at least 10 business days prior to the effective date of such action (or if 10 business days prior notice is impractical, such advance notice as is practicable) and (i) the Rating Agencies shall not have informed the Issuer prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, DBRS shall have informed the Issuer in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action.
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	**[CIBC World Markets Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc. (as co-leads and co-bookrunners)]**, ●, ●, and ●.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a

lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017. ***[NTD: If there are subsequent draws on the warehouse before the launch of the Series 2018-1 Senior Notes Offering, this section to be updated.]***

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	$●
Debt		
Long-term debt, including current portion…….	Nil	$●
Short-term debt……...	$1,179,000,000.00[(2)]	$●
Bank indebtedness……..	Nil	$●
Total Debt……	$1,179,000,000.00[(2)]	$●
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	$1,179,010,000.01[(2)]	$●

(2) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short term debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes, Series 2017-1 held by OPG; and (iii) $117,900,000, or 10% of all short term debt, represented by Junior Subordinated Notes, Series 2017-1 held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On October 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, 2018, the Issuer had approximately $● outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' commission payable by the Issuer.

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January ●, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the ***"Capital Markets Platform" and*** *"Description of Notes"* ~~*section*~~***sections*** *of the confidential shelf offering memorandum which* ~~*contains*~~***contain*** *a more detailed description of certain terms of the Series 2018-1 Senior Notes and the* ~~*master*~~ *trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture* ***(the "Series 2018-1 Senior Supplemental Indenture")*** *pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.*

New Issue by Way of Private Placement *January ●, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ●, Series 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust ~~governed by~~**established under** the laws of the Province of Ontario.
Issue:	●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Expected Credit Ratings:	DBRS: ● (●) Moody's: ● (●)
Principal Amount:	$● **(1)**
Term:	● years[1]
Launch Date:	●, 2018
Pricing Date:	●, 2018

[1] ~~Please confirm if a single principal payment date is contemplated. Does this need to be reconciled with the "legal final maturity date" concept?~~

Settlement Date:	●, 2018 (T+3)
Interest Rate:	●% **per annum (the "Series 2018-1 Interest Rate")**
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● ~~+● bps (including a~~ ● bps curve adjustment~~)~~ **and +● bps curve delay adjustment, both** versus the CAN ●% due ● (priced at $● to yield ●%)

(1) The Issuer may offer and sell Series 2018-1 Senior Notes having a principal amount greater than the amount shown above. In that event, the Principal Accumulation Amounts, the principal amounts of the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes and the use of proceeds amount will be increased proportionately.

Issue Yield:	●%
Issue Price:	$● ~~for each~~**per** $1,000 principal amount of Series 2018-1 Senior Notes ~~sold~~.
Agents Commission:	$● **per $1,000 principal amount of Series 2018-1 Senior Notes sold (payable from existing cash resources of the Issuer)**
~~**Net Proceeds:**~~	~~$●~~
Interest Payment Dates:	~~Interest~~**The Interest Payment Dates** for the Series 2018-1 Senior Notes **are as follows: (i) prior to the occurrence of an Amortization Event, interest** on the Series 2018-1 Senior Notes shall be payable in equal (except the ~~initial~~**first** interest payment) semi-annual instalments in arrears on April 15 and October 15 of each year, commencing April 15, 2018 (short first coupon)**; and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Senior Notes on each Payment Date thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Interest Rate, multiplied by such outstanding principal amount and divided by two**. The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first ~~interest payment date for the Series 2018-1 Senior Notes.~~ ~~The~~**Interest Payment Date. Subject to the occurrence of an Acceleration Event, the** first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes. If an ~~interest payment date~~**Interest Payment Date** is not a business day in

Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis. **The record date for each Interest Payment Date is the last day of the calendar month preceding such Interest Payment Date.**

"Amortization Event" means either (i) an Acceleration Event has occurred with respect to the Series 2018-1 Senior Notes, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes has not been paid in full on the Expected Principal Payment Date (as defined below). An "Acceleration Event" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the Master Trust Indenture, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes and all interest thereon is declared due and payable in accordance with the Indenture as a result of the occurrence of a Series 2018-1 Event of Default (as defined below).

~~**Principal Accumulation Date(s) and Principal Accumulation Amount(s):**~~

~~Principal Accumulation Dates~~	~~Principal Accumulation Amounts~~
~~●, 20●~~	~~$●~~

Principal Payment ~~Date(s)~~Dates and Principal Payment Amount~~(s)~~:

~~Principal Payment Date~~	~~Principal Payment Amount~~
~~●, 20●~~	~~$●~~

Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on ● 15, 20● (such Payment Date, the "Expected Principal Payment Date"). Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date in respect of the Series 2018-1 Senior Notes and the then outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date.

Principal Payment Default Date: ●, 20●

Principal Accumulation Amounts: **Subject to the occurrence of an Amortization Event, the Series 2018-1 Senior Notes shall have the following Principal Accumulation Amounts on the Payment Dates set out below:**

Payment Date	Principal Accumulation Amounts
●, 20●	$●
●, 20●	$●
●, 20●	$●
●, 20●	$●

Following the occurrence of an Amortization Event, the Principal Accumulation Amount with respect to each Payment Date thereafter shall be an amount equal to the outstanding principal amount of the Series 2018-1 Senior Notes.

Subordination:	**Concurrent with the issuance of the Series 2018-1 Senior Notes, OPG will subscribe for (i) $● of ●% subordinated notes due ●, Series 2018-1 (the "Series 2018-1 Subordinated Notes"); and (ii) $● of ●% junior subordinated notes due ●, Series 2018-1 (the "Series 2018-1 Junior Subordinated Notes"). The Series 2018-1 Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations), and the Series 2018-1 Junior Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations) and the Series 2018-1 Subordinated Notes (and all other Subordinated Funding Obligations), in each case in the manner described in the confidential shelf offering memorandum under the heading "*Capital Markets Platform – Subordination Provisions*".**
Optional Redemption:	The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "**Par Call Date**" means ●, 20●. "**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third ~~Business Day~~**business day** preceding the date of redemption, plus ●% per annum. "**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to~~, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to,~~ **the remaining term to** the Par Call Date (calculated from the date of redemption), such yield being ~~expressed as a per annum rate equal to~~ the average of the ~~per annum~~ yields provided by two major Canadian investment dealers specified by the Issuer.
Limited Recourse:	The Series 2018-1 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-1 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-1 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to

	provide a limited guarantee in respect of the Series 2018-1 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under *"Change of Law Protection Agreement"*. The Series 2018-1 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.
Use of Proceeds:	The ~~net~~ proceeds from the Series 2018-1 Senior Notes Offering will be used ~~as follows: [(i)~~ to refinance $● of indebtedness of the Issuer ~~originally~~previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement~~ and (ii) to pay the Series 2018-1 Senior Notes Offering and related costs of the Issuer in an approximate amount of $●~~. See *"Consolidated Capitalization"*.~~]~~
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other ~~senior indebtedness~~Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Change of Law Protection Agreement:	The Series 2018-1 Senior Notes are Approved Obligations under the Change of Law Protection Agreement.
Series 2018-1 Events of Default:	In addition to the Events of Default contained in the Master Trust Indenture and described in the confidential shelf offering memorandum, each of the following events constitute a "Series 2018-1 Events of Default": (a) failure to pay interest on the Series 2018-1 Senior Notes when due, subject to a 5-day cure period; (b) failure to pay principal on the Principal Payment Default Date for the Series 2018-1 Senior Notes; (c) breach of representation or warranty in the Series 2018-1 Senior Supplemental Indenture applicable to the Series 2018-1 Senior Notes, subject to materiality requirements and a 60-day cure period; (d) breach of a covenant in the Series 2018-1 Senior Supplemental Indenture, subject to materiality requirements and a 60-day cure period; and (e) an event occurs and as a result thereof, all or any portion of the principal amount of any other Senior Funding Obligation has been accelerated.
Acceleration upon a Series 2018-1 Event of Default:	Upon the occurrence of a Series 2018-1 Event of Default, the holders of Series 2018-1 Senior Notes may, by Ordinary Resolution, declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Senior Notes to be immediately due and payable, whether or not all Issuer Funding Obligations have been accelerated pursuant to the Master

	Trust Indenture. For a discussion of the consequences of such declaration, see the confidential shelf offering memorandum "*Capital Markets Platform – Acceleration and Remedies*" and "*Risk Factors – If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected*".
Rating Agency Condition:	**"Rating Agency Condition" means with respect to any action in respect of the Series 2018-1 Senior Notes subject to such condition, the Issuer shall deliver written notice of the proposed action to such Rating Agency or Rating Agencies at least 10 business days prior to the effective date of such action (or if 10 business days prior notice is impractical, such advance notice as is practicable) and (i) the Rating Agencies shall not have informed the Issuer prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, DBRS shall have informed the Issuer in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action.**
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	**[CIBC World Markets Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc. (as co-leads and co-bookrunners)]**, ●, ●, and ●.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading

in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer"~~,~~ of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017. ***[NTD: If there are subsequent draws on the warehouse before the launch of the Series 2018-1 Senior Notes Offering, this section to be updated.]***

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for~~:(i) $● of ●% subordinated notes due ●~~, the Series 2018-1~~; and(ii) $● of ●% subordinated junior notes due ●~~, Subordinated Notes and the Series 2018-~~1.~~ 1 Junior Subordinated Notes.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	~~Nil~~$●
Debt		
Long-term debt, including current portion……	Nil	$●
Short-term debt……...	$~~[~~1,179,000,000.00~~]~~(~~1~~2)	$~~[1,179,000,000.00]~~●
Bank indebtedness……..	Nil	~~Nil~~$●
Total Debt……	$~~[~~1,179,000,000.00~~]~~(~~1~~2)	$●
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	$~~[~~1,179,010,000.01~~]~~(~~1~~2)	$●

(~~1~~2) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short~~-~~ term debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes,

Series 2017-1 held by OPG; and (iii) $~~117,900,000 of which,~~**117,900,000,** or 10% of all short term debt, represented by Junior Subordinated Notes**, Series 2017-1** held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On October 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer"~~,~~ of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, **2018,** the Issuer had approximately $● ~~billion~~ outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' ~~fee~~**commission** payable by the Issuer**.**

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

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Statistics:	
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Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	144

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement

January ■, 2018

FAIR HYDRO TRUST

Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (together with the regulations promulgated thereunder, the "**FHPA**"). Under the FHPA, OPG is appointed as financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this

confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended, supplemented, restated or otherwise modified from time to time.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the

investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. An index of defined terms used in this confidential shelf offering memorandum is provided starting on page [104] of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*, *"Subordinated Debt"* and *"Risk Factors"* of this confidential shelf offering memorandum and *"Fair Allocation Amount"*, *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"* and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval of all Series.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.
- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Power outages could impair payment of the Senior Notes.
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.
- If any Electricity Vendor or the IESO were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against such Electricity Vendor or the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS, AND THEIR RESPECTIVE REPRESENTATIVES, TO WHOM IT IS TRANSMITTED, SOLELY TO ENABLE SUCH PERSONS TO EVALUATE AN INVESTMENT IN THE NOTES DESCRIBED IN THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM. BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER.

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective

purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. An index of defined terms used in this summary is provided starting on page [104] of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See "*— Change of Law Protection Agreement*".
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "FHPA"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[1] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[2] for that period. Under the FHPA, OPG is appointed as Financial Services Manager and is given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Notes are Funding Obligations being offered for the purposes of the FHPA. See "*Ontario's Fair Hydro Plan — Background*".

[1] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[2] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of Series, in one or several Offerings. A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the Master Trust Indenture, as supplemented by a Supplemental Indenture authorizing that Series.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a not-for-profit corporation established under the *Electricity Act, 1998* (Ontario). As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy. The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market. Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from Specified Consumers before May 1, 2021. Pursuant to the Master Transfer and Servicing Agreement, the IESO may, on a monthly basis, offer to Transfer specified portions of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"The Transferor and Servicer"*.
Investment Interest:	Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.
Clean Energy Adjustment:	The FHPA imposes an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager and will be converted by the OEB into a cent per kWh rate and added to the electricity invoices sent to Specified Consumers. See *"— Statutory Duties of the OEB"* below. The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs, derivative payments, required deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the

	True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period. The "**True-up Amount**" is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period. Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. Based on the Fair Allocation Amount provided by the Province, from July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.
Non-bypassability:	The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.
Payment of Carrying Costs until July 31, 2021:	The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement, the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used to pay the Issuer's Carrying Costs. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest.

As security for the performance of its obligation under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount & Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See "— *Subordinated Debt*" below.

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g. OEB licensees) in Ontario's electricity market, including the activities

of transmitters and distributors as well as the IESO (all Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided by the IESO to the OEB. See *"— Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*The Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA requires Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of all Financing Entities, of which the Issuer is the first, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts and hold such amounts in trust for the benefit of the Financing Entities until remitted to the IESO for the benefit of the Financing Entities (initially, only the Issuer). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required is based on a formula as set out in the Master Transfer and Servicing Agreement and will be equal to: (a) (i) 50% of estimated Clean Energy Adjustment amounts that are to be collected over a twelve-month period by all such non-investment grade rated Electricity Vendors, (ii) multiplied by a fraction equal to 45/365 (representing the 45-day period during which funds are expected to be held by such non-investment grade rated Electricity Vendors prior to being remitted to the Issuer); or (b) such

other lesser amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. See *"The Electricity Industry in Ontario — Key Industry Participants — Ontario Power Generation Inc."* and *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of the Financing Entities (of which the Issuer is currently the only one), to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of the Financing Entities (of which the Issuer is currently the only one) and remit such amounts on a monthly basis, subject to daily remittance being required in certain limited circumstances. Pursuant to the Master Transfer and Servicing Agreement, monthly remittances of amounts received in respect of the Clean Energy Adjustment will occur on the 18th business day of each calendar month. In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing forecast information to the OEB and the Issuer, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts and fulfilling certain additional reporting requirements. Generally, all servicing duties provided by the IESO to the Issuer are provided at no

cost to the Issuer. However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which, provided that the Notes are Approved Obligations, includes payments of amounts that are due and payable in respect of Notes), although the amount of the Province of Ontario's payment obligations in a particular period may differ depending on whether an Acceleration has occurred. See *"Change of Law Protection Agreement"*. The Issuer and the Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*.

Generally, an "**Approved Obligation**" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or

commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including

Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture (in effect as of the date hereof).

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including all Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding

Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of Clean Energy Costs in proportion to the relative attribution of the value of Clean Energy Benefits among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount

	determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount. The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.
Subordinated Debt:	Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes. Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.
Use of Proceeds:	The proceeds from each Offering may be used to (i) acquire an Investment Interest pursuant to the FHPA and the Master Transfer and Servicing Agreement, (ii) refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) pay Offering and related costs of the Issuer and (iv) fund specific reserve accounts as required. The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.

Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount. In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering. See "*Capital Markets Platform — Security*".
Priority of Payments:	Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts

available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for Senior Funding Obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for Subordinated Funding Obligations;
- payments of or accumulations in respect of interest for Junior Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Warehouse Obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for Senior Funding Obligations (other than Warehouse Obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on Senior Funding Obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Junior Subordinated Funding Obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for Subordinated Funding Obligations or Junior Subordinated Funding Obligations);
- replenishment of Series Accounts established for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Junior Subordinated Funding Obligations;
- replenishment of Series Accounts established for Junior Subordinated Funding Obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on Senior Funding Obligations and payments under derivative agreements (other than termination payments), *pari passu*,

then Subordinated Funding Obligations (other than principal) and then Junior Subordinated Funding Obligations (other than principal);
- principal for Warehouse Obligations;
- *pari passu*, principal on Senior Funding Obligations (other than Warehouse Obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for Subordinated Funding Obligations and then Junior Subordinated Funding Obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 units of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103).

By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.

Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The following summary of the electricity industry in Ontario does not purport to be comprehensive or definitive. It is a general and high-level overview of the history and manner in which the industry operates, including how real-time energy supply needs are met.

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydropower, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from generating facilities to local areas and large directly connected consumers; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses using lower voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive wholesale electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of smaller scale wind and solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be scheduled and dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids by domestic loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Most generators in Ontario also have bilateral contracts with the IESO or receive regulated prices, or payment amounts, that provide for payments in addition to wholesale market settlements that are paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario). The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold the generation assets

of the former Ontario Hydro. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power facility. OPG's mandate is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for a significant portion of the total energy generated and injected into Ontario's electricity transmission system. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for managing the reliability of the provincial transmission system and operating the wholesale electricity markets in Ontario. The OPA was formed to plan the provincial power system and to procure electricity resources. The OPA entered into bilateral power purchase contracts with generators and other electricity resource providers. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors, which are also Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumers' economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

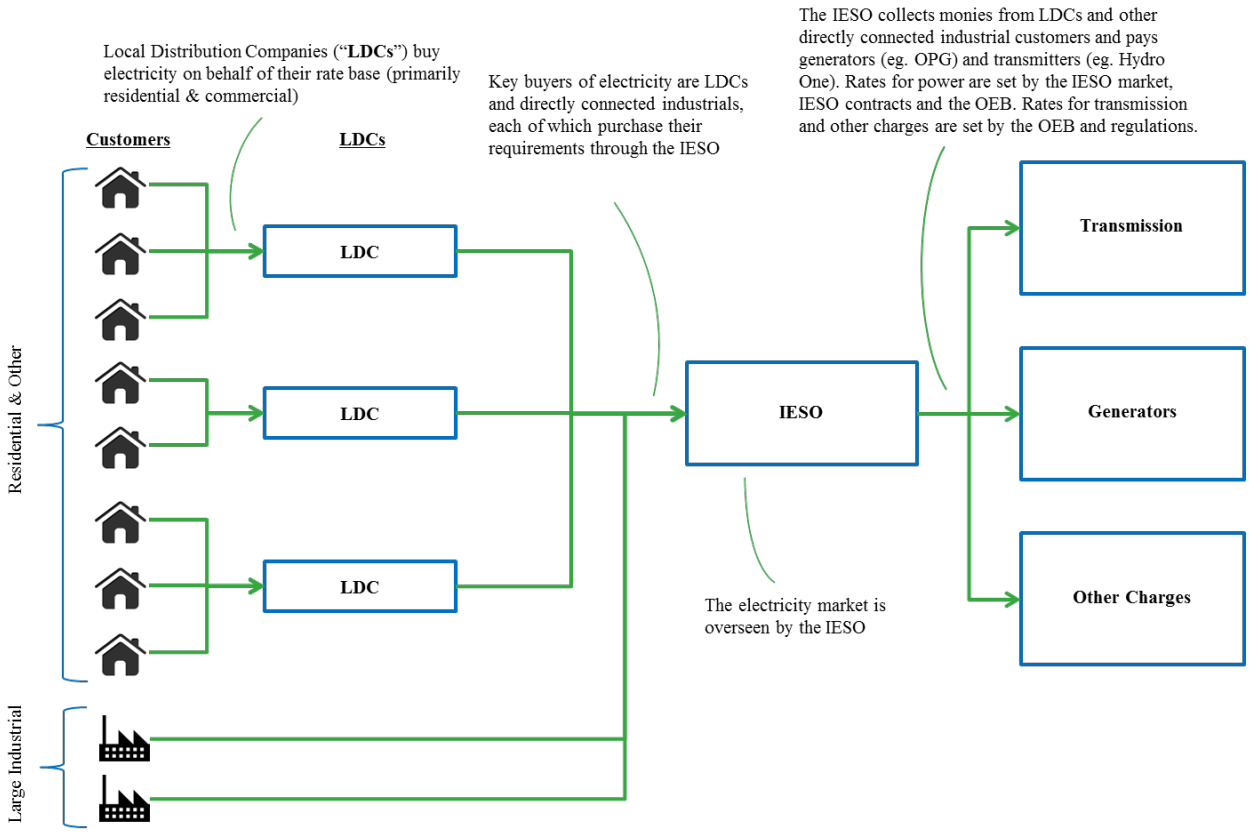
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or

reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures involving distributors, transmitters and other entities which it licenses. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB. The following diagram depicts the flow of funds between the key industry participants:



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are main components that make up the commodity cost of electricity in Ontario, the Hourly Ontario Energy Price ("**HOEP**") and the global adjustment charge.

- The HOEP is set by the IESO based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is established monthly by the IESO in accordance with regulations and is the amount necessary to pay certain other costs to generators and other suppliers that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to OPG pursuant to OEB-established payment amounts.

Prior to the FHPA being passed, the amount collected generally over an annual basis by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's current payables to generators and other electricity resource suppliers, subject to certain periodic true-ups, fees and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered prices primarily for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months by the OEB based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in previous periods. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from a licensed retailer pursuant to a retail contract that provides a rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the FHPA. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[3] less than the rate that would otherwise have been determined by the OEB for that period absent Ontario's Fair Hydro Plan (such adjustment, together with the further adjustments described below in this section, the "**Fair Adjustment**").

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

[3] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, the amounts charged to the IESO by the Issuer in respect of the Carrying Costs of the Issuer [and certain other amounts] ***[NTD: IESO to confirm what other amounts are included]*** in a variance account. The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from Specified Consumers before May 1, 2021. The IESO may, in accordance with the FHPA, Transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment and, as an owner of the Investment Interest, will be entitled to recover its Finance Amount (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest by accepting a Transfer of the corresponding specified portion of a Regulatory Asset, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the Transfer of a specified portion of the Regulatory Asset from the IESO, such Transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of Financing Entities that own an Investment Interest (among other things):

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest; and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers to cover the cost of financing the shortfall that results from the Fair Adjustment. The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer , or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that are payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a Funding Obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) amounts received during the period in respect of Carrying Costs;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

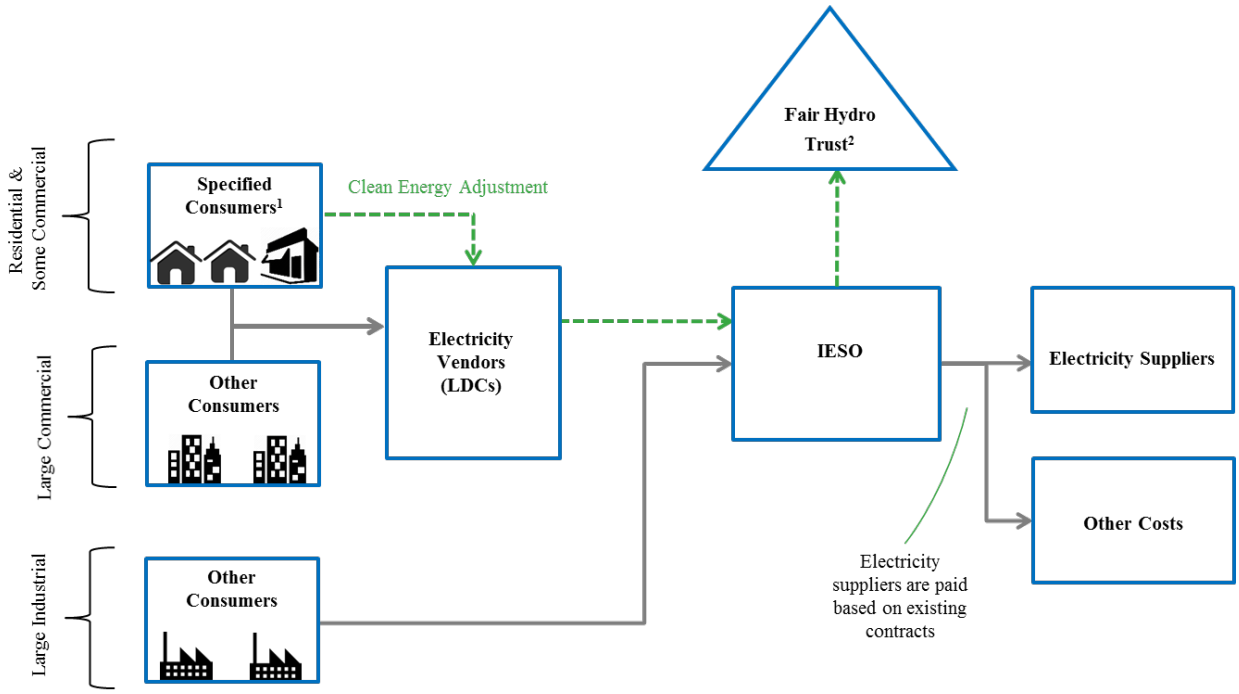
In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. The True-up Amount is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted

to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period of time by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period based on forecast information provided by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the Financing Entities (of which the Issuer is currently the only one), amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the Financing Entities (of which the Issuer is currently the only one) until remitted to the IESO for the benefit of the Financing Entities (of which the Issuer is currently the only one). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA. If there are any amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to the Issuer during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, directly to the IESO.

[2] Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer for a corresponding purchase price. Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset following payment by the Issuer of the corresponding purchase price, the Issuer will acquire an Investment Interest.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers. Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA, provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Payment of Carrying Costs until July 31, 2021

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes). The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest pursuant to the FHPA.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used to pay the Issuer's Carrying Costs. Furthermore, as security for the performance of its obligations under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account. The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period, divided by the number of months in such Reference Period.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Senior Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA or any portion thereof, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

in each case, that (X) adversely affects the ability of the Issuer to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable, in each case determined after taking

into account and having regard to (i) any funds available at such time to apply to such Approved Obligations, including in any finance reserve account, capital account or collateral posting account applicable under a derivative agreement, (ii) the availability of any credit enhancement agreement to which the Issuer is a party and (iii) any reasonably expected potential effect of a True-up Amount in the Reference Period immediately following the occurrence of an event described in any of clauses (i) to (v) above, or (Y) adversely affects the enforceability of, or adversely changes, the terms and conditions of the Change of Law Protection Agreement or of any of the agreements under which Approved Obligations arise; or

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued, provided that for purposes of determining voting rights with respect to Notes, Notes in which the Province of Ontario has an interest will be deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

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

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including the Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document to which the Limited Guarantee applies and which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment,

obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Issuer Trustee is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

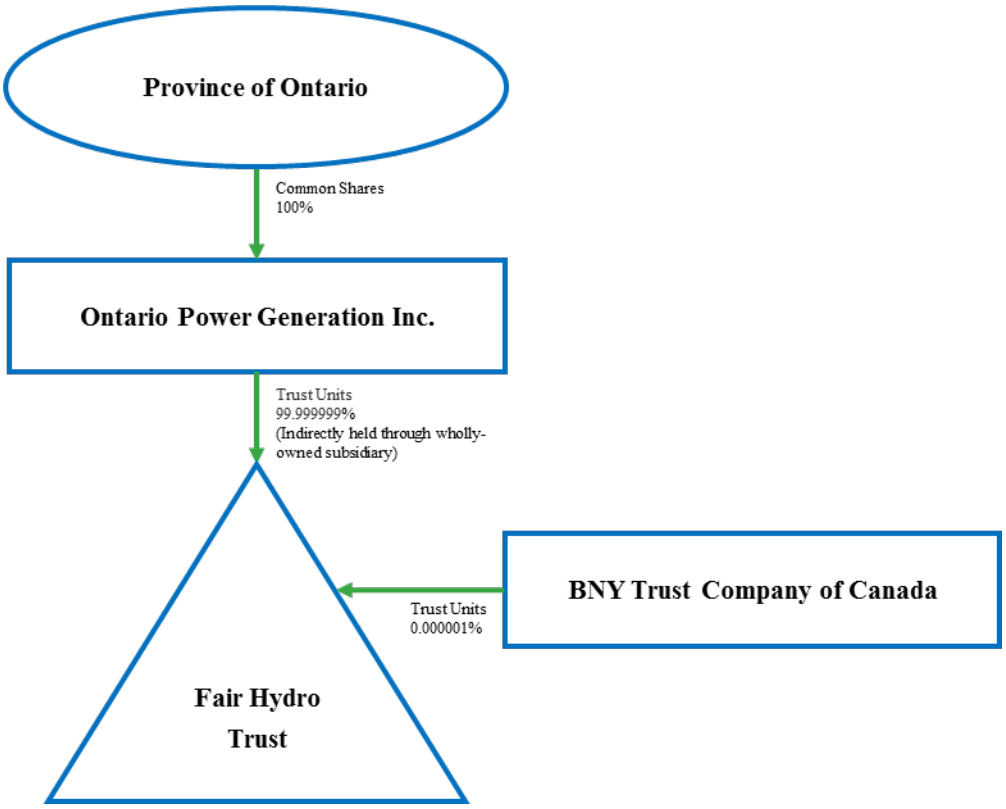
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, the Manager (on behalf of the Issuer) shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors – Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

SUBORDINATED DEBT

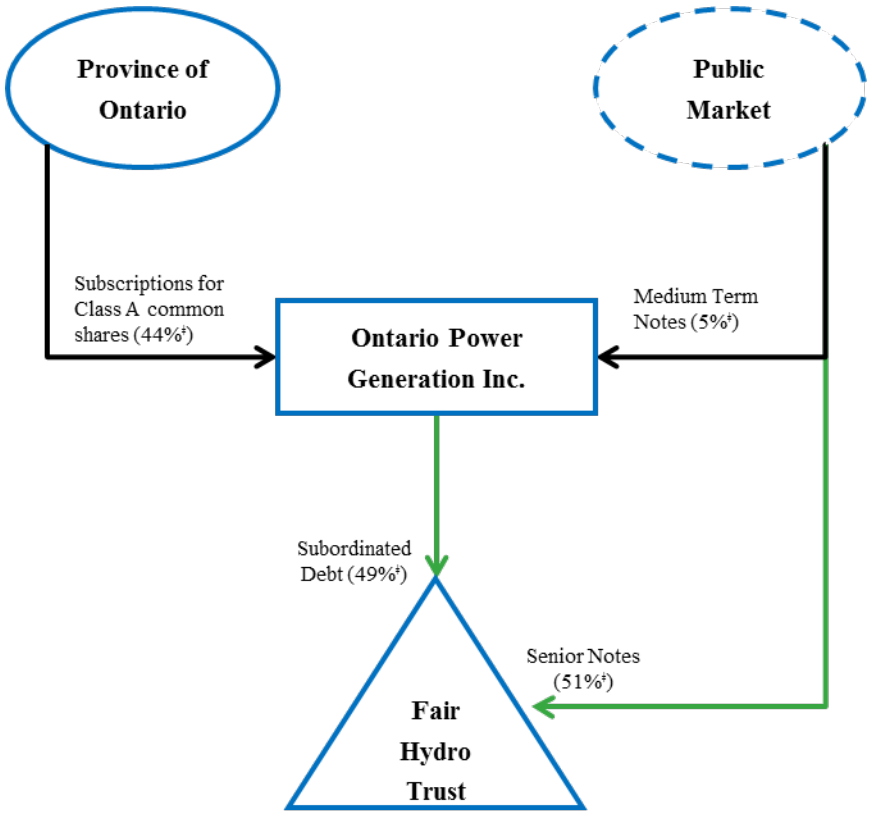
Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximate 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and

remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



ǂ OPG is expected to acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(a) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(b) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(c) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable

funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest on December 21, 2017.

THE TRANSFEROR AND SERVICER

Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to Transfer to the Issuer a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of receiving the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts received in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on the 18th business day of each month, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) providing forecast information to the OEB and the Issuer.

The IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions. The Master Transfer and Servicing Agreement provides for various limitations on the duties and responsibilities of the IESO including that: (i) the IESO provides no guarantee that collections of the Clean Energy Adjustment from

Electricity Vendors will equal amounts invoiced or that Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, (ii) the IESO is under no responsibility or obligation to the Issuer with respect to the nature or extent of the Investment Interest, the collectability of the Clean Energy Adjustment or that Clean Energy Adjustment amounts received will be sufficient to satisfy the Issuer's Funding Obligations, (iii) the IESO shall have no liability or responsibility to any person in respect of any forecasts or other information provided, provided only that such forecasts or other information has been prepared and provided in good faith and (iv) the IESO is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from Specified Consumers or not remitted by Electricity Vendors to the IESO.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA, including its obligation to pay the Issuer's Carrying Costs.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes. Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used to pay the Issuer's Carrying Costs.

As security for the performance of its obligation to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for Transfer to the Issuer in a subsequent period. Upon completion of such Transfer, the Issuer will acquire an Investment Interest pursuant to the FHPA.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors or such other number as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;

- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);

- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and

- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the Internal Revenue Code, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated

Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be

credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be

distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "*— Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount

(Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "— *Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series

Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "*— Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under “The Issuer”.

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may

only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel, each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;

- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;

- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;

- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;

- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;

- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;

- facilitate the issuance of foreign currency Issuer Funding Obligations;

- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;

- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or

- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture

Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of

any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on

Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"Capital Markets Platform"*.

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF SENIOR NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this *"Description of Senior Notes"* section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;
- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s), if any, and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;
- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;
- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;
- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;

- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and

- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Payment Dates on which such amount are to be accumulated for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than an expected Principal Payment Date if an optional redemption occurs and may receive principal payments later than an expected Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on an expected Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation

made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or

Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit were successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA should no longer be law in Ontario or that the FHPA should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See "*Change of Law Protection Agreement*". However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA referenced in the previous paragraph were amended or repealed through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the

Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Crown, nor may an order for execution or attachment be made against the Crown, although the remedy of damages is available. Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior Notes, and the Issuer must rely for payment of all of its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs. The amounts paid by the IESO cannot be applied on account of principal on the Senior Notes. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Issuer's Carrying Costs. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring September 30, 2022, which can be used to pay the Issuer's Carrying Costs. There can be no assurance that the IESO will continue to have sufficient funds available to pay the Issuer's Carrying Costs during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay the Issuer's Carrying Costs and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether

or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior Notes, and the Issuer must rely for payment of its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs. Amounts paid by the IESO are not available to pay principal on the Senior Notes. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt or general obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA, rights to enforcement of the FHPA and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the

collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform -- Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the

outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring Investment Interests. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the Transfer by the IESO of specified portions of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, the Investment Asset will be co-owned by all Financing Entities (including the Issuer) and consequently Clean Energy Adjustment amounts collected by or for the benefit of the Financing Entities will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA and the Master Transfer and Servicing Agreement impose new duties and obligations of the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Master Transfer and Servicing Agreement. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or providing forecast information, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.

The FHPA imposes new duties and obligations of OPG, as Financial Services Manager, and the Program Agreements impose new duties and obligations of OPG, as Manager. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA, including determining the Clean Energy Adjustment (inclusive of the True-up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated based upon a forecast of Specified Consumer usage to be newly developed based on forecast information provided by the IESO. Under the Regulations, the IESO is required to provide a forecast of electricity consumption of Specified Consumers. The amount of the Clean Energy Adjustment collected in any period will depend in part on actual electricity usage by Specified Consumers and the amount of collections and write-offs for Specified Consumers. If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or

unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. The FHPA does not require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in FHPA. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment. The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-up Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to provide indemnification, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°C. Winters include snow and icing conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were

to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.

Ordinarily, the interests of the Issuer as acquirer of an Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time the corresponding Regulatory Asset was Transferred to the Issuer. This could reduce the amounts that may be available to the Issuer in respect of the Investment Interest and, consequently, the holders of Senior Notes. Section 27(3) of the FHPA provides that at the time of the Transfer of the Regulatory Asset to a Financing Entity, such Transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the FHPA provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the Transfer and the property rights and interests acquired by the Transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the FHPA in such circumstances is untested. The Transfers of the Regulatory Asset to the Issuer will be made in accordance with section 26 of the FHPA. Section 27(1) of the FHPA provides that a Transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Transferee. Therefore, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Regulatory Asset. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO or such Electricity Vendor may be significantly impaired or delayed.

Under the Master Transfer and Servicing Agreement, collections received by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and

used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See "*Rating Agency Condition*".

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the

Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Capital Markets Platform — Covenants of the Issuer — Financial Statements; Statement as to Compliance"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These

remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in

contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

  (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

  (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "misrepresentation"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference therein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference therein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the Securities Act (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer. "Misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer will be liable if the person proves that

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

  (ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that;

(A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" means has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Change of Law Protection Agreement**" means the change of law protection agreement dated as of December 21, 2017 among the Province, the Issuer and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Ontario government related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c)

if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" means the declaration of trust made as of December 20, 2017 under which the Issuer was established, as amended, supplemented, restated or otherwise modified from time to time.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.

"**FHPA**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Entity**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligations**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on page (iii) of this confidential shelf offering memorandum.

"**Issuer**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" means the management agreement dated as of December 20, 2017 between the Manager and the Issuer, and acknowledged by the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Manitoba"*.

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**NI 31-103**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**NI 45-106**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**NL Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Newfoundland and Labrador"*.

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether

or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Offering Jurisdiction**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**OPA**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO*.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(i) every six-month period following the period mentioned in (a);

(ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Saskatchewan"*.

"**Section 130.1**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Ontario"*.

"**Section 150**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in New Brunswick"*.

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**Transfer**" has the meaning specified in the *Ontario Fair Hydro Plan Act, 2017*, and "**Transferred**" and "**Transferee**" shall have corresponding meanings.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" has the meaning set out under *"The Issuer"*.

"**U.S. Securities Act**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

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SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "****U.S. Securities Act****") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement

January ■, 2018

FAIR HYDRO TRUST
Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust ~~governed by~~**established under** the laws of the Province of Ontario~~, established~~ by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (**together with the regulations promulgated thereunder,** the "**FHPA**")~~, legislation [that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms).]~~[1]**.** Under the FHPA, OPG is appointed as~~ the initial~~ financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes ~~of~~**prescribed under** the FHPA.[2] The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be limited

[1] ~~**Note:** This narrative should be removed or, if necessary, it should track the purposes of the FHPA set out in Section 3 of the Act.~~
[2] ~~**Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.~~

recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended ~~or~~, supplemented ~~by supplemental indentures thereto~~**, restated or otherwise modified from time to time**.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale".*

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. **An index of defined terms used in this confidential shelf offering memorandum is provided starting on page [104] of this confidential shelf offering memorandum.** All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount ~~&~~**and** Financing Plan"*, *"Subordinated Debt"*~~, "■"[3]~~ and *"Risk Factors"* of this confidential shelf offering memorandum and ***"Fair Allocation Amount",*** *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"*~~, "■"[4]~~ and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA~~ or the Regulations~~ and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA~~, the Regulations~~, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. **Amounts paid by the IESO are not available to pay principal on the Senior Notes.**
- The Issuer's ability to enforce security granted by the IESO may be **significantly** impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval ~~by resolution of the holders~~ of all Series~~ of Senior Notes~~.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

~~[3] **Note:** Please complete.~~
~~[4] **Note:** Please complete.~~

- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager ~~of the Issuer~~.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- ~~Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.~~
- Power outages could impair payment of the Senior Notes.[5]
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO ~~or~~**were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.**
- **If** any Electricity Vendor **or the IESO** were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against **such Electricity Vendor or** the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

[5] ~~Is this relevant? Is the concern that the CEA would be spread across a relatively smaller base due to lower usage in a period?~~

- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

~~PRIOR TO RECEIVING~~ THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM~~, EACH PROSPECTIVE PURCHASER MUST HAVE ENTERED INTO A CONFIDENTIALITY UNDERTAKING WITH THE ISSUER (IN A FORM ACCEPTABLE TO THE ISSUER) WHICH PROVIDES THAT~~ **IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS, AND THEIR RESPECTIVE REPRESENTATIVES, TO WHOM IT IS TRANSMITTED, SOLELY TO ENABLE SUCH PERSONS TO EVALUATE AN INVESTMENT IN THE NOTES DESCRIBED IN THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM.** BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER.~~ ~~*[NTD: Logistics to be discussed between Dealers and OPG.]*~~

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

~~The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.~~

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not

misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at ~~https://www.ontario.ca/laws/statute/17o16.~~**www.ontario.ca/laws/statute/17o16.**

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. ***An index of defined terms used in this summary is provided starting on page [104] of this confidential shelf offering memorandum.***

Issuer:	Fair Hydro Trust, a special purpose trust ~~governed by~~**established under** the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"— Change of Law Protection Agreement"*.
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "FHPA"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[~~6~~**1**] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[~~7~~**2**] for that period. Under the FHPA, OPG is appointed as ~~the initial financial services manager (in such capacity, the "~~Financial Services Manager~~")~~ and is given the authority to, among other things, establish, or cause to be established, one or more ~~financing entities (each, a "~~Financing ~~**Entity**")~~**Entities** to incur ~~payment obligations (referred to as "~~Funding Obligations~~")~~ for the purposes ~~of~~**prescribed under** the

[~~6~~**1**] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[~~7~~**2**] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

FHPA ~~and the Regulations.~~[8] The Issuer is a Financing Entity[9] under the FHPA and the ~~Regulations and the~~ Notes are Funding Obligations being offered for the purposes of the FHPA ~~and the Regulations~~. See *"Ontario's Fair Hydro Plan — Background"*.

Summary of the Fair Hydro Financing Program:

The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of ~~series (each a "~~Series~~")~~, in one or several ~~offerings (each, an "**Offering**")~~**Offerings**. A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the ~~master trust indenture dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Trust Indenture**") between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**"), as supplemented by a supplemental indenture dated the date of the issuance of such Series between the Issuer and the Indenture Trustee (a "~~**Master Trust Indenture, as supplemented by a** Supplemental Indenture~~" and collectively with the Master Trust Indenture, the "**Indenture**")~~ authorizing that Series.

Transferor and Servicer:

The Independent Electricity System Operator (the "**IESO**") is a not-for-profit corporation established under the *Electricity Act, 1998* (Ontario). **As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy.** The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market.~~[10]~~

Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA ~~and the Regulations~~, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). ~~However, the FHPA provides that the IESO is not permitted to exercise such right before May 1, 2021 is limited under the FHPA. The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "~~**The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from Specified Consumers before May 1, 2021. Pursuant to the** Master Transfer and Servicing

~~[8] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.~~

~~[9] **Note**: Elsewhere, the disclosure refers only to the Issuer without adverting to the possibility of other future Financing Entities. To the extent that this simplification suggests in a particular context that other future Financing Entities would not be permitted or similarly treated, references to the Trust should be broadened to encompass the possibility of future Financing Entities.~~

~~[10] **Note:** Consider also referring to IESO's planning and procurement functions. They may be meaningful here to the extent they impact IESO objectives and governance generally.~~

Agreement~~") pursuant to which,~~ the IESO may, on a monthly basis, offer to ~~transfer a~~**Transfer** specified ~~portion~~**portions** of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"~~The~~ Transferor and Servicer"*.

Investment Interest:

Upon ~~acceptance~~**completion** of ~~the transfer~~**a Transfer** by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right ~~and interest~~ to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA ~~and the Regulations~~. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.

Clean Energy Adjustment:

The FHPA ~~and the Regulations impose~~**imposes** an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager ~~based on the calculations and parameters set out in the FHPA. The OEB is required to determine the rates at which Specified Consumers are to be invoiced in order to recover the Clean Energy Adjustment in respected of a specified Reference Period (which is generally a six month period, or a shorter period in certain circumstances). The rates are to be determined by reference to forecasted electricity consumption of Specified Consumers for a period and are expressed as a cent per KWh rate~~**and will be converted by the OEB into a cent per kWh rate and added to the electricity invoices sent to Specified Consumers**. See *"— Statutory Duties of the OEB"* below.

The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs, derivative payments, required deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is ~~required to be calculated by the Financial Services manager in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustment is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received~~**comprised of the cumulative Finance Amounts** in respect of ~~the~~**all preceding Reference Periods less the cumulative** Clean Energy Adjustment ~~during~~**amounts remitted to the Issuer in respect of all** preceding Reference Periods~~.~~

plus other anticipated shortfalls. The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and

variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA ~~and the Regulations~~. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

~~[~~Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. ~~From~~**Based on the Fair Allocation Amount provided by the Province, from** July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.~~]~~[11]

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs ~~during the Moratorium Period~~until July 31, 2021:

~~During the Moratorium Period and extending to July 31, 2021,~~[12] ~~the~~**The** IESO, which is rated A(high) by DBRS ~~Limited ("**DBRS**")~~ and Aa2 by Moody's ~~Investors Services, Inc. ("**Moody's**")~~, is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of ~~its~~ Carrying Costs~~.~~ **incurred in respect of the period from June 1, 2017 to July 31, 2021.** Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of

[11] ~~**Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) [*limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*]. In particular, the suggestion that CEAs cannot be collected in any circumstance during the Moratorium Period goes beyond 21(4) and presumes that there will be no Readjustment.~~

[12] ~~**Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending on July 31, 2021.~~

the Issuer (such as principal on the Senior Notes).[13]

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement,[14] the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, **September 30, 2022,** which is permitted to be used to pay the Issuer's Carrying Costs. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in a**the** variance account and form part of the Regulatory Asset that the IESO is expected to transfer**Transfer** to the Issuer in a subsequent period and, upon**. Upon** such transfer, will become part of**Transfer,** the Issuer's **will acquire a corresponding** Investment Interest pursuant to the Regulations.

As security for the performance of its obligation under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by **owing to** the IESO from Electricity Vendors**, including amounts owing** with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount and**&** Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would

[13] **Note:** Consider revising to conform with Section 9.3(3) of the General Regulation. This Section provides that "carrying costs" also include derivative payments, etc.

[14] **Note:** Not sure how this lines up with fee recovery.

otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.[15]

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g. OEB licensees) in Ontario's [electricity market][16], including the activities of transmitters and distributors as well as the IESO (all Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) the**a** forecast of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided to the OEB by the IESO **to the OEB**. See *"— Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "***The*** *Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA and the Regulations require**requires** Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of [**all Financing Entities, of which** the Issuer][17] **is the first**, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of [the Issuer][18]**Financing Entities** until remitted to the IESO for the benefit of [the owners of Investment Interests**the Financing Entities** (initially, only the Issuer)].[19] If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice **in the manner set out in the FHPA**.[20] It is a deemed condition of their distribution license issued by the OEB that

[15] **Note:** Add detailed descriptions to correspond to the limitation on cashflows during acceleration in the applicable detailed portions of the OM and specifically address in Risk Factors.
[16] **Note:** Technically, the IESO administers (supervises) the IESO-administered markets. There is no definition for "electricity market".
[17] **Note:** This and similar references to the Issuer should instead refer to Financing Entities (Investment Interest owners), of which the Trust is the first, and then cross-refer to the concept of co-ownership in order to facilitate additional financings in the future.
[18] **Note:** Please see note 17.
[19] **Note:** Please see note 17.
[20] **Note:** Please consider revising this to conform more closely to Section 17(4) of the FHPA.

Electricity Vendors comply with the FHPA.[21]

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required ~~from the IESO~~ is based on a formula as set out in the Master Transfer and Servicing Agreement and will **be** equal **to**: **(a)** (i) 50% of ~~forecasted~~**estimated** Clean Energy Adjustment amounts that are to be collected ~~by~~**over a twelve-month period by all** such non-investment grade rated Electricity Vendors ~~and held for 45 days prior to the funds~~**, (ii) multiplied by a fraction equal to 45/365 (representing the 45-day period during which funds are expected to be held by such non-investment grade rated Electricity Vendors prior to** being remitted to the Issuer**)**; or (~~ii~~**b**) such other **lesser** amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

~~OPG has entered into a management agreement (the "~~**Pursuant to the** Management Agreement~~") with the Issuer pursuant to which~~**,** the Issuer has delegated to OPG, as ~~manager (the "~~Manager~~")~~, all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer. ~~See *"The Manager".*~~

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA ~~and the Regulations~~, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA ~~and the Regulations~~, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and

[21] ~~**Note:** Please confirm.~~

administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. ~~See~~**The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. See *"The Electricity Industry in Ontario — Key Industry Participants — Ontario Power Generation Inc."* and** *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of ~~[~~**the Financing Entities (of which** the Issuer~~]~~[22] **is currently the only one)**, to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of ~~[~~**the Financing Entities (of which** the Issuer~~]~~ **is currently the only one)** and remit such amounts ~~to [the Issuer] [~~on a monthly basis, subject to daily remittance being required in certain limited circumstances.~~]~~[23] **Pursuant to the Master Transfer and Servicing Agreement, monthly remittances of amounts received in respect of the Clean Energy Adjustment will occur on the 18th business day of each calendar month.** In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing~~ forecast information regarding electricity consumption of Specified Consumers and providing such~~ forecast information to the OEB and the Issuer, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts ~~to [the Issuer]~~ and fulfilling certain additional reporting requirements. ~~[~~Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.~~]~~[24] However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement ~~in favour of the Indenture Trustee~~, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which, provided that the Notes are Approved Obligations, includes payments of amounts that are due and payable in respect of Notes), although the amount of **the** Province of Ontario's payment obligations in a particular period ~~will~~**may** differ depending on whether an Acceleration has occurred. See *"Change of Law Protection Agreement"*. The Issuer and **the** Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay ~~each~~ Specified ~~Creditor~~**Creditors** to whom ~~an amount is~~**amounts are** due and payable under an Approved Obligation **in accordance with the provisions of the Master Trust Indenture. See *"Capital***

[22] ~~**Note:** Please see note 17 regarding bracketed references to the "Issuer" in this paragraph..~~

[23] ~~**Note:** Please consider disclosing which IESO duties are statutory and which arise under the MTSA. For instance, in this sentence, these time requirements arise from the MTSA. Section 9(2) of the General Regulation requires that the IESO remit within a reasonable period of time.~~

[24] ~~**Note:** Please confirm.~~

Markets Platform".

Generally, an "**Approved Obligation**" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

(vi) in each case, that (X) adversely affects the ability of the Issuer to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable, in each case determined after taking into account and having regard to (i) any funds available at such time to apply to such Approved Obligations, including in any finance reserve account, capital account or collateral posting account applicable under a derivative agreement, (ii) the

availability of any credit enhancement agreement to which the Issuer is a party and (iii) any reasonably expected potential effect of a True-up Amount in the Reference Period immediately following the occurrence of an event described in any of clauses (i) to (v) above, or (Y) adversely affects the enforceability of, or adversely changes, the terms and conditions of the Change of Law Protection Agreement or of any of the agreements under which Approved Obligations arise; or

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

(c) **The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.**

(d) The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

(e) Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid~~. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations, such amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom~~.

(f) **Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any**

rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture (in effect as ~~at December 21, 2017.~~of the date hereof).

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations**, including all Senior Notes**.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material

respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA ~~and the Regulations~~ by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of ~~certain costs allocated to Specified Consumers in respect of the Ontario government's clean energy initiatives ("~~Clean Energy Costs~~")~~[25] in proportion to the relative attribution of the value of ~~benefits determined to be derived by or accruing to Specified Consumers as a result of such clean energy initiatives ("~~Clean Energy Benefits~~")~~ among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.[26]

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred~~, after~~

[25] ~~**Note:** Consider that "Clean Energy Costs" is more thoroughly defined in the Glossary. Through the OM, reconsider instances where there are two different definitions.~~

[26] ~~**Note:** The description of the fair allocation amount should more closely align to Section 20(1) of the FHPA.~~

~~reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period~~.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA.[27] Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

[28] ~~The Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the [ability to accelerate][29] their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount on subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.~~

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

Use of Proceeds:

The proceeds from each Offering may be used to (i) acquire an Investment Interest ~~from the IESO~~ pursuant to **the FHPA and** the

[27] ~~**Note:** We have omitted narrative regarding the purposes of the legislation that is not a strict recital of section 3 of the FHPA. The deleted language is not precise and draws a connection to clean energy benefits that is not in the FHPA nor entirely accurate.~~

[28] ~~**Note:** Fair allocation amount is a calculation amount. It is not based on an expectation – it is an absolute value at a point in time. We recommend deleting this language as it is inappropriate.~~

[29] ~~**Note:** CEAs will automatically step up at the original maturity date without the need to accelerate assuming a refinancing cannot be completed.~~

	Master Transfer and Servicing Agreement, (ii) refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) pay Offering and related costs of the Issuer and (iv) fund specific reserve accounts as required. The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
~~**Principal Accumulation Date(s) and**~~ **Principal Accumulation Amount(s):**	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", *"Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration"*.
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined

as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount.

In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for ~~senior obligations~~**Senior Funding Obligations**, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for ~~subordinated obligations~~**Subordinated Funding Obligations**;
- payments of or accumulations in respect of interest for ~~junior subordinated obligations~~**Junior Subordinated Funding Obligations**;
- payment of or accumulations in respect of principal for ~~warehouse obligations~~**Warehouse Obligations** (see *"Warehouse Facilities"*);
- accumulations in respect of principal for ~~senior obligations~~**Senior Funding Obligations** (other than ~~warehouse obligations~~**Warehouse Obligations**), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on ~~senior obligations~~**Senior Funding Obligations**;

- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for ~~subordinated obligations~~**Subordinated Funding Obligations**;
- fees and other amounts (other than principal and interest) on ~~subordinated obligations~~**Subordinated Funding Obligations**;
- payment of or accumulations in respect of principal for ~~junior subordinated obligations~~**Junior Subordinated Funding Obligations**;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for ~~subordinated obligations or junior subordinated obligations~~**Subordinated Funding Obligations or Junior Subordinated Funding Obligations**);
- replenishment of Series Accounts established for ~~subordinated obligations~~**Subordinated Funding Obligations**;
- fees and other amounts (other than principal and interest) on ~~junior subordinated obligations~~**Junior Subordinated Funding Obligations**;
- replenishment of Series Accounts established for ~~junior subordinated obligations~~**Junior Subordinated Funding Obligations**;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

- After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:
  - taxes;
  - trustee fees, expenses and reimbursement amounts;
  - interest, fees and other amounts (other than principal) on ~~senior obligations~~**Senior Funding Obligations** and payments under derivative agreements (other than

termination payments), *pari passu*, then ~~subordinated obligations~~**Subordinated Funding Obligations** (other than principal) and then ~~junior subordinated obligations~~**Junior Subordinated Funding Obligations** (other than principal);

- principal for ~~warehouse obligations~~**Warehouse Obligations**;
- *pari passu*, principal on ~~senior obligations~~**Senior Funding Obligations** (other than ~~warehouse obligations~~**Warehouse Obligations**) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for ~~subordinated obligations and then junior subordinated obligations~~**Subordinated Funding Obligations and then Junior Subordinated Funding Obligations**; and
- all other obligations not specifically dealt with above.

- Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.
- See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 **units** of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase

	the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103). By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.
Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The following summary of the electricity industry in Ontario does not purport to be comprehensive or definitive. It is a general and high-level overview of the history and manner in which the industry operates, including how real-time energy supply needs are met.

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydropower, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from generating facilities to local areas **and large directly connected consumers**; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses using lower voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive **wholesale** electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of ~~small~~**smaller** scale **wind and** solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be **scheduled and** dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids ~~to withdraw energy from a few flexible~~**by domestic** loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. ~~Virtually all~~**Most** generators in Ontario also have bilateral contracts with the IESO or receive regulated prices, or payment amounts, that provide for payments in addition to ~~the~~**wholesale** market ~~price of electricity~~**settlements** that ~~is~~**are** paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario)~~, whose sole shareholder is the~~**.** **The** Province of Ontario **is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors**. In 1999, when Ontario Hydro was split up in anticipation of

deregulation, OPG was formed to hold ~~all of~~ the generation assets **of the former Ontario Hydro**. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power ~~turbine~~**facility**. OPG's ~~mission~~**mandate** is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for ~~almost half~~**a significant portion** of the total energy generated and injected into Ontario's electricity transmission system~~, as reported by the IESO~~. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for **managing the reliability of the provincial transmission system and** operating the ~~real-time~~**wholesale** electricity markets in Ontario~~, as well as administering the market rules.~~ **.** The OPA was ~~the counterparty that~~**formed to plan the provincial power system and to procure electricity resources. The OPA** entered into bilateral power~~-or capacity~~ purchase contracts with generators **and other electricity resource providers**. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners~~, but it~~ **and** is governed by an independent ~~Board~~**board** of ~~Directors whose chair and~~ directors ~~are~~ appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors**,** which are also Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the ~~consumer~~**consumers**'~~s~~ economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

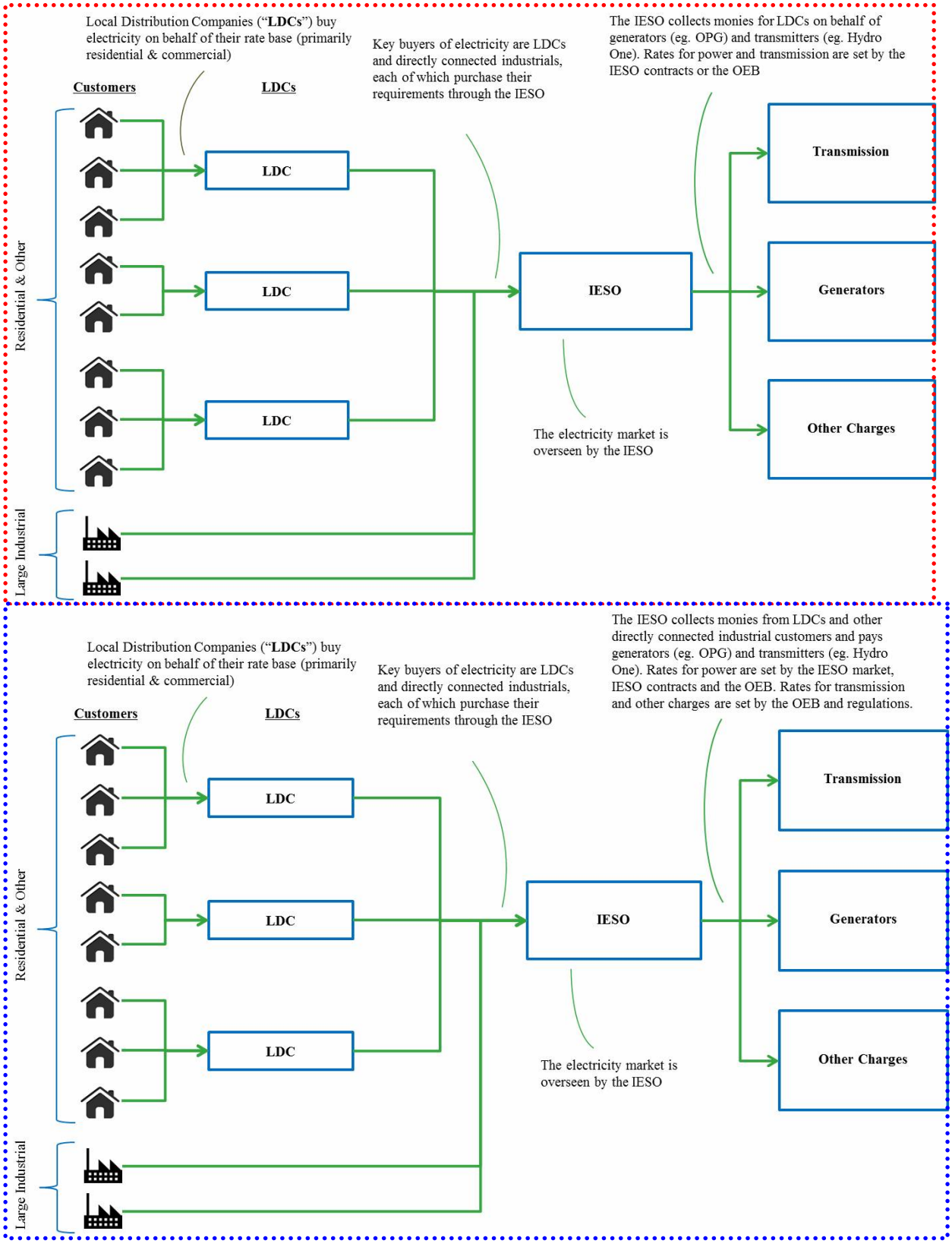
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures involving distributors, transmitters and other entities which it licenses. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB. The following diagram depicts ~~a simplified~~**the** flow of funds between the key industry participants:[30]

[30] ~~**Note:** Proposed revisions to the text in the chart: (i) "The electricity market is overseen administered by the IESO"; (ii) "Rates for power and transmission are set by the IESO contracts or the OEB Prices paid to generators are determined by IESO contracts or approved by the OEB. Transmission rates are approved by the OEB."~~



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are ~~two~~**main** components that make up the commodity cost of electricity in Ontario, the Hourly Ontario Energy Price ("**HOEP**") and the ~~Global Adjustment~~global adjustment charge.

- The HOEP is set by the IESO based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is ~~paid by all consumers. It is~~ established monthly by the IESO in accordance with regulations and is ~~used to collect funds used by the IESO~~**the amount necessary** to pay certain ~~"out of market"~~**other** costs **to generators and other suppliers** that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to ~~certain generators, including OPG, that are entitled to a regulated rate of return based on~~**OPG pursuant to** OEB-established payment amounts. ~~For all Specified Consumers[31] the global adjustment charge is based on electricity usage on a per unit basis.~~

Prior to the FHPA being passed, the amount collected **generally over an annual basis** by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's ~~liabilities in this regard~~**current payables to generators and other electricity resource suppliers**, subject to certain periodic true-ups**, fees** and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, ~~and in accordance with amendments to legislation,~~ the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered ~~commodity~~ prices **primarily** for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months **by the OEB** based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in previous periods. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from a licensed retailer pursuant to a retail contract that provides a ~~fixed~~ rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the ~~*Ontario Fair Hydro Plan Act, 2017*[32] (the "**FHPA**")[, legislation that reallocates certain electricity costs over time and provides immediate rate relief to consumers][33]~~ **FHPA**. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will **in effect** be the ~~rates~~**rate** that **would** result in a representative consumer being charged an invoice amount that is 25%~~[34]~~[3] less than the rate that would otherwise have been determined by the OEB for that period ~~(the "**Fair Adjustment**")~~ absent

~~[31] **Note:** Some consumers below 500 kw are not Specified Consumers.~~

~~[32] **Note:** The FHPA was Schedule 1 to omnibus legislation entitled the *Fair Hydro Act, 2017*. Further, already defined as the FHPA above.~~

~~[33] **Note:** This narrative should be removed, or if necessary, the description of the FHPA should track the purposes of the Act as set out in Section 3 to the Act.~~

[3] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government ~~and the shifting of certain support program costs from the rate base to the tax base~~.

Ontario's Fair Hydro Plan **(such adjustment, together with the further adjustments described below in this section, the "Fair Adjustment")**.

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated ~~its intention~~ that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as ~~the initial~~ Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more ~~financing entities (each, a "~~Financing ~~Entity")~~**Entities** to incur ~~payment obligations (such obligations, "~~Funding Obligations~~")~~ to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, **the amounts charged to the IESO by the Issuer in respect of the Carrying Costs of the Issuer [and certain other amounts]** ***[NTD: IESO to confirm what other***

amounts are included] in a variance account.[35] The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). ~~However, in accordance with the FHPA, the IESO is not~~**The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be** entitled to collect all or part of the balance recorded in the variance account ~~(which is the basis of the Regulatory Asset) from specified consumers~~**from Specified Consumers** before May 1, 2021. The IESO may, in accordance with the FHPA, ~~transfer~~**Transfer** a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment and, as an owner of the Investment Interest, will be entitled to recover its ~~"~~Finance Amount~~"~~ (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest ~~from the IESO~~**by accepting a Transfer of the corresponding specified portion of a Regulatory Asset**, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the ~~transfer~~**Transfer** of a specified portion of the Regulatory Asset from the IESO, such ~~transfer~~**Transfer** results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of **Financing Entities that own an** Investment Interest ~~owners~~ (among other things):[36]

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest~~, including any rights to receive a payment obligation incurred by the IESO as part of the transfer of the Regulatory Asset (such payment obligations incurred by the IESO being "**Funding Rebates**")~~; and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained

[35] ~~**Note:** Please consider disclosure of further details as to what is recorded in the variance account. For instance, paragraph 3 of Section 15 in the General Regulation states that amounts incurred by the IESO on or after May 1, 2017 but before the FHPA came into force may be recorded in the IESO deferral.~~

[36] ~~**Note:** Please consider disclosing in this section that the Investment Asset is a collective right of the Investment Interest owners. While this is explained in a risk factor ("The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities), additional explanation/ disclosure may be warranted here.~~

together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers ~~[~~to cover the cost of financing the shortfall that results from the Fair Adjustment~~]~~.[37] The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment~~,~~ redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer , or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that **are** payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a ~~funding obligation~~**Funding Obligation**, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

[37] ~~**Note:** Consider that the statutory definition of "Clean Energy Adjustment" states that it is "the amount determined under section 15 [of the FHPA] and payable by specified consumers". The FHPA does not expressly state the purpose of the Clean Energy Adjustment.~~

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) ~~for any period before May 1, 2021,~~ amounts received during the period in respect of Carrying Costs~~ and Funding Rebates and for any period on and after May 1, 2021, amounts received during the period in respect of Funding Rebates~~;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax ~~and to which the Issuer is entitled as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA~~ during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. ~~In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustments is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received~~**The True-up Amount is comprised of the cumulative Finance Amounts** in respect of ~~the~~**all preceding Reference Periods less the cumulative** Clean Energy Adjustment ~~during the~~**amounts remitted to the Issuer in respect of all** preceding Reference Periods **plus other anticipated shortfalls**. The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA~~ and the Regulations~~. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. **After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly.** The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period of time by (ii) ~~the~~**a** forecast of electricity consumption of Specified ~~Creditors~~**Consumers** in respect of such period~~,~~ based on forecast information provided ~~to the OEB~~ by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each

invoice. Electricity Vendors are required to collect, as agent of the ~~[Issuer],~~[38] **Financing Entities (of which the Issuer is currently the only one),** amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the ~~[Issuer]~~ **Financing Entities (of which the Issuer is currently the only one)** until remitted to the IESO for the benefit of the ~~[the owners of Investment Interests (initially, only~~**Financing Entities (of which** the Issuer **is currently the only one**)~~]~~. If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice **in the manner set out in the FHPA**.[39] It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.[40] If there are any amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to ~~[~~the Issuer~~]~~ during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. ~~[~~Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period.~~]~~[41] See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

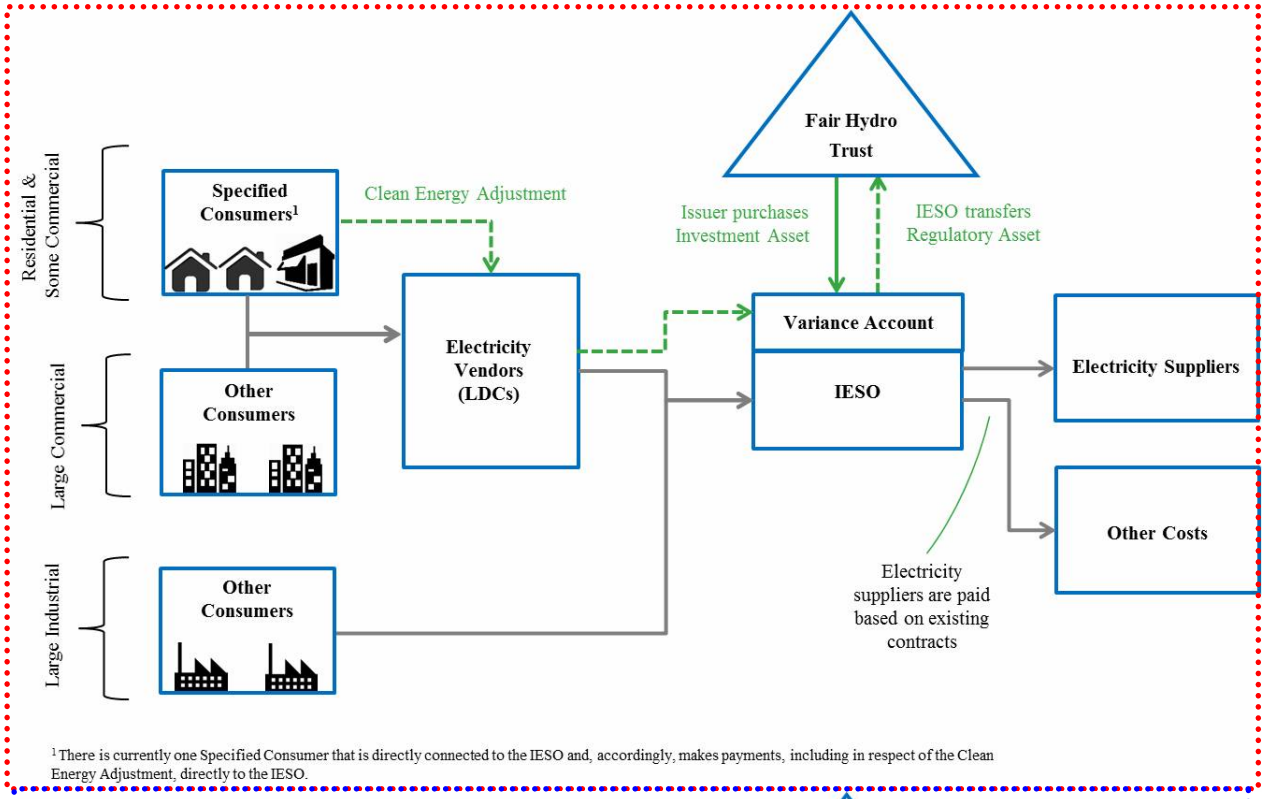
The following diagram illustrates the flow of funds under the Fair Hydro Plan.

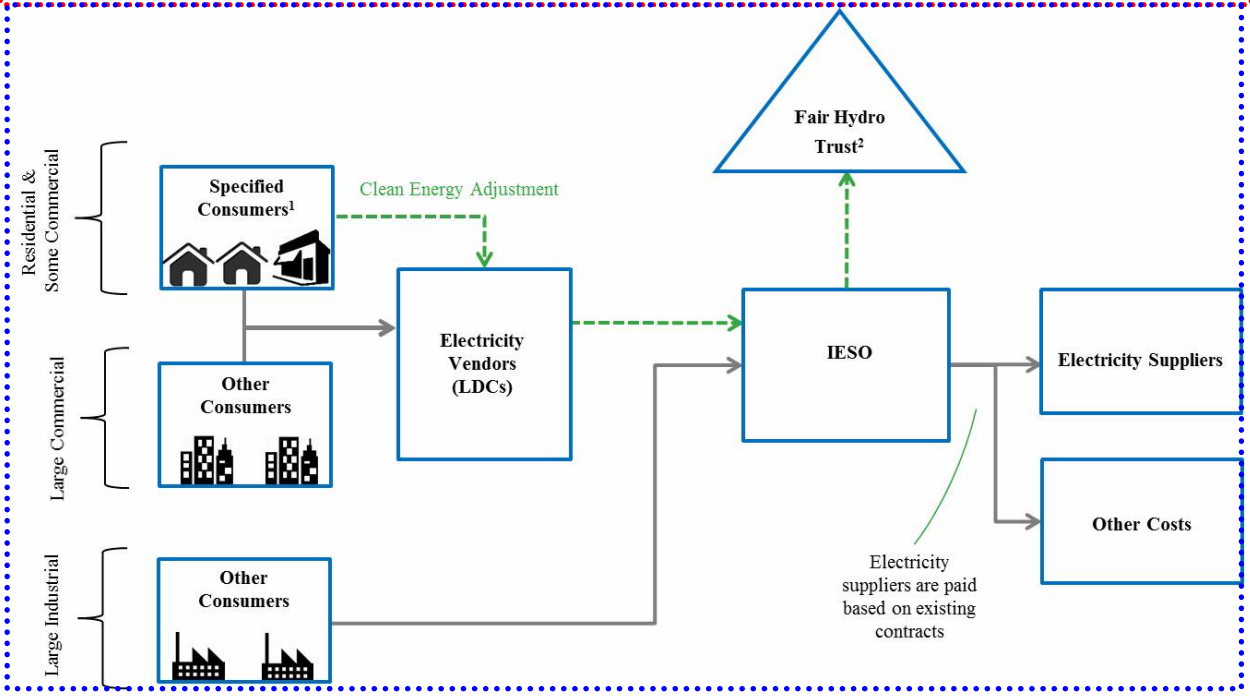
~~[38] **Note:** Please see note 17 regarding the placement of square brackets around "the Issuer" in this paragraph. The disclosure should indicate that amounts are collected for the Investment Interests owners (and that, as at the date of the OM, the Issuer is the only Investment Interest owner).~~

~~[39] **Note:** Please consider revising to conform more closely to Section 17(4) of the FHPA.~~

~~[40] **Note:** Please confirm.~~

~~[41] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) [*limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*].~~





[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, directly to the IESO.

[2] Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer for a corresponding purchase price. Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset following payment by the Issuer of the corresponding purchase price, the Issuer will acquire an Investment Interest.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers.[42] Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA , provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred~~, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period~~. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

~~The Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount of subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.~~

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

~~IESO~~ Payment of Carrying Costs ~~During the Moratorium Period~~until July 31, 2021

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. ~~During the Moratorium Period and extending to July 31, 2021,[43] the~~**The** IESO, which is rated A(high) by DBRS ~~Limited ("**DBRS**")~~ and Aa2 by Moody's ~~Investors Services, Inc. ("**Moody's**")~~, is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs~~.~~ **incurred in respect of the period from June 1, 2017 to July 31, 2021.** Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes).[44] The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in ~~a~~**the** variance account and form part of the Regulatory Asset that the IESO is expected to ~~transfer~~**Transfer** to the

[42] ~~**Note:** Please consider a description of the fair allocation amount that more closely aligns to Section 20(1) of the FHPA.~~

[43] ~~**Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending July 31, 2021.~~

[44] ~~**Note:** Consider revising to conform with the definition of "carrying costs" in Section 9.1(3) of the General Regulation.~~

Issuer in a subsequent period ~~and, upon~~**. Upon** such ~~transfer, will become part of~~**Transfer,** the Issuer~~'s~~ **will acquire a corresponding** Investment Interest pursuant to the ~~Regulations~~**FHPA**.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ~~■, 20■~~,**September 30, 2022,** which is permitted to be used to pay the Issuer's Carrying Costs. Furthermore, as security for the performance of its obligations under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all ~~of its~~ accounts receivable~~, which includes the amounts receivable by~~ **owing to** the IESO from Electricity Vendors**, including amounts owing** with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA ~~or the Regulations~~, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement ~~in favour of the Indenture Trustee~~, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account ~~(as hereinafter defined)~~. The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay ~~each~~ Specified ~~Creditor~~**Creditors** to whom ~~an amount is~~**amounts are** due and payable under an Approved Obligation **in accordance with the provisions of the Master Trust Indenture.** See *"Capital Markets Platform"*. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any ~~Obligation Secured~~**Senior Notes** on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any ~~Obligation Secured~~**Senior Notes** on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant

month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period ~~for purposes of [section 15(1) of the FHPA (in effect as at December 21, 2017), including section 6.1 of the General Regulation under the FHPA (in effect as at December 21, 2017)]~~[45], divided by the number of months in such Reference Period.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the **Senior** Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA~~, in whole~~ or ~~in part~~**any portion thereof**, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA **or any portion thereof**, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

in each case, that (X) adversely affects the ability of the Issuer to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable, in each case determined after taking into account and having regard to (i) any funds available at such time to apply to such Approved Obligations, including in any finance reserve account, capital account or collateral posting account applicable under a derivative agreement, (ii) the availability of any credit enhancement agreement to which the Issuer is a party and (iii) any reasonably expected potential effect of a True-up Amount in the Reference Period immediately following the occurrence of an event described in any of clauses (i) to (v)

[45] ~~Perhaps this should instead cross-reference a more detailed description and explanation of the "Acceleration" mechanics under 6.1 of the Regulation.~~

above, or (Y) adversely affects the enforceability of, or adversely changes, the terms and conditions of the Change of Law Protection Agreement or of any of the agreements under which Approved Obligations arise; or

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights ~~and interests~~ of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral ~~(as hereinafter defined)~~ and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture ~~and no person entitled under any Obligation Secured (including a Specified Creditor) that ranks equal with or subordinate to the Approved Obligation in respect of which the Province of Ontario is owed a Subrogation Amount will be entitled to make any claim or assert any right in or to the amounts paid or payable to the Province of Ontario, and no such person will have any right to the Collateral or any proceeds therefrom in respect of any Subrogation Amount~~. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued**, provided that for purposes of determining voting rights with respect to Notes, Notes in** which the Province of Ontario **has an interest will be deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes**.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

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

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations**, including the Senior Notes**.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document **to which the Limited Guarantee applies and** which was

previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA ~~or the Regulations~~; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were ~~Approved Obligations~~ issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust ~~governed by~~**established under** the laws of the Province of Ontario pursuant to ~~a declaration of trust made December 20, 2017 (the "~~**the** Declaration of Trust~~"). Computershare Trust Company of Canada (the "~~**. The** Issuer Trustee~~")~~ is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

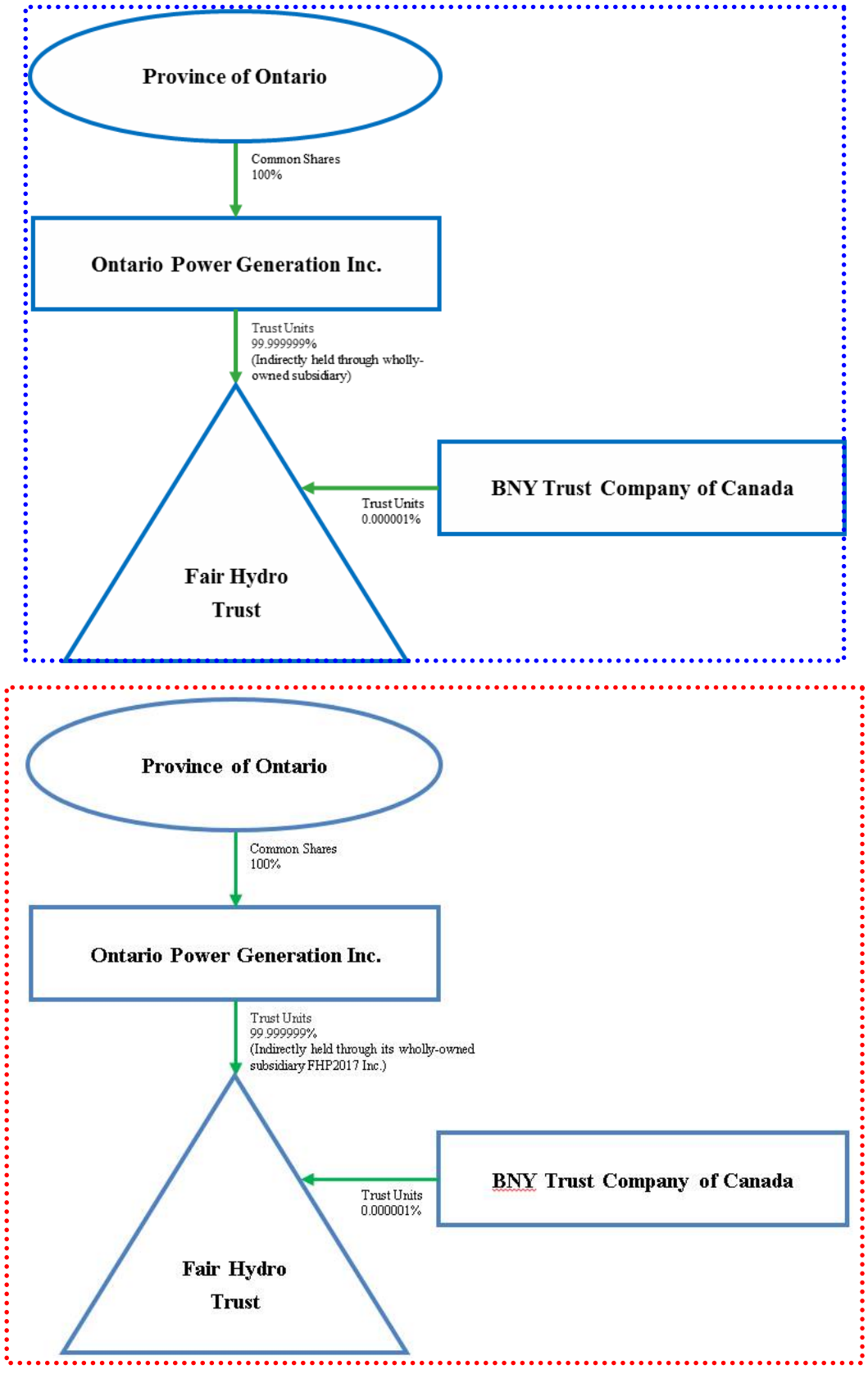
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

~~OPG has entered into a management agreement with the Issuer dated as of December 20, 2017 (the "~~**Pursuant to the** Management Agreement~~") pursuant to which~~**,** the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA ~~and the Regulations~~ when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA-

~~and the Regulations~~, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations,[46] the Manager **(on behalf of the Issuer)** shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA ~~and the Regulations~~, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests ~~in accordance with the FHPA or for the purposes of a Refinancing~~;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval ~~and the Regulations~~, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors – Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and* ***as*** *Manager* ~~*of the Issuer*~~*."*

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory

[46] ~~Please confirm the source of the right to review electricity vendor records under the Regulations. If this refers to Section 10(4) of the General Regulation, the right is that of the Issuer or the FSM.~~

authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA ~~or the Regulations~~ (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

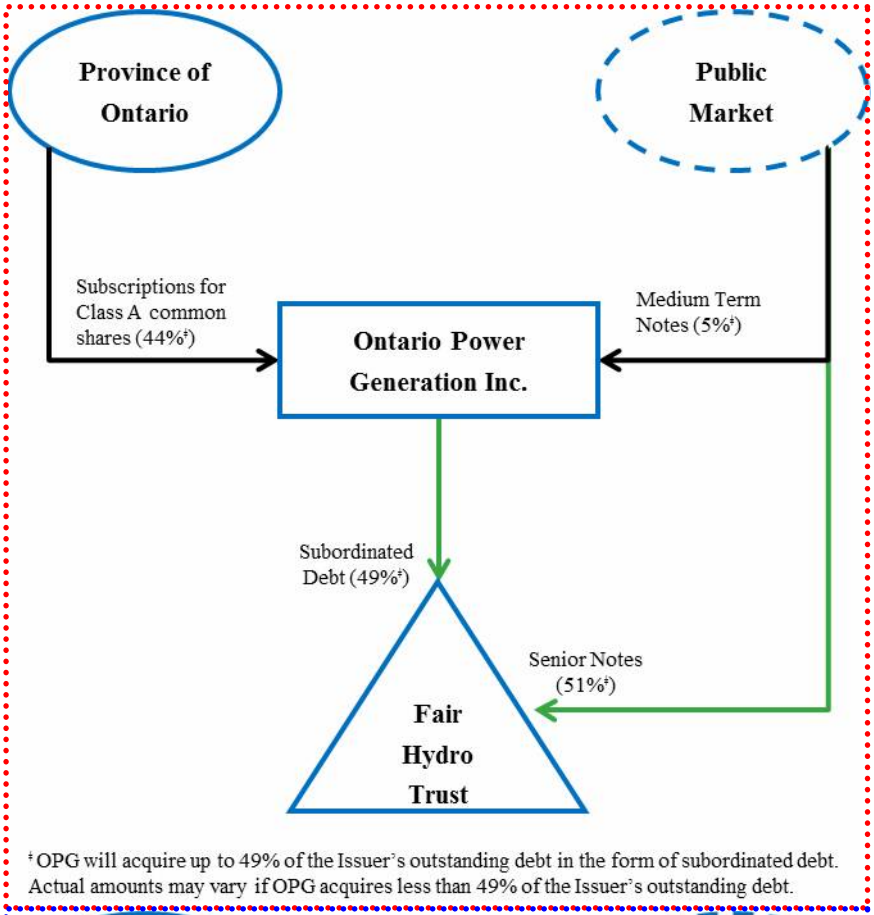
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximate 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes~~)~~.

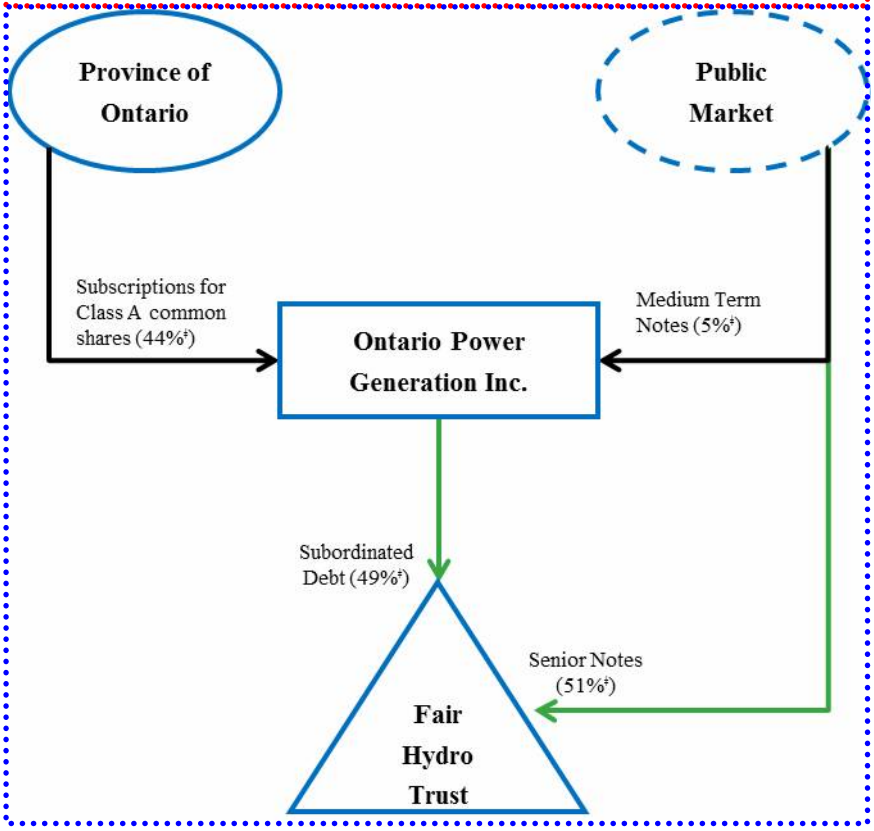
Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



‡ OPG will acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.



‡ OPG is expected to acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(~~i~~a) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(~~ii~~b) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(~~iii~~c) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest ~~from the IESO~~ on December 21, 2017.

THE TRANSFEROR AND SERVICER

~~The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (the "~~**Pursuant to the** Master Transfer and Servicing Agreement~~") pursuant to which~~**,** the IESO may periodically ~~transfer~~**Transfer** specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to ~~transfer~~**Transfer** to the Issuer ~~its right, title and interest in, to and under~~ a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of ~~collecting~~**receiving** the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts ~~collected~~**received** in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on ~~a monthly basis~~**the 18th business day of each month**, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) ~~forecasting the electricity consumption of Specified Consumers and~~ providing ~~such~~ forecast information to the OEB and the Issuer.

~~While the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that the Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, the IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions.~~**The** IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions. **The Master Transfer and Servicing Agreement provides for various limitations on the duties and responsibilities of the IESO including that: (i)** the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that **Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, (ii) the IESO is under no responsibility or obligation to the Issuer with respect to the nature or extent of the Investment Interest, the collectability of the Clean Energy Adjustment or that Clean Energy Adjustment amounts received will be sufficient to satisfy the Issuer's Funding Obligations, (iii) the IESO shall have no liability or responsibility to any person in respect of any forecasts or other information provided, provided only that such forecasts or other information has been prepared and provided in good faith and (iv) the IESO is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from Specified Consumers or not remitted by Electricity Vendors to the IESO.**

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA ~~and the Regulations~~ when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.[47] However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO

[47] ~~**Note:** Please confirm.~~

under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA ~~or the Regulations~~, including its obligation to pay the Issuer's Carrying Costs.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes.[48] Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ~~■, 20■,~~ **September 30, 2022,** which is permitted to be used to pay the Issuer's Carrying Costs.

As security for the performance of its obligation to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all ~~of its~~ accounts receivable~~, which includes the amounts receivable by the IESO~~ **owing to the IESO from Electricity Vendors, including amounts owing** with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in ~~a~~**the** variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for ~~transfer~~**Transfer** to the Issuer in a subsequent period~~, and, upon~~**. Upon** completion of such ~~transfer, shall become part of~~**Transfer,** the Issuer~~'s~~ **will acquire an** Investment Interest pursuant to the ~~Regulations~~**FHPA**.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors **or such other number as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition**.

[48] ~~**Note:** Consider a description of "carrying costs" that conforms to the definition set out in Section 9.1(3) of the General Regulation. Also note that the Glossary defines "Carrying Costs" as having the meaning ascribed to the term in the Regulations.~~

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA ~~or the Regulations~~ (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions",* "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);
- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and
- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise

of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior

Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the ~~United States~~ Internal Revenue Code ~~of 1986,~~, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without

preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").[49]

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

[49] ~~**Note:** Consider also including the floating charge in all of the property, assets and undertaking now owned or hereafter acquired by the Issuer in the definition of Collateral. (s. 2.01(b) of the Master Trust Indenture).~~

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO. **Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes.**

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the

applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "— *Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "— *IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "—*Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. **Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes.** Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual

Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "— *Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral~~,~~ and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "— *Conditions Precedent to Incurrence of Obligations Secured* —

Issuer Funding Obligations". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "— *Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel,[50] each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

[50] ~~**Note:** Please confirm deletion of "external counsel". Please see definition of "Opinion of Counsel" and s. 13.19(c) in Master Trust Indenture.~~

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;
- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;
- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;
- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;
- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;
- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;
- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;
- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;
- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;
- facilitate the issuance of foreign currency Issuer Funding Obligations;
- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;
- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or
- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not

reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"Capital Markets Platform"*.[51]

[51] ~~**Note:** Please consider tracking the specific terms of section 6.1 of the General Regulation, and add detailed descriptions to correspond to the limitation on cashflows during acceleration in the applicable detailed portions of the OM and Risk Factors.~~

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF SENIOR NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this *"Description of ~~the~~ Senior Notes"* section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;

- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;

- the price at which such Series or Tranche of Senior Notes will be issued;

- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;

- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;

- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;

- the Principal Accumulation Date(s)**, if any,** and Principal Accumulation Amount(s) for such Series of Senior Notes;

- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;

- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;

- any events of default with respect to such Series or Tranche of Senior Notes;

- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;

- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;

- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;

- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and

- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not ~~be~~ insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term

Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the ~~Principal Accumulation Date(s)~~**Payment Dates on which such amount are to be accumulated** for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than ~~a~~**an expected** Principal Payment Date if an optional redemption occurs and may receive principal payments later than ~~a~~**an expected** Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on ~~a~~**an expected** Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions

of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "~~Depository~~**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the ~~Depository~~**depository** or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the ~~Depository~~**depository** evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the ~~Depository~~**depository** except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The ~~Depository~~**depository** will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the ~~Depository~~**depository** or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the ~~Depository~~**depository** or those contained in this confidential shelf offering memorandum and relating to the rules governing the ~~Depository~~**depository** or any action to be taken by the ~~Depository~~**depository** or at the direction of its Participants. The rules governing the ~~Depository~~**depository** provide that it acts as the agent and ~~Depository~~**depository** for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the ~~Depository~~**depository** in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the ~~Depository~~**depository** notifies the Issuer in writing that the ~~Depository~~**depository** is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the ~~Depository~~**depository** or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the

Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA ~~or the Regulations~~ and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA~~, the Regulations~~ or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA ~~or the Regulations~~.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA ~~or the Regulations~~ will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit ~~was~~**were** successful, and an

invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA~~, the Regulations~~, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA ~~or the Regulations~~ should no longer be law in Ontario or that the FHPA ~~or Regulations~~ should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See *"Change of Law Protection Agreement"*. However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA ~~or the Regulations~~ referenced in the previous paragraph were amended or ~~revoked~~**repealed** through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the ~~Province of Ontario~~**Crown, nor may an order for execution or attachment be made against the Crown**, although the remedy of damages is available.[~~52~~] Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against*

[~~52~~] ~~**Note:** Consider mentioning that section 21 of the *Proceedings Against the Crown Act* (Ontario) prohibits execution, attachment and process against the Province.~~

the Crown Act (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.[53]

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. ***Amounts paid by the IESO are not available to pay principal on the Senior Notes.***

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment **by the Issuer** of interest on the Senior Notes, and the Issuer must rely for payment of all of its ~~other~~ Carrying Costs, ~~solely~~ upon the IESO who is obligated under the Regulations to pay these Carrying Costs. **The amounts paid by the IESO cannot be applied on account of principal on the Senior Notes.** The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Issuer's Carrying Costs. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring ~~■, 20■~~ **September 30, 2022,** which ~~is permitted to~~**can** be used to pay the Issuer's Carrying Costs. ~~*[NTD: IESO credit facility description to be confirmed.]*~~[54] There can be no assurance that the IESO will continue to have sufficient funds available to pay ~~interest on the Senior Notes or to pay~~ the Issuer's ~~other~~ Carrying Costs during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay ~~interest on the Senior Notes or~~ the Issuer's ~~other~~ Carrying Costs and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising

~~[53] **Note:** Consider mentioning, as a mitigant, that section 22 of the *Proceedings Against the Crown Act* (Ontario), which states that "the Minister of Finance shall pay out of the Consolidated Revenue Fund the amount payable by the Crown, (a) under an order of a court that is final and not subject to appeal; (b) under a settlement of a proceeding in a court…".~~

~~[54] **Note:** Is there any other information to be added apart from the expiry date?~~

certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO ~~under the Master Transfer and Servicing Agreement~~.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment **by the Issuer** of interest on the Senior Notes, and the Issuer must rely for payment ~~of all~~ of its ~~other~~ Carrying Costs, ~~solely~~ upon the IESO who is obligated under the Regulations to pay these Carrying Costs. **Amounts paid by the IESO are not available to pay principal on the Senior Notes.** After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA ~~and the Regulations~~.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event ~~and delivery by the Indenture Trustee to the Province of Ontario of a written payment demand~~. See *"Change of Law Protection Agreement"*. The Senior Notes will be ~~limited recourse~~**nonrecourse** obligations, secured only by the collateral. ~~See "*Capital Markets Platform — Acceleration and Remedies — Limited Recourse*".~~ Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt~~, liability~~ or ~~other~~**general** obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. **However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.**

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA ~~and the Regulations~~, rights to enforcement of the FHPA~~, the Regulations~~ and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. ~~In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.~~

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See

"Capital Markets Platform – Acceleration and Remedies". The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform ~~--~~ Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse ~~Funding~~ Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring ~~an~~ Investment ~~Interest~~**Interests**. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the ~~transfer~~**Transfer** by the IESO of ~~a~~ specified ~~portion~~**portions** of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, **the Investment Asset will be co-owned by all Financing Entities (including the Issuer) and consequently** Clean Energy Adjustment amounts collected by or for the benefit of the ~~Issuer~~**Financing Entities** will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.[55]

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are

[55] ~~**Note:** Consider explaining under this risk factor that the Investment Asset is a bundle of rights and interests held collectively by all investment interest owners.~~

experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA~~, the Regulations~~ and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA~~, the Regulations~~ and the ~~Program Agreements~~**Master Transfer and Servicing Agreement** impose new duties and obligations of the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA~~, the Regulations~~ and the ~~Program Agreements~~**Master Transfer and Servicing Agreement**. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA~~, the Regulations~~ and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or ~~forecasting consumption~~**providing forecast information**, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor~~ or the IESO~~ fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager~~ of the Issuer~~.

The FHPA~~, the Regulations~~ **imposes new duties and obligations of OPG, as Financial Services Manager,** and the Program Agreements impose new duties and obligations of OPG, as ~~Financial Services~~ Manager~~ and as Manager of the Issuer~~. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA~~, the Regulations~~ and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA~~ and the Regulations~~, including determining the Clean Energy Adjustment (inclusive of the True-~~Up~~**up** Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated ~~in part~~ based upon a forecast of Specified Consumer usage to be newly developed **based on forecast information provided** by the IESO~~[, adjusted for expected billing lags and charge-offs] [including the effect of delinquencies and write-offs] *[Confirm whether the IESO forecast takes into account items noted in square brackets.]*~~. Under the Regulations, the IESO is required to provide ~~to the OEB~~**a** forecast ~~information regarding~~**of** electricity consumption of Specified Consumers. The amount ~~and the rate~~ of the Clean Energy Adjustment **collected in any period** will depend in part on actual electricity usage **by Specified Consumers** and the amount of collections and write-offs for Specified Consumers.[56] If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. ~~Neither the~~**The** FHPA ~~nor the Regulations~~**does not** require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information ~~to the IESO~~ regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in ~~the~~ FHPA ~~and the Regulations~~. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment. ~~For example, an Electricity Vendor's conditions of service may permit it to offer equal monthly billing plans to its consumers thereby delaying payments from one month to the next during the year or to enter into arrangements for the payment of arrears. In that event, collection of the Clean Energy Adjustment may be delayed or reduced until an adjustment is made.~~

~~[56] **Note:** Please confirm.~~

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment.[57] The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-**up** Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes**.**

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee~~, for itself and on behalf of the holders of Senior Notes and other creditors,~~ only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee~~, for itself and on behalf of the holders of Senior Notes and other creditors,~~ only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to ~~indemnify holders of Senior Notes~~**provide indemnification**, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach~~ and the fact that holders of Senior Notes will be unsecured creditors of OPG or the IESO, as applicable, with respect to any of these indemnification amounts. Neither OPG nor the IESO will indemnify any person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Senior Notes, or for any consequential damages, including any loss of market value of the Senior Notes resulting from a default or a downgrade of the ratings of the Senior Notes.~~

~~[57] **Note:** Please confirm source/ conform to wording in FHPA.~~

~~*Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.*~~~~The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True Up Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes~~.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°C. Winters include snow and icing conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be

borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

*If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the ~~transfers between~~**Transfers of specified portions of the Regulatory Asset by** the IESO~~ and the Issuer pursuant to the Master Transfer and Servicing Agreement~~ may not be respected as true sales of the ~~Investment Interest~~**Regulatory Asset**.*

Ordinarily, the interests of the Issuer as ~~transferee~~**acquirer** of ~~the~~**an** Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time ~~an Investment Interest is transferred~~**the corresponding Regulatory Asset was Transferred** to the Issuer~~, which~~**. This** could reduce the amounts that may be available to the Issuer **in respect of the Investment Interest** and, consequently, the holders of Senior Notes. Section 27(3) of the FHPA provides that at the time of the ~~transfer~~**Transfer of the Regulatory Asset** to a Financing Entity ~~under the FHPA~~, such ~~transfer~~**Transfer** shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the FHPA provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the ~~transfer~~**Transfer** and the property rights and interests acquired by the ~~transferee~~**Transferee** shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the FHPA in such circumstances is untested. The ~~IESO will treat the transactions described herein as a transfer~~**Transfers** of the Regulatory Asset to the Issuer~~. Such transfers~~ will be made in accordance with ~~Section~~**section** 26 of the FHPA. Section 27(1) of the FHPA provides that a ~~transfer~~**Transfer** of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the ~~transferee. As a transfer~~**Transferee. Therefore**, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the ~~Investment Interest~~**Regulatory Asset**. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

*If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO **or such Electricity Vendor** may be significantly impaired or delayed.*

~~While the IESO is the servicer under~~**Under** the Master Transfer and Servicing Agreement, collections ~~held~~**received** by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding

under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the ~~FHPA~~***Fair Hydro Act, 2017* (Ontario)**, provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, ~~2017,~~[58]**2017* (Ontario),** in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws ~~would~~ generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

~~[58] The *Fair Hydro Act, 2017* (Ontario), which provided in Schedule 1 the *Ontario Fair Hydro Plan Act, 2017*, amends two other statutes: the *Electricity Act, 1998* (see section 43) and the *Ontario Energy Board Act, 1998* (see section 44).~~

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior

Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a

foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority

to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents

to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"~~Description of Senior Notes — Reporting Requirements of Senior Notes~~**Capital Markets Platform — Covenants of the Issuer — Financial Statements; Statement as to Compliance**"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

  (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

  (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "misrepresentation"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which

case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference therein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference therein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the Securities Act (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed

to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer. "Misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer will be liable if the person proves that

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person

had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

(ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that;

(A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent

to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

~~*[NTD: Glossary in progress. For ease of reference, Torys is considering adding an index or replacing glossary with an index for terms that are defined in the body.]*~~

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" ~~means the agents designated by the Issuer from time to time and identified in the Term Sheet applicable to such Offering to sell the Senior Notes as described under *"Plan of Distribution"*~~**has the meaning set out on page (ii) of this confidential shelf offering memorandum**.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" means ~~CDS Clearing and Depository Services Inc~~**has the meaning set out on page (ii) of this confidential shelf offering memorandum**.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"Change of Law Protection Agreement" means the change of law protection agreement dated as of December 21, 2017 among the Province, the Issuer and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(b)

(i) renewable energy generation or capacity;

(ii)

(iii) conservation and demand management;

(iv)

(v) energy storage;

(vi)

(vii) energy efficiency; and

(viii)

(ix) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(x)

(c) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(d)

(e) such other costs or estimated costs as may be prescribed by the Regulations.

(f)

"**Clean Energy Initiative**" means the policies of the ~~Government of~~ Ontario **government** related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b)

(c) removing barriers to and promoting opportunities for clean and renewable energy sources and

technologies;

(d)

(e) promoting conservation, demand management and energy efficiency; and

(f)

(g) investing in energy infrastructure to ensure a clean, modern and reliable system.

(h)

"**Clearstream, Luxembourg**" ~~means~~**has the meaning set out under *"Depository Services . — DTC, Euroclear and* Clearstream ~~Banking, société anonyme~~*, Luxembourg"**.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" ~~has the meaning set out under *"The Issuer"*~~**means the declaration of trust made as of December 20, 2017 under which the Issuer was established, as amended, supplemented, restated or otherwise modified from time to time**.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"~~**Depository**~~**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" ~~means The Depositary Trust Company~~**has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"***.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b)

(c) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(d)

(e) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(f)

(g) such other person as may be prescribed by the Regulations.

(h)

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the

Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" ~~means Euroclear Bank S.A./N.V., as operator of the~~**has the meaning set out under *"Depository Services . — DTC, Euroclear System and Clearstream, Luxembourg"***.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.[59]

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.[60]

"**FHPA**" ~~means~~**has** the ~~*Ontario Fair Hydro Plan Act, 2017*~~.**meaning set out on the face page of this confidential**

[59] ~~**Note:** Please consider revising the definition of "Fair Adjustment" if this concept is to be used in the OM. The definition of the "Fair Adjustment" indicates that this term only refers to the rate reduction from July 1, 2017 until April 30, 2018. When the term is then later used in narrative [ex. "…the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment…"] it refers to the electricity rates that result from the entire fair hydro program.~~

[60] ~~**Note:** Please consider a description of the Fair Allocation Amount that more closely aligns to Section 20(1) of the FHPA.~~

shelf offering memorandum.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" ~~means OPG, in its capacity as financial services manager appointed under the FHPA to perform the duties assigned to it thereunder~~has the meaning set out on the face page of this confidential shelf offering memorandum.[61]

"**Financing Entity**" has the meaning set out ~~under *"Ontario's Fair Hydro Plan — Background"*~~on the face page of this confidential shelf offering memorandum.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

~~"**Funding Obligation**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.~~

~~"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any credit enhancement agreement or any derivative agreement.~~

"**Funding ~~Rebate~~Obligations**" has the meaning set out ~~under *"Ontario's Fair Hydro Plan — Investment Interest"*~~on the face page of this confidential shelf offering memorandum.

"Funding Obligation Agreement" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all

[61] ~~**Note:** Please consider whether there should be disclosure indicating that the FSM is a statutory role from which OPG may be removed.~~

settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on ~~the face~~ page **(iii)** of this confidential shelf offering memorandum.

"**Issuer**" ~~means Fair Hydro Trust, a special purpose trust governed by the laws of the Province of Ontario~~**has the meaning set out on the face page of this confidential shelf offering memorandum**.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" ~~has the meaning set out under *"The Manager"*~~**means the management agreement dated as of December 20, 2017 between the Manager and the Issuer, and acknowledged by the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time**.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" ~~means *The Securities Act* (Manitoba)~~**has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Manitoba"***.

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

~~"**MW**" means megawatts.~~[62]

"**NI 31-103**" ~~means National Instrument 31-103 — *Registration Requirements, Exemptions and Ongoing Registrant Obligations*~~**has the meaning set out on page (ii) of this confidential shelf offering memorandum**.

"**NI 45-106**" ~~means National Instrument 45-106 — *Prospectus Exemptions*~~**has the meaning set out on page (ii) of this confidential shelf offering memorandum**.

"**NL Act**" ~~means the *Securities Act* (~~**has the meaning set out under *"Statutory Rights of Action — Rights for***

~~[62] **Note:** Definition not used.~~

Purchasers in Newfoundland and Labrador).".

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" means an offering of senior secured notes pursuant to**has the meaning set out on page (ii) of** this confidential shelf offering memorandum and the related Term Sheet as described under *"Plan of Distribution"*.

"**Offering Jurisdiction**" means each of the provinces of Canada**has the meaning set out under *"Representations and Agreements of Purchasers"***.

"**OPA**" means Ontario Power Authority**has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO***.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry*

Participants — The IESO".

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date ~~occurring on or after the Principal Accumulation Date for such Series~~, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates ~~after the Principal Accumulation Date for such Series~~ which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected

by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

~~"**Readjustment amount**" has the meaning ascribed to the term "readjustment amount" in the FHPA and Regulations.~~

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b)

(c) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(d)

(i) every six-month period following the period mentioned in (a);

(ii)

(iii) any period shorter than six months, as may be prescribed by the Regulations.

(iv)

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" ~~means *The Securities Act, 1988* (~~**has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in* Saskatchewan~~)~~***"***.

"**Section 130.1**" ~~means section 130.1 of the *Securities Act* (Ontario)~~**has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Ontario"***.

"**Section 150**" ~~means section 150 of the *Securities Act* (~~**has the meaning set out under *"Statutory Rights of Action***

— Rights for Purchasers in New Brunswick)".

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

~~"**Subrogation Amounts**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.~~

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"Transfer" has the meaning specified in the *Ontario Fair Hydro Plan Act, 2017*, and "Transferred" and "Transferee" shall have corresponding meanings.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" ~~means FHP2017 Inc., a wholly-owned subsidiary of OPG, and the Indenture Trustee~~**has the meaning set out under *"The Issuer"***.

"U.S. Securities Act" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

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SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
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Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

Document comparison by Workshare Compare on January-17-18 1:28:55 AM

Input:	
Document 1 ID	file://C:\Users\bsaulnie\Desktop\23287504-v7-Fair Hydro OM - Comments of the Province.DOCX
Description	23287504-v7-Fair Hydro OM - Comments of the Province
Document 2 ID	C:\NRPortbl\TorysAtWork\BSAULNIE\24401808_10.docx
Description	C:\NRPortbl\TorysAtWork\BSAULNIE\24401808_10.docx
Rendering set	Firm_Standard

Legend:	
Insertion	
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~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	584
Deletions	616
Moved from	10
Moved to	10
Style change	0
Format changed	0
Total changes	1220

From:	VINER, JON
To:	Ramchandani, Rima; LEE John -TREASURY; "ken.ryfa@opg.com"; WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; Mansoori, Nina; Saulnier, Brett
Cc:	Thouin, Alena (ENERGY); Tim Christie (ENERGY); Daniel Cayley (ENERGY); Mike Manning; Ken Kandeepan; Anna Strathy; Veinot, Cindy (TBS); Mark Donaldson (MOF); Malle Hanslep (MOF); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN; Ronald Kwan; Huang, Jackson (MEDG/MRIS); Sawwaf, Khareem (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); Gadi Mayman
Subject:	RE: Fair Hydro Trust - Disclosure Documents
Date:	Tuesday, January 16, 2018 1:16:25 PM
Attachments:	23287504-v7-Fair Hydro OM - Comments of the Province.DOCX 12928826-v2-Form of Series 2018-1 Senior Notes Term Sheet (Fair Hydro Trust).DOCX

Hi Rima,

Please find the Word versions of the comments on the OM and Term Sheet attached.

Kind regards,

Jon

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Tuesday, January 16, 2018 1:14 PM
To: VINER, JON; LEE John -TREASURY; 'ken.ryfa@opg.com'; WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; Mansoori, Nina; Saulnier, Brett
Cc: Thouin, Alena (ENERGY); Christie, Tim (ENERGY); Cayley, Daniel (ENERGY); Mike Manning; Ken Kandeepan; Anna Strathy; Veinot, Cindy (TBS); Mark Donaldson (MOF); Malle Hanslep (MOF); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN; Ronald Kwan; Huang, Jackson (MEDG/MRIS); Sawwaf, Khareem (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); Gadi Mayman (Gadi.Mayman@ofina.on.ca)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Thanks very much Jon. Are you able to send us the Word versions of the OM and Term Sheet reflecting your comments as well (that may facilitate a speedier turn on our end and will also allow us to send you a blackline back to your drafts).

Rima

Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January-16-18 10:48 AM
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Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson

(MOF) <Mark.Donaldson@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>

Subject: Fair Hydro Trust - Disclosure Documents

All,

Please find attached the Province's comments on the offering memorandum, investor presentation and term sheet.

We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,

Jon

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499



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Blake, Cassels & Graydon LLP | Barristers & Solicitors | Patent & Trade-mark Agents
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This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "****U.S. Securities Act****") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement

January ■, 2018

FAIR HYDRO TRUST

Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust governed by the laws of the Province of Ontario, established by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (the "**FHPA**"), legislation [that reallocates certain electricity costs over time and provides immediate rate relief to Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms).][1] Under the FHPA, OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA.[2] The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See "*Change of Law Protection Agreement*". The Senior Notes will be limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See "*Capital Markets Platform — Acceleration and Remedies — Limited Recourse*" and "*Risk Factors*".

[1] **Note:** This narrative should be removed or, if necessary, it should track the purposes of the FHPA set out in Section 3 of the Act.

[2] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended or supplemented by supplemental indentures thereto.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly,

purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount & Financing Plan"*, *"Subordinated Debt"*, *"■"*[3] and *"Risk Factors"* of this confidential shelf offering memorandum and *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"*, *"■"*[4] and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval by resolution of the holders of all Series of Senior Notes.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

[3] **Note:** Please complete.

[4] **Note:** Please complete.

- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Power outages could impair payment of the Senior Notes.[5]
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

[5] Is this relevant? Is the concern that the CEA would be spread across a relatively smaller base due to lower usage in a period?

- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.
- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

PRIOR TO RECEIVING THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER MUST HAVE ENTERED INTO A CONFIDENTIALITY UNDERTAKING WITH THE ISSUER (IN A FORM ACCEPTABLE TO THE ISSUER) WHICH PROVIDES THAT BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER. ***[NTD: Logistics to be discussed between Dealers and OPG.]***

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at https://www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page [92] of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust governed by the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"— Change of Law Protection Agreement"*.
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "**FHPA**"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[6] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[7] for that period. Under the FHPA, OPG is appointed as the initial financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes of the FHPA and the Regulations.[8] The

[6] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[7] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

[8] **Note:** The statutory definition of "funding obligation" provides that the funding obligations have the purpose of funding ownership in an investment interest. Please consider revising the definition of "funding obligation" to more closely track that in the Act.

	Issuer is a Financing Entity[9] under the FHPA and the Regulations and the Notes are Funding Obligations being offered for the purposes of the FHPA and the Regulations. See *"Ontario's Fair Hydro Plan — Background"*.
Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of series (each a "**Series**"), in one or several offerings (each, an "**Offering**"). A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the master trust indenture dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Trust Indenture**") between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee (the "**Indenture Trustee**"), as supplemented by a supplemental indenture dated the date of the issuance of such Series between the Issuer and the Indenture Trustee (a "**Supplemental Indenture**" and collectively with the Master Trust Indenture, the "**Indenture**") authorizing that Series.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a not-for-profit corporation established under the *Electricity Act, 1998* (Ontario). The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market.[10] Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). However, the FHPA provides that the IESO is not permitted to exercise such right before May 1, 2021 is limited under the FHPA. The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may, on a monthly basis, offer to transfer a specified portion of the Regulatory Asset to the Issuer in accordance with the FHPA. See *"Transferor and Servicer"*.
Investment Interest:	Upon acceptance of the transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right and interest to impose, invoice, collect, receive and recover the Clean

[9] **Note**: Elsewhere, the disclosure refers only to the Issuer without adverting to the possibility of other future Financing Entities. To the extent that this simplification suggests in a particular context that other future Financing Entities would not be permitted or similarly treated, references to the Trust should be broadened to encompass the possibility of future Financing Entities.

[10] **Note:** Consider also referring to IESO's planning and procurement functions. They may be meaningful here to the extent they impact IESO objectives and governance generally.

Energy Adjustment from Specified Consumers in accordance with the FHPA and the Regulations. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.

Clean Energy Adjustment:

The FHPA and the Regulations impose an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager based on the calculations and parameters set out in the FHPA. The OEB is required to determine the rates at which Specified Consumers are to be invoiced in order to recover the Clean Energy Adjustment in respected of a specified Reference Period (which is generally a six month period, or a shorter period in certain circumstances). The rates are to be determined by reference to forecasted electricity consumption of Specified Consumers for a period and are expressed as a cent per KWh rate. See *"— Statutory Duties of the OEB"* below.

The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs, derivative payments, required deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is required to be calculated by the Financial Services manager in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustment is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment during preceding Reference Periods.

The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a

Reference Period.

[Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.][11]

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs during the Moratorium Period:

During the Moratorium Period and extending to July 31, 2021,[12] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).[13]

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement,[14] the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to

[11] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) *[limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*]. In particular, the suggestion that CEAs cannot be collected in any circumstance during the Moratorium Period goes beyond 21(4) and presumes that there will be no Readjustment.

[12] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending on July 31, 2021.

[13] **Note:** Consider revising to conform with Section 9.3(3) of the General Regulation. This Section provides that "carrying costs" also include derivative payments, etc.

[14] **Note:** Not sure how this lines up with fee recovery.

the Regulations.

As security for the performance of its obligation under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount and Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"— Subordinated Debt"* below.[15]

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g. OEB licensees) in Ontario's [electricity market][16], including the activities of transmitters and distributors as well as the IESO (all Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast of electricity consumption of Specified Consumers in respect of such period, based

[15] **Note:** Add detailed descriptions to correspond to the limitation on cashflows during acceleration in the applicable detailed portions of the OM and specifically address in Risk Factors.

[16] **Note:** Technically, the IESO administers (supervises) the IESO-administered markets. There is no definition for "electricity market".

on forecast information provided to the OEB by the IESO. See *"—Statutory and Servicing Duties of the IESO"* below.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA and the Regulations require Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of [the Issuer][17], amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of [the Issuer][18] until remitted to the IESO for the benefit of [the owners of Investment Interests (initially, only the Issuer)].[19] If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[20] It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.[21]

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required from the IESO is based on a formula as set out in the Master Transfer and Servicing Agreement and will equal: (i) 50% of forecasted Clean Energy Adjustment amounts that are to be collected by such non-investment grade rated Electricity Vendors and held for 45 days prior to the funds being remitted to the Issuer; or (ii) such other amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

OPG has entered into a management agreement (the "**Management Agreement**") with the Issuer pursuant to which the Issuer has delegated to OPG, as manager (the "**Manager**"), all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations;

[17] **Note:** This and similar references to the Issuer should instead refer to Financing Entities (Investment Interest owners), of which the Trust is the first, and then cross-refer to the concept of co-ownership in order to facilitate additional financings in the future.

[18] **Note:** Please see note 17.

[19] **Note:** Please see note 17.

[20] **Note:** Please consider revising this to conform more closely to Section 17(4) of the FHPA.

[21] **Note:** Please confirm.

negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer. See "*The Manager*".

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA and the Regulations, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. See "*The Manager*".

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of [the Issuer][22], to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of [the Issuer] and remit such amounts to [the Issuer] [on a monthly basis, subject to daily remittance being required in certain limited circumstances.][23] In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing forecast information regarding electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts to [the Issuer] and fulfilling certain additional reporting requirements. [Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.][24] However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See "*The Transferor and Servicer.*"

[22] **Note:** Please see note 17 regarding bracketed references to the "Issuer" in this paragraph..

[23] **Note:** Please consider disclosing which IESO duties are statutory and which arise under the MTSA. For instance, in this sentence, these time requirements arise from the MTSA. Section 9(2) of the General Regulation requires that the IESO remit within a reasonable period of time.

[24] **Note:** Please confirm.

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement in favour of the Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which, provided that the Notes are Approved Obligations, includes payments of amounts that are due and payable in respect of Notes), although the amount of Province of Ontario's payment obligations in a particular period will differ depending on whether an Acceleration has occurred. See "*Change of Law Protection Agreement*". The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation.

Generally, an "Approved Obligation" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market

undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations, such amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be

entitled to the benefit of the Collateral and proceeds therefrom.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination

event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA and the Regulations by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of certain costs allocated to Specified Consumers in respect of the Ontario government's clean energy initiatives ("**Clean Energy Costs**")[25] in proportion to the relative attribution of the value of benefits determined to be derived by or accruing to Specified Consumers as a result of such clean energy initiatives ("**Clean Energy Benefits**") among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.[26]

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding

[25] **Note:** Consider that "Clean Energy Costs" is more thoroughly defined in the Glossary. Through the OM, reconsider instances where there are two different definitions.

[26] **Note:** The description of the fair allocation amount should more closely align to Section 20(1) of the FHPA.

Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA.[27] Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

[28] The Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the [ability to accelerate][29] their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount on subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the

[27] **Note:** We have omitted narrative regarding the purposes of the legislation that is not a strict recital of section 3 of the FHPA. The deleted language is not precise and draws a connection to clean energy benefits that is not in the FHPA nor entirely accurate.

[28] **Note:** Fair allocation amount is a calculation amount. It is not based on an expectation – it is an absolute value at a point in time. We recommend deleting this language as it is inappropriate.

[29] **Note:** CEAs will automatically step up at the original maturity date without the need to accelerate assuming a refinancing cannot be completed.

	aggregate outstanding principal amount of all of the Issuer's Funding Obligations.
Use of Proceeds:	The proceeds from each Offering may be used to (i) acquire an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement, (ii) refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) pay Offering and related costs of the Issuer and (iv) fund specific reserve accounts as required. The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.
Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Date(s) and Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of

the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount.

In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for senior obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for subordinated obligations;
- payments of or accumulations in respect of interest for junior subordinated obligations;
- payment of or accumulations in respect of principal for warehouse obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for senior obligations (other than warehouse obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on senior obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for subordinated obligations;
- fees and other amounts (other than principal and interest) on subordinated obligations;
- payment of or accumulations in respect of principal for junior subordinated obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for subordinated obligations or junior subordinated obligations);
- replenishment of Series Accounts established for subordinated

obligations;

- fees and other amounts (other than principal and interest) on junior subordinated obligations;
- replenishment of Series Accounts established for junior subordinated obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on senior obligations and payments under derivative agreements (other than termination payments), *pari passu*, then subordinated obligations (other than principal) and then junior subordinated obligations (other than principal);
- principal for warehouse obligations;
- *pari passu*, principal on senior obligations (other than warehouse obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for subordinated obligations and then junior subordinated obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such

	Offering.
Purchase for Cancellation:	The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.
Distribution Method:	The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103). By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.
Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydropower, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from generating facilities to local areas; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses using lower voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of small scale solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy from a few flexible loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Virtually all generators in Ontario also have bilateral contracts with the IESO or receive regulated prices, or payment amounts, that provide for payments in addition to the market price of electricity that is paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario), whose sole shareholder is the Province of Ontario. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold all of the generation assets. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power

turbine. OPG's mission is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for almost half of the total energy generated and injected into Ontario's electricity transmission system, as reported by the IESO. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for operating the real-time electricity markets in Ontario, as well as administering the market rules. The OPA was the counterparty that entered into bilateral power or capacity purchase contracts with generators. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners, but it is governed by an independent Board of Directors whose chair and directors are appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors which are also Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

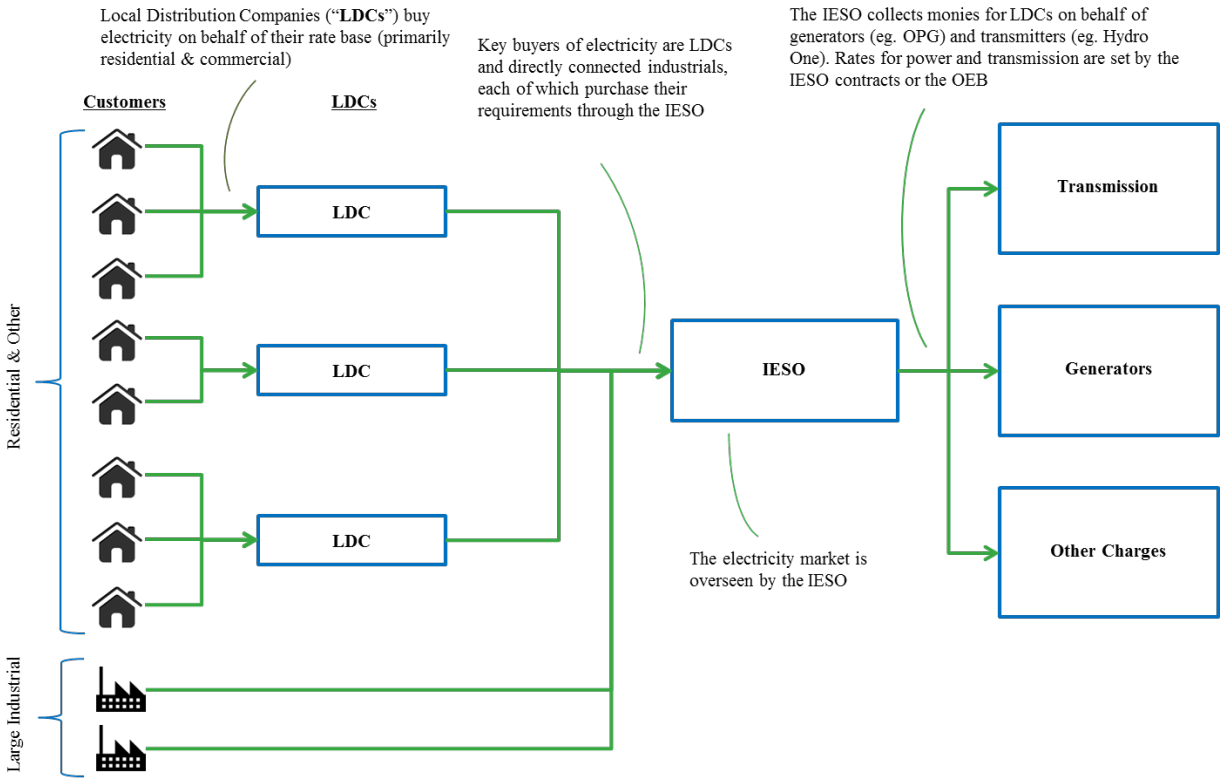
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers,

acquisitions, amalgamations and divestitures involving distributors, transmitters and other entities which it licenses. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB. The following diagram depicts a simplified flow of funds between the key industry participants:[30]



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two components that make up the commodity cost of electricity in Ontario, the Hourly Ontario Energy Price ("**HOEP**") and the Global Adjustment charge.

[30] **Note:** Proposed revisions to the text in the chart: (i) "The electricity market is ~~overseen~~ administered by the IESO"; (ii) "~~Rates for power and transmission are set by the IESO contracts or the OEB~~ Prices paid to generators are determined by IESO contracts or approved by the OEB. Transmission rates are approved by the OEB."

- The HOEP is set by the IESO based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is paid by all consumers. It is established monthly by the IESO in accordance with regulations and is used to collect funds used by the IESO to pay certain "out of market" costs that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to certain generators, including OPG, that are entitled to a regulated rate of return based on OEB-established payment amounts. For all Specified Consumers[31] the global adjustment charge is based on electricity usage on a per unit basis.

Prior to the FHPA being passed, the amount collected by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's liabilities in this regard, subject to certain periodic true-ups and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, and in accordance with amendments to legislation, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered commodity prices for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in previous periods. RPP prices are now established in accordance with the FHPA. Most Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from a licensed retailer pursuant to a retail contract that provides a fixed rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the *Ontario Fair Hydro Plan Act, 2017*[32] (the "**FHPA**")[, legislation that reallocates certain electricity costs over time and provides immediate rate relief to consumers][33]. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will be the rates that result in a representative consumer being charged an invoice amount that is 25%[34] less than the rate that would otherwise have been determined by the OEB for that period (the "**Fair Adjustment**") absent Ontario's Fair Hydro Plan.

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

[31] **Note:** Some consumers below 500 kw are not Specified Consumers.

[32] **Note:** The FHPA was Schedule 1 to omnibus legislation entitled the *Fair Hydro Act, 2017*. Further, already defined as the FHPA above.

[33] **Note:** This narrative should be removed, or if necessary, the description of the FHPA should track the purposes of the Act as set out in Section 3 to the Act.

[34] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government and the shifting of certain support program costs from the rate base to the tax base.

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated its intention that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as the initial Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (such obligations, "**Funding Obligations**") to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, in a variance account.[35] The IESO has the right, exercisable in accordance with the FHPA and the Regulations, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). However, in accordance with the FHPA, the IESO is not entitled to collect all or part of the balance recorded in the variance account (which is the basis of the Regulatory Asset) from specified consumers before May 1, 2021. The IESO may, in accordance with the FHPA, transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

[35] **Note:** Please consider disclosure of further details as to what is recorded in the variance account. For instance, paragraph 3 of Section 15 in the General Regulation states that amounts incurred by the IESO on or after May 1, 2017 but before the FHPA came into force may be recorded in the IESO deferral.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment and, as an owner of the Investment Interest, will be entitled to recover its "Finance Amount" (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest from the IESO, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the transfer of a specified portion of the Regulatory Asset from the IESO, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of Investment Interest owners (among other things):[36]

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment, including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest, including any rights to receive a payment obligation incurred by the IESO as part of the transfer of the Regulatory Asset (such payment obligations incurred by the IESO being "**Funding Rebates**"); and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers [to cover the cost of financing the shortfall that results from the Fair Adjustment].[37] The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

[36] **Note:** Please consider disclosing in this section that the Investment Asset is a collective right of the Investment Interest owners. While this is explained in a risk factor ("The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities), additional explanation/ disclosure may be warranted here.

[37] **Note:** Consider that the statutory definition of "Clean Energy Adjustment" states that it is "the amount determined under section 15 [of the FHPA] and payable by specified consumers". The FHPA does not expressly state the purpose of the Clean Energy Adjustment.

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment, redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer, or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a funding obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) for any period before May 1, 2021, amounts received during the period in respect of Carrying Costs and Funding Rebates and for any period on and after May 1, 2021, amounts received during the period in respect of Funding Rebates;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax and to which the Issuer is entitled as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. In principle, the True-up Amount should serve to ensure that the collection of the Clean Energy Adjustments is sufficient to pay the Finance Amount when it is due, by capturing any Finance Amounts not previously received in respect of the Clean Energy Adjustment during the preceding Reference Periods. The True-up Amount may also reflect historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA and the Regulations. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period of time by (ii) the forecast of electricity consumption of Specified Creditors in respect of such period, based on forecast information provided to the OEB by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the [Issuer],[38] amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the [Issuer] until remitted to the IESO for the benefit of the [the owners of Investment Interests (initially, only the Issuer)]. If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received on a *pro rata* basis to the Clean Energy Adjustment and the other amounts payable under the particular invoice.[39] It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.[40] If there are any amounts that are collected by the Electricity Vendor, but not remitted to the IESO to remit to [the Issuer] during a Reference Period, such shortfall will be included in the True-up Amount for the subsequent period.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. [Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and

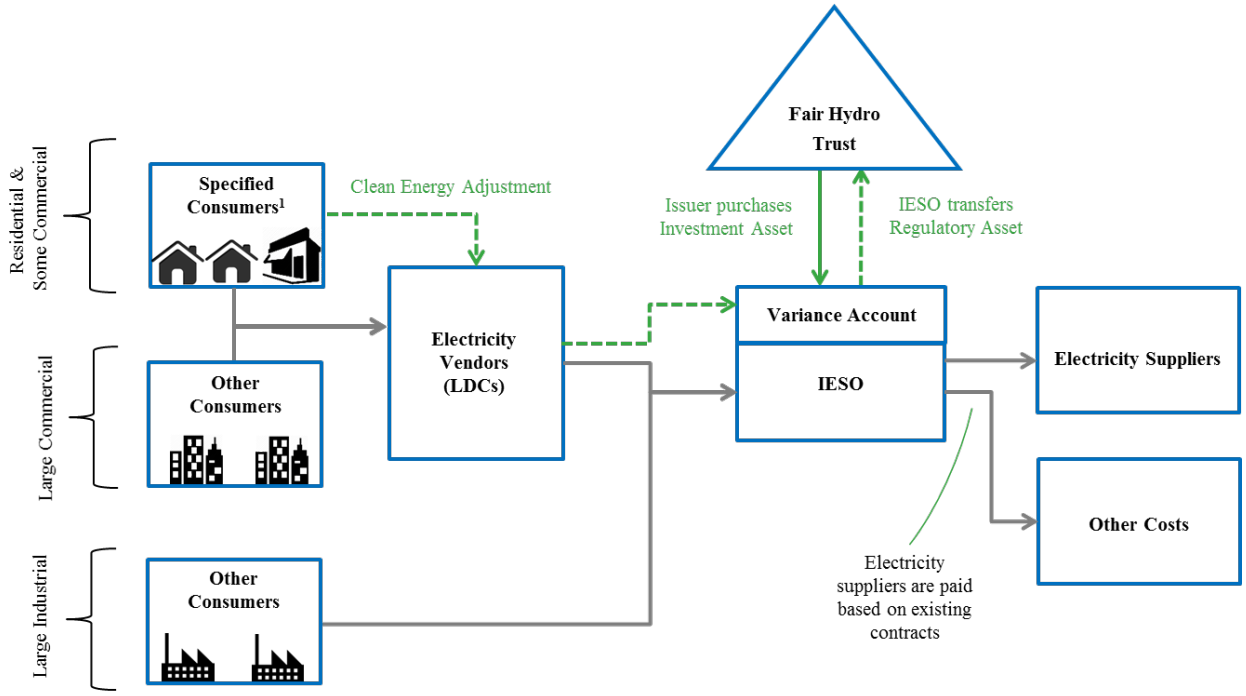
[38] **Note:** Please see note 17 regarding the placement of square brackets around "the Issuer" in this paragraph. The disclosure should indicate that amounts are collected for the Investment Interests owners (and that, as at the date of the OM, the Issuer is the only Investment Interest owner).

[39] **Note:** Please consider revising to conform more closely to Section 17(4) of the FHPA.

[40] **Note:** Please confirm.

remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period.][41] See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, directly to the IESO.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers.[42] Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA , provided

[41] **Note:** This narrative should more precisely track the FHPA. The relevant provisions are Section 25(3) [*the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from specified consumers before May 1, 2021*] and Section 21(4) [*limitation on the Financial Services Manager incurring funding obligations payable through Clean Energy Adjustments from July 1, 2017 to April 30, 2021*].

[42] **Note:** Please consider a description of the fair allocation amount that more closely aligns to Section 20(1) of the FHPA.

that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred, after reducing the Fair Allocation Amount by the Readjustment Amount, if any, in respect of the Reference Period. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan does not currently contemplate the issuance of any Senior Notes maturing prior to May 2024. The Financial Services Manager may, however, determine to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. If Senior Notes cannot be refinanced on or before the applicable Principal Payment Default Date, holders of such Senior Notes will have the ability to accelerate their Senior Notes resulting in Clean Energy Adjustments that would otherwise be used to pay the principal amount of subordinated indebtedness to holders of subordinated Notes being used to pay holders of accelerated Senior Notes.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

IESO Payment of Carrying Costs During the Moratorium Period

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. During the Moratorium Period and extending to July 31, 2021,[43] the IESO, which is rated A(high) by DBRS Limited ("**DBRS**") and Aa2 by Moody's Investors Services, Inc. ("**Moody's**"), is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes).[44] The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset that the IESO is expected to transfer to the Issuer in a subsequent period and, upon such transfer, will become part of the Issuer's Investment Interest pursuant to the Regulations.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs. Furthermore, as security for the performance of its obligations under the Regulations to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

[43] **Note:** Please clarify this disclosure for consistency with Section 9.1(1) of the General Regulation. This provision states that the IESO shall pay financing entity carrying costs in respect of the period beginning June 1, 2017 (before the Moratorium Period) and ending July 31, 2021.

[44] **Note:** Consider revising to conform with the definition of "carrying costs" in Section 9.1(3) of the General Regulation.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA or the Regulations, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement in favour of the Indenture Trustee, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account (as hereinafter defined). The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay each Specified Creditor to whom an amount is due and payable under an Approved Obligation. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Obligation Secured on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Obligation Secured on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period for purposes of [section 15(1) of the FHPA (in effect as at December 21, 2017), including section 6.1 of the General Regulation under the FHPA (in effect as at December 21, 2017)][45], divided by the number of months in such Reference Period.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not

[45] Perhaps this should instead cross-reference a more detailed description and explanation of the "Acceleration" mechanics under 6.1 of the Regulation.

permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the FHPA, in whole or in part, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the FHPA, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral (as hereinafter defined) and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture and no person entitled under any Obligation Secured (including a Specified Creditor) that ranks equal with or subordinate to the Approved Obligation in respect of which the Province of Ontario is owed a Subrogation Amount will be entitled to make any claim or assert any right in or to the amounts paid or payable to the Province of Ontario, and no such person will have any right to the Collateral or any proceeds therefrom in respect of any Subrogation Amount. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

A "**Certified Primary Obligation**" means a Primary Obligation: (i) incurred by or on behalf of the Issuer to fund its ownership of an Investment Interest, including any Refinancing, other than a Post-Suspension Refinancing or a Pre-Approved Refinancing (each as defined below), of such a Primary Obligation (for greater certainty, including, in the case of any Certified Primary Obligation permitting funding transactions pursuant to a Funding Obligation Agreement applicable to the Certified Primary Obligation, each individual borrowing or funding

utilization thereunder), (ii) incurred by or on behalf of the Issuer upon the Issuer entering into a derivative agreement, in which case the Certified Primary Obligation therefor shall be the Master Agreement applicable to such derivative agreement and not any individual trade confirmation other than a trade confirmation that modifies or purports to override the express terms or conditions of the related Master Agreement, or (iii) incurred by or on behalf of the Issuer upon entering into a contract that has a term of more than three (3) years which is not terminable by the Issuer giving three (3) years' notice or less and expected (as determined by the Manager, acting reasonably) aggregate payments by the Issuer thereunder during the term of such contract are or would be in excess of $5,000,000 (that, for greater certainty, is not otherwise captured in clauses (i) and (ii) above).

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection

with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA or the Regulations; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were Approved Obligations issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust governed by the laws of the Province of Ontario pursuant to a declaration of trust made December 20, 2017 (the "**Declaration of Trust**"). Computershare Trust Company of Canada (the "**Issuer Trustee**") is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

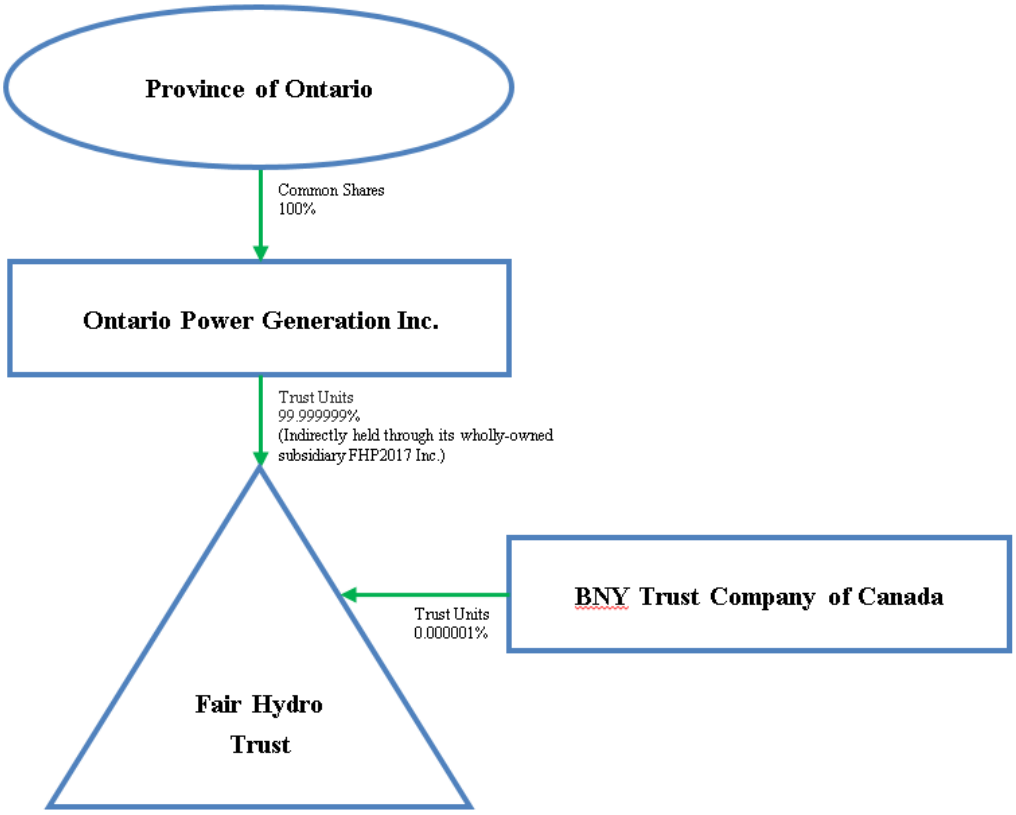
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

OPG has entered into a management agreement with the Issuer dated as of December 20, 2017 (the "**Management Agreement**") pursuant to which the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA and the Regulations, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment

amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, [46] the Manager shall review, or cause to be reviewed, on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA and the Regulations, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests in accordance with the FHPA or for the purposes of a Refinancing;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval and the Regulations, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors − Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and Manager of the Issuer.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer

[46] Please confirm the source of the right to review electricity vendor records under the Regulations. If this refers to Section 10(4) of the General Regulation, the right is that of the Issuer or the FSM.

under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

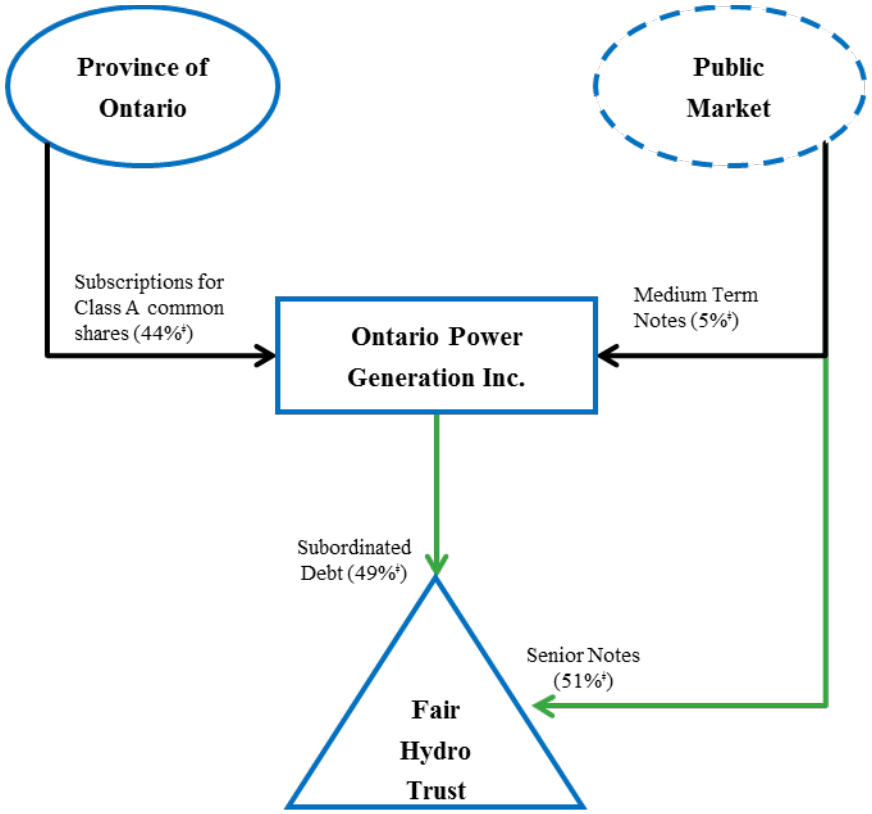
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximate 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes).

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



‡ OPG will acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

THE TRANSFEROR AND SERVICER

The IESO has entered into a master transfer and servicing agreement with the Issuer dated as of December 21, 2017 (the "**Master Transfer and Servicing Agreement**") pursuant to which the IESO may periodically transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to transfer to the Issuer its right, title and interest in, to and under a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of collecting the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts collected in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on a monthly basis, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) forecasting the electricity consumption of Specified Consumers and providing such forecast information to the OEB and the Issuer.

While the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that the Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, the IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA and the Regulations when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer.[47] However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA or the Regulations, including its obligation to pay the Issuer's Carrying Costs.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer, including repayment of principal on the Senior Notes.[48] Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs.

As security for the performance of its obligation to pay the Issuer's Carrying Costs, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable, which includes the amounts receivable by the IESO with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in a variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for transfer to the Issuer in a subsequent period and, upon completion of such transfer, shall become part of the Issuer's Investment Interest pursuant to the Regulations.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

[47] **Note:** Please confirm.

[48] **Note:** Consider a description of "carrying costs" that conforms to the definition set out in Section 9.1(3) of the General Regulation. Also note that the Glossary defines "Carrying Costs" as having the meaning ascribed to the term in the Regulations.

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA or the Regulations (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the

taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See "*— Subordination Provisions*", "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Issuer Trustee in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);
- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and

- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the United States Internal Revenue Code of 1986, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under

"*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").[49]

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the

[49] **Note:** Consider also including the floating charge in all of the property, assets and undertaking now owned or hereafter acquired by the Issuer in the definition of Collateral. (s. 2.01(b) of the Master Trust Indenture).

benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will

be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "—*Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual

Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "*— Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral, and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series

Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "*— Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under “The Issuer”.

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may

only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "*— Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel,[50] each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized, executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from

[50] **Note:** Please confirm deletion of "external counsel". Please see definition of "Opinion of Counsel" and s. 13.19(c) in Master Trust Indenture.

satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;

- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;

- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;

- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;

- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;

- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;

- facilitate the issuance of foreign currency Issuer Funding Obligations;

- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;

- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or

- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not

reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of

acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See "*Capital Markets Platform*".[51]

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts

[51] **Note:** Please consider tracking the specific terms of section 6.1 of the General Regulation, and add detailed descriptions to correspond to the limitation on cashflows during acceleration in the applicable detailed portions of the OM and Risk Factors.

will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this "Description of the Senior Notes" section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;

- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;

- the price at which such Series or Tranche of Senior Notes will be issued;

- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;

- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;

- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;

- the Principal Accumulation Date(s) and Principal Accumulation Amount(s) for such Series of Senior Notes;

- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;

- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;

- any events of default with respect to such Series or Tranche of Senior Notes;

- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;

- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;

- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;

- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and

- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term

Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Principal Accumulation Date(s) for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than a Principal Payment Date if an optional redemption occurs and may receive principal payments later than a Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on a Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the

unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**Depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the Depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the Depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the Depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The Depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the Depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the Depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the Depository or any action to be taken by the Depository or at the direction of its Participants. The rules governing the Depository provide that it acts as the agent and Depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the Depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the Depository notifies the Issuer in writing that the Depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the

book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the Depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price

of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA or the Regulations and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA, the Regulations or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA or the Regulations.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA or the Regulations will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit was successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any

Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Regulations, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA or the Regulations should no longer be law in Ontario or that the FHPA or Regulations should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See "*Change of Law Protection Agreement*". However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA or the Regulations referenced in the previous paragraph were amended or revoked through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Province of Ontario, although the remedy of damages is available.[52] Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy

[52] **Note:** Consider mentioning that section 21 of the *Proceedings Against the Crown Act* (Ontario) prohibits execution, attachment and process against the Province.

against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.[53]

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other Carrying Costs, solely upon the IESO who is obligated under the Regulations to pay these Carrying Costs. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Issuer's Carrying Costs. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring ■, 20■, which is permitted to be used to pay the Issuer's Carrying Costs. ***[NTD: IESO credit facility description to be confirmed.]***[54] There can be no assurance that the IESO will continue to have sufficient funds available to pay interest on the Senior Notes or to pay the Issuer's other Carrying Costs during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay interest on the Senior Notes or the Issuer's other Carrying Costs and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO under the Master Transfer and Servicing Agreement.

[53] **Note:** Consider mentioning, as a mitigant, that section 22 of the *Proceedings Against the Crown Act* (Ontario), which states that "the Minister of Finance shall pay out of the Consolidated Revenue Fund the amount payable by the Crown, (a) under an order of a court that is final and not subject to appeal; (b) under a settlement of a proceeding in a court…".

[54] **Note:** Is there any other information to be added apart from the expiry date?

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment of interest on the Senior Notes, and the Issuer must rely for payment of all of its other Carrying Costs, solely upon the IESO who is obligated under the Regulations to pay these Carrying Costs. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and
- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA and the Regulations.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event and delivery by the Indenture Trustee to the Province of Ontario of a written payment demand. See *"Change of Law Protection Agreement"*. The Senior Notes will be limited recourse obligations, secured only by the collateral. See "*Capital Markets Platform — Acceleration and Remedies — Limited Recourse*". Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or other obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA and the Regulations, rights to enforcement of the FHPA, the Regulations and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in

principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform – Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Funding Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring an Investment Interest. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the transfer by the IESO of a specified portion of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.[55]

[55] **Note:** Consider explaining under this risk factor that the Investment Asset is a bundle of rights and interests held collectively by all investment interest owners.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA, the Regulations and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA, the Regulations and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or forecasting consumption, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager of the Issuer.

The FHPA, the Regulations and the Program Agreements impose new duties and obligations of OPG, as Financial Services Manager and as Manager of the Issuer. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA, the Regulations and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA and the Regulations, including determining the Clean Energy Adjustment (inclusive of the True-Up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to

the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated in part based upon a forecast of Specified Consumer usage to be newly developed by the IESO[, adjusted for expected billing lags and charge-offs] [including the effect of delinquencies and write-offs] ***[Confirm whether the IESO forecast takes into account items noted in square brackets.]***. Under the Regulations, the IESO is required to provide to the OEB forecast information regarding electricity consumption of Specified Consumers. The amount and the rate of the Clean Energy Adjustment will depend in part on actual electricity usage and the amount of collections and write-offs for Specified Consumers.[56] If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. Neither the FHPA nor the Regulations require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information to the IESO regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in the FHPA and the Regulations. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment. For example, an Electricity Vendor's conditions of service may permit it to offer equal monthly billing plans to its consumers thereby delaying payments from one month to the next during the year or to enter into arrangements for the payment of arrears. In that event, collection of the Clean Energy Adjustment may be delayed or reduced until an adjustment is made.

[56] **Note:** Please confirm.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment.[57] The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee, for itself and on behalf of the holders of Senior Notes and other creditors, only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to indemnify holders of Senior Notes, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach and the fact that holders of Senior Notes will be unsecured creditors of OPG or the IESO, as applicable, with respect to any of these indemnification amounts. Neither OPG nor the IESO will indemnify any person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Senior Notes, or for any consequential damages, including any loss of market value of the Senior Notes resulting from a default or a downgrade of the ratings of the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-Up Amount. If those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20°C. Winters include snow and icing conditions that can be damaging to overhead power

[57] **Note:** Please confirm source/ conform to wording in FHPA.

lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior

Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the transfers between the IESO and the Issuer pursuant to the Master Transfer and Servicing Agreement may not be respected as true sales of the Investment Interest.

Ordinarily, the interests of the Issuer as transferee of the Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time an Investment Interest is transferred to the Issuer, which could reduce the amounts that may be available to the Issuer and, consequently, the holders of Senior Notes. Section 27(3) of the FHPA provides that at the time of the transfer to a Financing Entity under the FHPA, such transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the FHPA provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the transfer and the property rights and interests acquired by the transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the FHPA in such circumstances is untested. The IESO will treat the transactions described herein as a transfer of the Regulatory Asset to the Issuer. Such transfers will be made in accordance with Section 26 of the FHPA. Section 27(1) of the FHPA provides that a transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the transferee. As a transfer, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Investment Interest. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under "*Risks Associated with the Unusual Nature of the Investment Asset*".

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO may be significantly impaired or delayed.

While the IESO is the servicer under the Master Transfer and Servicing Agreement, collections held by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under "*Risks Associated with the Unusual Nature of the Investment Asset*".

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the FHPA, provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form

part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017*,[58] in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws would generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See *"Rating Agency Condition"*.

[58] The *Fair Hydro Act, 2017* (Ontario), which provided in Schedule 1 the *Ontario Fair Hydro Plan Act, 2017*, amends two other statutes: the *Electricity Act, 1998* (see section 43) and the *Ontario Energy Board Act, 1998* (see section 44).

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the

Senior Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to

verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Description of Senior Notes — Reporting Requirements of Senior Notes"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

  (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

  (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference therein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference therein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference therein, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the Securities Act (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited

investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer. "Misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer will be liable if the person proves that

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

  (ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

  (iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that;

    (A) there had been a misrepresentation; or

(B) the relevant part of the confidential shelf offering memorandum:

a. did not fairly represent the report, statement or opinion of the expert, or

b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for purchasers in Newfoundland and Labrador

In accordance with section 130.1 of the *Securities Act* (Newfoundland and Labrador, hereinafter the "**NL Act**"), in the event this confidential shelf offering memorandum contains a misrepresentation, a purchaser who purchases Senior Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, in which event the purchaser has, subject to the defences and limitations set out in the NL Act: (a) a right of action for damages against the Issuer and, every trustee of the Issuer at the date of this confidential shelf offering memorandum and every person or company who has signed this confidential shelf offering memorandum; and (b) a right of rescission against the Issuer. Where a right of rescission is exercised, a purchaser shall have no right of action for damages against any other person or company.

For the purposes of the NL Act "misrepresentation" means: (a) an untrue statement of material fact, or (b) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

A person or company is not liable under section 130.1 of the NL Act: (a) if the person or company proves the purchaser had knowledge of the misrepresentation; or (b) in an action for damages, for all or any portion of the damages that the person or company proves do not represent the depreciation in value of the security as a result of the misrepresentation. Additionally, in an action for damages, the amount recoverable under the right of action shall not exceed the purchase price at which the security was offered.

In addition no person or company, other than the Issuer, is liable under section 130.1 of the NL Act if:

(a) the person or company proves that this confidential shelf offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was sent without the person's or company's knowledge or consent;

(b) the person or company proves that on becoming aware of any misrepresentation in this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, and gave reasonable notice to the Issuer of the withdrawal and the reason for it;

(c) with respect to any part of this confidential shelf offering memorandum purporting to be made on the authority of an expert (or purporting to be a copy of or an extract from a report, opinion or statement of an expert), the person or company proves they had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of this confidential shelf offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum not purporting to be made on the authority of an expert (and not purporting to be a copy of or an extract from a report, opinion or statement of an expert), unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; (ii) or believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into this confidential shelf offering memorandum, the misrepresentation is deemed to be contained in this confidential shelf offering memorandum.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law. The liability of all persons and companies referred to above is joint and several.

Pursuant to section 138 of the NL Act, no action shall be commenced to enforce the rights conferred by section 130.1 thereof unless commenced:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in Alberta, British Columbia, and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

[NTD: Glossary in progress. For ease of reference, Torys is considering adding an index or replacing glossary with an index for terms that are defined in the body.]

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" means the agents designated by the Issuer from time to time and identified in the Term Sheet applicable to such Offering to sell the Senior Notes as described under *"Plan of Distribution"*.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Government of Ontario related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid

in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" has the meaning set out under *"The Issuer"*.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**Depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" means The Depositary Trust Company.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to,

bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.[59]

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.[60]

"**FHPA**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" means OPG, in its capacity as financial services manager appointed under the FHPA to perform the duties assigned to it thereunder.[61]

"**Financing Entity**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligation**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any credit enhancement agreement or any derivative agreement.

"**Funding Rebate**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in

[59] **Note:** Please consider revising the definition of "Fair Adjustment" if this concept is to be used in the OM. The definition of the "Fair Adjustment" indicates that this term only refers to the rate reduction from July 1, 2017 until April 30, 2018. When the term is then later used in narrative [ex. "…the Financing Entity is financing a portion of the shortfall that results from the Fair Adjustment…"] it refers to the electricity rates that result from the entire fair hydro program.

[60] **Note:** Please consider a description of the Fair Allocation Amount that more closely aligns to Section 20(1) of the FHPA.

[61] **Note:** Please consider whether there should be disclosure indicating that the FSM is a statutory role from which OPG may be removed.

November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer**" means Fair Hydro Trust, a special purpose trust governed by the laws of the Province of Ontario.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" has the meaning set out under *"The Manager"*.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" means *The Securities Act* (Manitoba).

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**MW**" means megawatts.[62]

"**NI 31-103**" means National Instrument 31-103 — *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

"**NI 45-106**" means National Instrument 45-106 — *Prospectus Exemptions*.

"**NL Act**" means the *Securities Act* (Newfoundland and Labrador).

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and*

[62] **Note:** Definition not used.

Servicer".

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" means an offering of senior secured notes pursuant to this confidential shelf offering memorandum and the related Term Sheet as described under *"Plan of Distribution"*.

"**Offering Jurisdiction**" means each of the provinces of Canada.

"**OPA**" means Ontario Power Authority.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security —*

Issuer Accounts — Program Accounts — Principal Accumulation Account".

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date occurring on or after the Principal Accumulation Date for such Series, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates after the Principal Accumulation Date for such Series which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Readjustment amount**" has the meaning ascribed to the term "readjustment amount" in the FHPA and Regulations.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(i) every six-month period following the period mentioned in (a);

(ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under "*The Electricity Industry in Ontario — Electricity Prices.*

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" means *The Securities Act, 1988* (Saskatchewan).

"**Section 130.1**" means section 130.1 of the *Securities Act* (Ontario).

"**Section 150**" means section 150 of the *Securities Act* (New Brunswick).

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Subrogation Amounts**" has the meaning set out under "*Change of Law Protection Agreement — Protection Event*".

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and

the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" means FHP2017 Inc., a wholly-owned subsidiary of OPG, and the Indenture Trustee.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January ●, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Description of Notes" section of the confidential shelf offering memorandum which contains a more detailed description of certain terms of the Series 2018-1 Senior Notes and the master trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *January ●, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ●, Series 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust governed by the laws of the Province of Ontario.
Issue:	●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Credit Ratings:	DBRS: ● (●) Moody's: ● (●)
Principal Amount:	$●
Term:	● years[1]
Launch Date:	●, 2018
Pricing Date:	●, 2018
Settlement Date:	●, 2018 (T+3)
Interest Rate:	●%
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● +● bps (including a ● bps curve adjustment) versus the CAN ●% due ● (priced at $● to yield ●%)

[1] Please confirm if a single principal payment date is contemplated. Does this need to be reconciled with the "legal final maturity date" concept?

Issue Yield: ●%

Issue Price: $● for each $1,000 principal amount of Series 2018-1 Senior Notes sold.

Agents Commission: **$●**

Net Proceeds: $●

Interest Payment Dates: Interest on the Series 2018-1 Senior Notes shall be payable in equal (except the initial interest payment) semi-annual instalments in arrears on April 15 and October 15 of each year, commencing April 15, 2018 (short first coupon). The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first interest payment date for the Series 2018-1 Senior Notes. The first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes.

If an interest payment date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis.

Principal Accumulation Date(s) and Principal Accumulation Amount(s):

Principal Accumulation Dates	**Principal Accumulation Amounts**
●, 20●	$●

Principal Payment Date(s) and Principal Payment Amount(s):

Principal Payment Date	**Principal Payment Amount**
●, 20●	$●

Principal Payment Default Date: ●, 20●

Optional Redemption: The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption.

"**Par Call Date**" means ●, 20●.

"**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the date of redemption, plus ●% per annum.

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity

	equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the Par Call Date (calculated from the date of redemption), such yield being expressed as a per annum rate equal to the average of the per annum yields provided by two major Canadian investment dealers specified by the Issuer.
Limited Recourse:	The Series 2018-1 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-1 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-1 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Series 2018-1 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under "*Change of Law Protection Agreement*". The Series 2018-1 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under "*Capital Markets Platform — Acceleration and Remedies — Limited Recourse*" *and "Risk Factors"*.
Use of Proceeds:	The net proceeds from the Series 2018-1 Senior Notes Offering will be used as follows: **[(i) to refinance $● of indebtedness of the Issuer originally incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement and (ii) to pay the Series 2018-1 Senior Notes Offering and related costs of the Issuer in an approximate amount of $●. See *"Consolidated Capitalization"*.]**
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	**[CIBC World Markets Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc. (as co-leads and co-bookrunners)]**, ●, ●, and ●.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior

statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer", of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

[NTD: If there are subsequent draws on the warehouse before the launch of the Series 2018-1 Senior Notes Offering, this section to be updated.]

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for:

(i) $● of ●% subordinated notes due ●, Series 2018-1; and
(ii) $● of ●% subordinated junior notes due ●, Series 2018-1.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	Nil
Debt		
Long-term debt, including current portion…….	Nil	$●
Short-term debt……...	**$[1,179,000,000.00][(1)]**	**$[1,179,000,000.00]**
Bank indebtedness……..	Nil	Nil
Total Debt……	**$[1,179,000,000.00][(1)]**	$●
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	**$[1,179,010,000.01][(1)]**	$●

(1) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short-term

debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes, Series 2017-1 held by OPG; and (iii) $117,900,000 of which, or 10% of all short term debt, represented by Junior Subordinated Notes held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On October 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any

accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer", of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, the Issuer had approximately $● billion outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' fee payable by the Issuer

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

From:	Ramchandani, Rima
To:	"VINER, JON"; LEE John -TREASURY; "ken.ryfa@opg.com"; WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; Mansoori, Nina; Saulnier, Brett
Cc:	Thouin, Alena (ENERGY); Tim Christie (ENERGY); Daniel Cayley (ENERGY); Mike Manning; Ken Kandeepan; Anna Strathy; Veinot, Cindy (TBS); Mark Donaldson (MOF); Malle Hanslep (MOF); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN; Ronald Kwan; Huang, Jackson (MEDG/MRIS); Sawwaf, Khareem (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); Gadi Mayman
Subject:	RE: Fair Hydro Trust - Disclosure Documents
Date:	Tuesday, January 16, 2018 1:14:20 PM

Thanks very much Jon. Are you able to send us the Word versions of the OM and Term Sheet reflecting your comments as well (that may facilitate a speedier turn on our end and will also allow us to send you a blackline back to your drafts).

Rima

Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January-16-18 10:48 AM
To: LEE John -TREASURY ; 'ken.ryfa@opg.com' ; WONG Leslie -LAWDIV ; LADAK Lubna -TREASURY ; Mansoori, Nina ; Saulnier, Brett ; Ramchandani, Rima
Cc: Thouin, Alena (ENERGY) ; Christie, Tim (ENERGY) ; Cayley, Daniel (ENERGY) ; Mike Manning ; Ken Kandeepan ; Anna Strathy ; Veinot, Cindy (TBS) ; Mark Donaldson (MOF) ; Malle Hanslep (MOF) ; Tobias P. Whitfield (MOF) ; ASHBOURNE, STEPHEN ; Ronald Kwan ; Huang, Jackson (MEDG/MRIS) ; Sawwaf, Khareem (ENERGY) ; Lightbody, Ava (ENERGY) ; James Rehob (ENERGY) ; Gadi Mayman (Gadi.Mayman@ofina.on.ca)
Subject: Fair Hydro Trust - Disclosure Documents

All,

Please find attached the Province's comments on the offering memorandum, investor presentation and term sheet.

We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,

Jon

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499

Blakes

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9

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From: Ken Kandeepan
To: Tim Christie (ENERGY)
Cc: Steen Hume (CAB); Mike Manning
Subject: RE: Fair Hydro Trust - Disclosure Documents
Date: Thursday, January 18, 2018 11:55:27 AM

Hi Tim
Sorry to bug you again, I just got off a discussion with our Legal, much appreciated if you can give me a call when you are free, I am available from now until 2 PM and then after 4 PM.
Thanks and hopefully this is the last one on this issue☺
Ken k
-----Original Message-----
From: Christie, Tim (ENERGY) [mailto:Tim.Christie@ontario.ca]
Sent: Wednesday, January 17, 2018 11:43 AM
To: Ken Kandeepan
Cc: Steen Hume (CAB) ; Mike Manning
Subject: Re: Fair Hydro Trust - Disclosure Documents
Ken, I'll give you a call shortly.
On Wed, Jan 17, 2018 at 11:35 AM -0500, "Ken Kandeepan" <Ken.Kandeepan@ofina.on.ca>> wrote:
Tim
Unfortunately Mike or I will most likely be not available for this call, wonder if you have a few minutes to call me between now and 1 PM so that I can give you my take on this issue.
Thanks
Ken k
416-325-9814
From: Mike Manning
Sent: Wednesday, January 17, 2018 11:20 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com) <STEPHEN.ASHBOURNE@blakes.com>
Cc: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Fair Hydro Trust - Disclosure Documents
Unfortunately not around after 2:30.
Mike
From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Wednesday, January 17, 2018 11:08 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>>; ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com>) <STEPHEN.ASHBOURNE@blakes.com>>
Cc: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>>; Mike Manning <Mike.Manning@ofina.on.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca>>
Subject: RE: Fair Hydro Trust - Disclosure Documents
I am available at any time today.
Tobias Whitfield
Counsel, Legal Services Branch

Ministry of Finance
tobias.whitfield@ontario.ca>
Phone: 416-325-1456
From: Hanslep, Malle (MOF)
Sent: January 17, 2018 10:30 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com>)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY); Strathy, Anna (OFA)
Subject: RE: Fair Hydro Trust - Disclosure Documents
Hi – Adding Anna Strathy to the email group.
From: Hanslep, Malle (MOF)
Sent: January-17-18 10:27 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com>)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents
Sure.
From: Thouin, Alena (ENERGY)
Sent: January-17-18 10:26 AM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com>)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents
Thanks Malle. Can we set up a call to discuss?
Thank you
Sent with BlackBerry Work
(www.blackberry.com[blackberry.com]=>)
From: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>>
Date: Wednesday, Jan 17, 2018, 10:21 AM
To: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>>, Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>>, ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com>) <STEPHEN.ASHBOURNE@blakes.com>>
Cc: Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>>, Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>>, Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>>
Subject: FW: Fair Hydro Trust - Disclosure Documents
Should we discuss this approach? It may have implications for future documents and transactions. I have not had the opportunity to review the changes that were accepted but if we think they are important it would be best to be able to preserve those as the version of the “OM” as a reference document under the Process Agreement for future transactions rather than the initial version they sent us. I realize there is a problem with the 10 days but if we could figure out a way to make the final version (or close to final) become the reference document that would be best. So I’m not sure that we want to write back and just agree with Les that we don’t take a contrary view without considering carefully. Technically if the 10 days expire without the Province objecting the document becomes a reference document. I know Toby has drafted a delegation of the powers under the process agreement for MOF/OFA. Not sure what the timing of the deal is right now.

Thanks,
Malle
From: WONG Leslie -LAWDIV [mailto:leslie.wong@opg.com]
Sent: January-17-18 9:45 AM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF)
Cc: LEE John -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Saulnier, Brett; Ramchandani, Rima; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro Trust - Disclosure Documents
Dear Alena and Malle,
You will have seen the revised draft of the OM and term sheet circulated by Torys (attached again for reference). A revised draft of the Investor Presentation is also in progress and will be circulated once available. We do not view the changes made to the OM, term sheet or the IP as material (in form or substance) and we would appreciate it if you could confirm that the Province does not take a contrary view. As you know, under the change of law process agreement, OPG is required to certify that these documents are substantially in the form as previously provided to the Province, which we believe is the case. Therefore, there is no reason for us to restart the 10 Business Day clock running following delivery of the revised documents. If you have any concerns with our interpretation or approach please let us know.
Regards,
Les
Leslie Wong
Senior Counsel
Ontario Power Generation Inc.
700 University Avenue, H18 G26.1, Toronto, ON M5G 1X6
T: (416) 592-3110 | E: leslie.wong@opg.com>
From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: Wednesday, January 17, 2018 1:31 AM
To: VINER, JON <JON.VINER@blakes.com>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>>; Mike Manning <Mike.Manning@ofina.on.ca>>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca>>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>>; James Rehob (ENERGY) <James.Rehob@ontario.ca>>; Gadi Mayman (Gadi.Mayman@ofina.on.ca>) <Gadi.Mayman@ofina.on.ca>>
Cc: LEE John -TREASURY <john.s.lee@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>>; Mansoori, Nina <nmansoori@torys.com>>; Ramchandani, Rima <rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com>>
Subject: EXTERNAL – RE: Fair Hydro Trust - Disclosure Documents
*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from

unknown senders or unexpected email. *** _____
All,
Please find attached revised versions of the Offering Memorandum and Term Sheet. We have accepted the majority of the Province's comments where appropriate and I have included blacklines of each document against the version circulated by Jon below. The attached also reflect comments received from the IESO and some additional clean-up changes made since the documents were provided to the Province on January 5.
In the interest of time, we are circulating these drafts to all parties concurrently. Accordingly, they remain subject to review and comment by OPG, IESO, the dealers and their respective counsel.
Thanks,
Brett
Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada |
www.torys.com[na01.safelinks.protection.outlook.com]=>
[Torys LLP][na01.safelinks.protection.outlook.com]<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttp-253A-252F-252Fwww.torys.com-26data-3D02-257C01-257Cleslie.wong-2540opg.com-257Cdad1536ab18f4905427508d55d7443b4-257C962f21cf93ea449f99bf402e2b2987b2-257C0-257C0-257C636517677030236931-26sdata-3DYU16o4Azh-252B78d4axRjwt-252BuPc5Jv7HtXhEoXh51IZ1gA-253D-26reserved-3D0&d=DwMFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=qAu7uPTgP4g0cKbUubT-lAGWz0fa9YsUUB66jTaYQPQ&s=BKoFwwCj9cWeydT4kMPMQHYkS4DV2r1xreSb5W8n0vM&e=>
From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January-16-18 10:48 AM
To: LEE John -TREASURY <john.s.lee@opg.com>>; 'ken.ryfa@opg.com' <ken.ryfa@opg.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>>; Mansoori, Nina <nmansoori@torys.com>>; Saulnier, Brett <bsaulnier@torys.com>>; Ramchandani, Rima <rramchandani@torys.com>>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>>; Mike Manning <Mike.Manning@ofina.on.ca>>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca>>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>>; James Rehob (ENERGY) <James.Rehob@ontario.ca>>; Gadi Mayman (Gadi.Mayman@ofina.on.ca>) <Gadi.Mayman@ofina.on.ca>>
Subject: Fair Hydro Trust - Disclosure Documents
All,
Please find attached the Province's comments on the offering memorandum, investor presentation and term sheet. We do not have comments on the additional documents circulated on January 5th. Please let us know if you would like to discuss.

Kind regards,
Jon
Jon Viner
Associate
jon.viner@blakes.com>
Dir: 416-863-2499

_____

[cid:image002.gif@01D38F85.100D5D50]
Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
Tel: 416-863-2400 Fax: 416-863-2653
blakes.com[na01.safelinks.protection.outlook.com]<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttp-253A-252F-252Fwww.blakes.com-26data-3D02-257C01-257Cleslie.wong-2540opg.com-257Cdad1536ab18f4905427508d55d7443b4-257C962f21cf93ea449f99bf402e2b2987b2-257C0-257C0-257C636517677030236931-26sdata-3D3O-252FmEfh-252Fnrr5HZeRkZ0zEMP-252Fi5-252FNy2tT4pFxzFPEnc4-253D-26reserved-3D0&d=DwMFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=qAu7uPTgP4g0cKbUubT-lAGWz0fa9YsUUB66jTaYQPQ&s=iZG5_DPeKG25u21jpJUlkwr6syK3d7HlsD4L9z5hvdA&e=> | Twitter[na01.safelinks.protection.outlook.com]<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttp-253A-252F-252Ftwitter.com-252FBlakesLaw-252F-26data-3D02-257C01-257Cleslie.wong-2540opg.com-257Cdad1536ab18f4905427508d55d7443b4-257C962f21cf93ea449f99bf402e2b2987b2-257C0-257C0-257C636517677030236931-26sdata-3DO7QsK-252FYrQoFDudti2xmnBwHBfPmgDHBneNRm4rBritw-253D-26reserved-3D0&d=DwMFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=qAu7uPTgP4g0cKbUubT-lAGWz0fa9YsUUB66jTaYQPQ&s=CWuaJyRNne0OatvdXKn1cjoNktYLvvxHeVVmf3fma_c&e=> | Unsubscribe[na01.safelinks.protection.outlook.com]<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttp-253A-252F-252Fwww.blakes.com-252FEnglish-252FResources-252FBulletins-252FPages-252Funsubscribe.aspx-26data-3D02-257C01-257Cleslie.wong-2540opg.com-257Cdad1536ab18f4905427508d55d7443b4-257C962f21cf93ea449f99bf402e2b2987b2-257C0-257C0-257C636517677030236931-26sdata-3DDt-252Bfbk5DtGa69aUQsXmLYo5VdDvZFoStBYtxcrE2CmU-253D-26reserved-3D0&d=DwMFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=qAu7uPTgP4g0cKbUubT-lAGWz0fa9YsUUB66jTaYQPQ&s=NG7yjaCk706Zu6jRMXs7mnaFLeoUcOtzwNiDBlk8qGw&e=>
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From:	Saulnier, Brett
To:	VINER, JON; Thouin, Alena (ENERGY); Tim Christie (ENERGY); Daniel Cayley (ENERGY); Mike Manning; Ken Kandeepan; Anna Strathy; Veinot, Cindy (TBS); Mark Donaldson (MOF); Malle Hanslep (MOF); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN; Ronald Kwan; Huang, Jackson (MEDG/MRIS); Sawwaf, Khareem (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); Gadi Mayman
Cc:	LEE John -TREASURY; "ken.ryfa@opg.com"; WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; Mansoori, Nina; Ramchandani, Rima; Feldman, Michael
Subject:	RE: Fair Hydro Trust - Disclosure Documents
Date:	Wednesday, January 17, 2018 6:10:06 PM
Attachments:	Blackline Fair Hydro Trust Investor Presentation - Jan 8 v Jan 17.pdf Fair Hydro Trust Investor Presentation - Jan 17.pdf

All,

Please find attached a revised Investor Presentation. The dealers have prepared a blackline, but noted that it was done manually and to refer to the clean in the event of any inconsistencies.

The attached remains subject to further review and comment by OPG, IESO, the dealers and their respective counsel.

Thanks,

Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

TORYS LLP[torys.com]

From: Saulnier, Brett
Sent: January-17-18 1:31 AM
To: 'VINER, JON' ; Thouin, Alena (ENERGY) ; Christie, Tim (ENERGY) ; Cayley, Daniel (ENERGY) ; Mike Manning ; Ken Kandeepan ; Anna Strathy ; Veinot, Cindy (TBS) ; Mark Donaldson (MOF) ; Malle Hanslep (MOF) ; Tobias P. Whitfield (MOF) ; ASHBOURNE, STEPHEN ; Ronald Kwan ; Huang, Jackson (MEDG/MRIS) ; Sawwaf, Khareem (ENERGY) ; Lightbody, Ava (ENERGY) ; James Rehob (ENERGY) ; Gadi Mayman (Gadi.Mayman@ofina.on.ca)
Cc: LEE John -TREASURY ; 'ken.ryfa@opg.com' ; WONG Leslie -LAWDIV ; LADAK Lubna -TREASURY ; Mansoori, Nina ; Ramchandani, Rima ; Feldman, Michael
Subject: RE: Fair Hydro Trust - Disclosure Documents

All,

Please find attached revised versions of the Offering Memorandum and Term Sheet. We have accepted the majority of the Province's comments where appropriate and I have included blacklines of each document against the version circulated by Jon below. The attached also reflect comments received from the IESO and some additional clean-up changes made since the documents were provided to the Province on January 5.

In the interest of time, we are circulating these drafts to all parties concurrently. Accordingly, they remain subject to review and comment by OPG, IESO, the dealers and their respective counsel.

Thanks,

Brett

Brett Saulnier

From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January-16-18 10:48 AM
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Subject: Fair Hydro Trust - Disclosure Documents

All,

Please find attached the Province's comments on the offering memorandum, investor presentation and term sheet.

We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,

Jon

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Blake, Cassels & Graydon LLP | Barristers & Solicitors | Patent & Trade-mark Agents
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Fair Hydro Trust
Investor Presentation

January [xx], 2018

Denotes Major Change

Disclaimers

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This presentation does not, and does not purport to, contain all information that may be material to an investment decision in respect of the Issuer's Notes. It is only a summary of certain information in respect of the Issuer. Prior to making an investment decision with respect to the Issuer's Notes, prospective investors should carefully review the Confidential Shelf Offering Memorandum, including the related Term Sheet, pursuant to which such Notes are offered (the Offering Memorandum). The information and opinions contained in this presentation are qualified in their entirety by reference to the Offering Memorandum. In particular, reference should be made to the risks of any investment in the Issuer's Notes offered and the statutory rights of rescission or rights to damages available to purchasers of such Notes described in the Offering Memorandum. No representation or warranty, express or implied, is given by or on behalf of the Issuer, the Agents or any other person as to the accuracy or completeness of the information or opinions contained in this presentation.

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Presenters

ONTARIO POWER GENERATION

Ken Hartwick
Chief Financial Officer &
Senior Vice President – Finance

John Lee
Vice President, Treasurer

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I. Introduction and Transaction Overview

Introduction

Ontario's Fair Hydro Plan	• The Province of Ontario announced its Fair Hydro Plan (FHP) on March 2, 2017, which proposed to lower the average electricity bill for eligible customers[1] ~~(referred to as Specified Consumers)~~ by 25% (the "Fair Adjustment") • The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax granted by the Ontario government in January 2017 • ~~It is expected that the rate reduction will be in effect until April 30, 2021, with any rate increases until that date limited to the rate of inflation in Ontario~~
Legislation	• On June 1, 2017, the Ontario government passed the *Ontario Fair Hydro Plan Act, 2017* (~~together, with the regulations promulgated thereunder,~~ the "FHPA" or "Act") to give effect to the FHP~~, legislation that reallocates certain electricity costs over time and provides immediate rate relief contemplated by the Fair Hydro Plan to Specified Consumers~~ • The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers and to provide fairness for Specified Consumers over time • The FHPA is supplemented by regulations related to the implementation of the FHPA (the "Regulations" and together with the FHPA, the "Legislation") • The FHPA imposes an irrevocable and non-bypassable charge recoverable from Specified Consumers and referred to as the Clean Energy Adjustment (CEA); ~~that~~ will be determined by Ontario Power Generation (OPG) in accordance with the Legislation in its role as Financial Services Manager under the Act • The CEA will be determined for each six month reference period and converted by the Ontario Energy Board (OEB) into a $/kWh rate and added to electricity invoices sent to Specified Consumers commencing on May 1, 2021 • From July 1, 2017 to April 30, 2021 (the "Moratorium Period"), no payments in respect of CEA ~~will~~ expected to be collected; during ~~this~~the Moratorium ~~p~~Period the Independent Electricity System Operator (IESO) is obligated to pay all funding and other expenses of the Trust (excluding principal) (referred to as "Carrying Costs") under the ~~Regulations~~Legislation
Fair Hydro Trust	• The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") through the issuance of senior, subordinated and junior subordinated notes • Structured to be bankruptcy remote and even though consolidated by OPG on an accounting basis is ring fenced from OPG's other creditors • The FHT term notes will be repaid through the CEA payments received from Specified Consumers

[1] ~~Primarily Regulated Price Plan-eligible customers~~ Defined as Specified Consumers under the FHPA.~~.~~

Summary of Indicative Terms

Overview of Notes

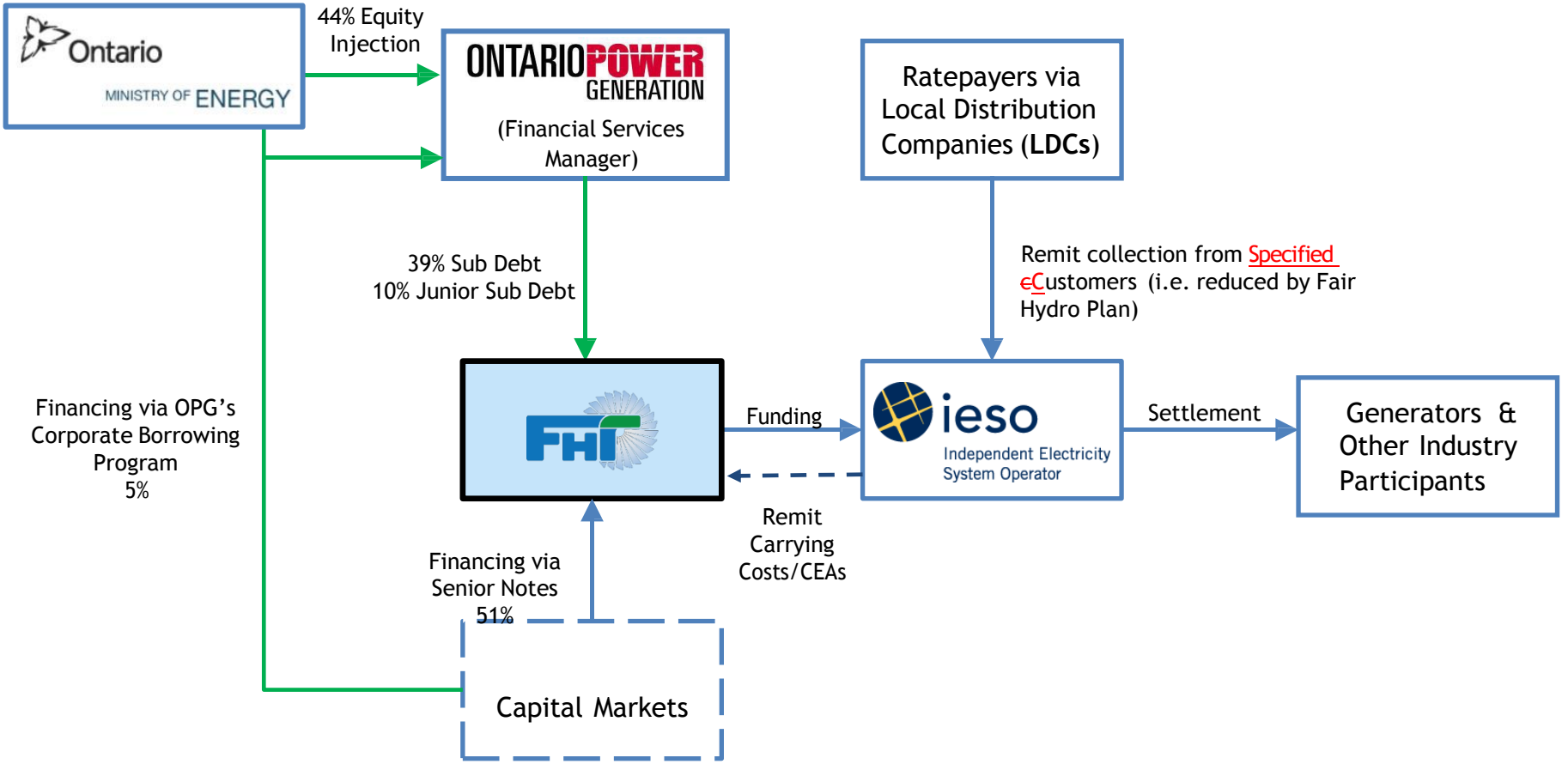
Class	Senior	Subordinated	Junior Subordinated
Issue Amount	$[●]MM	$[●]MM (not offered)	$[●]MM (not offered)
% of Aggregate Notes	[51%]	[39%]	[10%]
Proposed Ratings (DBRS / Moody's)	[AAA(sf)/AA(sf)]	[●(sf)/●(sf)]	[●(sf)/●(sf)]
Term to Maturity	~[15 years]	~[15 years]	~[15 years]
Expected Maturity Date	May 15, 2033●	May 15, 2033●	May 15, 2033●
Principal Payment Default Date	May 15, 2035●	May 15, 2035●	May 15, 2035●
Par Call Date	November 15, 2032●	November 15, 2032●	November 15, 2032●
Principal Accumulation	Principal will be accumulated monthly commencing January 2030 to facilitate repayment of notes on the expected maturity date		
Interest Type	Fixed		
Day Count	180/360, first payment actual/365		
Payment Dates	April May 15 and October November 15 or next business day		

Credit Enhancements	Credit enhancements for the FHT 2018-1 Senior Notes will consist of: • Subordinated and Junior Subordinated notes equal [49%] of the aggregate issuance amount and will be retained by OPG • A segregated trust account with an eligible institution, referred to as a Program Cash Reserve Account, ~~A Program Cash Reserve Account~~ which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations • Change of Law Protection Agreement to address political risk • True-up mechanism to address any shortfalls in collections
Operating Agents	OPG serving as the Financial Services Manager and the Independent Electricity System Operator as the Servicer

- ~~The Fair Hydro Trust, Series 2018-1 ("FHT 2018-1") notes are secured by the Trust's right to collect Clean Energy Adjustments~~
- ~~The FHT 2018-1 structure will consist of three classes of sequential pay, fixed rate, semi-annual bullet notes~~
- ~~Principal will be accumulated to facilitate the repayment of notes on the expected maturity date~~

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt and junior subordinated debt of the Trust in an aggregate amount not to exceed 49% of all outstanding debt
  - The subordination amount may vary but must at least be equal to or greater than 35% of all outstanding debt

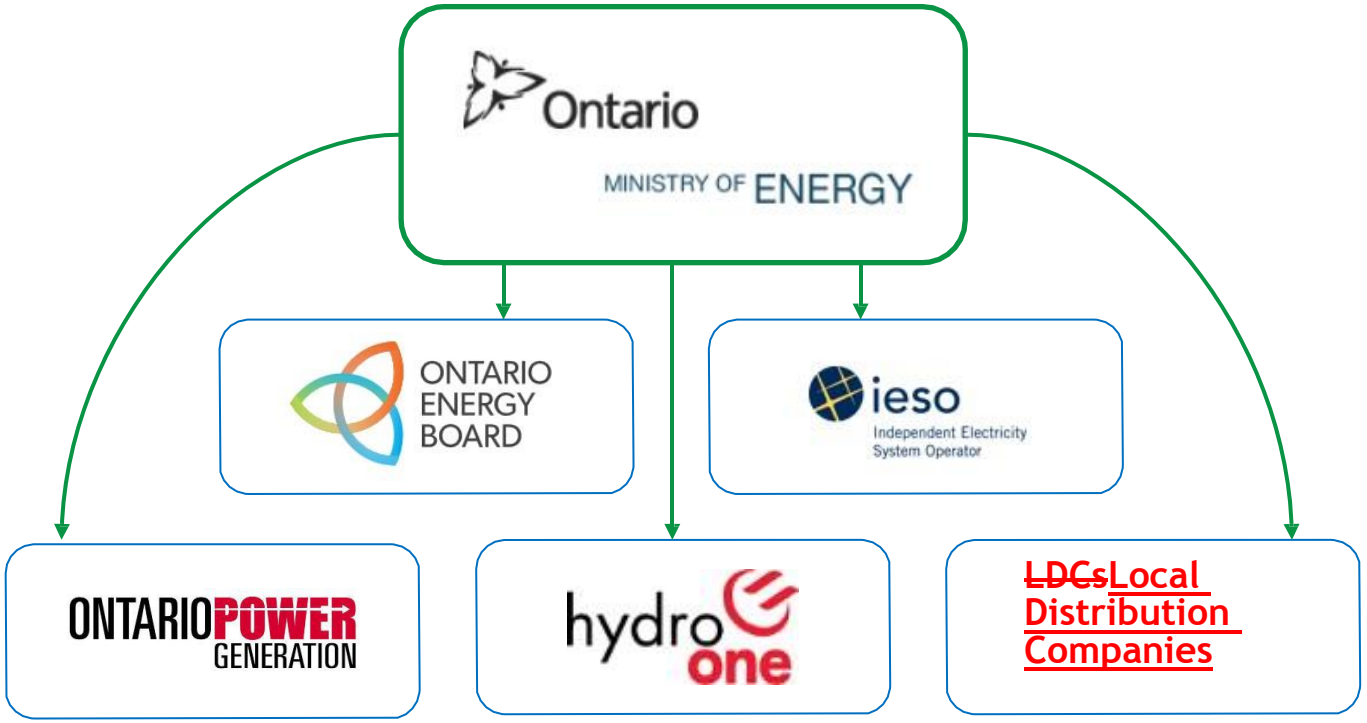


Note: The diagram above is based on subordinated debt of 49% of all outstanding debt
Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to exclude the assets and liabilities of OPG, and vice versa.

II. Ontario Electricity Market

Overview of Ontario's Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in average annual cash flows[1]
- Transmission rates, distribution rates, and OPG's regulated rates are set by the OEB
- Rates for the majority of the remaining generation supply are set by the wholesale electricity market and by direct contracts with the IESO (e.g. Bruce Power (nuclear), wind, solar, hydroelectric)



[1] Source: "Ontario Planning Outlook – A technical report on the electricity system prepared by the IESO" dated September 1, 2016. The amount represents the

mathematical average of the system costs on page 44 in the appendix “Data Tables for the OPO Technical Report”.

Key Industry Participants

Participants	Credit Ratings *(DBRS / S&P / Moody's)*	Description
Ontario Ministry of Energy	**AA (l) / A+ / Aa2** [1]	• The Province of Ontario through the Ministry of Energy sets ~~the~~ policy for the electricity system
Ontario Energy Board	--	• Independent public regulatory agency established under the *Ontario Energy Board Act, 1998* and has the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • Sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan (RPP); RPP rates are set twice a year (May and November)
ieso Independent Electricity System Operator	**A(h) / -- / Aa2**	• Corporation without share capital ~~Not-for-profit corporation~~ established under the *Electricity Act, 1998 (Ontario)* • Manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
Ontario Power Generation	**A(l) / BBB+ / --**	• Corporation formed under the *Business Corporation Act (Ontario)*, whose sole shareholder is the Province of Ontario • Principal business is the generation and sale of electricity in Ontario and is Ontario's largest clean energy electricity generator, providing approximately half of the province's electricity
Hydro One	**A(h) / A / A3**	• Ontario's largest electricity transmission and distribution company, delivering electricity to over 1.3 million customers across the province, and to large industrial customers and municipal utilities

[1] The credit ratings noted are for the Province of Ontario.

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry under the *Energy Competition Act, 1998*, the municipal electricity utilities became municipally-owned business corporations~~, including LDCs~~. The majority of LDCs continue to be municipally-owned, while others have been ~~sold to or~~ acquired by Hydro One or private-sector owners
- An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors

Select Aggregate Market Stats[1]

Number of LDCs in Ontario	65
~~Residential & Small Commercial[2]~~Total Revenue	$18.89 billion
Residential & Small Commercial[2] Metered Usage (kWh)	52.39 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

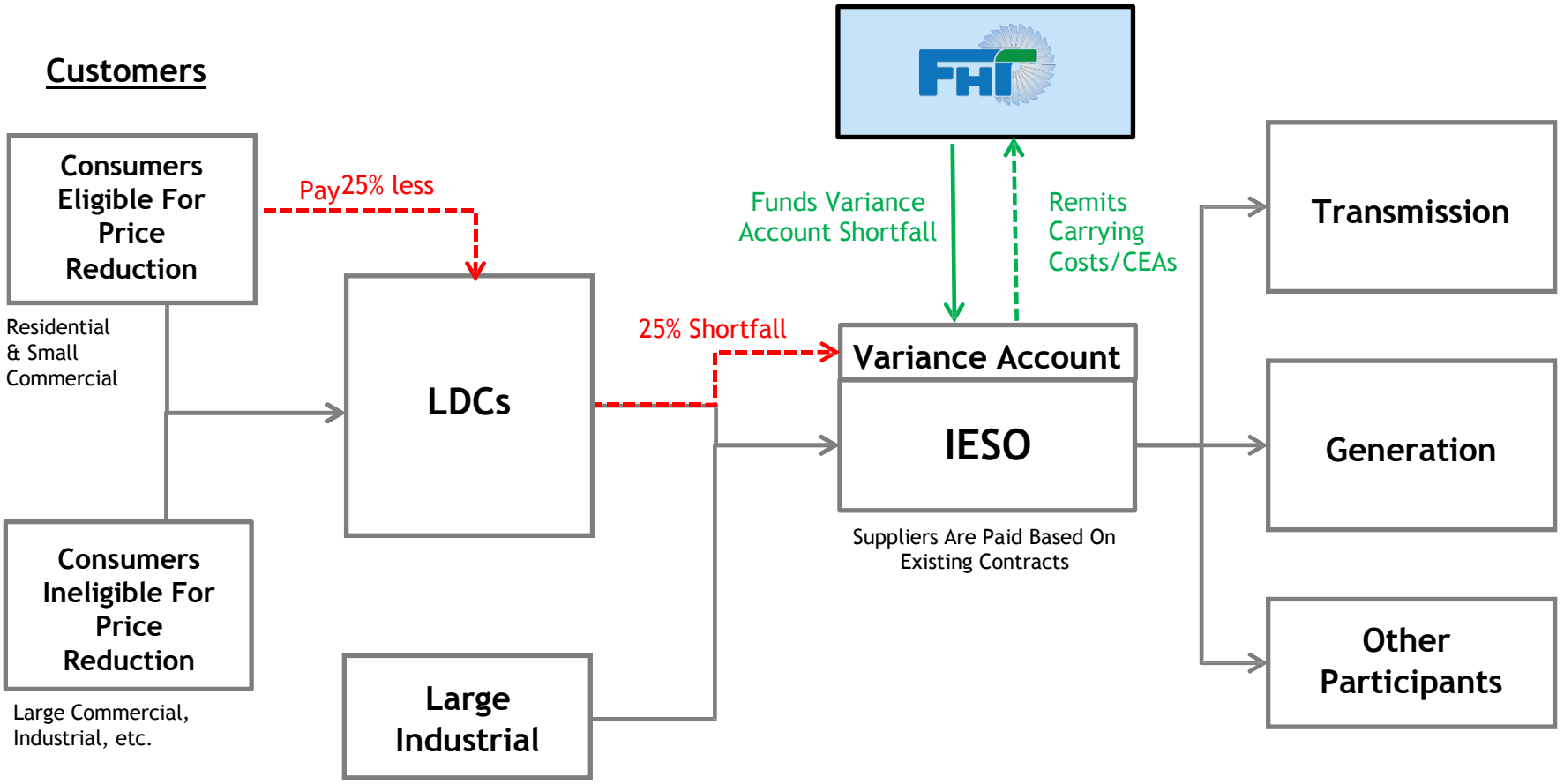
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	Customers[4] *(MM)*	Total Revenue[4]
hydro one	A / A(h) / A3	1.30	$4,533
alectra utilities	A / A / --	0.96	$3,642
TORONTO HYDRO	A / A / --	0.75	$3,886
HydroOttawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	**$13,680**
Percentage of Residential & Small Commercial[2]		**69%**	**~~72%~~**

[1] Source: OEB 2016 Yearbook of Electricity Distributors
[2] Small Commercial includes General Service <50kW Customers
[3] Most recent rating reports from S&P, DBRS and Moody's
[4] Residential and Small Commercial customers

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the IESO deferral (the shortfall that results from the Fair Adjustment) and records this amount, together with financing costs and other related, in a variance account
- FHT will finance the shortfall and is entitled to recover its costs and the principal and interest on its debt through CEAs from Specified Consumers



III. Legislative and Regulatory Framework

Legislation Overview

Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to consumers as a result of Ontario's clean energy initiatives; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• **July 1, 2017 – April 30, 2018** – Specified Consumers charged an invoice amount that is 25%[1] less than the regulated rate that would otherwise have been determined by the OEB; the 25% reduction includes an 8% rebate equivalent to the provincial portion of the HST previously granted by the Ontario government • **May 1, 2018 – April 30, 2019** - regulated rate established in the first year of the Rate Reduction Period anticipated to increase by the rate of inflation in Ontario • **May 1, 2019 – April 30, 2021** - rate reductions will be established by future regulation but anticipated to increase by the rate of inflation in Ontario

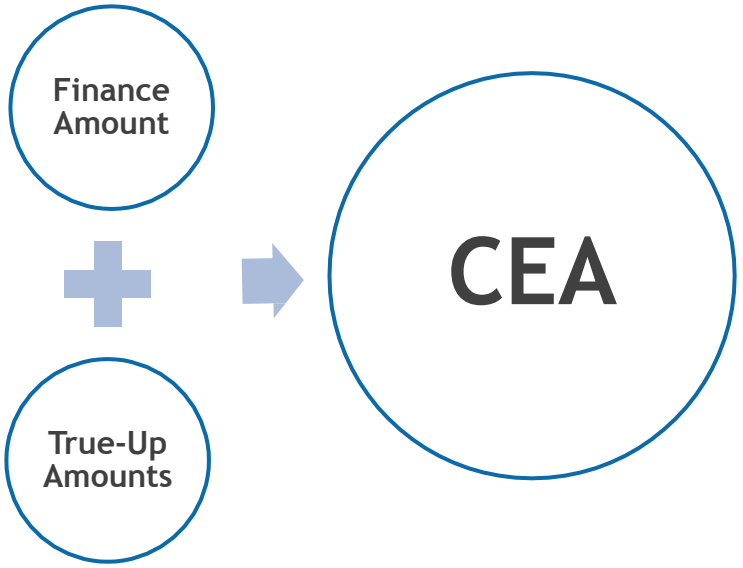
[1] Based on a typical Toronto Hydro customer; the amount of the reduction for any given Specified Consumer may vary from this account.

Legislation Overview, cont'd

Regulatory Asset	• Each month the IESO determines the IESO deferral (the shortfall that results from the Fair Adjustment) and records this amount, together with the costs of financing the shortfall, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right is the Regulatory Asset) • The IESO may from time to time transfer a specified portion of the Regulatory Asset to the Trust for a cash purchase price equal to the corresponding amount recorded in the
Investment Asset	• The Trust is not obligated to purchase Regulatory Assets from the IESO • If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right is an Investment Interest) • By acquiring an Investment Interest, the Trust will be entitled to recover all of its associated financing costs and acquires the right to ~~impose, invoice,~~ collect, receive and recover CEAs from Specified Consumers in accordance with the Legislation
Moratorium Period *(July 1, 2017 to April 30, 2021)*	• CEAs are not permitted to be collected from Specified Consumers during this period • The IESO is obligated to pay the Trust all Carrying Costs, excluding repayment of principal on any debt obligations, during the Moratorium Period and extending to July 31, 2021. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to Regulations • As security for the performance of its obligations, the IESO has granted the Trust a first-priority security interest in ~~all of~~ its accounts receivable owing by Electricity Vendors to the IESO • The IESO has a $2 billion general credit facility from the Ontario Financing Authority (OFA) which can be used among other things to ~~pay~~ fund payments of the Carrying Costs

Clean Energy Adjustments

- Under the FHPA, the CEA is the amount payable by Specified Consumers to cover the cost of the IESO deferral ~~financing the shortfall from the Fair Adjustment~~ and the associated costs of the financing, including payment of principal, operating costs of the Trust and funding of reserve accounts
- CEAs shown on an invoice issued to Specified Consumers represent the amount of the consumers' indebtedness and may not be set off or bypassed

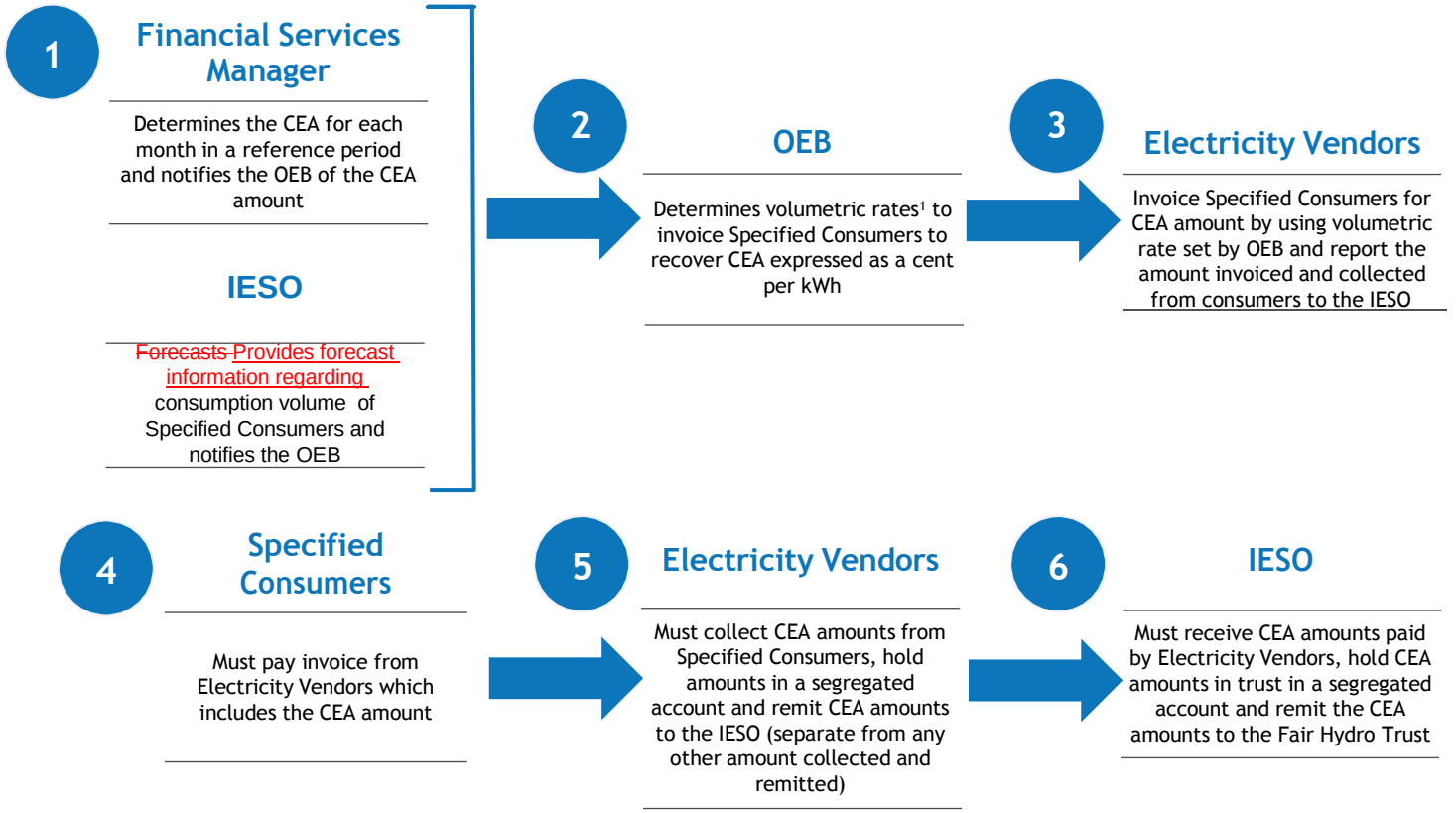


Finance amount is an estimate of the amount payable by the Trust mainly in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments

True-up amounts capture the difference between the finance amounts incurred by the Trust and the CEAs collected from Specified Consumers and also include other reasonably foreseeable differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)

Billing and Collection of CEAs

- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are mitigated through statutory rights in the FHPA, the ~~collection~~ obligations of the IESO under the Master Transfer & Servicing Agreement ~~(MTSA)~~, and the ability to include amounts in the CEA by means of the ~~into the~~ true up mechanism
- IESO is ~~allowed to commingle~~required to seperate the CEAs during a monthly period before remitting to FHT. If the IESO's credit rating is downgraded below investment grade, ~~it will not be allowed to commingle CEAs and will remit~~the IESO will be required to remit within two business days of receipt

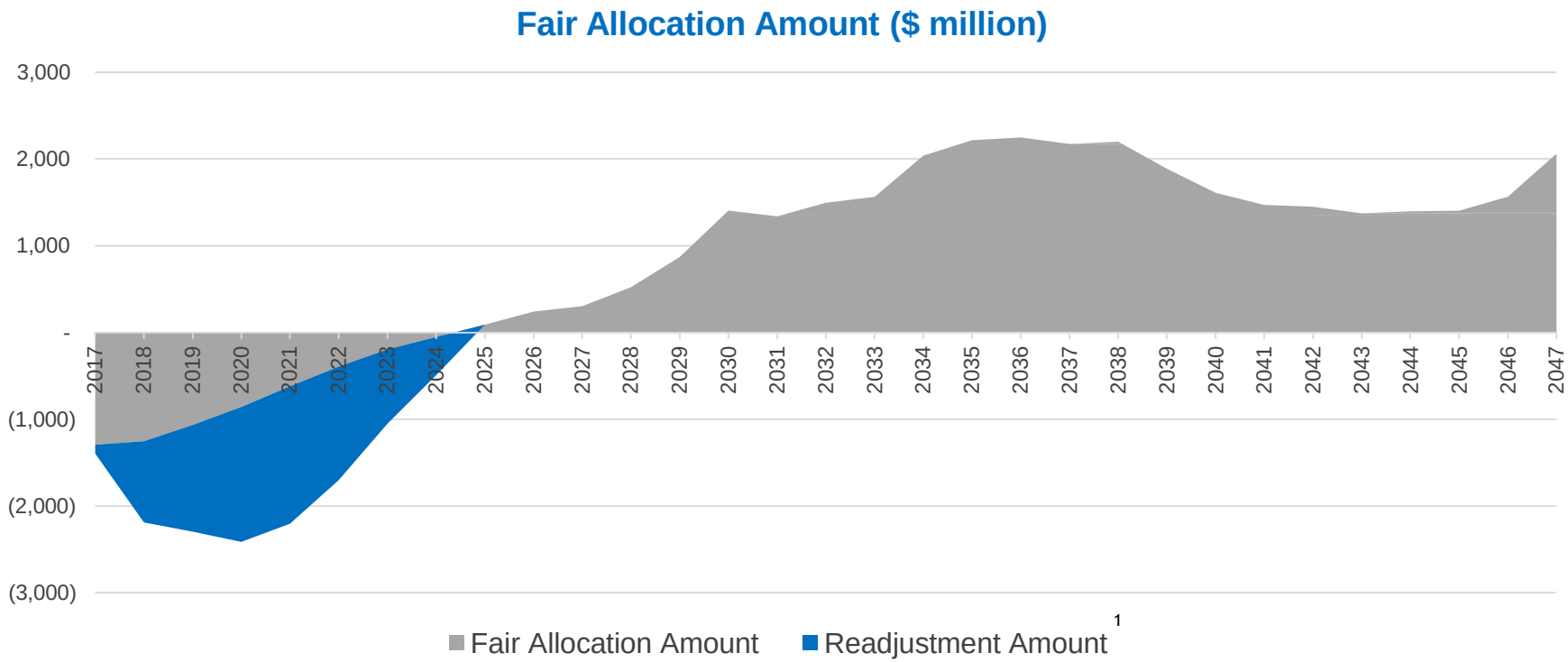


[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers.

Fair Allocation Amount

Please refer to the updated Fair Allocation Amount slide in the clean version (slide 19) for updated commentary, graphs and footnote

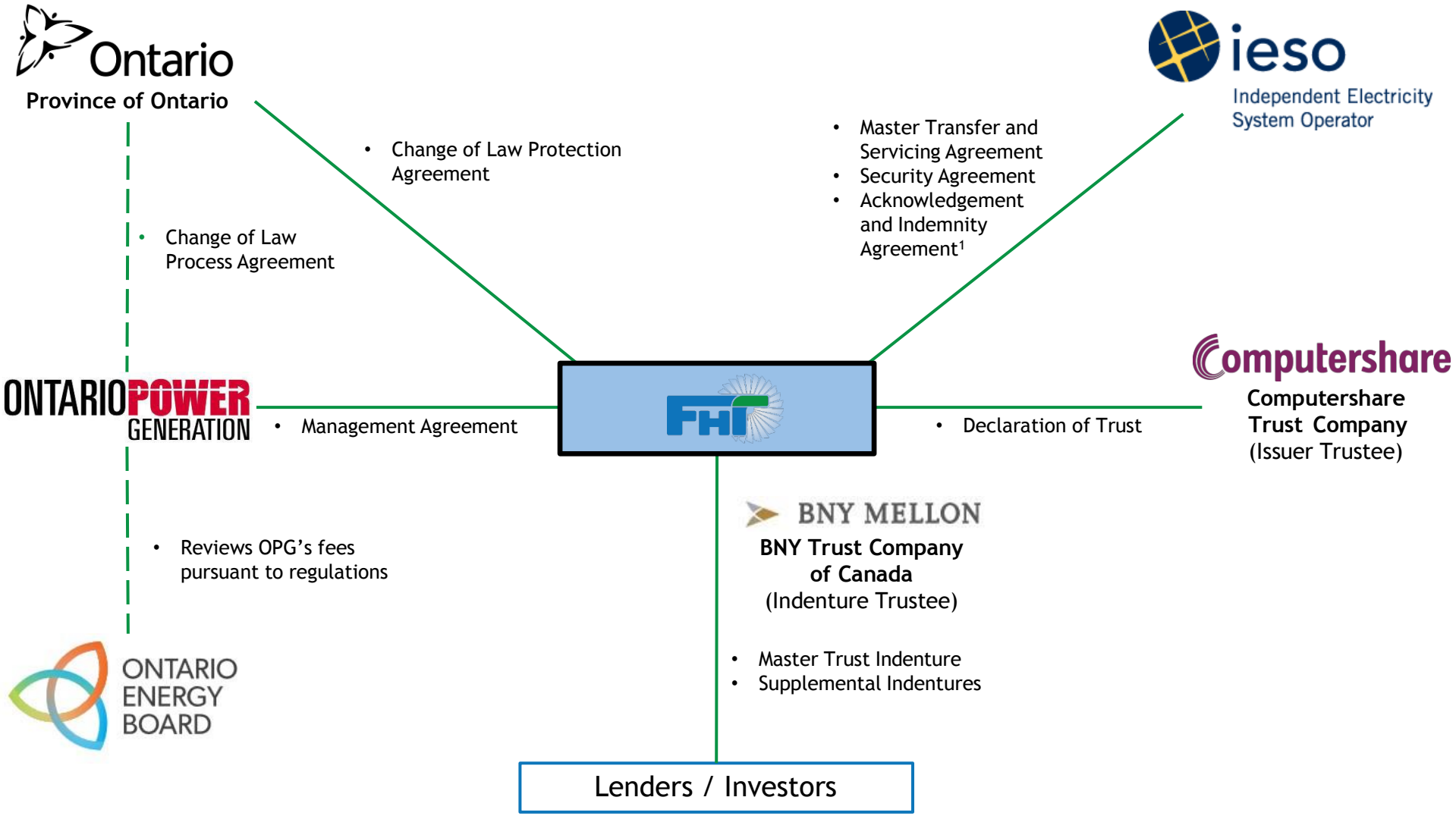
- The Fair Allocation Amount (FAA) is the estimated clean energy cos
  reallocated on the basis of estimated clean energy benefits to Specified Consumers in respect of each reference period and includes operating and financing costs of the FHT
- If the FAA is negative, this means that the Minister of Energy has determined that current Specified Consumers have borne more than their fair share of clean energy costs (with the consequent rate reduction for current Specified Consumers); the FAA is expected to be negative until at least May 2024
- The Ministry of Energy may provide updated FAAs to OPG from time-to-time



[1] The Readjustment Amount represents the amounts by which Specified Consumers overpaid for clean energy initiatives in the past. It has been incorporated into the FAA to further reduce electricity bills for such consumers.

IV. Contractual Framework

Simplified Contractual Structure



[1] Agreement between IESO and Indenture Trustee.

Key Agreements

Note: Key Agreements were moved into the appendix and a "Contract Summary" slide was added to the clean version

Note: moved to Appendix

Change of Law Protection Agreement

Parties	• (1) Province of Ontario and (2) Indenture Trustee as Trustee of the Issuer, on behalf of Specified Creditors[1], and (3) OPG as Financial Services Manager (FSM)
Purpose	• Provides assurance to Specified Creditors that upon the occurrence of a Protection Event referred to below, the Province of Ontario will pay all Approved Obligations on behalf of the Trust, with limited rights of acceleration
Key Terms	• **Term**: Continues for as long as any protected obligations of the Trust that are secured under the Master Trust Indenture (MTI) remain outstanding • ~~**Mandatory Payment**~~**Limited Guarantee**: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all Approved Obligations when due and payable • **Priority of Payments**: The priority application of guarantee payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: For the Limited Guarantee to apply to an obligation of the Trust, OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the incurrence of such obligation (such obligation called an ~~issuance of debt which is to benefit from the Change of Law Protection Agreement from the Province (such debt called~~ "Approved Obligation~~s~~") • **Suspension Notice**: The Province may deliver a suspension notice upon the occurrence of the acceleration of any indebtedness of the Trust or other Program Breach or a default in performance or misrepresentation by OPG as FSM pursuant to certain internal reporting and other requirements contained in a Change of Law ~~p~~Process A~~a~~greement between OPG and the Province~~., and~~ A~~a~~ny new funding obligations that are incurred during a suspension period will not have the benefit of the ~~Change of Law Protection Agreement~~Limited Guarantee, except that the Change of Law Protection Agreement applies to Post-Suspension Refinancing of previously issued Pre-Approved Refinancing

[1] **Specified Creditors** are any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Key Agreements

Note: moved to Appendix

Change of Law Protection Agreement (cont'd)

Protection Events

The occurrence of any of the following events:

(1)

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

in each case that adversely affects the ability of the Trust to pay its obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount

(2)

- A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is *ultra vires* or invalid in a way that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable

Key Agreements (cont'd)

Note: moved to Appendix

Master Transfer and Servicing Agreement

Parties	• (1) IESO, as transferor and servicer; (2) Trust
Purpose	• Provides for the transfer, by the IESO to the Trust of the Regulatory Asset, and upon such transfer the Trust acquires an Investment Interest and describes the servicing obligations of IESO
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer the specified portions of the Regulatory Asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer • **Servicing Duties:** The IESO will be responsible for servicing the Investment Interest under the legislation~~regulations~~, including ~~collecting~~ receiving CEA amounts from Electricity Vendors and remitting the same to the Trust~~, including:~~; other duties of the IESO include: – Establishing a segregated account for collecting CEAs and using commercially reasonable efforts to cause Electricity Vendors to do the same; – ~~Collecting~~ Receiving CEAs from Electricity Vendors; – Remitting CEAs monthly to the Trust (unless downgraded below investment grade in which case it will remit daily); – Preparing monthly servicer reports; and – Providing a ~~F~~forecast~~ing~~ of electricity consumption of Specified Consumers • **Moratorium Period:** During the Moratorium Period (until April 30, 2021) and extending to July 31, 2021, the IESO is required by regulation to fund all Carrying Costs of the Trust. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to regulation. • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, as security for the commingling risk of CEAs collected by non-rated or non-investment grade rated Electricity Vendors and not yet remitted to the IESO

Key Agreements (cont'd)

Note: moved to Appendix

Management Agreement

Parties	• (1) Issuer Trustee, on behalf of the Trust, and (2) OPG, as Manager and acknowledged and accepted by the Indenture Trustee, on behalf of specified creditors
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust

Key Terms	• **Duties Include**:
	  - Negotiating and executing program agreements;
	  - Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations;
	  - Review or cause to be reviewed, records of electricity vendors on an annual basis with respect to CEAs (or less frequently in certain circumstances);
	  - Preparing monthly portfolio reports;
	  - Preparing financial statements; and
	  - Paying taxes on behalf of the Trust
	• **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire Investment Interests
	• **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements
	• **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding
	• **Management Fees:** OPG is entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer

Key Agreements (cont'd)

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulation to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in all of its accounts receivable owing by Electricity Vendors
Acknowledgement and Indemnity Agreement (IESO)	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee, including the right to enforce the indemnities provided to the issuer with respect to IESO's duties and obligations under the MTSA
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Limited Guarantee under the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as
Declaration of Trust	• Establishes FHT to carry out activities for the exclusive benefit of its unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare) • The Issuer Trustee has delegated all of the powers and duties of managing the Trust to OPG under the Management Agreement

Allocation of Servicing Role and Responsibilities

- The shared responsibilities of servicing and management roles are summarized below

	OPG	IESO	LDC
Review Records of LDCs with Respect to CEAs (annually or less frequently in certain circumstances)	✔		
Determination of CEA for a Reference Period, including the True-Up Amount	✔		
Ongoing Reporting for Trust and Reporting to the Rating Agencies	✔		
Management of Ongoing Debt Issuances	✔		
Cash Management	✔	✔	
Preparation of Monthly Servicer Reports		✔	
Remittance of CEA to IESO and to the Trust		✔	✔
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		✔	✔
Customer Billing			✔
Customer Collections			✔
Customer Meter Reading			✔

V. Financing Program

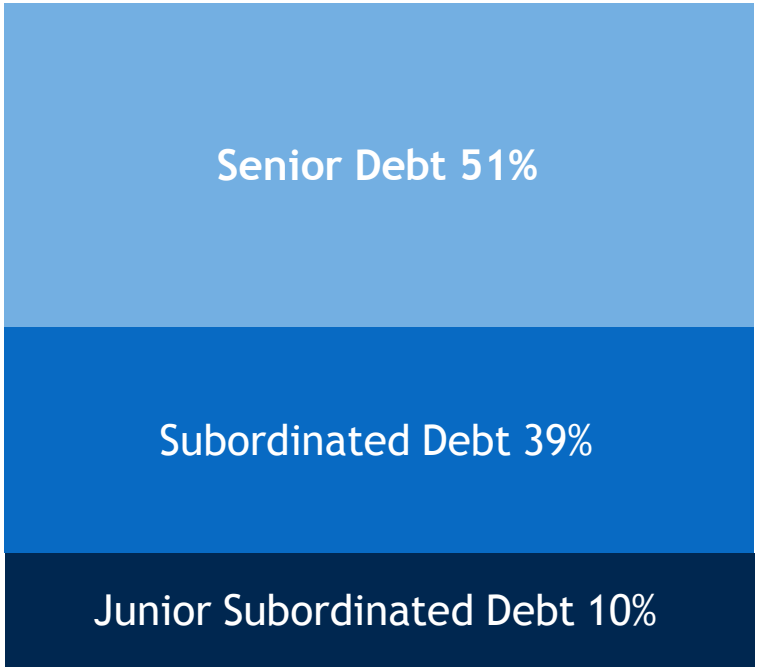
Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program
- Given the size (~$20 billion) and longevity (~10 years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Warehouse financing (ABCP conduit and bank funded senior debt) and ~~subordinated~~ subordinated warehouse debt and junior subordinated warehouse debt funded by OPG will be used to fund monthly Regulatory Asset purchases from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- Term debt can take the form of bullet bonds or could be issued as amortizing bonds

Warehouse Financing	• ABCP conduit and bank funded senior debt with subordinated debt funded by OPG will be used by the Trust to fund monthly Regulatory Asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance warehouse financing and the subordinated debt and junior subordinated debt funded by OPG • Both Canadian term debt and U.S. term debt market will be considered • Maturity profiles will be structured to ensure reasonable alignment with the FAA (bullet bonds with sinking funds or amortizing bonds) • FHT may issue debt that may be refinanced in the future
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall)

Financing Structure

- The Trust will fund Regulatory Asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51%) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required[1]) will be purchased by OPG, primarily funded by equity injections from the Province (44% of 49%) and the remaining portion from OPG (5% of 49%)



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

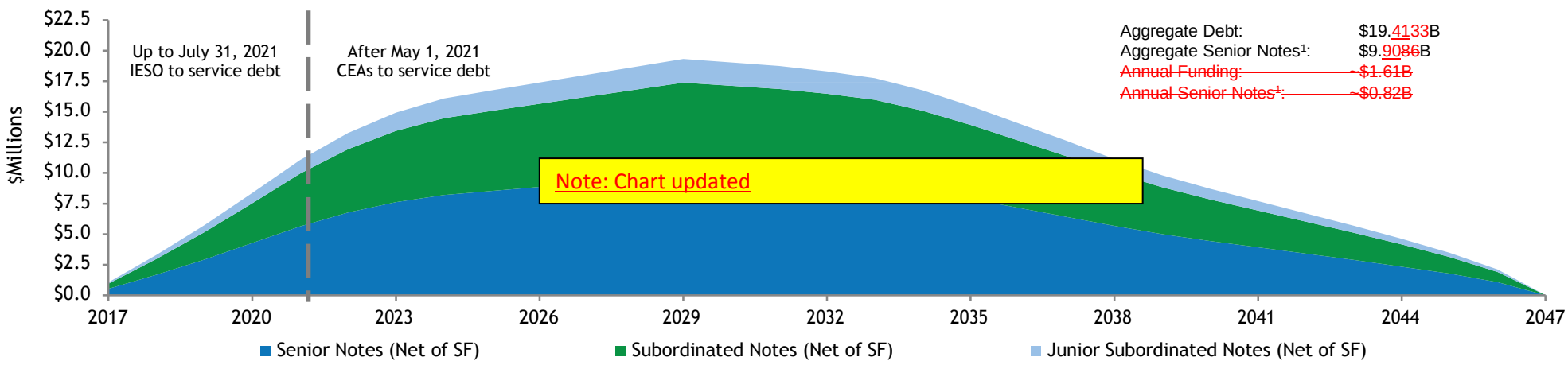
[1] Under the MTI, FHT is required at all times to ensure that all outstanding subordinated and junior subordinated debt be not less than 35% of all outstanding debt.
Note: Assumes 49% Subordinated Debt.

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount and the Province's electricity bill reduction targets, the following debt profile for the program is expected, peaking at just under $20 billion by 2029
- Various tranches of debt will be issued periodically during the period of 2018 - 2028, which are expected to mature over a period after 2029

Illustrative Aggregate Funding and Repayment Profile (Annual; Net of Sinking Fund ("SF") Payments)



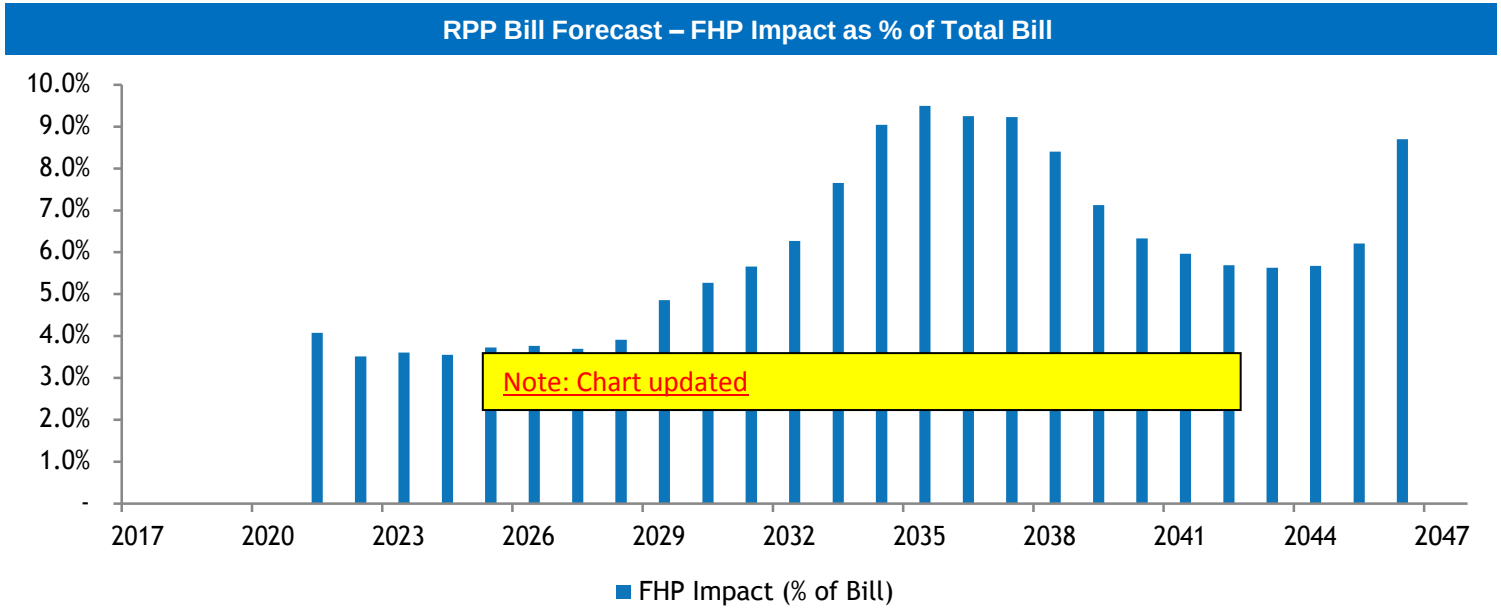
[1] Assumes 51% Senior Notes

Note: During the Moratorium Period and extending three additional months to July 31, 2021, the IESO is required under the Regulations to pay all Carrying Costs. The additional three month period is intended to cover the billing and collection lag from the introduction of Clean Energy Adjustments in May 2021.

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro Program, the CEA for the average residential customer is anticipated to remain below 10% of the total electricity bill
- Max CEA as a percent of the total bill is forecast to be 10.01%
- Average CEA as a percent of the total bill is forecast to be 6.9%



Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• Governs the terms of the debt issued by FHT and cash flow waterfall and collateral structure for all Trust obligations to all Specified Creditors

Key Terms

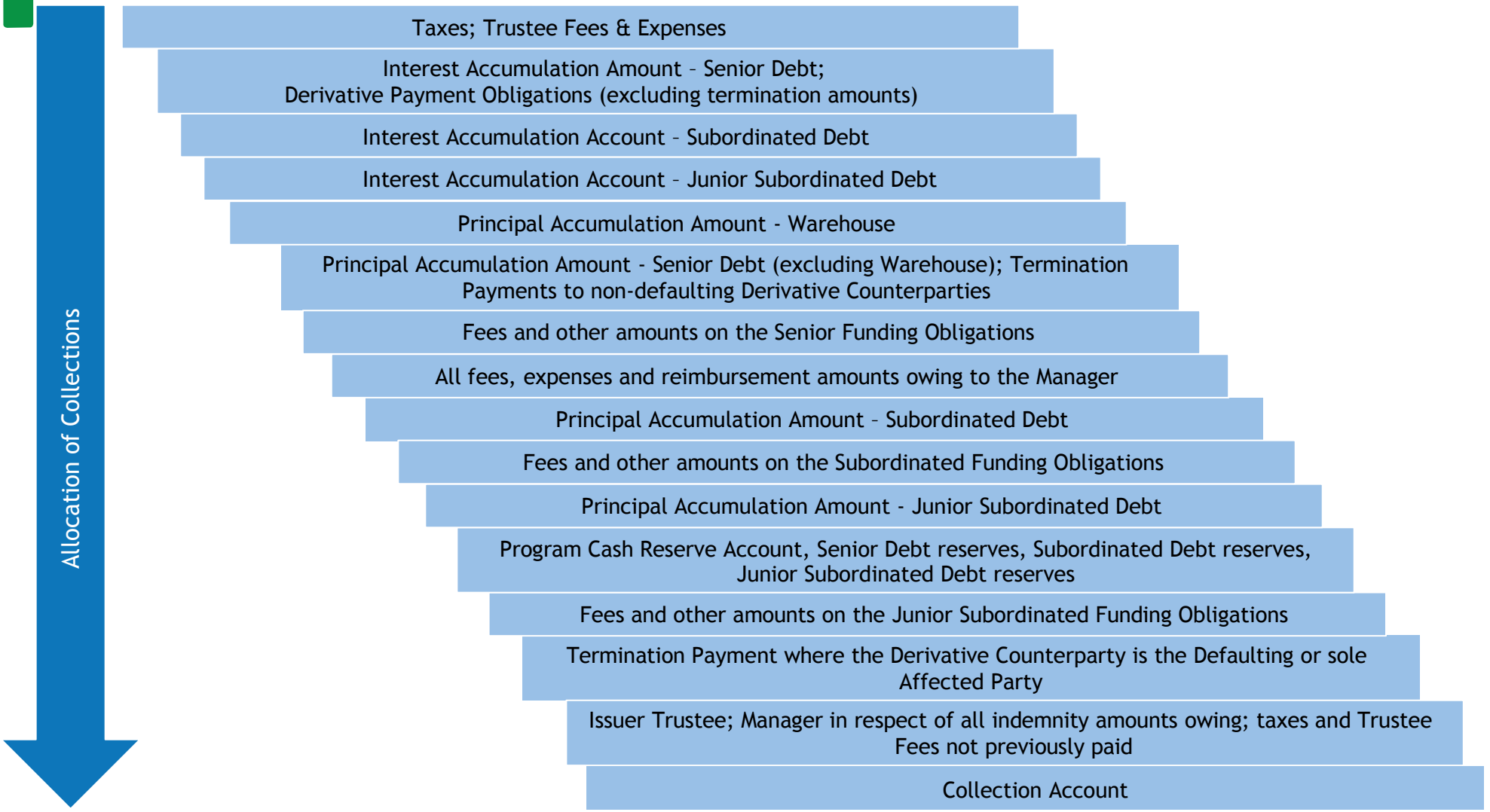
Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments including: - Note issuances under supplemental indentures - Borrowings under credit agreements - Purchase of notes under note purchase agreements - Letters of Credit/Guarantees under credit enhancement agreements - Liquidity loans under liquidity agreements backing short term notes
Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that: - the incurrence of such additional obligations will not cause an adverse effect - the incurrence of such additional obligations is materially consistent with the Financing Plan • It will also be a condition precedent that (i) each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations and (ii) the Indenture Trustee has received certain assurances as to the applicability of the Change of Law Protection Agreement to such funding obligations

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts
Subordination	• Provides for three different classes of funding obligations - (i) senior - (ii) subordinated - (iii) junior subordinated
Events of Default	• Include payment defaults, representation and covenant breaches, insolvency and Change of Law Protection Agreement ceasing to be in full force and effect against the Province
Acceleration	• •Upon an acceleration, CEAs may be insufficient to repay all amounts becoming due in a period. CEAs for a period will be capped ~~CEAs cannot be increased to the level required to immediately repay all outstanding principal following acceleration. The increase in CEAs is limited~~ under the Regulation at the otherwise scheduled amounts, plus an additional amount if the aggregate of those otherwise scheduled amounts would be less than ~~to the amount available per~~ the FAA for the period • However, the amounts received from CEAs after an acceleration will be allocated to pay senior indebtedness before principal amounts owing on subordinated and junior subordinated indebtedness.~~CEAs are allocated to paying the senior indebtedness first.~~ Accordingly, the subordination of debt across all series of debt ~~would~~ should advance the repayment of the principal amount for senior funding obligations • After an acceleration, all Senior Term Notes will be paid parri-passu

Waterfall



Note: This waterfall indicates the priority of payment prior to an Event of Default and acceleration; additional information on the priority of payments after an Event of Default and acceleration can be found in the Offering Memorandum.
Note: After paying interest on the senior debt, no interest payments will be made on the subordinated debt unless there will be sufficient amounts remaining in the Interest Accumulation Account for what should be accumulated for the Senior Notes after making such payments.

VI. Summary of Offering

Summary of Indicative Terms

Note: Please refer to the updated summary in the clean version (slide 36) due to formatting issue with the blackline. Moved after Risk Mitigants.

Initial Fair Hydro Term Issuance	Class			Maturity	Principal Payment Default Date	Rating (DBRS / Moody's)
	Senior Term Notes	$[ ] mm	[ ]%	[ ]	[ ]	AAA (sf) / Aa2 (sf)
	Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
	Jr. Subordinated Notes	$[ ] mm (Not Offered)	[ ]%	[ ]	[ ]	[ ]
Issuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager					
Financial Services Manager	Ontario Power Generation, Inc.					
Servicer	Independent Electricity System Operator					
Source of Repayment	• Moratorium Period: Statutorily mandated remittances from IESO (Up to July 31, 2021) • Post Moratorium Period: Non-bypassable charge from residential and commercial customers in Ontario, related collections and reserve accounts (After May 1, 2021)					
~~Principal Accumulation Date(s) and Principal Accumulation Amount(s):~~	~~Principal Accumulation Date~~ ~~●, 20●~~		~~Principal Accumulation Amount~~ ~~$●~~			
Payment Frequency	Semi-annual					
Interest	Fixed rate					
Senior Note Credit Enhancements	• Semi-annual (or more frequent) True-up • Reserve Account • Subordination					
Program Cash Reserve Account	After Moratorium period, an amount equal to 0.50% of the aggregate amount of all outstanding Senior, Subordinated and Junior Subordinated funding obligations					
True-up	Calculated on at least a semi-annual basis post-moratorium period					
Subordination	Subordinated and Junior Subordinated Notes will be retained by OPG					
Additional Issuance	Master Trust Indenture allows for the issuance of additional notes subject to satisfaction of Rating Agency Condition					

VII. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• Future legislative action to change or challenge/invalidate the Act or the Change of Law Protection Agreement might materially adversely affect a holder's investment in the Notes	• Limited Guarantee provided by the Province of Ontario via the Change of Law Protection Agreement in favour of the Indenture Trustee for lenders/investors in these circumstances
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• True up mechanism may result in a delay, but will be corrected in next True up • Cash reserve and 35%-49% subordination which would first absorb any shortfalls • 6-month reference period • Any shortfall in collections are recoverable from all Specified Consumers
Reliance on IESO and LDCs	• During the Moratorium Period, the Trust is dependent on the IESO to remit payments to the Trust for all Carrying Costs~~to pay for all Carrying Costs~~ • Receipt of CEAs dependent on the performance of LDCs and IESO • Limited ability to enforce against or replace an~~on~~ LDC	• Highly regulated industry and LDC and IESO are required under law and regulation to perform duties under FHP • IESO has a very strong credit profile and very low losses and grants security over ~~all of~~ its accounts receivable~~s~~ owed by Electricity Vendors as security during the Moratorium Period • IESO will provide a letter of credit/other security to mitigate commingling risks for CEAs held~~for the commingling of CEAs~~ by non-rated or below investment grade rated LDCs until they are remitted to IESO • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment • $2 billion ~~general~~ credit facility from the OFA which can be used by the IESO to pay ~~the Carrying Costs~~
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	• 20-year repayment period allows for gradual rate increases • Max CEAs as a percent of the total bill over collection period is forecast to be ~10%
Disruptive Technology Risk / Change in Demographics	• Technological developments may result in reduced CEA payments as a result of increased use of alternative energy sources • Population fluctuations may result in fewer Specified Consumers	• True-up mechanism available to offset the reduction in CEAs due to technological advancements or fluctuations in the number of Specified Consumers • Collection shortfalls are allocated among a large base of Specified Consumers

VIII. Investment Highlights

Investment Highlights

- Protection against political risk through the Change of Law Protection Agreement
- Irrevocable & non-bypassable rate payer charge, recoverable from Specified Consumers across the Province of Ontario
- Repayment risk spread across all Specified Consumers. Full cross-collateralization; collection shortfalls allocated among all Specified Consumers ~~(Joint and Several Liability)~~
- ~~Enhanced~~ Robust true-up mechanism
- Credit enhancement for senior debt provided via subordinated debt
- Highly regulated market with experienced operating agents (OPG, IESO, and LDCs)
- Strong ratepayer base in Ontario~~service territory~~
- ~~No large user industrial risk exposure~~

Fair Hydro Trust
Investor Presentation

January [xx], 2018

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Presenters

ONTARIO POWER GENERATION

Ken Hartwick
Chief Financial Officer &
Senior Vice President – Finance

John Lee
Vice President, Treasurer

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VIII. Investment Highlights

Appendix – Key Agreement Summaries





I. Introduction and Transaction Overview

Introduction

Ontario's Fair Hydro Plan	• The Province of Ontario announced its Fair Hydro Plan (FHP) on March 2, 2017, which proposed to lower the average electricity bill for eligible customers[1] by 25% (the "Fair Adjustment") • The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax granted by the Ontario government in January 2017
Legislation	• On June 1, 2017, the Ontario Legislature passed the *Ontario Fair Hydro Plan Act, 2017* (the "FHPA or the "Act") to give effect to the FHP • The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers and to provide fairness for Specified Consumers over time • The FHPA is supplemented by regulations related to the implementation of the FHPA (the "Regulations" and together with the FHPA, the "Legislation") • The FHPA imposes an irrevocable and non-bypassable charge recoverable from Specified Consumers and referred to as the Clean Energy Adjustment (CEA); will be determined by Ontario Power Generation (OPG) in accordance with the Legislation in its role as Financial Services Manager under the Act • The CEA will be determined for each six month reference period and converted by the Ontario Energy Board ("OEB") into a $/kWh rate and added to electricity invoices sent to Specified Consumers commencing on May 1, 2021 • From July 1, 2017 to April 30, 2021 (the "Moratorium Period"), no payments in respect of CEA are expected to be collected; during the Moratorium Period and extending to July 31, 2021, the Independent Electricity System Operator (IESO) is obligated to pay all funding and other expenses of the Trust (excluding principal) (referred to as "Carrying Costs") under the Legislation
Fair Hydro Trust	• The implementation of the Fair Hydro Plan will be financed by the Fair Hydro Trust ("FHT", the "Trust" or the "Issuer") through the issuance of senior, subordinated and junior subordinated notes • Structured to be bankruptcy remote and even though consolidated by OPG on an accounting basis, is ring fenced from OPG's other creditors • The FHT term notes will be repaid through the CEA payments received from Specified Consumers

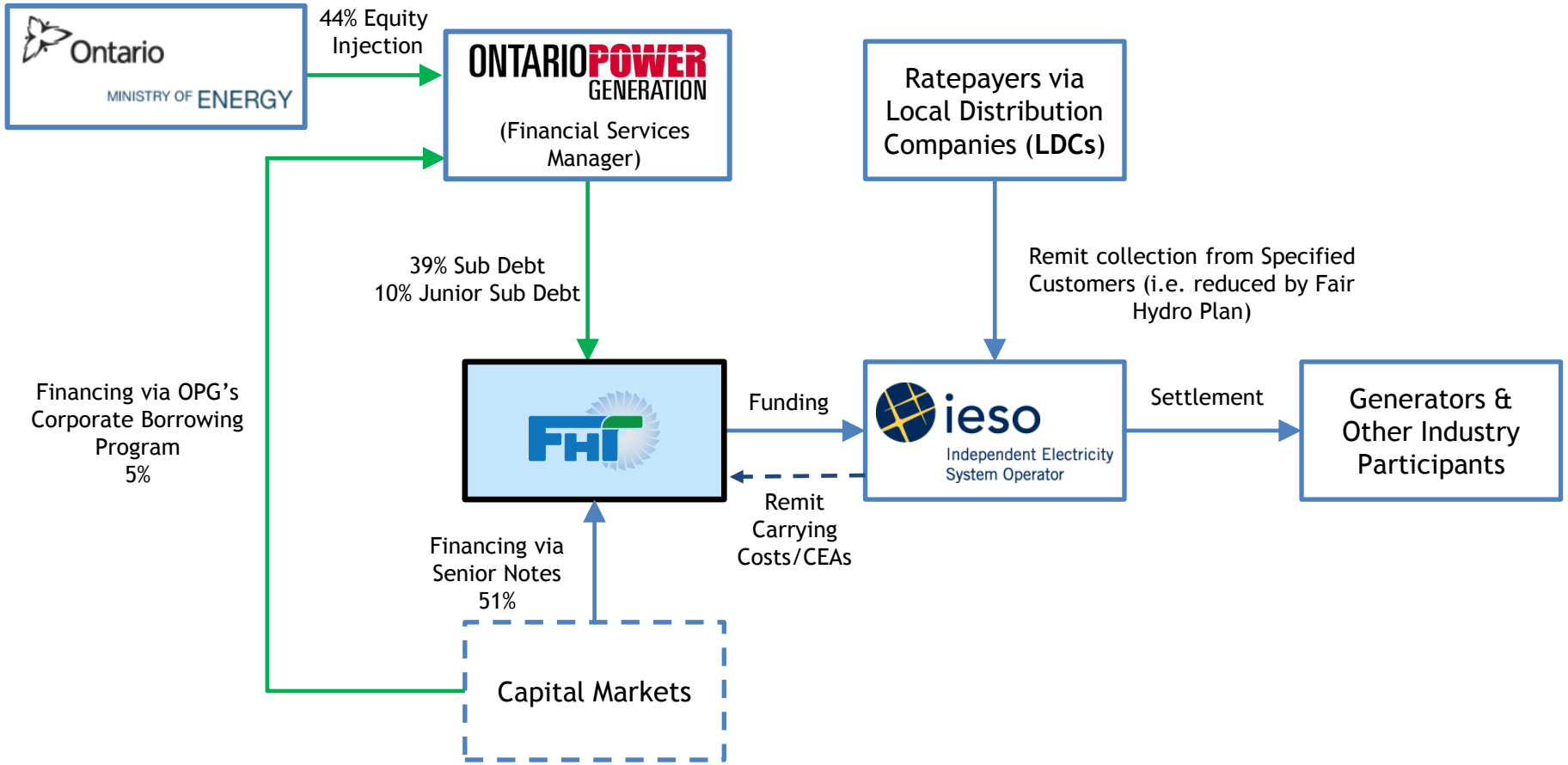
[1] Defined as Specified Consumers under the FHPA.

Summary of Indicative Terms

Overview of Notes			
Class	**Senior**	**Subordinated**	**Junior Subordinated**
Issue Amount	$[●]MM	$[●]MM (not offered)	$[●]MM (not offered)
% of Aggregate Notes	51%	39%	10%
Expected Ratings (DBRS / Moody's)	[AAA(sf)/AA(sf)]	[●(sf)/●(sf)]	[●(sf)/●(sf)]
Term to Maturity	~15 years	~15 years	~15 years
Expected Maturity Date	May 15, 2033	May 15, 2033	May 15, 2033
Principal Payment Default Date	May 15, 2035	May 15, 2035	May 15, 2035
Par Call Date	November 15, 2032	November 15, 2032	November 15, 2032
Principal Accumulation	Principal will be accumulated monthly commencing January 2030 to facilitate repayment of notes on the expected maturity date		
Interest Type	Fixed		
Day Count	180/360, first payment actual/365		
Payment Dates	May 15 and November 15 or next business day		
Credit Enhancements	Credit enhancements for the FHT 2018-1 Senior Notes will consist of: • Subordinated and Junior Subordinated notes equal 49% of the aggregate issuance amount and will be retained by OPG • A segregated trust account with an eligible institution, referred to as a Program Cash Reserve Account, which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations • Change of Law Protection Agreement to address political risk • True-up mechanism to address any shortfalls in collections		
Operating Agents	OPG serving as the Financial Services Manager and the Independent Electricity System Operator as the Servicer		

Transaction Structure

- Concurrent with every issuance of senior notes, it is expected that OPG will purchase subordinated debt and junior subordinated debt of the Trust in an aggregate amount not to exceed 49% of all outstanding debt
  - The subordination amount may vary but must at least be equal to or greater than 35% of all outstanding debt

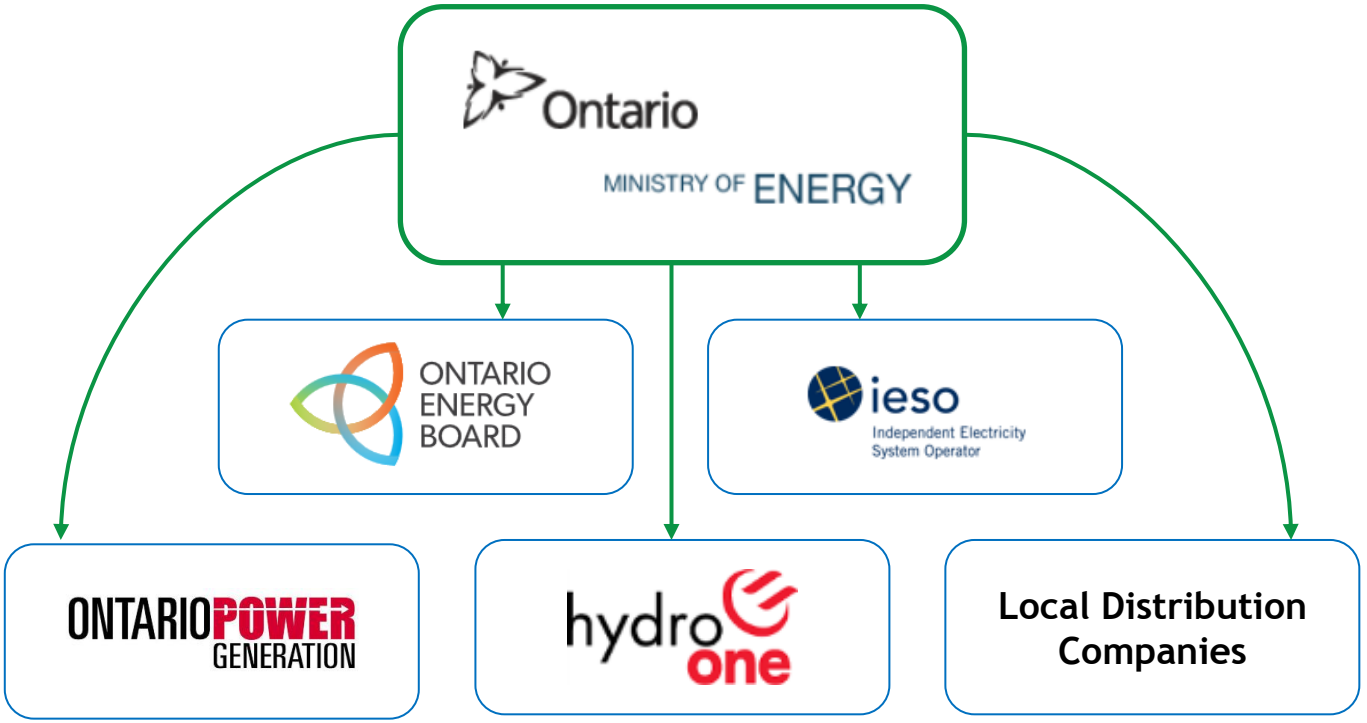


Note: The diagram above is based on subordinated debt of 49% of all outstanding debt
Note: The assets and liabilities of the Trust are deemed, under the *Electricity Act, 1998* to exclude the assets and liabilities of OPG, and vice versa.

II. Ontario Electricity Market

Overview of Ontario's Electricity Market

- Highly regulated electricity market comprised primarily of three components: generation, transmission and distribution; ~$22 billion in average annual cash flows[1]
- Transmission rates, distribution rates, and OPG's regulated rates are set by the OEB
- Rates for the majority of the remaining generation supply are set by the wholesale electricity market and by direct contracts with the IESO (e.g. Bruce Power (nuclear), wind, solar, hydroelectric)



[1] Source: "Ontario Planning Outlook – A technical report on the electricity system prepared by the IESO" dated September 1, 2016. The amount represents the mathematical average of the system costs on page 44 in the appendix "Data Tables for the OPO Technical Report".

Key Industry Participants

Participants	Credit Ratings *(DBRS / S&P / Moody's)*	Description
Ontario Ministry of Energy	**AA (l) / A+ / Aa2** [1]	• The Province of Ontario through the Ministry of Energy sets policy for the electricity system
Ontario Energy Board	--	• Independent public regulatory agency established under the *Ontario Energy Board Act, 1998* and has the authority to regulate Ontario's electricity market, including the activities of transmitters and distributors • Sets the regulated price for the commodity cost charged to most residential electricity customers via the Regulated Price Plan (RPP); RPP rates are set twice a year (May and November)
ieso Independent Electricity System Operator	**A(h) / -- / Aa2**	• Corporation without share capital established under the *Electricity Act, 1998 (Ontario)* • Manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market
Ontario Power Generation	**A(l) / BBB+ / --**	• Corporation formed under the *Business Corporation Act (Ontario)*, whose sole shareholder is the Province of Ontario • Principal business is the generation and sale of electricity in Ontario and is Ontario's largest clean energy electricity generator, providing approximately half of the province's electricity
Hydro One	**A(h) / A / A3**	• Ontario's largest electricity transmission and distribution company, delivering electricity to over 1.3 million customers across the province, and to large industrial customers and municipal utilities

[1] The credit ratings noted are for the Province of Ontario.

Key Industry Participants – LDC Overview

- As part of the restructuring of Ontario's electricity industry under the *Energy Competition Act, 1998*, the municipal electricity utilities became municipally-owned business corporations. The majority of LDCs continue to be municipally-owned, while others have been acquired by Hydro One or private-sector owners
- An LDC, referenced as an Electricity Vendor in the FHPA, is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors

Select Aggregate Market Stats[1]

Number of LDCs in Ontario	65
Total Revenue	$18.89 billion
Residential & Small Commercial[2] Metered Usage (kWh)	52.39 billion
Residential Customers	4.61 million
Small Commercial[2] Usage Customers	0.44 million
Total Residential & Small Commercial[2] Customers	5.05 million

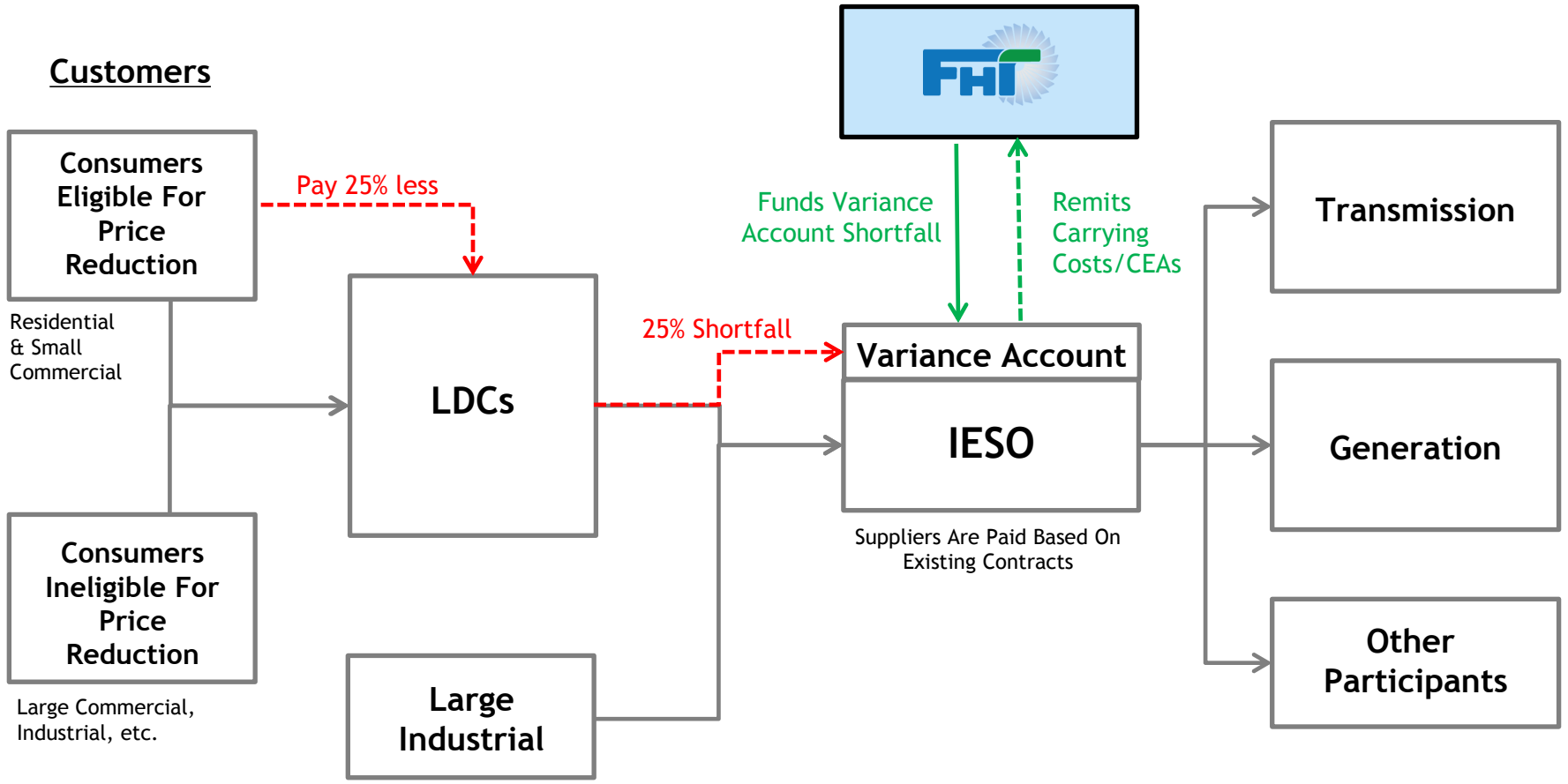
Top 5 LDCs by Customer Base[1]

	Rating[3] *(S&P/DBRS/Moody's)*	Customers[4] *(MM)*	Total Revenue *(C$MM)*
hydro one	A / A(h) / A3	1.30	$4,533
alectra utilities	A / A / --	0.96	$3,642
TORONTO HYDRO	A / A / --	0.75	$3,886
HydroOttawa	BBB+ / A / --	0.32	$1,130
London Hydro	A / -- / --	0.15	$488
		3.49	**$13,680**
Percentage of Residential & Small Commercial[2]		**69%**	

[1] Source: OEB 2016 Yearbook of Electricity Distributors
[2] Small Commercial includes General Service <50kW Customers
[3] Most recent rating reports from S&P, DBRS and Moody's
[4] Residential and Small Commercial customers

Electricity Market with FHT

- Under the FHPA, each month the IESO determines the IESO deferral (the shortfall that results from the Fair Adjustment) and records this amount, together with financing and other related costs, in a variance account
- FHT will finance the shortfall and is entitled to recover its costs and the principal and interest on its debt through CEAs from Specified Consumers



III. Legislative and Regulatory Framework

Legislation Overview

Purpose	• The FHPA was enacted to ensure that clean energy costs and clean energy benefits are fairly allocated among present and future Specified Consumers • Clean energy costs are costs allocated to consumers as a result of Ontario's clean energy initiatives; clean energy benefits are benefits that accrue to both present and future electricity consumers
Specified Consumers	• A category of consumers that generally is comprised of residential consumers, small businesses and farms • Includes consumers with a demand for electricity of 50 kW or less or those that use not more than 250,000 kWh of electricity annually
Rate Reduction Period	• **July 1, 2017 - April 30, 2018** – Specified Consumers charged an invoice amount that is 25%[1] less than the regulated rate that would otherwise have been determined by the OEB; the 25% reduction includes an 8% rebate equivalent to the provincial portion of the HST previously granted by the Ontario government • **May 1, 2018 - April 30, 2019** - regulated rate established in the first year of the Rate Reduction Period anticipated to increase by the rate of inflation in Ontario • **May 1, 2019 - April 30, 2021** - rate reductions will be established by future regulation but anticipated to increase by the rate of inflation in Ontario

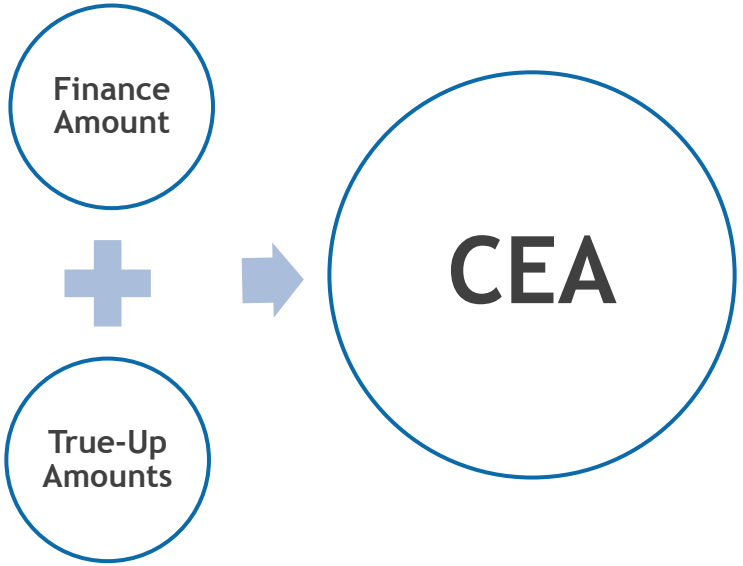
[1] Based on a typical Toronto Hydro customer; the amount of the reduction for any given Specified Consumer may vary from this account.

Legislation Overview, cont'd

Regulatory Asset	• Each month the IESO determines the IESO deferral (the shortfall that results from the Fair Adjustment) and records this amount, together with the costs of financing the shortfall, in a variance account • The IESO has the right to recover the balance recorded in the variance account from Specified Consumers (such right is the Regulatory Asset) • The IESO may from time to time transfer a specified portion of the Regulatory Asset to the Trust for a cash purchase price equal to the corresponding amount recorded in the variance account
Investment Asset	• The Trust is not obligated to purchase Regulatory Assets from the IESO • If the IESO and the Trust agree to the transfer of a specified portion of the Regulatory Asset, such transfer results in the creation of a current and irrevocable property right that is immediately vested in the Trust (such right is an "Investment Interest") • By acquiring an Investment Interest, the Trust will be entitled to recover all of its associated financing costs and acquires the right to collect, receive and recover CEAs from Specified Consumers in accordance with the Act
Moratorium Period *(July 1, 2017 to April 30, 2021)*	• CEAs are not permitted to be collected from Specified Consumers during this period • The IESO is obligated to pay the Trust all Carrying Costs, excluding repayment of principal on any debt obligations, during the Moratorium Period and extending to July 31, 2021. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to Regulations • As security for the performance of its obligations, the IESO has granted the Trust a first-priority security interest in its accounts receivable owing by Electricity Vendors to the IESO • The IESO has a $2 billion credit facility from the Ontario Financing Authority (OFA) which can be used, among other things, to fund payments of the Carrying Costs

Clean Energy Adjustments

- Under the FHPA, the CEA is the amount payable by Specified Consumers to cover the cost of the IESO deferral and the associated costs of the financing, including payment of principal, operating costs of the Trust and funding of reserve accounts
- CEAs shown on an invoice issued to Specified Consumers represent the amount of the consumers' indebtedness and may not be set off or bypassed

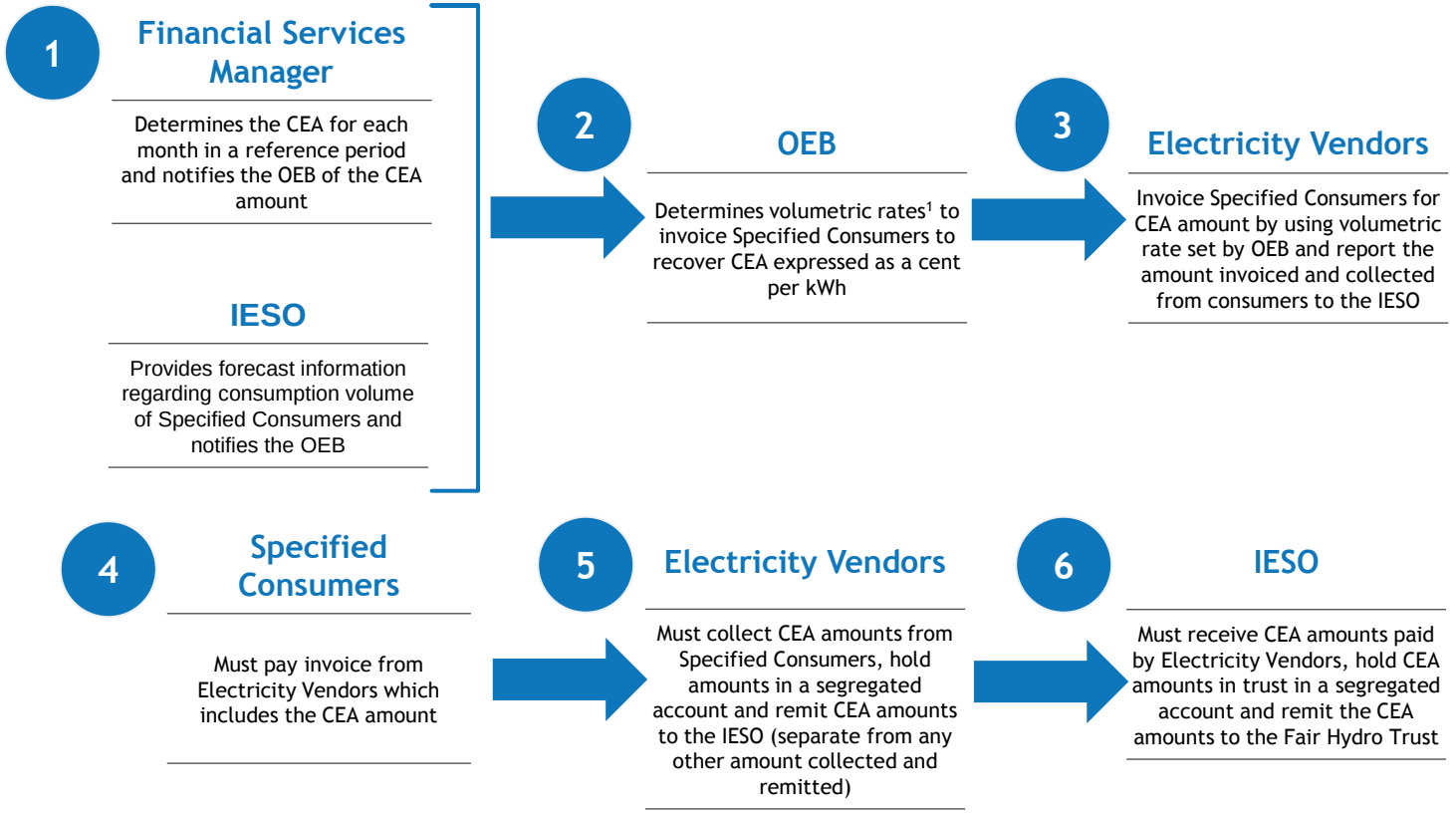


Finance amount is an estimate of the amount payable by the Trust mainly in respect of principal payments, interest costs, Trust expenses and taxes, reserve account deposits and derivative payments

True-up amounts capture the difference between the finance amounts incurred by the Trust and the CEAs collected from Specified Consumers and also include other reasonably foreseeable differences due to various factors (e.g. consumer defaults and delays, billing lags, write-offs and variations in electricity consumption)

Billing and Collection of CEAs

- CEA amounts for billing and collection purposes will be managed outside of the IESO's current settlement processes set out in the Market Rules for electricity invoice amounts
- Collection risk for CEA amounts are mitigated through statutory rights in the FHPA, the obligations of the IESO under the Master Transfer & Servicing Agreement, and the ability to include amounts in the CEA by means of the true up mechanism
- IESO is required to separate the CEAs during a monthly period before remitting to FHT. If the IESO's credit rating is downgraded below investment grade, the IESO will be required to remit within two business days of receipt

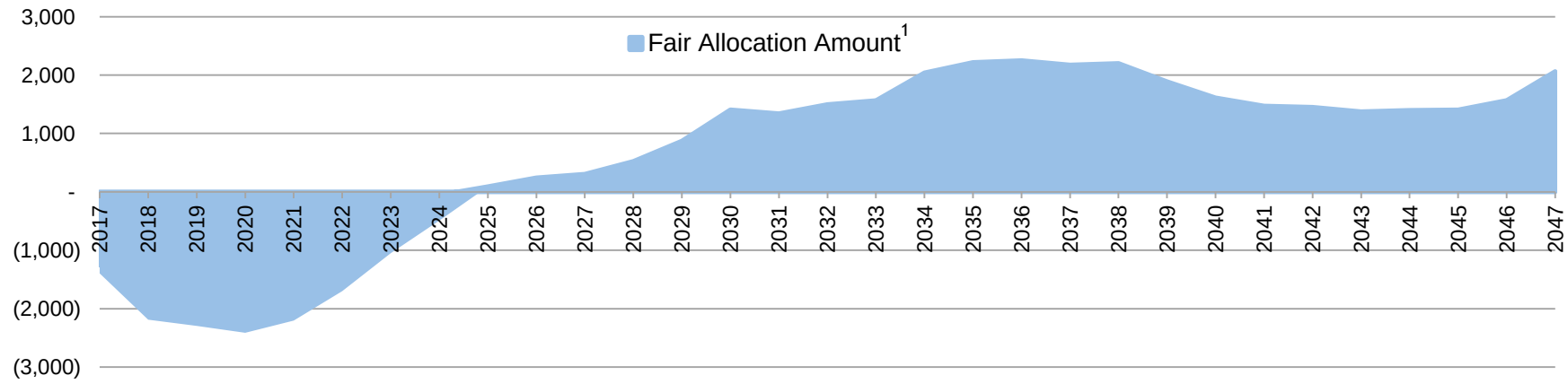


[1] The rates will be determined by dividing the CEA amount by the forecasted energy consumption in the reference period by Specified Consumers.

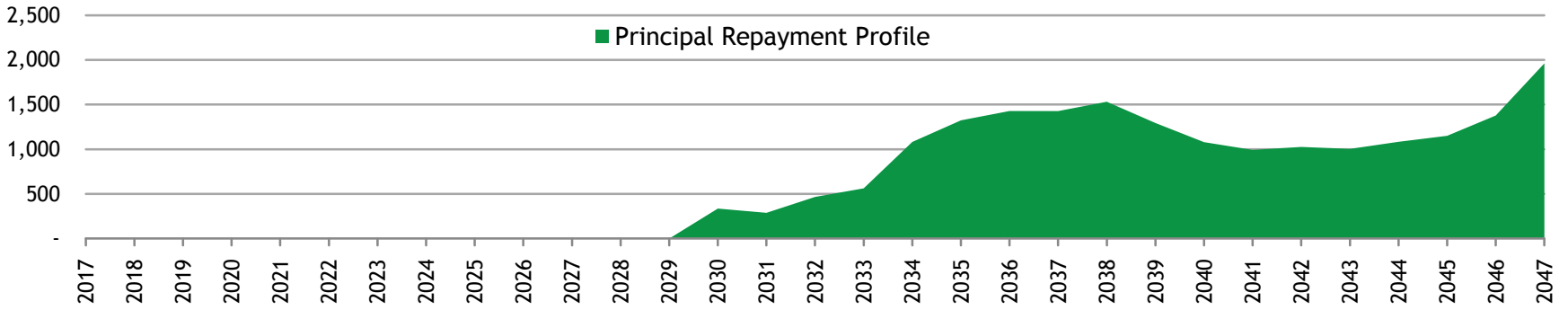
Fair Allocation Amount

- The Fair Allocation Amount ("FAA") is an amount calculated under the FHPA by the Minister of Energy in respect of each reference period that, among other things, allocates the estimated value of clean energy costs in proportion to the relative attribution of the value of clean energy benefits among Specified Consumers

Fair Allocation Amount ($ million)



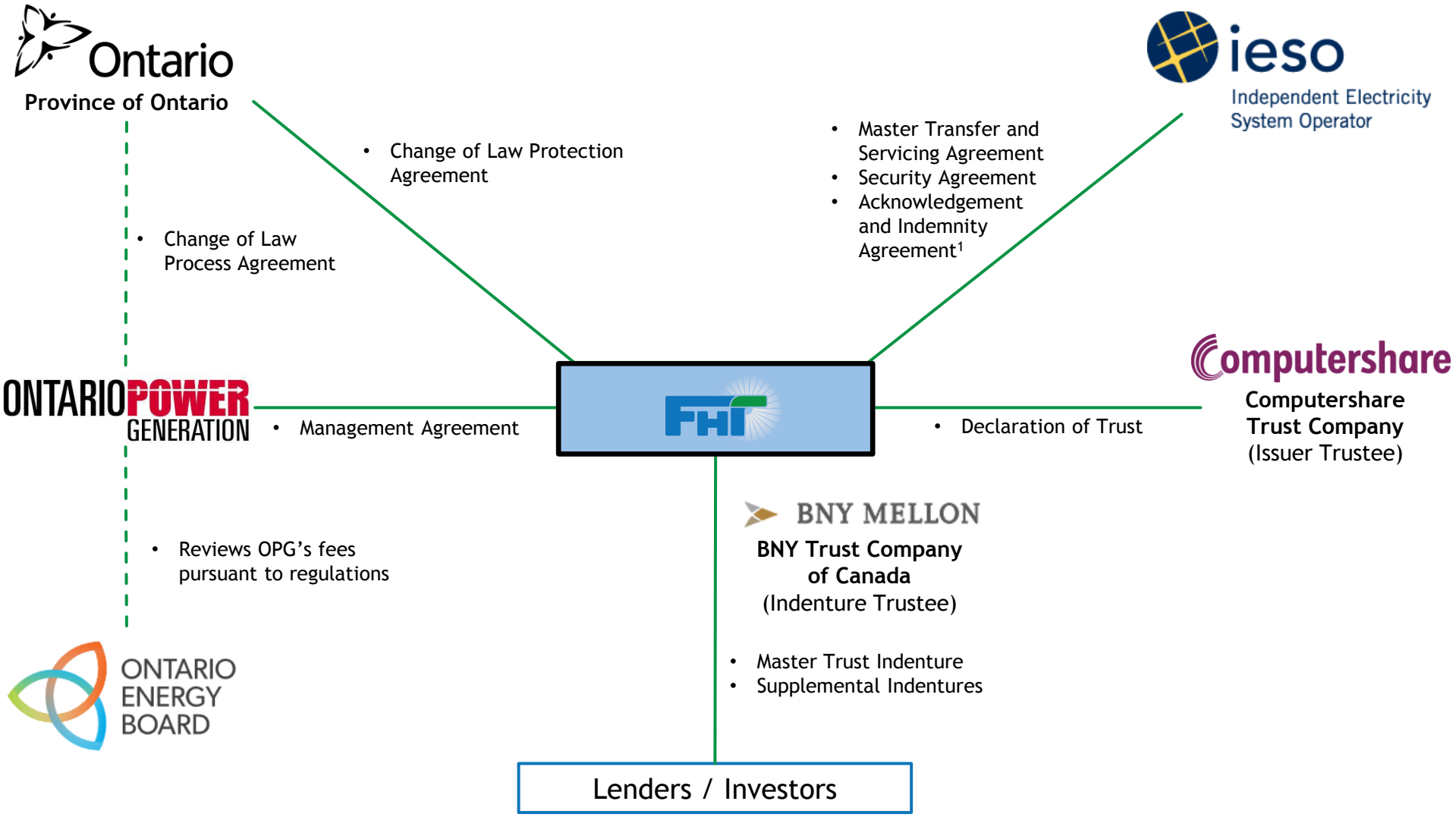
Principal Repayment Profile (derived from the FAA)



[1] Prior to 2025, the above graph of the FAA incorporates the Readjustment Amount. The Readjustment Amount represents the estimated amounts by which Specified Consumers overpaid for clean energy initiatives in the past. It has been incorporated into the FAA to further reduce electricity bills for such consumers.

IV. Contractual Framework

Simplified Contractual Structure



[1] Agreement between IESO and Indenture Trustee.

Contract Highlights

Key Agreements

Change of Law Protection Agreement	• Provides assurance to Specified Creditors[1] that upon the occurrence of a Protection Event that adversely affects the ability of the Trust to pay its obligations when due and payable, the Province of Ontario is required to make payments in respect of all Approved Obligations • OPG as FSM is required to comply with certain conditions prior to the issuance of debt which is to benefit from the Change of Law Protection Agreement
Master Transfer and Servicing Agreement	• Provides for the transfer, by the IESO to the Trust of the Regulatory Asset, and upon such transfer the Trust acquires an Investment Interest • The IESO will be responsible to for servicing the Investment Interest, including receiving CEA amounts from Electricity Vendors and remitting to the Trust
Management Agreement	• Issuer Trustee delegates to OPG, as Manager under the Management Agreement, all powers and duties of managing the Trust • The Manager will determine how and when to incur funding obligations to acquire Investment Interests

Note: Additional information on these key agreements can be found in the Appendix.

[1] **Specified Creditors** are any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Contract Highlights

Other Key Agreements

Security Agreement	• As security for the performance of its obligations under the Regulation to pay the Trust's carrying cost during the Moratorium Period, IESO has granted the Trust a first priority security interest in its accounts receivable owing by Electricity Vendors
Acknowledgement and Indemnity Agreement (IESO)	• IESO, as servicer under the MTSA, acknowledges that a security interest has been granted to the Indenture Trustee thereby assigning as security the rights and benefits of the Issuer under the MTSA to the Indenture Trustee, including the right to enforce the indemnities provided to the issuer with respect to IESO's duties and obligations under the MTSA
Change of Law Process Agreement	• Outlines procedural requirements between the Province and OPG with respect to issuing debt that benefits from the Limited Guarantee under the Change of Law Protection Agreement • Among other things, OPG is required to deliver to the Province a process certificate, outlining the material terms of proposed debt issues and confirm such debt offerings will not cause the protection agreement maximum (as updated from time to time in the Financing Plan) to be exceeded
Declaration of Trust	• Establishes FHT to carry out activities for the exclusive benefit of its unitholders • Specifies the rights and powers of the Issuer Trustee (Computershare) • The Issuer Trustee has delegated all of the powers and duties of managing the Trust to OPG under the Management Agreement

Allocation of Servicing Role and Responsibilities

- The shared responsibilities of servicing and management roles are summarized below

	OPG	IESO	LDC
Review Records of LDCs with Respect to CEAs (annually or less frequently in certain circumstances)	✔		
Determination of CEA for a Reference Period, including the True-Up Amount	✔		
Ongoing Reporting for Trust and Reporting to the Rating Agencies	✔		
Management of Ongoing Debt Issuances	✔		
Cash Management	✔	✔	
Preparation of Monthly Servicer Reports		✔	
Remittance of CEA to IESO and to the Trust		✔	✔
Responding to inquiries by customers if practicable, or forwarding such inquiries to OPG		✔	✔
Customer Billing			✔
Customer Collections			✔
Customer Meter Reading			✔

V. Financing Program

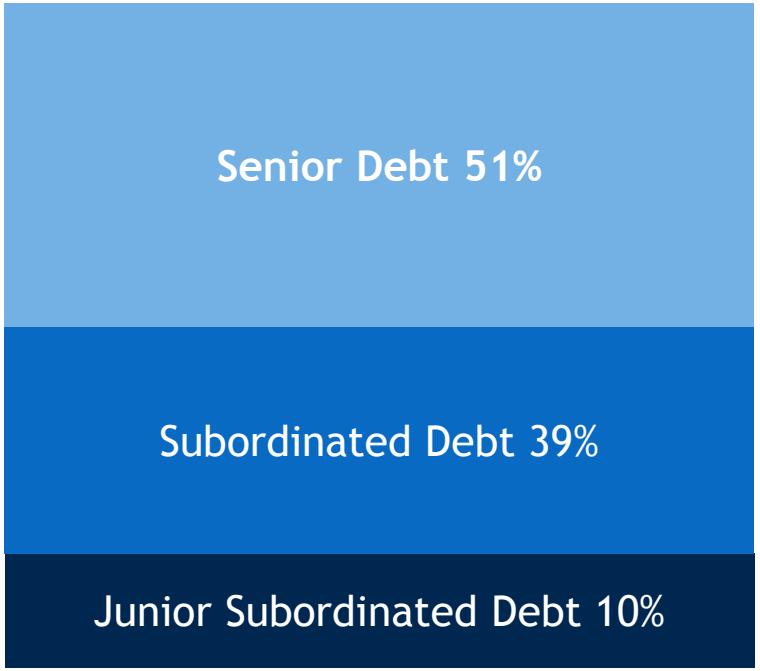
Financing Plan / Strategy

- OPG is responsible for administering the FHT financing program
- Given the size (~$20 billion) and longevity (~10 years) of the FHT financing program, the funding strategy has been designed to provide flexibility
- Warehouse financing (ABCP conduit and bank funded senior debt) and subordinated warehouse debt and junior subordinated warehouse debt funded by OPG will be used to fund monthly Regulatory Asset purchases from the IESO
  - Periodically refinance the warehouse facility through the issuance of term debt (likely access the market 2-3 times per year)
- Term debt can take the form of bullet bonds or could be issued as amortizing bonds

Warehouse Financing	• ABCP conduit and bank funded senior debt with subordinated debt funded by OPG will be used by the Trust to fund monthly Regulatory Asset purchases from the IESO
Term Debt	• Term debt issuances will be used to refinance warehouse financing and the subordinated debt and junior subordinated debt funded by OPG • Both Canadian term debt and U.S. term debt market will be considered • Maturity profiles will be structured to ensure reasonable alignment with the FAA (bullet bonds with sinking funds or amortizing bonds) • FHT may issue debt that may be refinanced in the future
Subordinated Debt	• Subordinated debt provides credit enhancement for senior debt (ranks behind senior debt in cash flow waterfall)

Financing Structure

- The Trust will fund Regulatory Asset purchases through the issuance of senior, subordinated and junior subordinated secured debt
- Senior debt (51%) will be sourced monthly from committed warehouse facilities, and the periodic issuance of term debt
- Subordinated debt (49% anticipated; minimum of 35% required[1]) will be purchased by OPG, primarily funded by equity injections from the Province (44% of 49%) and the remaining portion from OPG (5% of 49%)



Senior Notes
Warehouse facilities and term debt issuances (in Canada and/or the U.S.)

Subordinated Notes
Provided to Trust by OPG via equity injection from the Province

Junior Subordinated Debt
- OPG equity injection (5%) via its corporate borrowing program
- Provided to Trust by OPG via the Province (5%)

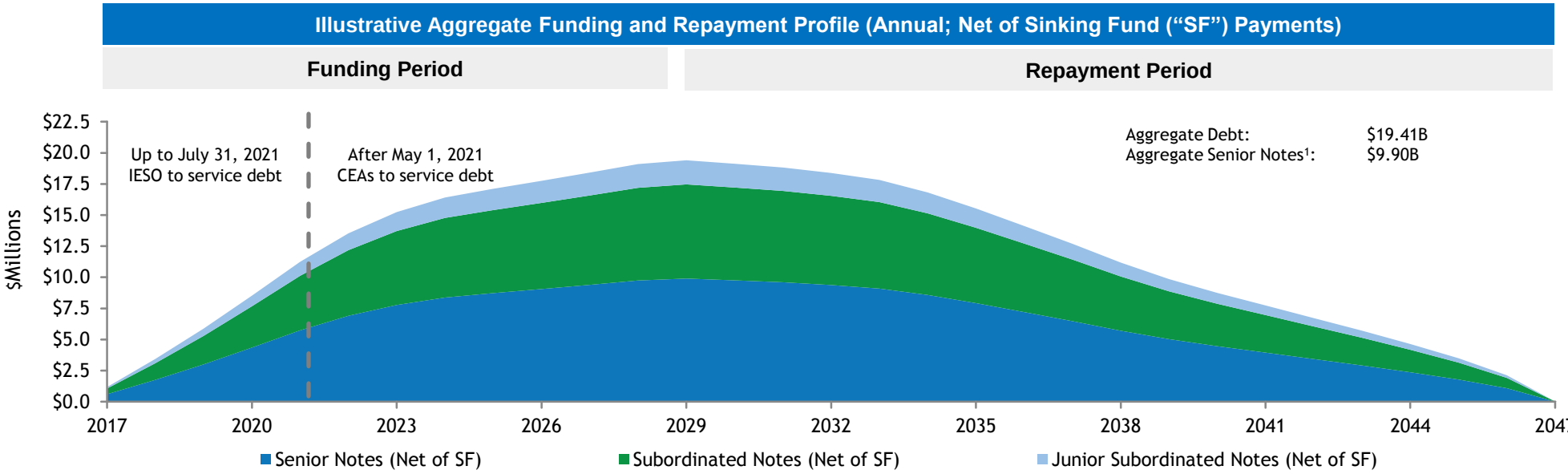
Note: Assumes 49% subordinated debt.

[1] Under the MTI, FHT is required at all times to ensure that all outstanding subordinated and junior subordinated debt be not less than 35% of all outstanding debt.

Aggregate Financing Program

Illustrative Debt Summary - Funding & Repayment Period (Annual)

- Based on the Fair Allocation Amount and the Province's electricity bill reduction targets, the following debt profile for the program is expected, peaking at just under $20 billion by 2029
- Various tranches of debt will be issued periodically during the period of 2018 - 2028, which are expected to mature over a period after 2029



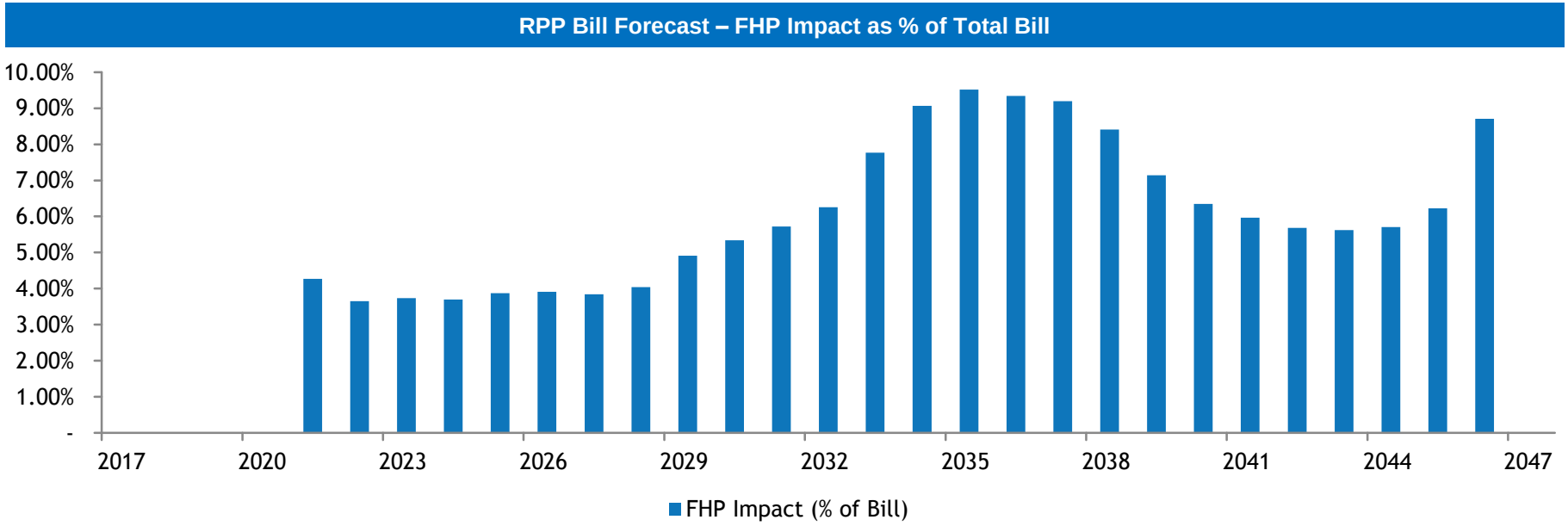
[1] Assumes 51% Senior Notes

Note: During the Moratorium Period and extending three additional months to July 31, 2021, the IESO is required under the Regulations to pay all Carrying Costs. The additional three month period is intended to cover the billing and collection lag from the introduction of Clean Energy Adjustments in May 2021.

Consumer Bill Forecast with FHP

RPP Bill Forecast - FHP Impact % of Total Bill (C$ per Month)

- Over the duration of the Fair Hydro Program, the CEA for the average residential customer is anticipated to remain below 10% of the total electricity bill
- Max CEA as a percent of the total bill is forecast to be 10.0%
- Average CEA as a percent of the total bill is forecast to be 6.9%



Capital Markets Platform

Master Trust Indenture

Parties	• (1) Computershare Trust Company (Issuer Trustee), on behalf of the Trust, acting through OPG as the Manager; (2) BNY Trust Company (Indenture Trustee) on behalf of Specified Creditors
Purpose	• Governs the terms of the debt issued by FHT and cash flow waterfall and collateral structure for all Trust obligations to all Specified Creditors

Key Terms

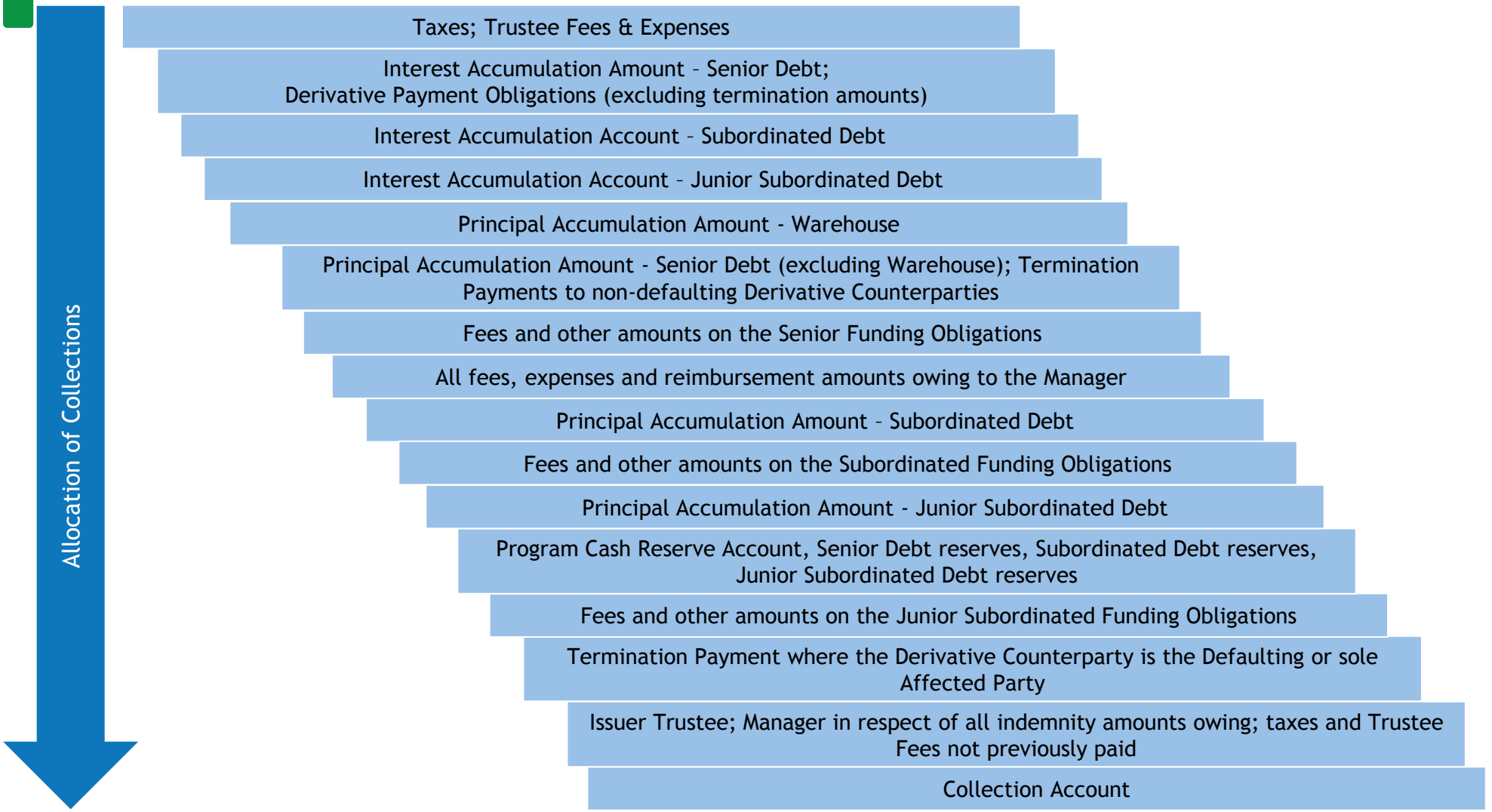
Incurrence of Funding Obligations	• Trust may incur funding obligations under a variety of instruments including: – Note issuances under supplemental indentures – Borrowings under credit agreements – Purchase of notes under note purchase agreements – Letters of Credit/Guarantees under credit enhancement agreements – Liquidity loans under liquidity agreements backing short term notes
Conditions Precedent	• Prior to incurring additional funding obligations, the Trust confirms to the Indenture Trustee and each rating agency that: – the incurrence of such additional obligations will not cause an adverse effect – the incurrence of such additional obligations is materially consistent with the Financing Plan • It will also be a condition precedent that (i) each rating agency confirm that the issuance of such additional funding obligations will not result in a reduction or withdrawal of any existing ratings of outstanding funding obligations and (ii) the Indenture Trustee has received certain assurances as to the applicability of the Change of Law Protection Agreement to such funding obligations

Capital Markets Platform

Master Trust Indenture – Key Terms (cont'd)

Security	• Granted over all assets of the Trust, including the Trust's investment interest, all collections under the MTSA and all accounts
Subordination	• Provides for three different classes of funding obligations – (i) senior – (ii) subordinated – (iii) junior subordinated
Events of Default	• Includes payment and senior defaults, representation and covenant breaches, insolvency and Change of Law Protection Agreement ceasing to be in full force and effect against the Province
Acceleration	• Upon an acceleration, CEAs may be insufficient to repay all amounts becoming due in a period. CEAs for a period will be capped under the Regulation at the otherwise scheduled amounts, plus an additional amount if the aggregate of those otherwise scheduled amounts would be less than the FAA for the period • However, the amounts received from CEAs after an acceleration will be allocated to pay senior indebtedness before principal amounts owing on subordinated and junior subordinated indebtedness. Accordingly, the subordination of debt across all series of debt should advance the repayment of the principal amount for senior funding obligations • After an acceleration, all Senior Term Notes will be paid pari-passu

Waterfall



Note: This waterfall indicates the priority of payment prior to an Event of Default and acceleration; additional information on the priority of payments after an Event of Default and acceleration can be found in the Offering Memorandum.
Note: After paying interest on the senior debt, no interest payments will be made on the subordinated debt unless there will be sufficient amounts remaining in the Interest Accumulation Account for what should be accumulated for the Senior Notes after making such payments.

VI. Key Risks and Mitigants

Risk Mitigation

Risk	Description of Risk	Mitigants
Political Risk	• Future legislative action to change or challenge/invalidate the Act or the Change of Law Protection Agreement might materially adversely affect a holder's investment in the Notes	• Limited Guarantee provided by the Province of Ontario via the Change of Law Protection Agreement in favour of the Indenture Trustee for lenders/investors in these circumstances
Under Collection	• If the IESO inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting the CEA, there could be a shortfall in collections, which might result in missed or delayed payments of principal and interest on the Notes	• True up mechanism may result in a delay, but will be corrected in next True up • Cash reserve and 35%-49% subordination which would first absorb any shortfalls • 6-month reference period • Any shortfall in collections are recoverable from all Specified Consumers
Reliance on IESO and LDCs	• During the Moratorium Period, the Trust is dependent on the IESO to remit payments to the Trust for all Carrying Costs • Receipt of CEAs dependent on the performance of LDCs and IESO • Limited ability to enforce against or replace an LDC	• Highly regulated industry and LDC and IESO are required under law and regulation to perform duties under FHP • IESO has a very strong credit profile and very low losses and grants security over its accounts receivable owed by Electricity Vendors as security during the Moratorium Period • IESO will provide a letter of credit/other security to mitigate commingling risks for CEAs held by non-rated or below investment grade rated LDCs until they are remitted to IESO • LDCs collect security deposits and, when permitted, have the ability to disconnect service for non-payment • $2 billion credit facility from the OFA which can be used by the IESO to pay the Carrying Costs
Size of Charge vs. Bill	• If the charge applied to bills becomes too high, there could be a consumer and/or political backlash	• 20-year repayment period allows for gradual rate increases • Max CEAs as a percent of the total bill over the collection period is forecast to be 10%
Disruptive Technology Risk / Change in Demographics	• Technological developments may result in reduced CEA payments as a result of increased use of alternative energy sources • Population fluctuations may result in fewer Specified Consumers	• True-up mechanism available to offset the reduction in CEAs due to technological advancements or fluctuations in the number of Specified Consumers • Collection shortfalls are allocated among a large base of Specified Consumers

VII. Summary of Offering

Summary of Indicative Terms

Initial Fair Hydro Term Issuance	**Class**	**Size**	**% of Trust**	**Expected Maturity**	**Principal Payment Default Date**	**Rating (DBRS / Moody's)**
	Senior Term Notes	$[●]MM	51%	May 15, 2033	May 15, 2035	AAA (sf) / Aa2 (sf)
	Subordinated Notes	$[●]MM (Not Offered)	39%	May 15, 2033	May 15, 2035	[●]
	Jr. Subordinated Notes	$[●]MM (Not Offered)	10%	May 15, 2033	May 15, 2035	[●]
Issuer	Fair Hydro Trust, a single purpose, bankruptcy-remote wholly-owned subsidiary of the Financial Services Manager					
Financial Services Manager	Ontario Power Generation, Inc.					
Servicer	Independent Electricity System Operator					
Source of Repayment	• Moratorium Period: Statutorily mandated remittances (not including principal) from IESO (Up to July 31, 2021) • Post Moratorium Period: Non-bypassable charge from residential and small commercial customers in Ontario, related collections and reserve accounts (After May 1, 2021)					
Payment Frequency	Semi-annual					
Principal Accumulation	Principal will be accumulated monthly commencing January 2030 to facilitate repayment of notes on the expected maturity date					
Interest	Fixed rate					
Senior Note Credit Enhancements	• Semi-annual (or more frequent) True-up • Reserve Account • Subordination					
Program Cash Reserve Account	After Moratorium period, an amount equal to 0.50% of the aggregate amount of all outstanding Senior, Subordinated and Junior Subordinated funding obligations					
True-up	Calculated on at least a semi-annual basis post-moratorium period					
Subordination	Subordinated and Junior Subordinated Notes will be retained by OPG					
Additional Issuance	Master Trust Indenture allows for the issuance of additional notes subject to satisfaction of Rating Agency Condition					

VIII. Investment Highlights

Investment Highlights

- Protection against political risk through the Change of Law Protection Agreement
- Irrevocable & non-bypassable rate payer charge, recoverable from Specified Consumers across the Province of Ontario
- Repayment risk spread across all Specified Consumers. Full cross-collateralization; collection shortfalls allocated among all Specified Consumers
- Robust true-up mechanism
- Credit enhancement for senior debt provided via subordinated debt
- Highly regulated market with experienced operating agents (OPG, IESO, and LDCs)
- Strong ratepayer base in Ontario

Appendix – Key Agreement Summaries

Key Agreements

Change of Law Protection Agreement

Parties	• (1) Province of Ontario and (2) Indenture Trustee as Trustee of the Issuer, on behalf of Specified Creditors[1], and (3) OPG as Financial Services Manager (FSM)
Purpose	• Provides assurance to Specified Creditors that upon the occurrence of a Protection Event referred to below, the Province of Ontario will pay all Approved Obligations on behalf of the Trust, with limited rights of acceleration
Key Terms	• **Term**: Continues for as long as any protected obligations of the Trust that are secured under the Master Trust Indenture (MTI) remain outstanding • **Mandatory Payment**: Upon the occurrence of a Protection Event, the Indenture Trustee has the right to require the Province to pay all Approved Obligations when due and payable • **Priority of Payments**: The priority application of guarantee payments is governed by the waterfall provision under the MTI • **Adherence Conditions**: For the Limited Guarantee to apply to an obligation of the Trust, OPG as FSM is required to comply with certain conditions, including the delivery of an Adherence Compliance Certificate, prior to the incurrence of such obligation (such obligation called an "Approved Obligation") • **Suspension Notice**: The Province may deliver a suspension notice upon the occurrence of the acceleration of any indebtedness of the Trust or other Program Breach or a default in performance or misrepresentation by OPG as FSM pursuant to certain internal reporting and other requirements contained in a Change of Law Process Agreement between OPG and the Province. Any new funding obligations that are incurred during a suspension period will not have the benefit of the Limited Guarantee, except that the Change of Law Protection Agreement applies to post-suspension refinancing of previously issued Approved Obligations

[1] **Specified Creditors** are any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

Key Agreements

Change of Law Protection Agreement (cont'd)

Protection Events

The occurrence of any of the following events:

(1)

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

in each case that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable, taking into account any funds available in reserve accounts, any credit enhancement available and any reasonably expected potential effect of a true-up amount; or

(2)

- A court of competent jurisdiction determines that all or a portion of the Act or the regulations made under the Act, is *ultra vires* or invalid in a way that adversely affects the ability of the Trust to receive amounts in respect of its Investment Interest so that it can pay Approved Obligations when due and payable

Key Agreements

Master Transfer and Servicing Agreement

Parties	• (1) IESO, as transferor and servicer; (2) Trust
Purpose	• Provides for the transfer, by the IESO to the Trust of the Regulatory Asset, and upon such transfer the Trust acquires an Investment Interest and describes the servicing obligations of IESO
Key Terms	• **Transfer of Regulatory Asset**: The IESO may offer, no more frequently than monthly, to transfer the specified portions of the Regulatory Asset to the Trust. The Trust has the right, but not the obligation, to accept IESO's offer • **Servicing Duties:** The IESO will be responsible for servicing the Investment Interest under the legislation, including receiving CEA amounts from Electricity Vendors and remitting the same to the Trust; other duties of the IESO include: – Establishing a segregated account for collecting CEAs and using commerciably reasonable efforts to cause Electricity Vendors to do the same; – Receiving CEAs from Electricity Vendors; – Remitting CEAs monthly to the Trust (unless downgraded below investment grade in which case it will remit daily); – Preparing monthly servicer reports; and – Providing a forecast of electricity consumption of Specified Consumers • **Moratorium Period:** During the Moratorium Period (until April 30, 2021) and extending to July 31, 2021, the IESO is required by regulation to fund all Carrying Costs of the Trust. The Carrying Costs incurred by the IESO will be added to its Regulatory Asset variance account pursuant to regulation. • **IESO Letter of Credit:** After the Moratorium Period, the IESO will provide the Trust, a letter of credit or other form of security, as security for the commingling risk of CEAs collected by non-rated or non-investment grade rated Electricity Vendors and not yet remitted to the IESO

Key Agreements

Management Agreement

Parties	• (1) Issuer Trustee, on behalf of the Trust, and (2) OPG, as Manager and acknowledged and accepted by the Indenture Trustee, on behalf of specified creditors
Purpose	• Issuer Trustee delegates to the Manager all powers and duties of managing the Trust
Key Terms	• **Duties Include**: – Negotiating and executing program agreements; – Preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Trust to prospective purchasers of funding obligations; – Review or cause to be reviewed, records of electricity vendors on an annual basis with respect to CEAs (or less frequently in certain circumstances); – Preparing monthly portfolio reports; – Preparing financial statements; and – Paying taxes on behalf of the Trust • **Incurrence of Funding Obligations**: Manager will determine how and when to incur funding obligations to acquire Investment Interests • **Standard of Care**: Manager will perform its duties diligently and in conformity with the Trust's obligations under the program agreements • **Resignation/ Termination:** Manager may not resign from its duties or terminate the Management Agreement as long as funding obligations of the Trust are outstanding • **Management Fees:** OPG is entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer

From: Thouin, Alena (ENERGY)
To: Tobias P. Whitfield (MOF); Malle Hanslep (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Ken Kandeepan; Mike Manning; Tim Christie (ENERGY); Anna Strathy
Subject: RE: Fair Hydro Trust - Disclosure Documents
Date: Wednesday, January 17, 2018 11:19:47 AM

I can make myself available.

Sent with BlackBerry Work
(www.blackberry.com)

From: Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>
Date: Wednesday, Jan 17, 2018, 11:08 AM
To: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>, Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>, ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com) <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>
Cc: Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>, Manning, Mike (OFA) <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>, Christie, Tim (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>, Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>
Subject: RE: Fair Hydro Trust - Disclosure Documents

I am available at any time today.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca<mailto:tobias.whitfield@ontario.ca>
Phone: 416-325-1456

From: Hanslep, Malle (MOF)
Sent: January 17, 2018 10:30 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY); Strathy, Anna (OFA)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Hi – Adding Anna Strathy to the email group.

From: Hanslep, Malle (MOF)
Sent: January-17-18 10:27 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Sure.

From: Thouin, Alena (ENERGY)
Sent: January-17-18 10:26 AM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Thanks Malle. Can we set up a call to discuss?
Thank you

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>)
From: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>
Date: Wednesday, Jan 17, 2018, 10:21 AM
To: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>, Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>, ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>) <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>
Cc: Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>, Manning, Mike (OFA) <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>, Christie, Tim (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>
Subject: FW: Fair Hydro Trust - Disclosure Documents

Should we discuss this approach? It may have implications for future documents and transactions. I have not had the opportunity to review the changes that were accepted but if we think they are important it would be best to be able to preserve those as the version of the "OM" as a reference document under the Process Agreement for future transactions rather than the initial version they sent us. I realize there is a problem with the 10 days but if we could figure out a way to make the final version (or close to final) become the reference document that would be best. So I'm not sure that we want to write back and just agree with Les that we don't take a contrary view without considering carefully. Technically if the 10 days expire without the Province objecting the document becomes a reference document. I know Toby has drafted a delegation of the powers under the process agreement for MOF/OFA. Not sure what the timing of the deal is right now.

Thanks,

Malle

From: WONG Leslie -LAWDIV [mailto:leslie.wong@opg.com]
Sent: January-17-18 9:45 AM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF)
Cc: LEE John -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Saulnier, Brett; Ramchandani, Rima; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro Trust - Disclosure Documents

Dear Alena and Malle,

You will have seen the revised draft of the OM and term sheet circulated by Torys (attached again for reference). A revised draft of the Investor Presentation is also in progress and will be circulated once available. We do not view the changes made to the OM, term sheet or the IP as material (in form or substance) and we would appreciate it if you could confirm that the Province does not take a contrary view. As you know, under the change of law process agreement, OPG is required to certify that these documents are substantially in the form as previously provided to the Province, which we believe is the case. Therefore, there is no reason for us to restart the 10 Business Day clock running following delivery of the revised documents. If you have any concerns with our interpretation or approach please let us know.

Regards,

Les

Leslie Wong
Senior Counsel
Ontario Power Generation Inc.
700 University Avenue, H18 G26.1, Toronto, ON M5G 1X6
T: (416) 592-3110 | E: leslie.wong@opg.com<mailto:leslie.wong@opg.com>

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: Wednesday, January 17, 2018 1:31 AM
To: VINER, JON <JON.VINER@blakes.com<mailto:JON.VINER@blakes.com>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca<mailto:Daniel.Cayley@ontario.ca>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca<mailto:Cindy.Veinot@ontario.ca>>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca<mailto:Mark.Donaldson@ontario.ca>>; Malle Hanslep (MOF)

<Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Tobias P. Whitfield (MOF)
<Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; ASHBOURNE, STEPHEN
<STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Ronald Kwan
<Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Huang, Jackson (MEDG/MRIS)
<Jackson.Huang@ontario.ca<mailto:Jackson.Huang@ontario.ca>>; Sawwaf, Khareem (ENERGY)
<Khareem.Sawwaf@ontario.ca<mailto:Khareem.Sawwaf@ontario.ca>>; Lightbody, Ava (ENERGY)
<Ava.Lightbody@ontario.ca<mailto:Ava.Lightbody@ontario.ca>>; James Rehob (ENERGY)
<James.Rehob@ontario.ca<mailto:James.Rehob@ontario.ca>>; Gadi Mayman
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<Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>
Cc: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; RYFA Ken -TREASURY
<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; WONG Leslie -LAWDIV
<leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY
<lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; Mansoori, Nina
<nmansoori@torys.com<mailto:nmansoori@torys.com>>; Ramchandani, Rima
<rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael
<mfeldman@torys.com<mailto:mfeldman@torys.com>>
Subject: EXTERNAL – RE: Fair Hydro Trust - Disclosure Documents

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All,

Please find attached revised versions of the Offering Memorandum and Term Sheet. We have accepted the majority of the Province's comments where appropriate and I have included blacklines of each document against the version circulated by Jon below. The attached also reflect comments received from the IESO and some additional clean-up changes made since the documents were provided to the Province on January 5.

In the interest of time, we are circulating these drafts to all parties concurrently. Accordingly, they remain subject to review and comment by OPG, IESO, the dealers and their respective counsel.

Thanks,
Brett

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttp-253A-252F-252Fwww.torys.com-26data-3D02-257C01-257Cleslie.wong-2540opg.com-257Cdad1536ab18f4905427508d55d7443b4-257C962f21cf93ea449f99bf402e2b2987b2-257C0-257C0-257C636517677030236931-26sdata-3DYU16o4Azh-252B78d4axRjwt-252BuPc5Jv7HtXhEoXh51IZ1gA-253D-26reserved-3D0&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=BlzozG6JyH_PCJOdutuitPjCNNNmSk70cA3Q8kGQXEU&s=rqLmuSP3I5UzoZOaDgv0hWgnuVsySfizV-k_LVaNlKw&e=>

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From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January-16-18 10:48 AM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; 'ken.ryfa@opg.com'
<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; WONG Leslie -LAWDIV
<leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY
<lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; Mansoori, Nina

<nmansoori@torys.com<mailto:nmansoori@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca<mailto:Daniel.Cayley@ontario.ca>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca<mailto:Cindy.Veinot@ontario.ca>>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca<mailto:Mark.Donaldson@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca<mailto:Jackson.Huang@ontario.ca>>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca<mailto:Khareem.Sawwaf@ontario.ca>>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca<mailto:Ava.Lightbody@ontario.ca>>; James Rehob (ENERGY) <James.Rehob@ontario.ca<mailto:James.Rehob@ontario.ca>>; Gadi Mayman (Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>
Subject: Fair Hydro Trust - Disclosure Documents

All,

Please find attached the Province's comments on the offering memorandum, investor presentation and term sheet. We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,
Jon

Jon Viner
Associate
jon.viner@blakes.com<mailto:jon.viner@blakes.com>
Dir: 416-863-2499

_____

[cid:image002.gif@01D38F83.7A43D570]

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Tel: 416-863-2400 Fax: 416-863-2653
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40&m=BlzozG6JyH_PCJOdutuitPjCNNNmSk70cA3Q8kGQXEU&s=VoUrLjrLR6YRflgKC9nmiSAnqEhfBNp1bR5iHdXxsUI&e=
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From:	Mike Manning
To:	Tobias P. Whitfield (MOF); Malle Hanslep (MOF); Thouin, Alena (ENERGY); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc:	Ken Kandeepan; Tim Christie (ENERGY); Anna Strathy
Subject:	RE: Fair Hydro Trust - Disclosure Documents
Date:	Wednesday, January 17, 2018 11:19:39 AM

Unfortunately not around after 2:30.

Mike

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Wednesday, January 17, 2018 11:08 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com) <STEPHEN.ASHBOURNE@blakes.com>
Cc: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Fair Hydro Trust - Disclosure Documents

I am available at any time today.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Hanslep, Malle (MOF)
Sent: January 17, 2018 10:30 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY); Strathy, Anna (OFA)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Hi – Adding Anna Strathy to the email group.

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Sent: January-17-18 10:27 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
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Subject: RE: Fair Hydro Trust - Disclosure Documents

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Subject: RE: Fair Hydro Trust - Disclosure Documents

Thanks Malle. Can we set up a call to discuss?
Thank you

Sent with BlackBerry Work
(www.blackberry.com[blackberry.com])

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Date: Wednesday, Jan 17, 2018, 10:21 AM
To: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>, Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>, ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com) <STEPHEN.ASHBOURNE@blakes.com>
Cc: Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>, Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>, Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>
Subject: FW: Fair Hydro Trust - Disclosure Documents

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Thanks,

Malle

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Sent: January-17-18 9:45 AM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF)
Cc: LEE John -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Saulnier, Brett; Ramchandani, Rima; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro Trust - Disclosure Documents

Dear Alena and Malle,

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that these documents are substantially in the form as previously provided to the Province, which we believe is the case. Therefore, there is no reason for us to restart the 10 Business Day clock running following delivery of the revised documents. If you have any concerns with our interpretation or approach please let us know.

Regards,

Les

Leslie Wong
Senior Counsel
Ontario Power Generation Inc.
700 University Avenue, H18 G26.1, Toronto, ON M5G 1X6
T: (416) 592-3110 **|** E: leslie.wong@opg.com

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: Wednesday, January 17, 2018 1:31 AM
To: VINER, JON <JON.VINER@blakes.com>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>
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Subject: EXTERNAL – RE: Fair Hydro Trust - Disclosure Documents

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All,

Please find attached revised versions of the Offering Memorandum and Term Sheet. We have accepted the majority of the Province's comments where appropriate and I have included blacklines of each document against the version circulated by Jon below. The attached also reflect comments received from the IESO and some additional clean-up changes made since the

documents were provided to the Province on January 5.

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Thanks,
Brett

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[na01.safelinks.protection.outlook.com]

TORYS LLP[na01.safelinks.protection.outlook.com]

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Subject: Fair Hydro Trust - Disclosure Documents

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Please let us know if you would like to discuss.

Kind regards,
Jon

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499

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From:	Whitfield, Tobias P. (MOF)
To:	Malle Hanslep (MOF); Thouin, Alena (ENERGY); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc:	Ken Kandeepan; Mike Manning; Tim Christie (ENERGY); Anna Strathy
Subject:	RE: Fair Hydro Trust - Disclosure Documents
Date:	Wednesday, January 17, 2018 11:08:25 AM

I am available at any time today.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Hanslep, Malle (MOF)
Sent: January 17, 2018 10:30 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY); Strathy, Anna (OFA)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Hi – Adding Anna Strathy to the email group.

From: Hanslep, Malle (MOF)
Sent: January-17-18 10:27 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Sure.

From: Thouin, Alena (ENERGY)
Sent: January-17-18 10:26 AM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Thanks Malle. Can we set up a call to discuss?

Thank you

Sent with BlackBerry Work
(www.blackberry.com[blackberry.com])

From: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>
Date: Wednesday, Jan 17, 2018, 10:21 AM
To: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>, Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>, ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com) <STEPHEN.ASHBOURNE@blakes.com>
Cc: Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>, Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>, Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>
Subject: FW: Fair Hydro Trust - Disclosure Documents

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transactions. I have not had the opportunity to review the changes that were accepted but if we think they are important it would be best to be able to preserve those as the version of the "OM" as a reference document under the Process Agreement for future transactions rather than the initial version they sent us. I realize there is a problem with the 10 days but if we could figure out a way to make the final version (or close to final) become the reference document that would be best. So I'm not sure that we want to write back and just agree with Les that we don't take a contrary view without considering carefully. Technically if the 10 days expire without the Province objecting the document becomes a reference document. I know Toby has drafted a delegation of the powers under the process agreement for MOF/OFA. Not sure what the timing of the deal is right now.

Thanks,

Malle

From: WONG Leslie -LAWDIV [mailto:leslie.wong@opg.com]
Sent: January-17-18 9:45 AM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF)
Cc: LEE John -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Saulnier, Brett; Ramchandani, Rima; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro Trust - Disclosure Documents

Dear Alena and Malle,

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Regards,

Les

Leslie Wong
Senior Counsel
Ontario Power Generation Inc.
700 University Avenue, H18 G26.1, Toronto, ON M5G 1X6
T: (416) 592-3110 **|** E: leslie.wong@opg.com

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Thanks,
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Toronto, Ontario M5K 1N2 Canada | www.torys.com[na01.safelinks.protection.outlook.com]


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Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>

Subject: Fair Hydro Trust - Disclosure Documents

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We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,

Jon

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499



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199 Bay Street, Suite 4000, Toronto ON M5L 1A9
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To:	Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc:	Ken Kandeepan; Mike Manning; Tim Christie (ENERGY); Anna Strathy
Subject:	RE: Fair Hydro Trust - Disclosure Documents
Date:	Wednesday, January 17, 2018 10:30:02 AM

Hi – Adding Anna Strathy to the email group.

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Sent: January-17-18 10:27 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
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Subject: RE: Fair Hydro Trust - Disclosure Documents

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Thanks Malle. Can we set up a call to discuss?
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Sent with BlackBerry Work
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From: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>
Date: Wednesday, Jan 17, 2018, 10:21 AM
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Subject: RE: Fair Hydro Trust - Disclosure Documents

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Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
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Jon

Jon Viner

Associate
jon.viner@blakes.com
Dir: 416-863-2499



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From:	Hanslep, Malle (MOF)
To:	Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc:	Ken Kandeepan; Mike Manning; Tim Christie (ENERGY)
Subject:	RE: Fair Hydro Trust - Disclosure Documents
Date:	Wednesday, January 17, 2018 10:26:48 AM

Sure.

From: Thouin, Alena (ENERGY)
Sent: January-17-18 10:26 AM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
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Cc: Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>, Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>, Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>
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Cc: LEE John -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Saulnier, Brett; Ramchandani, Rima;

Feldman, Michael; Mansoori, Nina
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From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: Wednesday, January 17, 2018 1:31 AM
To: VINER, JON <JON.VINER@blakes.com>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>
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Subject: EXTERNAL – RE: Fair Hydro Trust - Disclosure Documents

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From: VINER, JON [mailto:JON.VINER@blakes.com]

Sent: January-16-18 10:48 AM

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blakes.com<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttp-253A-252F-252Fwww.blakes.com-26data-3D02-257C01-257Cleslie.wong-2540opg.com-257Cdad1536ab18f4905427508d55d7443b4-257C962f21cf93ea449f99bf402e2b2987b2-257C0-257C0-257C636517677030236931-26sdata-3D3O-252FmEfh-252Fnrr5HZeRkZ0zEMP-252Fi5-252FNy2tT4pFxzFPEnc4-253D-26reserved-3D0&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=1sCk0Tpnvs7Rf89-b7RcmXlf6fCgxhlxD4ebckH9BEo&s=4uzk8BlQUBLEE4axwzsVyeLeQa4LTBfiOW_O1rYfBsk&e= > |
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From:	Saulnier, Brett
To:	VINER, JON; Thouin, Alena (ENERGY); Tim Christie (ENERGY); Daniel Cayley (ENERGY); Mike Manning; Ken Kandeepan; Anna Strathy; Veinot, Cindy (TBS); Mark Donaldson (MOF); Malle Hanslep (MOF); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN; Ronald Kwan; Huang, Jackson (MEDG/MRIS); Sawwaf, Khareem (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY); Gadi Mayman
Cc:	LEE John -TREASURY; "ken.ryfa@opg.com"; WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; Mansoori, Nina; Ramchandani, Rima; Feldman, Michael
Subject:	RE: Fair Hydro Trust - Disclosure Documents
Date:	Monday, January 22, 2018 12:56:30 PM
Attachments:	Fair Hydro Trust - Confidential Offering Memorandum.DOCX Fair Hydro - Series 2018-1 Senior Notes Term Sheet.DOCX Changed Pages (OM) (Province).pdf Changed Pages (Term Sheet) (Province).pdf

All,

Further to my email below, we've made a few minor changes to the OM and Term Sheet today, both of which are now final. I've attached changed pages showing these changes.

Thanks,

Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
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From: Saulnier, Brett
Sent: January-21-18 3:06 PM
To: 'VINER, JON' ; 'Thouin, Alena (ENERGY)' ; 'Christie, Tim (ENERGY)' ; 'Cayley, Daniel (ENERGY)' ; 'Mike Manning' ; 'Ken Kandeepan' ; 'Anna Strathy' ; 'Veinot, Cindy (TBS)' ; 'Mark Donaldson (MOF)' ; 'Malle Hanslep (MOF)' ; 'Tobias P. Whitfield (MOF)' ; 'ASHBOURNE, STEPHEN' ; 'Ronald Kwan' ; 'Huang, Jackson (MEDG/MRIS)' ; 'Sawwaf, Khareem (ENERGY)' ; 'Lightbody, Ava (ENERGY)' ; 'James Rehob (ENERGY)' ; 'Gadi Mayman (Gadi.Mayman@ofina.on.ca)'
Cc: 'LEE John -TREASURY' ; 'ken.ryfa@opg.com' ; 'WONG Leslie -LAWDIV' ; 'LADAK Lubna -TREASURY' ; Mansoori, Nina ; Ramchandani, Rima ; Feldman, Michael
Subject: RE: Fair Hydro Trust - Disclosure Documents

All,

For your records, please find attached the final versions of the offering memorandum, indicative term sheet and investor presentation. I have also attached the latest version of the Agency Agreement, which is final subject to filling in notice information. I have included blacklines of the OM, term sheet and agency agreement against the versions that were last circulated.

Thanks,

Brett

Brett Saulnier

From: Saulnier, Brett
Sent: January-17-18 1:31 AM
To: 'VINER, JON' <JON.VINER@blakes.com>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>;

Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>
Cc: LEE John -TREASURY <john.s.lee@opg.com>; 'ken.ryfa@opg.com' <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>
Subject: RE: Fair Hydro Trust - Disclosure Documents

All,

Please find attached revised versions of the Offering Memorandum and Term Sheet. We have accepted the majority of the Province's comments where appropriate and I have included blacklines of each document against the version circulated by Jon below. The attached also reflect comments received from the IESO and some additional clean-up changes made since the documents were provided to the Province on January 5.

In the interest of time, we are circulating these drafts to all parties concurrently. Accordingly, they remain subject to review and comment by OPG, IESO, the dealers and their respective counsel.

Thanks,

Brett

Brett Saulnier

From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January-16-18 10:48 AM
To: LEE John -TREASURY <john.s.lee@opg.com>; 'ken.ryfa@opg.com' <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Ramchandani, Rima <rramchandani@torys.com>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca>; James Rehob (ENERGY) <James.Rehob@ontario.ca>; Gadi Mayman (Gadi.Mayman@ofina.on.ca) <Gadi.Mayman@ofina.on.ca>

Subject: Fair Hydro Trust - Disclosure Documents

All,

Please find attached the Province's comments on the offering memorandum, investor presentation and term sheet.

We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,

Jon

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499



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This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement — January 22, 2018

FAIR HYDRO TRUST

Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (together with the regulations promulgated thereunder, the "**FHPA**"). Under the FHPA, OPG is appointed as financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this

confidential shelf offering memorandum. Unless otherwise specified in a Term Sheet, the Senior Notes will not be listed on any securities exchange.

The offering of Senior Notes from time to time (each, an "**Offering**") will be made pursuant to exemptions from the prospectus requirements of applicable securities laws in each of the provinces of Canada only to "accredited investors" (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that are purchasing the Senior Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**")). Purchasers of Senior Notes will be obliged to establish their qualification to invest in accordance with the requirements of the securities laws of the jurisdiction in which they reside. See *"Representations and Agreements of Purchasers"*. As each Offering will be made pursuant to exemptions from prospectus requirements of applicable securities laws, there will be restrictions on the resale of the Senior Notes. See *"Risk Factors"* and *"Restrictions on Resale"*.

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time (the "**Agents**"). See *"Plan of Distribution"*. Each Term Sheet will identify the Agents engaged to conditionally offer the Senior Notes for sale on a best efforts basis, subject to prior sale, in connection with the applicable Offering of Senior Notes and will also set forth the terms of such Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents.

Subscriptions for the Senior Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Senior Notes will be delivered and recorded in book-entry form through CDS Clearing and Depository Services Inc. ("**CDS**") or another depository selected by the Issuer in accordance with the master trust indenture governing the Senior Notes. The Senior Notes will be represented by fully registered book-entry notes held by, or on behalf of, such depository, or a successor thereof, as the custodian of the book-entry notes, in its name or the name of its nominee.

The Senior Notes will be issued under and will be entitled to the benefits of a master trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and BNY Trust Company of Canada, as indenture trustee, as amended, supplemented, restated or otherwise modified from time to time.

In making an investment decision, prospective investors acknowledge that they have not relied on the Agents or any person affiliated with the Agents for investment or other advice and are relying on their own examination of the terms of an Offering, including the merits and risks involved and creditworthiness of the Issuer. Prospective investors are not to construe the contents of this document as legal, tax, accounting or investment advice. Prior to investing in the Senior Notes, prospective investors should consult with their legal, tax, accounting and investment advisors to determine the consequences of an investment in the Senior Notes. See *"Risk Factors"* for a discussion of certain factors that should be considered by prospective purchasers of Senior Notes.

The Issuer is not a "reporting issuer" (as such term is defined under applicable Canadian securities laws) in any jurisdiction. The Issuer will only distribute the Senior Notes in Canada under exemptions from the prospectus requirements of the securities laws of the provinces where they are sold. The Senior Notes may only be traded in Canada under exemptions from the prospectus requirements of the securities laws of the provinces in which they are traded and only through dealers registered or exempt from the dealer registration requirements of applicable Canadian securities laws. See *"Restrictions on Resale"*.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of Senior Notes with liquidity for their investment or that it will continue for the term of the applicable Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in such Senior Notes until the maturity date of such Senior Notes.

No person is authorized to give any information or make any representation other than those contained in this confidential shelf offering memorandum in connection with an Offering and any decision to purchase Senior Notes should be based solely on the information contained herein. The Term Sheet applicable to such Offering and the

investor presentation (the "**Investor Presentation**"), attached hereto as Exhibit 1, are incorporated by reference and included in, respectively, and form an integral part of, this confidential shelf offering memorandum. The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with an Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

This confidential shelf offering memorandum, including the Investor Presentation attached hereto, and any Term Sheets, are provided on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Senior Notes. Use for any other purpose is not authorized. Each Offering will be made solely on the basis of the information contained herein or incorporated by reference which has been furnished by the Issuer. No Agent makes any representation or warranty, express or implied, as to the accuracy, adequacy or completeness of such information. Furthermore, no Agent has independently verified the information in this confidential shelf offering memorandum and has no responsibility for the accuracy, adequacy or completeness of any such information.

This confidential shelf offering memorandum does not contain all of the information that would normally appear in a prospectus qualified under applicable Canadian securities laws. Neither the delivery of this confidential shelf offering memorandum, at any time, nor any sales made pursuant hereto, will imply that the information contained herein is correct as of any time subsequent to the date set forth on the face page hereof and the Issuer and the Agents will not update such information except as may be required by applicable law.

Capitalized terms used and not otherwise defined in this confidential shelf offering memorandum have the meanings ascribed to them in the glossary starting on page 95 of this confidential shelf offering memorandum. An index of defined terms used in this confidential shelf offering memorandum specifying on which page such terms are defined is provided starting on page 107 of this confidential shelf offering memorandum. All figures in this confidential shelf offering memorandum are in Canadian dollars unless otherwise noted.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this confidential shelf offering memorandum, including those relating to the Issuer's expectations, forecasts, strategic and other statements, are forward-looking information within the meaning of securities laws. Forward-looking information is contained in the summary and in the sections titled *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*, *"Subordinated Debt"* and *"Risk Factors"* of this confidential shelf offering memorandum and *"Fair Allocation Amount"*, *"Financing Plan / Strategy"*, *"Financing Structure"*, *Aggregate Financing Program"* and *"Consumer Bill Forecast with FHP"* of the Investor Presentation. The forward-looking statements contained in this confidential shelf offering memorandum are presented for the purposes of assisting potential purchasers in making an investment decision regarding the Senior Notes and may not be appropriate for other purposes.

Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Issuer made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that the Issuer believes to be relevant and reasonable at the date that such statements are made. A variety of factors, many of which are beyond the Issuer's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, the following risks:

Judicial, Legislative or Regulatory Risks:

- Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.
- Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future regulatory action to change the rules applicable to the operation of the electricity market might materially adversely affect a holder's investment in the Senior Notes.
- Future judicial action could reduce the value of a holder's investment in the Senior Notes.
- Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Risks Associated with the Unusual Nature of the Investment Asset:

- Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.
- The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.
- A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.
- The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.
- Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.
- The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require approval of all Series.
- If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.
- The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.
- If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Servicing, Operating and Consumer Risks

- Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO in performing their respective obligations under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.
- Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.
- Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.
- Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.
- Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.
- It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers.
- Delinquent or partial payments of electricity bills may make principal payments on the Senior Notes occur later than expected.
- Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.
- Power outages could impair payment of the Senior Notes.
- Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Insolvency-Related Risks

- If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.
- If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.
- If any Electricity Vendor or the IESO were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against such Electricity Vendor or the IESO may be significantly impaired or delayed.
- If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against OPG may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.
- If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.
- If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.
- If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Other Risks:

- The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.
- If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.
- The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.
- The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

- Restrictions on resale might limit the ability to resell the Senior Notes.

Please also see *"Risk Factors"*.

The Issuer does not intend, or assume any obligation, to update any forward-looking information except as may be required by applicable law.

CONFIDENTIALITY

THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS, AND THEIR RESPECTIVE REPRESENTATIVES, TO WHOM IT IS TRANSMITTED, SOLELY TO ENABLE SUCH PERSONS TO EVALUATE AN INVESTMENT IN THE NOTES DESCRIBED IN THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM. BY ACCEPTING A COPY OF THIS CONFIDENTIAL SHELF OFFERING MEMORANDUM, EACH PROSPECTIVE PURCHASER AGREES THAT ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS IN RELATION TO THE ISSUER (COLLECTIVELY, THE "**CONFIDENTIAL INFORMATION**") IS CONFIDENTIAL, THAT NONE OF THE CONFIDENTIAL INFORMATION WILL BE COPIED, TRANSCRIBED, RECORDED OR TRANSMITTED BY THE RECIPIENT FOR ANY REASON OR USED FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE NOTES, AND THAT THE RECIPIENT WILL HOLD ALL OF THE CONFIDENTIAL INFORMATION IN CONFIDENCE AND WILL NOT PROVIDE ANY OF IT TO ANY THIRD PARTIES OTHER THAN PERSONS RETAINED TO ADVISE THE RECIPIENT WITH RESPECT TO THE PURCHASE OF THE NOTES (SO LONG AS THEY ADVISE SUCH PERSONS OF THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION), WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER.

DOCUMENTS INCORPORATED BY REFERENCE

A Term Sheet containing the specific variable terms in respect of an Offering will be delivered to prospective purchasers of Senior Notes together with this confidential shelf offering memorandum and will be deemed to be incorporated into this confidential shelf offering memorandum as of the date of such Term Sheet, solely for the purposes of the Senior Notes issued under such Term Sheet.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

The information contained in the Investor Presentation is current only as of the date thereof. The Investor Presentation may be updated and replaced by the Issuer in connection with a future Offering and such updated Investor Presentation will be attached as Exhibit 1, and will be included in, and form an integral part of, this confidential shelf offering memorandum delivered in respect of such Offering.

MARKET AND INDUSTRY DATA

Certain of the information contained herein concerning the electricity industry in Ontario is based upon or derived from information provided by third party sources, including industry publications and other publicly available industry sources. Neither the Issuer nor the Agents guarantee the accuracy of such information and neither the Issuer

nor the Agents have independently verified the assumptions upon which projections of future trends and performance are based. This information and data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market or industry data. As a result, prospective purchasers should be aware that the information and data set forth herein, and estimates and beliefs based on such information and data, may not be reliable.

REFERENCES TO THE FHPA AND RELATED REGULATIONS

This confidential shelf offering memorandum describes certain provisions of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act. These descriptions include simplified and summary descriptions of the terms and requirements of the legislation and do not purport to be comprehensive, definitive or determinative. All references in this confidential shelf offering memorandum to the terms and requirements of the *Ontario Fair Hydro Plan Act, 2017* and the regulations made pursuant to that Act are qualified in their entirety by reference to the specific terms and requirements set forth in such legislation, copies of which are available at www.ontario.ca/laws/statute/17o16.

SUMMARY

This summary does not contain all the information prospective purchasers should consider before investing in the Senior Notes. Prospective purchasers should read this entire confidential shelf offering memorandum carefully, including the section entitled "Risk Factors". Capitalized terms used and not otherwise defined in this summary have the meanings ascribed to them in the glossary starting on page 95 of this confidential shelf offering memorandum. An index of defined terms used in this summary is provided starting on page 107 of this confidential shelf offering memorandum.

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Manager:	Ontario Power Generation Inc. ("**OPG**"), pursuant to the terms of the Management Agreement.
Limitations:	The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer) or of the IESO. The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG, IESO or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See "*— Change of Law Protection Agreement*".
Ontario Fair Hydro Plan Act:	On June 1, 2017, the Ontario Legislature passed the Ontario Fair Hydro Plan Act, 2017 (the "FHPA"). The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms); (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. As a result, from July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[1] less than the rate that would otherwise have been determined by the Ontario Energy Board (the "**OEB**") under its Regulated Price Plan[2] for that period. Under the FHPA, OPG is appointed as Financial Services Manager and is given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Notes are Funding Obligations being offered for the purposes of the FHPA. See "*Ontario's Fair Hydro Plan — Background*".

[1] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

[2] Specified Consumers, as a class, are not a one-to-one equivalent class to the RPP consumer class.

Summary of the Fair Hydro Financing Program:	The implementation of the Fair Hydro Plan is intended to be financed by the Issuer through the Fair Hydro financing program. The program provides for the offering and issuance by the Issuer of Senior Notes, in any number of Series, in one or several Offerings. A Term Sheet will describe particulars of the terms of each Series of Senior Notes and will be incorporated by reference and form an integral part of this confidential shelf offering memorandum. Each Series of Senior Notes will be issued under the Master Trust Indenture, as supplemented by a Supplemental Indenture authorizing that Series.
Transferor and Servicer:	The Independent Electricity System Operator (the "**IESO**") is a non-share corporation established under the *Electricity Act, 1998* (Ontario). As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy. The IESO manages the operation and reliability of Ontario's bulk power system and administers the wholesale electricity market. Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). Pursuant to the Master Transfer and Servicing Agreement, the IESO may, on a monthly basis, offer to Transfer specified portions of the Regulatory Asset to the Issuer in accordance with the FHPA. See "*The Transferor and Servicer*".
Investment Interest:	Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset, the Issuer will acquire an Investment Interest in the Investment Asset, which is a current and irrevocable property right consisting of the rights specified in the FHPA, including the right to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers in accordance with the FHPA. See *"— Clean Energy Adjustment"* below and *"Ontario's Fair Hydro Plan — Regulatory Asset"*, *"Ontario's Fair Hydro Plan — Investment Interest"* and *"The Transferor and Servicer"*.
Clean Energy Adjustment:	The FHPA imposes an irrevocable and non-bypassable charge referred to as the Clean Energy Adjustment that will be determined by the Financial Services Manager and will be converted by the OEB into a cent per kWh rate and added to the electricity invoices sent to Specified Consumers. See *"— Statutory Duties of the OEB"* below. The required Clean Energy Adjustment will be determined by the Financial Services Manager for each month in a Reference Period and consists of the sum (without duplication) of: (i) the estimated Finance Amount in respect of the Reference Period, which will include an estimate of all repayments, redemptions, funding costs (including interest and principal on the Senior Notes), derivative payments, required reserve account deposits, Issuer expenses and taxes, and other amounts paid or payable during such Reference Period, and (ii) the True-up Amount for such Reference Period, all divided by the number of months in the applicable Reference Period.

The "**True-up Amount**" is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount will also reflect any historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Financial Services Manager is obligated to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. The Financial Services Manager may also, at any time during a Reference Period, determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. Based on the Fair Allocation Amount determined and provided by the Province, from July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustment amounts are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment of interest on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay under the Regulations during such period. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*. Amounts so contributed by the IESO are not available to pay principal on the Senior Notes.

Non-bypassability:

The FHPA mandates that an amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of the consumer's indebtedness resulting from the Clean Energy Adjustment, and is irrevocable on invoicing such Specified Consumer and may not be set off or bypassed. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

Payment of Carrying Costs until July 31, 2021:

The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer any amounts charged to the IESO by the Issuer in respect of Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (such as principal on the Senior Notes).

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carrying costs statement, the IESO is required to deliver the amount specified therein to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest.

As security for the performance of the IESO's obligation under the Regulations to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*. For a further description of the global adjustment charge, see *"The Electricity Industry in Ontario — Electricity Prices"*.

Acceleration of Indebtedness:

A holder of Senior Notes must rely solely on the Clean Energy Adjustment amounts collected and any available reserve accounts for repayment of principal on the Senior Notes. Accordingly, if all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable during the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the source of funds for repayment of principal may be limited.

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, then the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined without regard to the fact that such amount has become due and payable, unless and only to the extent that the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"— Fair Allocation Amount & Financing Plan"* below. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See "*— Subordinated Debt"* below.

Statutory Duties of the OEB:

The OEB is an independent public regulatory agency established under the *Ontario Energy Board Act, 1998*. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to regulate participants (e.g.

OEB licensees) in Ontario's electricity market, including the activities of transmitters and distributors as well as the IESO (all of whom are Electricity Vendors for the purposes of the FHPA).

Under the Regulations, the OEB is responsible for determining the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh rate and are determined by the OEB by dividing (i) the aggregate Clean Energy Adjustment as determined by the Financial Services Manager in respect of the relevant period of time by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period, based on forecast information provided by the IESO to the OEB. See *"The Transferor and Servicer"*.

Statutory Duties of Electricity Vendors:

Electricity is distributed to almost all Specified Consumers in Ontario through a network of local distributors. See "*The Electricity Industry in Ontario*" and the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Ontario electricity market and these local distributors.

The FHPA requires Electricity Vendors to invoice their Specified Consumers for a charge in respect of the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice sent to Specified Consumers. Electricity Vendors are also required to collect, as agent of the Issuer and any other Financing Entities that may be established, amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts and hold such amounts in trust for the benefit of the Financing Entities until remitted to the IESO for the benefit of the Financing Entities (initially, only the Issuer). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their distribution license issued by the OEB that Electricity Vendors comply with the FHPA.

As security for any failure of an Electricity Vendor that does not have an investment grade rating from DBRS and Moody's to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. The amount of the security required is based on a formula as set out in the Master Transfer and Servicing Agreement and will be equal to: (a) the product of (i) 50% of estimated Clean Energy Adjustment amounts that are to be collected over a twelve-month period by all such non-investment grade rated Electricity Vendors, and (ii) a fraction equal to 45/365 (representing the 45-day period during which funds are expected to be held by such non-investment grade rated Electricity Vendors prior to being remitted to the Issuer); or (b) such

other lesser amount that satisfies the Rating Agency Condition. See *"The Transferor and Servicer."*

Management Duties of OPG:

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer, including determining whether to incur Funding Obligations (including Offerings of Senior Notes) to acquire an Investment Interest or refinance existing Funding Obligations; negotiating and executing, on behalf of the Issuer, all agreements; maintaining accounts and banking records; preparing any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations (including the Senior Notes); and preparing financial statements and tax filings on behalf of the Issuer.

In addition to the powers and duties delegated to the Manager under the Management Agreement, OPG is also required to comply with its duties as Financial Services Manager under the FHPA, including preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred for the purposes of Financing Entities acquiring and financing an Investment Interest, determining the amount of the Clean Energy Adjustment inclusive of the calculation of any True-up Amount, notifying the OEB of the Clean Energy Adjustment inclusive of any True-up Amount and ensuring that Funding Obligations are incurred in a manner consistent with the Financing Plan. OPG may also administer the Investment Interest on behalf of the Issuer and any other Financing Entities. Subject to OEB approval and as provided for in the FHPA, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture. The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. See *"The Electricity Industry in Ontario — Key Industry Participants — Ontario Power Generation Inc."* and *"The Manager"*.

Statutory and Servicing Duties of the IESO:

Following the Moratorium Period, the IESO is required, as agent of the Financing Entities (of which the Issuer is currently the only one), to receive Clean Energy Adjustment amounts paid to it from Electricity Vendors, deposit such amounts promptly into a segregated account established for the purpose of receiving amounts in respect of the Clean Energy Adjustment, hold such amounts in trust on behalf of the Financing Entities (of which the Issuer is currently the only one) and remit such amounts on a monthly basis, subject to daily remittance being required in certain limited circumstances. Pursuant to the Master Transfer and Servicing Agreement, monthly remittances of amounts received in respect of the Clean Energy Adjustment will occur on the 18th business day of each calendar month. In addition, the IESO will provide certain reporting and other servicing duties in favour of the Issuer, including providing forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period, making commercially reasonable efforts to cause Electricity Vendors to establish segregated accounts into which Clean Energy Adjustment amounts are deposited, remitting such amounts and

fulfilling certain additional reporting requirements. Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for certain direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are otherwise not recovered or recoverable by the IESO under the *Electricity Act, 1998* (Ontario). See *"The Transferor and Servicer."*

Change of Law Protection Agreement:

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments in respect of all "Approved Obligations" when due and payable into the Protection Account (which includes payments of amounts that are due and payable in respect of Senior Notes), although the amount of the Province of Ontario's payment obligations in a particular period may differ depending on whether an Acceleration has occurred. See *"Change of Law Protection Agreement"*. The Issuer and the Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See "*Capital Markets Platform*".

Generally, an "**Approved Obligation**" under the Change of Law Protection Agreement includes all obligations of the Issuer (except for amounts required to be deposited into any capital account or finance reserve account, or any obligation for the Issuer to pay itself any remaining amounts in the Collection Account pursuant to the Master Trust Indenture), including obligations of the Issuer under the Notes, subject to the satisfaction of certain adherence conditions for those obligations that constitute "Certified Primary Obligations", as defined in the Change of Law Protection Agreement. Subject to certain limited exceptions for refinancings, a "Certified Primary Obligation" includes all Notes, as well as certain other obligations of the Issuer under derivative agreements or under contracts with terms of greater than three years that are not terminable by the Issuer on less than three years' notice under which the Manager, acting reasonably, expects aggregate payments by the Issuer during the term of the contract in an amount in excess of $5,000,000.

It will be a condition to any Offering of Senior Notes that such Senior Notes constitute Approved Obligations under the Change of Law Protection Agreement.

Protection Event:

Each of the following constitutes a "**Protection Event**" for purposes of the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the Act or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the Act or any portion thereof, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

The Province of Ontario's obligation to make payments under the Change of Law Protection Agreement upon a Protection Event and

subsequent delivery of a written payment demand by the Indenture Trustee is referred to as the "**Limited Guarantee**".

Upon paying amounts when due and payable in respect of Approved Obligations, including the Senior Notes, into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights and interests of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid.

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture (in effect as of the date hereof). See *"Capital Markets Platform — Acceleration and Remedies — Rights of Specified Creditors"*.

Approved Obligations & Adherence Conditions:

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying that it has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation; and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include

inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancing

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including all Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a Suspension Notice under the Change of Law Protection Agreement: (i) if there has been an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement; (ii) if there has been an uncured breach of covenant, uncured default in performance, or uncured representation, warranty or certification that proves to be incorrect in any material respect on the date made, in each case of OPG (or its officers, in the case of a certification) to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations; or (iii) if the Financial Services Manager is no longer the Manager or actions have been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager.

Upon delivery of a Suspension Notice, the Limited Guarantee shall not apply in respect of obligations incurred by the Issuer (excluding certain refinancings of Approved Obligations as described below) and certain material amendments of outstanding obligations of the Issuer.

Notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the suspension and (ii) any Funding Obligations incurred by the Issuer following a suspension that satisfy the terms and conditions of the Change of Law Protection Agreement, provided that the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a suspension to refinance Senior Notes that were Approved Obligations issued prior to a suspension will continue to have the benefit of the Limited Guarantee.

See *"Change of Law Protection Agreement"*.

Fair Allocation Amount & Financing Plan:

The Fair Allocation Amount is an amount calculated under the FHPA by the Minister of Energy in respect of each Reference Period that, among other things, allocates the estimated value of Clean Energy Costs in proportion to the relative attribution of the value of Clean Energy Benefits among Specified Consumers. See *"Ontario's Fair Hydro Plan"*.

The Financial Services Manager is required to prepare a Financing Plan under the FHPA to evaluate whether potential Funding Obligations

should be incurred by the Issuer or other Financing Entities for the purposes of acquiring an Investment Interest or for the purposes of a Refinancing. In preparing the Financing Plan, the Financial Services Manager must have regard to certain principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred.

In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation that is issued is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Subordinated Debt:

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount equal to no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

Use of Proceeds:

The proceeds from each Offering may be used for one or more of the following purposes: (i) to acquire an Investment Interest pursuant to the FHPA and the Master Transfer and Servicing Agreement, (ii) to refinance indebtedness of the Issuer (including other Series of Senior Notes), (iii) to pay Offering and related costs of the Issuer and (iv) to fund specific reserve accounts as required.

The Term Sheet for each Offering of Senior Notes will identify the amount of proceeds that will be used for such specified purposes.

Interest Rate:	Fixed, floating or otherwise, as determined by the Issuer and as set out in the Term Sheet applicable to such Offering.
Interest Payment Dates:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Accumulation Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Date(s) and Principal Payment Amount(s):	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Principal Payment Default Date:	As determined from time to time by the Issuer and as set out in the Term Sheet applicable to such Offering.
Ranking:	Subject to the applicable payment waterfalls set out in the Master Trust Indenture, the Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference. See "*Capital Markets Platform — Subordination Provisions*", "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".
Security:	All indebtedness and other obligations of the Issuer, including the Senior Notes, will be secured by a first ranking charge against all property and assets of the Issuer, including each Issuer Account (and all funds and property credited thereto), all rights and benefits, and powers of the Issuer under the FHPA and all rights, benefits and power under all Program Agreements, including under the Limited Guarantee. Under the Master Trust Indenture, the Issuer is required to maintain certain reserves: the IESO Cash Reserve Deposit Amount (an amount equal to the aggregate of (i) 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of April 15, 2021, and (ii) an amount estimated as the amount of Carrying Costs payable during May, June and July 2021, provided such amount in (ii) satisfies the Rating Agency Condition) will be deposited by the IESO by April 30, 2021. There is also a Program Cash Reserve Account which will begin to be funded from Clean Energy Adjustments following the Moratorium Period until it reaches the Program Cash Reserve Required Amount (on each Payment Date on and after May 15, 2021, an amount equal to 0.50% of the aggregate amount of all outstanding senior, subordinated and junior subordinated funding obligations determined as of such date, or such lesser amount that satisfies the Rating Agency Condition). Funds in the IESO Cash Reserve Account will be applied to pay Carrying Costs after April 2021 to the extent that funds can be so applied such that the aggregate amount of funds in the IESO Cash Reserve Account and Program Cash Reserve Account is maintained at the Program Cash Reserve Required Amount. In connection with the incurrence of any Series of Notes, the Issuer may (i) establish a Series Account for purposes of accumulating funds used to make principal payments or for purposes of reserving funds to pay finance charges, and/or (ii) enter into a credit enhancement agreement

or liquidity agreement. Whether a Series of Senior Notes has the benefit of a Series Account or any credit enhancement agreement or liquidity agreement will be determined from time to time by the Issuer and set out in the Term Sheet applicable to such Offering.

See "*Capital Markets Platform — Security*".

Priority of Payments:

Prior to an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available for disbursement will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts (up to a specified cap);
- payment of or accumulations in respect of interest for Senior Funding Obligations, *pari passu* with payments under derivative agreements (other than termination payments);
- payment of or accumulations in respect of interest for Subordinated Funding Obligations;
- payments of or accumulations in respect of interest for Junior Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Warehouse Obligations (see *"Warehouse Facilities"*);
- accumulations in respect of principal for Senior Funding Obligations (other than Warehouse Obligations), *pari passu* with termination payments under derivative agreements (other than as provided below);
- fees and other amounts (other than principal and interest) on Senior Funding Obligations;
- the Manager's fees, expenses and reimbursement amounts;
- payment of or accumulations in respect of principal for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Subordinated Funding Obligations;
- payment of or accumulations in respect of principal for Junior Subordinated Funding Obligations;
- replenishment of Program Cash Reserve Account;
- replenishment of Series Accounts (other than accounts established for Subordinated Funding Obligations or Junior Subordinated Funding Obligations);
- replenishment of Series Accounts established for Subordinated Funding Obligations;
- fees and other amounts (other than principal and interest) on Junior Subordinated Funding Obligations;
- replenishment of Series Accounts established for Junior Subordinated Funding Obligations;
- termination payments under derivative agreements where the counterparty is the defaulting party or sole affected party;
- beneficiaries of the Issuer;
- indemnity amounts owing to the Manager; and
- all other obligations not specifically dealt with above.

After an Event of Default and acceleration of the Issuer Funding Obligations (other than Derivative Funding Obligations), amounts available to the Issuer or otherwise held by the Indenture Trustee will generally be applied in the following order of priority:

- taxes;
- trustee fees, expenses and reimbursement amounts;
- interest, fees and other amounts (other than principal) on Senior Funding Obligations and payments under derivative agreements (other than termination payments), *pari passu*, then Subordinated Funding Obligations (other than principal) and then Junior Subordinated Funding Obligations (other than principal);
- principal for Warehouse Obligations;
- *pari passu*, principal on Senior Funding Obligations (other than Warehouse Obligations) and termination payments under derivative agreements (other than where the counterparty is the defaulting party or sole affected party);
- the Manager's fees, expenses and reimbursement amounts;
- principal for Subordinated Funding Obligations and then Junior Subordinated Funding Obligations; and
- all other obligations not specifically dealt with above.

Notwithstanding the above, amounts held in a Series Account will be applied in accordance with the relevant Funding Obligation Agreement and amounts held in the Protection Account will be applied in accordance with the specific written payment statement and would not otherwise modify the provisions of the applicable payment waterfalls set out in the Master Trust Indenture.

See "*Capital Markets Platform — Payment Waterfall Prior to Acceleration*" and "*Capital Markets Platform — Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Currency: Senior Notes may be denominated in any currency. The currency for a particular Series of Senior Notes will be set out in the Term Sheet applicable to such Offering.

Minimum Subscription: Minimum principal amount of 100,000 units of the applicable currency and integral multiple of 1,000 units of the applicable currency. The minimum subscription and denomination of the Senior Notes may be varied as set out in the Term Sheet applicable to such Offering.

Optional Redemption: Senior Notes may be subject to redemption prior to maturity at the times and redemption price set out in the Term Sheet applicable to such Offering.

Purchase for Cancellation: The Issuer may, at any time, purchase at any price all or any of the Senior Notes in the market or by invitation for tenders or by private contract. Any Senior Notes so purchased shall be cancelled.

Distribution Method: The Senior Notes may be offered and sold by the Issuer on a private placement basis in Canada to "accredited investors" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) who purchase the Senior

	Notes as principal and that are not individuals unless those individuals are also "permitted clients" (as such term is defined in NI 31-103). By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser will be agreeing with and representing to the Issuer and any Agent participating in the trade that the purchaser is an accredited investor purchasing as principal along with certain other matters. See *"Representations and Agreements of Purchasers"*.
Book-Entry Form:	The Senior Notes will be delivered and recorded in book-entry form only through CDS or another depository selected by the Issuer in accordance with the Master Trust Indenture. Each Series of Senior Notes will be evidenced by a global note held by such depository, registered in its name or the name of its nominee, on behalf of all holders of such Series of Senior Notes. Subject to limited exceptions, no purchasers of Senior Notes will be entitled to a certificate or other instrument from the Issuer or CDS evidencing that purchaser's ownership thereof, and no holder of a Senior Note will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of owners. See *"Depository Services"*.
Resale Restrictions:	Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws and only through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws.** See *"Restrictions on Resale"*.
Risk Factors:	The purchase of the Senior Notes is subject to risks. Prospective investors should carefully consider the risk factors and other information in this confidential shelf offering memorandum and the Term Sheet for each Offering before purchasing Senior Notes, including the discussion set forth under *"Risk Factors"*, and any additional disclosure set out in the Term Sheet for each Offering.
Indenture Trustee:	BNY Trust Company of Canada.
Issuer Trustee:	Computershare Trust Company of Canada.

THE ELECTRICITY INDUSTRY IN ONTARIO

General Overview

The following summary of the electricity industry in Ontario does not purport to be comprehensive or definitive. It is a general and high-level overview of the historical context and the current manner in which the industry operates, including how real-time energy supply needs are met.

The Ontario electricity industry is principally comprised of three components:

- *Generation*: the production of electricity from various forms of energy, such as wind, solar, hydroelectric, natural gas and nuclear;
- *Transmission*: the transfer of electricity across high-voltage power lines from large generating facilities to local distribution systems and large transmission-connected consumers, as well as to and from inter-jurisdictional entities; and
- *Distribution*: the delivery of electricity within local areas to homes and businesses, as well as the delivery of electricity from small distribution-connected generating facilities, using low voltage power lines.

The structure of Ontario's electricity industry underwent significant changes in the late 1990s and early 2000s. Prior to April 1, 1999, Ontario Hydro, a Crown corporation, supplied most of Ontario's electricity generation and transmission needs. Consistent with initiatives taken in other electricity markets in North America at the time, the electricity industry was restructured in order to encourage greater competition. Ontario's competitive wholesale electricity market was opened by the IESO on May 1, 2002 and the market is used to administer the purchase and sale of wholesale electricity in Ontario.

Since the opening of the competitive market, Ontario's power supply mix has experienced significant change. As a result of provincial government policy, coal-fired generation has been eliminated and a significant amount of new capacity has been added as a result of new natural gas powered capacity, new wind and solar capacity and additional baseload nuclear generation capacity. These changes, along with the transmission and distribution system investments needed to support these changes, have resulted in significantly increased costs of electricity to consumers in Ontario.

While electricity supply in Ontario has increased, the province's electricity demand as reported by the IESO has fallen over the last decade, largely due to changes in economic conditions and conservation measures. Moreover, the addition of smaller scale wind and solar generation embedded in the distribution system has reduced the level of demand that is supplied by transmission-connected generation. Reducing electricity demand by encouraging conservation and demand management has been a key part of the Government of Ontario's plan to reduce greenhouse gas emissions from the province's electricity sector. Shorter-term fluctuations in electricity demand are impacted by variations in seasonal weather conditions.

Real-time energy supply needs are met through the wholesale electricity market administered by the IESO. Generators offer their generation into this real-time energy market, or "spot market", to be scheduled and dispatched by the IESO. The IESO receives hourly offers from electricity generators and importers to provide energy, along with bids to withdraw energy by certain domestic loads and exporters, and then schedules the lowest-cost offers and bids needed to meet demand. Most generators in Ontario also have bilateral contracts with the IESO (i.e. power purchase agreements) and one large generator, OPG, receives OEB-regulated prices, or payment amounts, that provide for payments in addition to wholesale market settlements that are paid to generators.

Key Industry Participants

Ontario Power Generation Inc.

OPG is a corporation formed under the *Business Corporation Act* (Ontario). The Province of Ontario is the sole shareholder of OPG and thereby has the power to determine the composition of OPG's board of directors. In 1999, when Ontario Hydro was split up in anticipation of deregulation, OPG was formed to hold the generation assets of the former Ontario Hydro. OPG has divested itself of certain of those assets, but remains the largest generator in Ontario.

OPG is Ontario's largest clean energy generator. As at the date hereof, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power facility. OPG's mandate is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its sole shareholder, the Province of Ontario. OPG's electricity generation accounts for a significant portion of the total energy generated and injected into Ontario's electricity transmission system. OPG is one of the most experienced and largest generating companies in Canada with a broad set of relationships and capabilities. OPG is also experienced in successful complex financing arrangements of large capital projects, including the recently completed Lower Mattagami project.

Additional information about OPG is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.opg.com.

The IESO

The IESO is a non-share capital corporation created under the *Electricity Act, 1998* (Ontario). It was created as an amalgamation of two predecessor entities, one of which was also called the IESO ("**Predecessor IESO**") and the other of which was called the Ontario Power Authority ("**OPA**"). Predecessor IESO was responsible for managing the reliability of the provincial transmission system and operating the wholesale electricity markets in Ontario. The OPA was formed to plan the provincial power system and to procure electricity resources. The OPA entered into bilateral power or capacity purchase contracts with generators and other electricity resource providers. These two entities were merged statutorily on January 1, 2015 into the IESO, which now carries out all of these functions. As a non-share capital corporation, the IESO does not have any shareholders or owners and is governed by an independent board of directors appointed by the Minister of Energy.

Additional information about the IESO is provided in the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum and is available at www.ieso.ca.

The Ontario Energy Board

The OEB is a non-share capital corporation created under the *Ontario Energy Board Act, 1998*. The OEB is an independent and impartial administrative tribunal and public regulatory agency. The *Ontario Energy Board Act, 1998* provides the OEB with the authority to license and regulate the participants in Ontario's electricity market, including the activities of the IESO, transmitters and distributors. The IESO and distributors are Electricity Vendors for the purposes of the FHPA.

The OEB has the following objectives in relation to the electricity industry:

(a) to protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;

(b) to promote the education of consumers;

(c) to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry;

(d) to promote electricity conservation and demand management in a manner consistent with the policies of the Province of Ontario, including having regard to the consumer's economic circumstances;

(e) to facilitate the implementation of a smart grid in Ontario; and

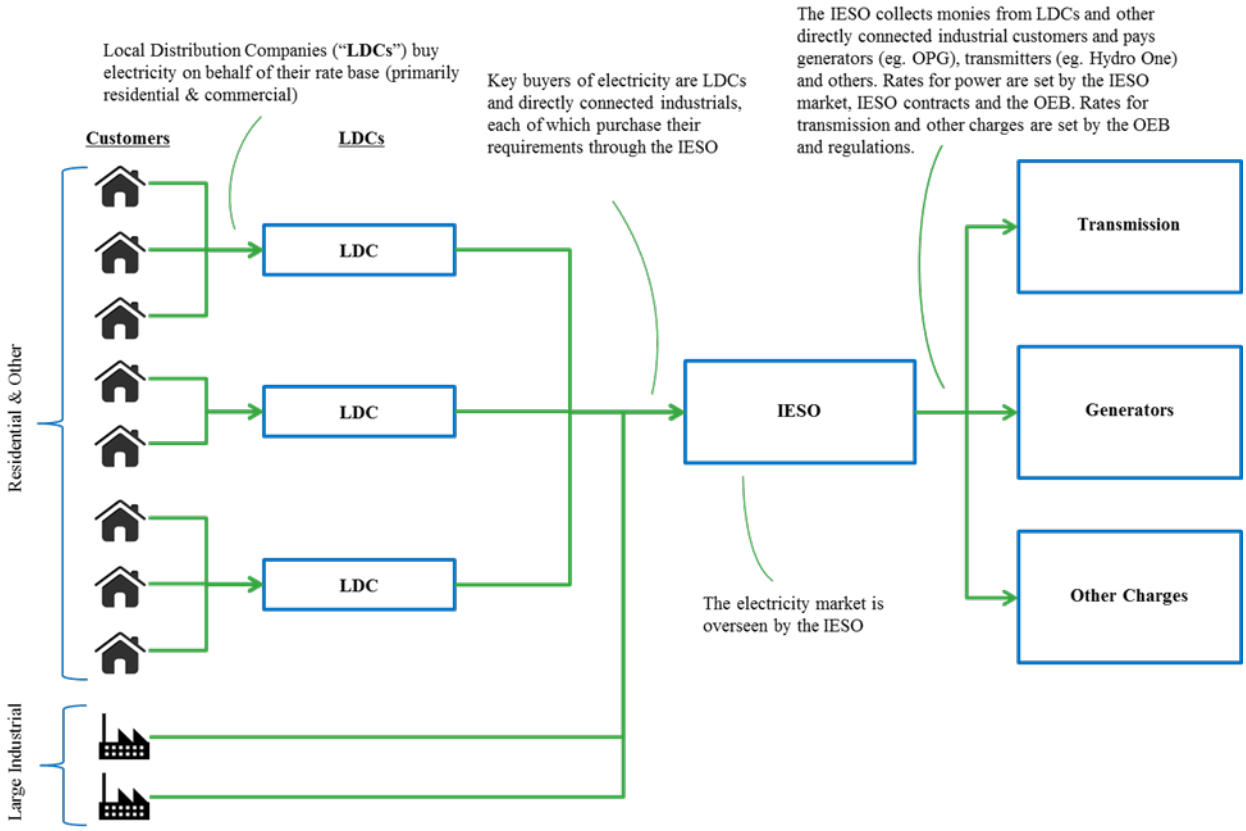
(f) to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Ontario government, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

The OEB is responsible for, among other things, approving transmission and distribution rates in Ontario, as well as payment amounts for OPG's nuclear and hydroelectric generation. It also approves the construction, expansion, or reinforcement of transmission lines greater than two kilometres in length, as well as mergers, acquisitions, amalgamations and divestitures affecting regulated assets and regulated entities, such as distributors and transmitters. The activities of transmitters and distributors are subject to the conditions of their transmission and distribution licenses, as applicable, which require compliance with a number of industry codes issued by the OEB, as well as with the market rules that are administered by the IESO. These codes and other requirements prescribe minimum standards of conduct and service for licensed participants in the electricity market.

Electricity Vendors

As part of the restructuring of Ontario's electricity industry, the province's municipally-owned electricity distributors were reorganized into separate business corporations. These distributors are typically referred to in Ontario as local distribution companies, or "**LDCs**". An LDC is responsible for distributing electricity to customers in its OEB-licensed service territory, and in some cases to other distributors. A service territory may cover large portions or all of a particular municipality, or an otherwise-defined geographic area. Distribution customers include residential, commercial and industrial end-users, as well as institutions such as governments, schools and hospitals. At multi-unit buildings within an LDC's service territory, there may be a unit sub-metering service provider that provides metering services for each individual unit. These sub-metering service providers are also licensed by the OEB.

The following diagram depicts the flow of funds between the key industry participants:



See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding LDCs.

Electricity Prices

There are two main components that make up the commodity cost of electricity in Ontario, the Hourly Ontario Energy Price ("**HOEP**") and the global adjustment charge.

- The HOEP is set by the IESO based on bids and offers in the real-time energy market that is administered by the IESO.

- The global adjustment charge is established monthly by the IESO in accordance with regulations and is the amount of money necessary to pay certain other costs to generators and other suppliers that are not compensated by the HOEP, including the cost of energy supply contracts with generators and payments made to OPG pursuant to OEB-established payment amounts.

Prior to the FHPA being passed, the amount collected generally over an annual basis by the IESO on account of the HOEP and global adjustment charge was approximately equal to the IESO's current payables to generators and other electricity resource suppliers, subject to certain periodic true-ups, fees and adjustments to keep the IESO whole.

At the request of the Minister of Energy in 2004, the OEB created the "**Regulated Price Plan**" or "**RPP**", which establishes time-of-use and tiered prices primarily for residential, farm and small commercial customers. Prior to the introduction of the FHPA, the RPP prices were reviewed and changed every six months by the OEB based on an updated forecast and any accumulated differences between the amounts collected from RPP consumers and the amount paid to generators in previous periods. RPP prices are now established in accordance with the FHPA. Most

Specified Consumers are billed for electricity based on the Regulated Price Plan, although some Specified Consumers may be invoiced the HOEP and the global adjustment charge by their LDC for electricity they have consumed. The IESO has also stated that there is one Specified Consumer connected directly to the transmission system and settled by the IESO, not an LDC.

While most residential and small commercial consumers in Ontario choose to purchase their electricity under the RPP, consumers in Ontario may instead choose to buy their electricity from an OEB-licensed retailer pursuant to a retail contract that provides a rate for electricity over a specified period. These customers are also required to pay the global adjustment charge in addition to the rate under their retail contract.

In addition to the HOEP and global adjustment charges, or RPP prices, as the case may be, electricity consumers pay a number of other uplifts and charges, such as transmission and distribution tariffs.

ONTARIO'S FAIR HYDRO PLAN

Background

On June 1, 2017, the Ontario Legislature passed the FHPA. From July 1, 2017 until April 30, 2018, electricity rates payable by Specified Consumers (a category of consumers that generally is comprised of residential consumers, small businesses and farms) will in effect be the rate that would result in a representative consumer being charged an invoice amount that is 25%[3] less than the rate that would otherwise have been determined by the OEB for that period absent Ontario's Fair Hydro Plan (such adjustment, together with the further adjustments described below in this section, the "**Fair Adjustment**").

Under the FHPA, a "**Specified Consumer**" is:

(a) a person who has an account with an Electricity Vendor for the supply of electricity in the Province of Ontario and meets any one of the following criteria:

(i) the person has a demand for electricity of 50 kilowatts or less, or such other amount as may be prescribed by the Regulations;

(ii) the person annually uses not more than 250,000 kilowatt hours of electricity, or such other amount as may be prescribed by the Regulations;

(iii) the person carries on a business that is a farming business for the purposes of the *Farm Registration and Farm Organizations Funding Act, 1993* and either holds a valid registration number assigned under that Act or has had the obligation to file a farming business registration form waived pursuant to an order made under subsection 22(6) of that Act;

(iv) the person's account with the Electricity Vendor relates to

(A) a dwelling;

(B) a property within the meaning of the *Condominium Act, 1998*;

(C) a residential complex within the meaning of subsection 2(1) of the *Residential Tenancies Act, 2006*, without regard to section 5 of that Act; or

(D) a property that includes one or more housing units and that is owned or leased by a co-operative within the meaning of the *Co-operative Corporations Act*; or

[3] The 25% reduction includes an 8% rebate equivalent to the provincial portion of the harmonized sales tax previously granted by the Ontario government.

(v) the person satisfies such criteria as may be prescribed by the Regulations; or

(b) such other person as may be prescribed by the Regulations.

Electricity bills for Specified Consumers for the period between May 1, 2018 and April 30, 2019 are to increase by the rate of inflation (or remain unchanged in the event inflation is negative). Permitted increases after April 30, 2019 will be determined by the Ontario government through additional regulations, though the Ontario government has indicated that rate increases will be held to the rate of inflation until 2021.

Under the FHPA, OPG is appointed as Financial Services Manager and given the authority to, among other things, establish, or cause to be established, one or more Financing Entities to incur Funding Obligations to fund the acquisition of an Investment Interest. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations under the FHPA.

Regulatory Asset

Under the FHPA, each month the IESO determines the shortfall that results from the Fair Adjustment as compared to what the IESO would have been entitled to receive without the Fair Adjustment and records this amount, together with the costs of financing the shortfall, the amounts charged to the IESO by the Issuer in respect of the Carrying Costs of the Issuer, when applicable, and certain other amounts in a variance account. The IESO has the right, exercisable in accordance with the FHPA, to recover the balance recorded in the variance account from Specified Consumers (such right, the "**Regulatory Asset**"). The FHPA provides that the OEB shall, from time to time and in accordance with the Regulations, determine and set rates payable by Specified Consumers to allow for the IESO to recover the balance recorded in the variance account and that the IESO shall not be entitled to collect all or part of the balance recorded in the variance account from Specified Consumers before May 1, 2021. The IESO may, in accordance with the FHPA, Transfer a specified portion of the Regulatory Asset to a Financing Entity for a cash purchase price equal to the amount recorded in the variance account in respect of such specified portion of the Regulatory Asset. Upon receipt by the IESO of payment by the Financing Entity, the IESO retains no further right, title or interest in the corresponding Investment Interest.

Investment Interest

By acquiring an Investment Interest, the Financing Entity is financing a portion of the shortfall that gives rise to the Regulatory Asset and, as an owner of the Investment Interest, will be entitled to recover its Finance Amount (the costs of such financing). While a Financing Entity may choose to acquire an Investment Interest by accepting a Transfer of the corresponding specified portion of a Regulatory Asset, it is under no obligation to do so.

If the IESO and a Financing Entity agree to the Transfer of a specified portion of the Regulatory Asset from the IESO, such Transfer results in the creation of a current and irrevocable property right that is immediately vested in the Financing Entity, free and clear of any adverse claim (such right, the "**Investment Asset**", and an ownership interest therein, an "**Investment Interest**"). The Investment Asset consists, collectively, of the following rights and interests of Financing Entities that own an Investment Interest (among other things):

(a) the right and interest to impose, invoice, collect, receive and recover the Clean Energy Adjustment from Specified Consumers, including the right to determine the Clean Energy Adjustment in accordance with the FHPA;

(b) the right to receive, collect and recover the Clean Energy Adjustment that is imposed, invoiced and recoverable under the FHPA, including any amounts in respect of the Clean Energy Adjustment that are held by Electricity Vendors or the IESO;

(c) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor to impose, attribute, charge and invoice for the Clean Energy Adjustment;

(d) the right to enforce the duties and obligations under the FHPA of each Electricity Vendor and the IESO to collect, receive and remit amounts received by it in respect of the Clean Energy Adjustment,

including all collections and the proceeds of any enforcement action undertaken by any Electricity Vendor to recover payment of the Clean Energy Adjustment;

(e) all rights of any kind related to any of the other property rights or interests that comprise the Investment Interest; and

(f) all revenue, collections, claims, payments, money and proceeds of or derived from the rights described in paragraphs (a) to (e), regardless of whether it is invoiced, collected and maintained together with or commingled with other revenue, collections, claims, payments, money and proceeds.

Clean Energy Adjustment

The "**Clean Energy Adjustment**" is the amount calculated in accordance with the FHPA and payable by Specified Consumers to cover the cost of financing the shortfall that gives rise to the Regulatory Asset. The Financial Services Manager will determine the amount of the Clean Energy Adjustment payable by Specified Consumers for each month of a Reference Period. The Clean Energy Adjustment is based on an estimate of the amount payable by a Financing Entity in a Reference Period in respect of the Finance Amount and the True-up Amount (each as described below).

The "**Finance Amount**" in respect of the Issuer for a period of time is an amount determined by the Financial Services Manager as follows:

(a) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts paid or payable during the period in respect of the payment by or on behalf of the Issuer or the provision by or on behalf of the Issuer for the payment of all or a portion of the principal amount advanced to the Issuer under a Funding Obligation;

(ii) interest, commitment fees or other similar costs payable by or on behalf of the Issuer in respect of Funding Obligations that are paid or payable during the period;

(iii) amounts payable by or on behalf of the Issuer to redeem, prepay or repurchase Funding Obligations incurred by or on behalf of the Issuer, including any premium, make-whole or other amount payable to give effect to the prepayment redemption or repurchase, that are paid or payable during the period;

(iv) payments required to be made in respect of any derivative agreements during the period, including ordinary course payments, payments on termination and payments made in connection with margining or collateral arrangements;

(v) amounts deposited, as required under the governing documents of Funding Obligations, into capital accounts or finance reserve accounts during the Reference Period;

(vi) Issuer expenses, including fees (including fees charged by the Financial Services Manager), charges, costs, indemnities, reimbursements and other amounts incurred or committed to by or on behalf of the Issuer as a result of an activity authorized or permitted under the FHPA, and any taxes on such amounts, in each case that are paid or payable during the period;

(vii) taxes paid or payable by or on behalf of the Issuer, incurred directly or indirectly by the Issuer , or for which the Issuer is otherwise liable as a result of any activity, undertaking, transaction or event authorized or permitted under the FHPA that are payable during the period; and

(viii) amounts paid or payable by or on behalf of the Issuer during the period to any guarantor or surety that made a payment of an amount due and payable under a Funding Obligation, including pursuant to a guarantee, indemnity, contract of insurance or agreement entered into under subsection 5(2) or (3) of the FHPA;

(b) after eliminating any duplication in the following amounts, calculating the sum of the following amounts:

(i) amounts withdrawn, as required under the governing documents of Funding Obligations, from capital accounts or finance reserve accounts during the period;

(ii) amounts received during the period in respect of Carrying Costs;

(iii) the aggregate of all amounts received by or on behalf of the Issuer in respect of Funding Obligations during the period;

(iv) the principal amount of Funding Obligations incurred by the Issuer that are applied to refinance existing Funding Obligation during the period;

(v) any payments received in connection with a derivative agreement, including ordinary course receipts, payments received on termination and payments received in connection with margining or collateral arrangements, in each case during the period;

(vi) amounts received by or on behalf of the Issuer as a refund of tax during the period; and

(c) subtracting the sum calculated under (b) from the sum calculated under (a).

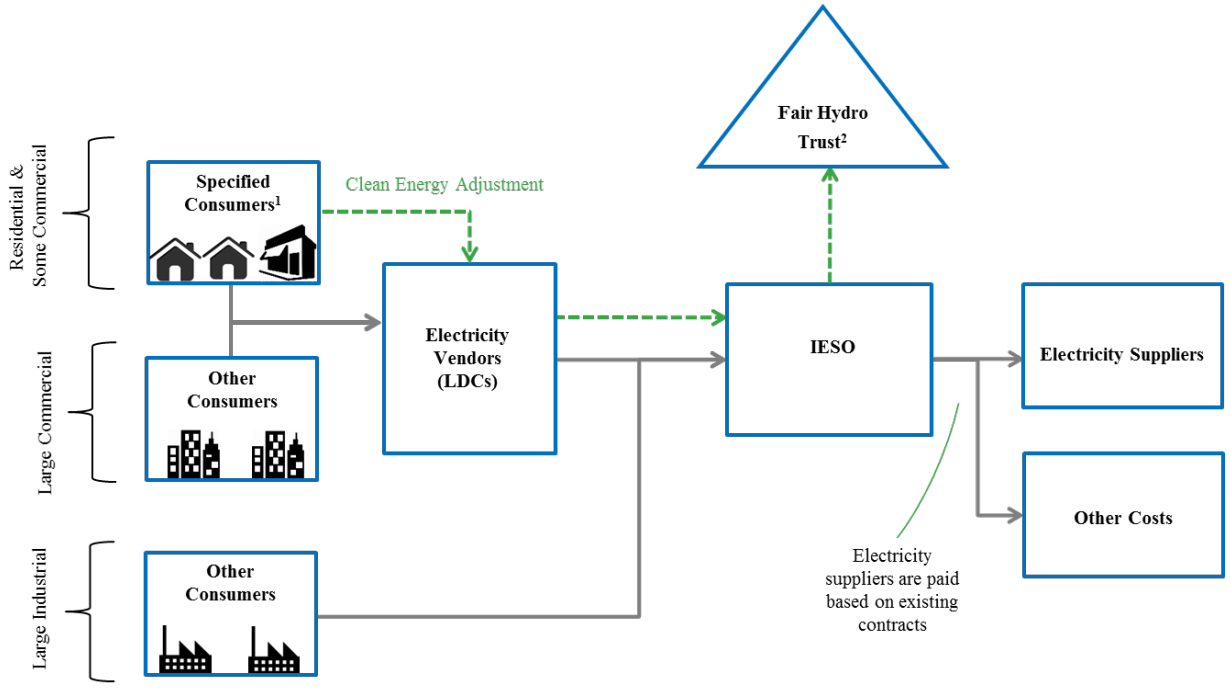
In determining the Clean Energy Adjustment, the Financial Services Manager must also calculate a "**True-up Amount**" in accordance with the Regulations. The True-up Amount is comprised of the cumulative Finance Amounts in respect of all preceding Reference Periods less the cumulative Clean Energy Adjustment amounts remitted to the Issuer in respect of all preceding Reference Periods plus other anticipated shortfalls. The True-up Amount will also reflect any historical and reasonably foreseeable differences between the estimated and actual Finance Amount; between amounts invoiced and amounts collected due to various factors, including applicable taxes, consumer defaults and delays, billing lags and write-offs; and variations in billings due to variations in electricity consumption. In determining such differences, the Financial Services Manager is required to have regard to amounts payable that were not collected and any amounts in respect of which an overpayment was made, which may include amounts resulting from a default of Specified Consumers, an Electricity Vendor or the IESO, whether in its capacity as an Electricity Vendor or its activities as agent or otherwise under the FHPA. The Regulations obligate the Financial Services Manager to calculate the True-up Amount in respect of each Reference Period so long as all Funding Obligations and other Finance Amounts have not been paid in full. After the final scheduled payment date of the Funding Obligation that has the latest maturity date of all outstanding Funding Obligations, the Financial Services Manager will calculate the True-up Amount quarterly. The Financial Services Manager may also at any time during a Reference Period determine an interim True-up Amount if, among other things, it reasonably forecasts that the collection of the Clean Energy Adjustment will be insufficient to pay the estimated Finance Amount for a Reference Period.

The Financial Services Manager must notify the OEB of the Clean Energy Adjustment for each Reference Period. The OEB must accept this amount and will determine the rates at which Specified Consumers are to be invoiced to recover the Clean Energy Adjustment. The rates are expressed as a cent per kWh amount and are determined by the OEB by dividing (i) the Clean Energy Adjustment provided by the Financial Services Manager in respect of the relevant period by (ii) a forecast of electricity consumption of Specified Consumers in respect of such period based on forecast information provided by the IESO. Electricity Vendors are required to invoice their Specified Consumers for the Clean Energy Adjustment, as determined by applying the rate set by the OEB, which is required to be included as a separate line item on each invoice. Electricity Vendors are required to collect, as agent of the Financing Entities (of which the Issuer is currently the only one), amounts in respect of the Clean Energy Adjustment, deposit such amounts into a segregated account established for the purpose of receiving those amounts, and hold such amounts in trust for the benefit of the Financing Entities (of which the Issuer is currently the only one) until remitted

to the IESO for the benefit of the Financing Entities (of which the Issuer is currently the only one). If an Electricity Vendor does not receive payment in full of an invoice issued to a Specified Consumer, the Electricity Vendor shall allocate any payment received to the Clean Energy Adjustment and the other amounts payable under the particular invoice in the manner set out in the FHPA. It is a deemed condition of their licenses that Electricity Vendors comply with their obligations under the FHPA.

An amount in respect of the Clean Energy Adjustment shown on an invoice issued to a Specified Consumer is determinative of the amount of such Specified Consumer's indebtedness resulting from the Clean Energy Adjustment and is irrevocable upon invoicing and may not be set off or bypassed, except to the extent that the invoice reflects a clerical, typographical or calculation-related error. Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and other financing expenses of the Issuer. From July 1, 2017 until April 30, 2021 (the "**Moratorium Period**"), no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, the sole source of funds for payment on the Senior Notes, and the Issuer's other Carrying Costs, will be the amounts the IESO is obligated to pay to the Issuer under the Regulations during such period. See *"— IESO Payment of Carrying Costs during the Moratorium Period"* below. Once it starts being included on such invoices, the Clean Energy Adjustment will be collected until all outstanding Funding Obligations and other Finance Amounts have been repaid in full. Subject to the FHPA, the Clean Energy Adjustment will be collected and remitted to the Issuer to pay the Finance Amount, including the principal and interest on the Senior Notes and all other administrative and other financing expenses of the Issuer.

The following diagram illustrates the flow of funds under the Fair Hydro Plan.



[1] There is currently one Specified Consumer that is directly connected to the IESO and, accordingly, makes payments, including in respect of the Clean Energy Adjustment, once applicable, directly to the IESO.

[2] Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer for a corresponding purchase price. Upon completion of a Transfer by the IESO of a specified portion of the Regulatory Asset following payment by the Issuer of the corresponding purchase price, the Issuer will acquire an Investment Interest.

Fair Allocation Amount and Financing Plan

The FHPA was enacted to: (i) ensure that Clean Energy Costs and Clean Energy Benefits are fairly allocated among present and future Specified Consumers; (ii) recognize that Clean Energy Benefits have accrued and will accrue over time and will continue to benefit present and future electricity consumers in Ontario; and (iii) align Clean Energy Costs with Clean Energy Benefits, in order to provide fairness for Specified Consumers over time. Under the FHPA, the Minister of Energy calculates a "**Fair Allocation Amount**", which is an amount for every Reference Period that, among other things, allocates the estimated Clean Energy Costs in proportion to the relative attribution of Clean Energy Benefits among Specified Consumers. Under the FHPA, the Minister of Energy is responsible for determining the Fair Allocation Amount prior to the incurrence of the first Funding Obligation. The Fair Allocation Amount may be changed from time to time in accordance with the FHPA, provided that no change of the Fair Allocation Amount shall affect any Clean Energy Adjustment that arises as a result of a Funding Obligation that has been incurred prior to such change.

OPG, as Financial Services Manager, is required to prepare a Financing Plan to evaluate whether and when potential Funding Obligations should be incurred by a Financing Entity to acquire an Investment Interest or for the purposes of a Refinancing. The Financial Services Manager is required to prepare the Financing Plan having regard to certain prescribed principles, including that Funding Obligations should be incurred such that, along with any Funding Obligations already incurred, the estimated Finance Amount that would, subject to any Refinancing, become due and payable during a Reference Period will reasonably align with the Fair Allocation Amount determined in respect of such Reference Period as of the date the Funding Obligations were incurred. In other words, the Financing Plan should contemplate the issuance of Funding Obligations from time to time, with terms that would result in Clean Energy Adjustments being payable by Specified Consumers that align with the purposes of the FHPA. Notwithstanding the above, the FHPA provides that each Funding Obligation that is issued is deemed to be consistent with the Financing Plan and to provide for the reasonable alignment of the estimated Finance Amount with the Fair Allocation Amount.

The Financing Plan allows for the issuance of a variety of short and long term debt. See the Investor Presentation attached as Exhibit 1 to this confidential shelf offering memorandum for more details regarding the Financing Plan and the Fair Allocation Amount.

Payment of Carrying Costs until July 31, 2021

Commencing May 1, 2021, a charge in respect of the Clean Energy Adjustment will be included on invoices sent to Specified Consumers, and collected and remitted to the Issuer to pay amounts owing on the Senior Notes and all other administrative and financing expenses of the Issuer. The IESO, which is rated A(high) by DBRS and Aa2 by Moody's, is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs incurred in respect of the period from June 1, 2017 to July 31, 2021. Carrying Costs include all funding costs (such as interest on the Senior Notes) and other expenses of the Issuer, other than repayment of principal on any debt obligations of the Issuer (including repayment of principal on the Senior Notes). The amounts paid by the IESO to the Issuer to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset that the IESO is expected to Transfer to the Issuer in a subsequent period. Upon such Transfer, the Issuer will acquire a corresponding Investment Interest pursuant to the FHPA.

Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's statement, the IESO is required to deliver the amount specified in the carrying costs statement to the Issuer. See *"The Transferor and Servicer"*. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer. Furthermore, as security for the performance of its obligations under the Regulations to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. See *"The Transferor and Servicer"*.

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account. The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period, divided by the number of months in such Reference Period. See *"Capital Markets Platform — Acceleration and Remedies — Limitation on Available Amounts on Acceleration"* for a description of the amounts that would be available to be paid under the Master Trust Indenture in such circumstances.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Senior Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

In connection with the provision of the Limited Guarantee, OPG, as Financial Services Manager, has entered into a process agreement with the Province of Ontario pursuant to which OPG is required to satisfy certain reporting and other requirements regarding the Issuer's incurrence of, and material amendments to, any Issuer Funding Obligations.

Protection Event

Each of the following constitutes a "**Protection Event**" under the Change of Law Protection Agreement:

(a)

(i) the Ontario legislature repeals, and does not replace on an equivalent basis, or amends, the Act or any portion thereof, as in effect on the date hereof;

(ii) the Ontario legislature enacts or amends any other statute;

(iii) the Lieutenant Governor in Council repeals, and does not replace on an equivalent basis, the regulations made under the Act or any portion thereof, in whole or in part, as in effect on the date hereof;

(iv) the Lieutenant Governor in Council, a minister of the Crown, an official of the government or a board or commission all the members of which are appointed by the Lieutenant Governor in Council makes or amends any "regulation" (as defined in Part III of the *Legislation Act, 2006*) as in effect on the date hereof; or

(v) the implementation of a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province of Ontario or an entity controlled by the Province of Ontario,

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

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

The occurrence of a Protection Event in and of itself will not result in the acceleration of the Senior Notes.

On a Protection Event and payment by the Province of Ontario of amounts in respect of Approved Obligations that are due and payable into the Protection Account, such deposited amounts are applied by the Issuer and Indenture Trustee in the priority of payments governed by the Master Trust Indenture.

Upon the Province of Ontario's payment of amounts in respect of Approved Obligations that are due and payable into the Protection Account, the Province of Ontario will be subrogated and entitled to all of the rights of applicable Specified Creditors (including Noteholders) under and in respect of the Approved Obligations to the extent of the amounts paid. Applicable Specified Creditors in respect of whom amounts were deposited into the Protection Account will not have continuing rights, interests or entitlements (including rights as a secured party) in respect of Approved Obligations to the extent so paid; the Province of Ontario will be the absolute assignee of such rights. The Province of Ontario will have the right to be paid from the Issuer the amounts that the Province of Ontario paid in respect of the Approved Obligations ("**Subrogation Amounts**"), such Subrogation Amounts being payable in the same order of priority and with the same entitlements accruing to the Province of Ontario as applied to the amounts in respect of the Approved Obligations previously owing to Specified Creditors that the Province of Ontario has paid. The Province of Ontario will also be entitled to the benefit of the Collateral and proceeds therefrom to the extent of the amounts paid under the Limited Guarantee.

As payee of Subrogation Amounts, the Province of Ontario will be a Specified Creditor under the Master Trust Indenture. Further, the entitlements of the Province of Ontario to Subrogation Amounts arising in respect of Approved Obligations that are interest and principal obligations on Notes will be treated for all purposes of the Master Trust Indenture as interest and principal obligations, respectively, arising under Notes, having the same priority and any applicable voting rights as under the related Approved Obligations, and accordingly the Province of Ontario will be entitled to all of the rights, entitlements, interests and privileges of a holder of such Notes in accordance with the Master Trust Indenture, as supplemented by the supplemental indenture or other indenture document under which the related Approved Obligations were issued, provided that for purposes of determining voting rights with respect to Notes, Notes in which the Province of Ontario has an interest will be deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes.

Approved Obligations & Adherence Conditions

Under the Management Agreement, the Manager is required to ensure that all obligations of the Issuer are and remain Approved Obligations under the Change of Law Protection Agreement.

An "**Approved Obligation**" under the Change of Law Protection Agreement means: (i) a Certified Primary Obligation if the adherence conditions applicable thereto have been satisfied at the time such obligation was incurred; (ii) all other Primary Obligations that are not Certified Primary Obligations (except any Primary Obligation to which the Limited Guarantee will not apply on or after delivery of a Suspension Notice as described below); and (iii) all Certified Primary Obligations that the Province of Ontario, in its sole discretion, designates in writing is an Approved Obligation.

It will be a condition to any Offering of Senior Notes that such Senior Notes constitute Approved Obligations under the Change of Law Protection Agreement.

A "**Primary Obligation**" under the Change of Law Protection Agreements means any Obligation Secured under the Master Trust Indenture (i) that is a Funding Obligation or (ii) that otherwise is a payment obligation of the Issuer that gives rise to a Finance Amount, in each case other than (x) any amounts required to be deposited by or on behalf of the Issuer into any capital account or finance reserve account; and (y) any obligation to pay the Issuer or on the Issuer's direction any remaining amounts in the Collection Account pursuant to the Master Trust Indenture.

A "**Certified Primary Obligation**" means a Primary Obligation: (i) incurred by or on behalf of the Issuer to fund its ownership of an Investment Interest, including any Refinancing, other than a Post-Suspension Refinancing or a Pre-Approved Refinancing (each as defined below), of such a Primary Obligation (for greater certainty, including, in the case of any Certified Primary Obligation permitting funding transactions pursuant to a Funding Obligation Agreement applicable to the Certified Primary Obligation, each individual borrowing or funding utilization thereunder), (ii) incurred by or on behalf of the Issuer upon the Issuer entering into a derivative agreement, in which case the Certified Primary Obligation therefor shall be the Master Agreement applicable to such derivative agreement and not any individual trade confirmation other than a trade confirmation that modifies or purports to override the express terms or conditions of the related Master Agreement, or (iii) incurred by or on behalf of the Issuer upon entering into a contract that has a term of more than three (3) years which is not terminable by the Issuer giving three (3) years' notice or less and expected (as determined by the Manager, acting reasonably) aggregate payments by the

Issuer thereunder during the term of such contract are or would be in excess of $5,000,000 (that, for greater certainty, is not otherwise captured in clauses (i) and (ii) above).

The Limited Guarantee shall apply to all Certified Primary Obligations that meet the following adherence conditions:

(a) the Certified Primary Obligation when incurred is an Obligation Secured under the Master Trust Indenture;

(b) OPG, as Financial Services Manager, delivers a certificate to the Indenture Trustee on or before the incurrence of such obligation certifying, among other things, that OPG has delivered a certificate to the Province of Ontario confirming that OPG has complied with all of its obligations to the Province of Ontario and internal requirements and processes in connection with the adherence of the Limited Guarantee to the Certified Primary Obligation (an "**Adherence Compliance Certificate**"); and

(c) the Province of Ontario has not provided a Suspension Notice to the Indenture Trustee, OPG and the Issuer.

All Senior Notes shall constitute Obligations Secured under the Master Trust Indenture and therefore condition (a) above will be satisfied for all Offerings of Senior Notes. It will be a condition to any Offering of Senior Notes that OPG deliver the adherence certificate required pursuant to (b) above or that the Province of Ontario designates in writing that the Senior Notes are Approved Obligations. The Change of Law Protection Agreement provides that delivery of an adherence certificate shall be determinative of satisfaction of this adherence condition, notwithstanding that such certificate may include inaccuracies, be incomplete or otherwise be defective or deficient, and such certificate may be relied upon as conclusive evidence of same.

Suspension Notice & Post-Suspension Refinancings

The Change of Law Protection Agreement will remain in full force and effect until the indefeasible payment, observance and performance in full of the Approved Obligations, including the Senior Notes.

However, in the following limited circumstances, the Province of Ontario may deliver a written notice (a "**Suspension Notice**") to the Indenture Trustee, the Financial Services Manager and the Issuer:

(a) an acceleration of Funding Obligations in accordance with the provisions of the Master Trust Indenture or an event of default, early amortization event, termination event or similar event or circumstance (including any event that with the passage of time or the giving of notice would become such an event) of or in respect of the obligations of any party under any Program Agreement;

(b) a default in the performance, or breach, of any covenants of OPG, as Financial Services Manager, or OPG, in its corporate capacity, in each case to the Province of Ontario in connection with its obligations to the Province of Ontario pursuant to internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligation and the expiration of any applicable cure period;

(c) a representation or warranty made by OPG or a certification made by one or more officers of OPG, in each case whether as Financial Services Manager or in its corporate capacity, to the Province of Ontario in connection with its obligations to the Province of Ontario and its internal requirements and processes in connection with the provision or adherence of the Limited Guarantee to or in respect of any Certified Primary Obligations, proves to be incorrect in any material respect on the date made and the expiration of any applicable cure period; or

(d) the Financial Services Manager no longer being the Manager or actions having been taken by or on behalf of the Indenture Trustee to remove the Financial Services Manager as the Manager;

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

Following the occurrence of a Suspension Event, the Limited Guarantee shall continue to apply in respect of any Post-Suspension Refinancing; provided that prior to the Financing Entity incurring any Primary Obligation constituting a Post-Suspension Refinancing, the Manager shall provide the Province of Ontario with at least 30 days' notice of its intention to seek a Post-Suspension Refinancing and during such 30-day period the Province of Ontario may, but is not obligated to, offer to fund such Post-Suspension Refinancing or arrange for another Person to fund such Post-Suspension Refinancing on the same terms as set out in the notice or on such other terms as may be considered by the Province of Ontario to be not more onerous on the Financing Entity and that are acceptable on that basis to the Financing Entity, acting reasonably.

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

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

A "**Material Effect**" means a material adverse effect on the obligations or the rights of the Province of Ontario under the Limited Guarantee that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any transaction document to which the Limited Guarantee applies and which was previously provided to the Province of Ontario, the following: (i) the timing of or circumstances under which Primary Obligations would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Issuer or the Issuer Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province of Ontario as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Master Trust Indenture; (vi) compliance by the Financial Services Manager with the then applicable Financing Plan; (vii) compliance by the Financial Services Manager or the Issuer with the FHPA; or (viii) the Province of Ontario's rights of subrogation or assignment or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation.

Accordingly, notwithstanding delivery of a Suspension Notice, the Limited Guarantee shall continue to apply to: (i) any Approved Obligations that were incurred prior to the Suspension Event and (ii) any Funding Obligations incurred by the Issuer following a Suspension Event if the terms and conditions of the Change of Law Protection Agreement are satisfied and the proceeds of such incurrence are to be used for the purpose of repaying one or more series of Approved Obligations. Accordingly, subject to compliance with the Change of Law Protection Agreement, any Senior Notes or other Funding Obligations that may be issued following a Suspension Event to refinance Senior Notes that were issued prior to a Suspension Event will continue to have the benefit of the Limited Guarantee.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Issuer Trustee is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See "*The Manager.*"

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

(f) making payments on Funding Obligations;

(g) pledging its interest in Investment Interests and related assets to the Indenture Trustee in order to secure Funding Obligations; and

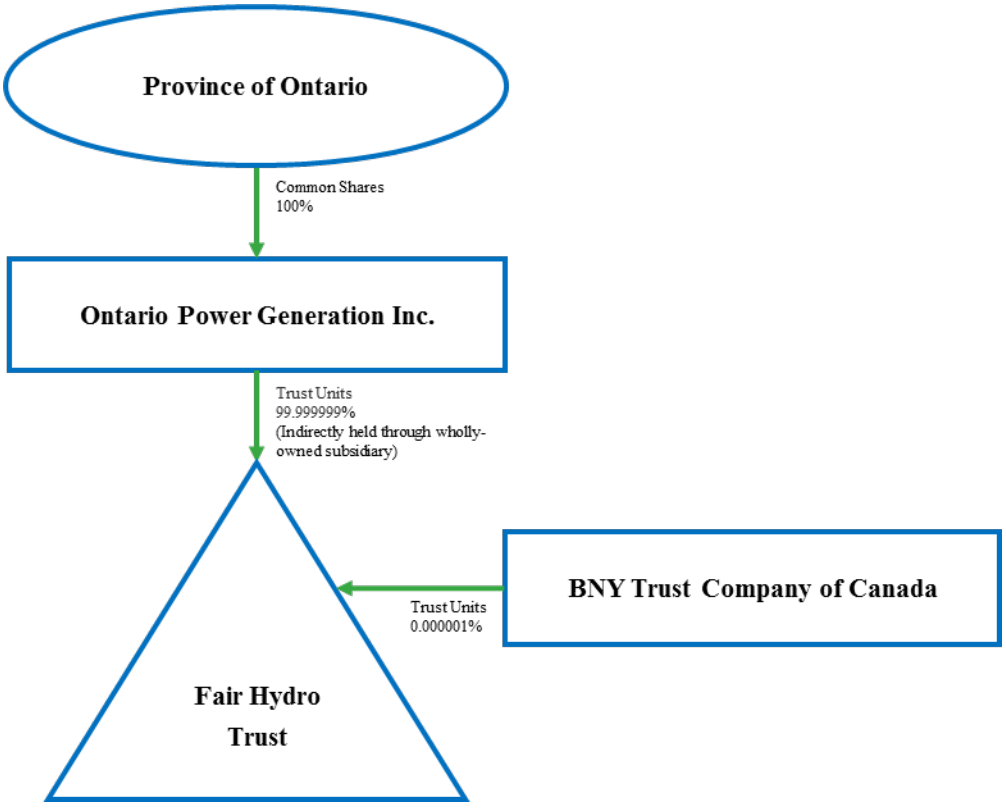
(h) engaging in any lawful act or activity that is incidental to the above-mentioned purposes.

The Issuer Trustee may amend the Declaration of Trust under specified circumstances without the consent of Unitholders provided (i) the amendment will not materially adversely affect the interest of any Unitholder, unless that Unitholder has approved of the amendment in writing, and (ii) in respect of any material amendment, the Rating Agency Condition has been satisfied. The Issuer Trustee is required to provide the Rating Agencies and the Indenture Trustee with a copy of any amendment, variation, supplement, replacement or restatement of the Declaration of Trust.

The consent of the Indenture Trustee, in addition to all other Unitholders, will be required to wind up the Issuer or voluntarily institute or consent to insolvency proceedings against the Issuer while any Funding Obligations remain outstanding. The Issuer Trustee may be removed by the Unitholders at any time by notice in writing delivered to the Issuer Trustee not less than 90 days prior to the date such removal is to take effect. The Issuer Trustee may also be removed by the Unitholders with no prior written notice if it becomes bankrupt or insolvent or it is unable to exercise its duties under the Declaration of Trust. The Issuer Trustee may resign on 120 days' prior written notice to the Unitholders, the Indenture Trustee and the Rating Agencies. No such resignation will be effective until a replacement issuer trustee acceptable to the Unitholders and the Indenture Trustee has been appointed and the Rating Agency Condition has been satisfied.

Each of the Issuer Trustee and its directors, officers, agents, representatives and employees will be indemnified from and against all claims (including any claim arising out of the assessment of any tax on income by a taxing authority), demands, levies, penalties, suits, losses, actions, causes of action, costs, charges, fees and expenses, damages and liabilities whatsoever arising out of, among other things, any action or omission in relation to the execution of the duties of the Issuer Trustee or in relation to the trust property or the activities of the Issuer, except, in each case, for wilful misconduct, gross negligence or failure to comply with the standard of care established by the Declaration of Trust.

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

(g) preparing, in accordance with applicable securities laws, any offering documents to be furnished by the Issuer to prospective purchasers of Funding Obligations, including the Senior Notes, and ensuring that all statements of the Issuer made therein are at all times true and correct in all material respects;

(h) arranging for compliance by the Issuer with any continuous disclosure obligations;

(i) arranging for the retention of legal counsel, accountants and an auditor for the Issuer;

(j) preparing financial statements and paying taxes on behalf of the Issuer;

(k) preparing a monthly portfolio report setting out information regarding incoming and outgoing cash flows; and

(l) providing such other services as are incidental to the foregoing or as may be agreed upon between the Issuer and the Manager.

The Manager is also required to work with the IESO to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting the Clean Energy Adjustment. The Manager will deliver written progress reports to the Issuer and the Indenture Trustee on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021.

Following the Moratorium Period, the Manager will review a monthly servicer report required to be delivered to the Issuer by the IESO under the Master Transfer and Servicing Agreement and make commercially reasonable efforts to resolve any Electricity Vendor failures or discrepancies identified in such report that have not been remedied or adequately explained by Electricity Vendors. The Manager is obligated to institute any proceedings necessary to compel performance by Electricity Vendors of any obligations or duties under the FHPA, including with respect to the invoicing, collection and remittance of Clean Energy Adjustment amounts. Commencing May 1, 2021 and pursuant to its rights under the Regulations, the Manager (on behalf of the Issuer) shall review, or cause to be reviewed,

on an annual basis, or less frequently as may be determined by the Manager and subject to satisfaction of the Rating Agency Condition, the records maintained by Electricity Vendors with respect to the Clean Energy Adjustment and if there is evidence of material non-compliance by an Electricity Vendor, the Manager will promptly review or cause to be reviewed the records of such Electricity Vendor.

The Manager is obligated to perform its duties under the Management Agreement diligently and in conformity with the Issuer's obligations under each of the Program Agreements and with the FHPA, as applicable, and honestly, in good faith and in the best interest of the Issuer. The Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to the powers and duties delegated to OPG pursuant to the Management Agreement, OPG has also agreed to comply with its duties under the FHPA in its capacity as Financial Services Manager, including:

(a) preparing the Financing Plan to evaluate whether potential Funding Obligations should be incurred by Financing Entities for the purposes of acquiring Investment Interests;

(b) determining the amounts of the Clean Energy Adjustment, inclusive of any True-up Amount;

(c) calculating the True-up Amount;

(d) notifying the OEB of the Clean Energy Adjustment, inclusive of any True-up Amount;

(e) administering the Investment Interests on behalf of Financing Entities in accordance with the Program Agreements;

(f) ensuring that Funding Obligations are incurred in a manner that is consistent with the Financing Plan; and

(g) establishing and charging fees for the services provided under the Management Agreement.

Subject to OEB approval, OPG is entitled to charge the Issuer a fee, comprised of a base fee and a variable fee, to earn a return and to recover costs and expenditures incurred by OPG on behalf of the Issuer or in relation to the establishment, management and administration of the Issuer and its Investment Interest. The priority of the Manager's entitlement to fees is subject to the payment priorities set forth in the Master Trust Indenture.

The Manager is not entitled to resign from its duties or terminate the Management Agreement as long as Funding Obligations remain outstanding. The Manager may be terminated by the Issuer Trustee, with the consent of the Indenture Trustee, or by the Indenture Trustee in accordance with the Master Trust Indenture. No termination of the Manager will be effective until a replacement manager that satisfies the Rating Agency Condition has been approved and has entered into a management agreement with the Issuer whereby the replacement manager agrees to assume, in substance, the obligations of the Manager under the Management Agreement. If the Manager ceases to perform, or inadequately performs, its management duties under the Management Agreement, it might be difficult to find a replacement for the Manager or a successor manager. See "*Risk Factors — Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.*"

The Manager shall provide to the Issuer Trustee an annual certificate confirming compliance with certain matters, including: (i) accurate maintenance of the books and records of the Issuer; (ii) all debt obligations and expenses due and payable by the Issuer have been paid to date; (iii) all required filings with tax and regulatory authorities have been completed to date; and (iv) all material statements and reports to be delivered by the Issuer under the Program Agreements have been delivered and all material statements and reports to be received by the Issuer under the Program Agreements have been received.

The Manager indemnifies the Issuer under the Management Agreement for any losses incurred by the Issuer as a result of the failure of the Manager to perform its obligations under the Management Agreement or any breach by the Manager of its representations and warranties under the Management Agreement or any other Program Agreement to which it is a party, except to the extent such losses result from the willful misconduct, bad faith or gross

negligence of the Issuer. Notwithstanding the foregoing, the Manager is not obligated to indemnify the Issuer under the Management Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement, the FHPA (excluding any delegation by the Manager under the Management Agreement to a third party); (ii) changes in law, (iii) the validity or applicability of the Change of Law Protection Agreement; (iv) the collectability or sufficiency of the Clean Energy Adjustment or Carrying Costs to satisfy the Issuer Funding Obligations, including the Senior Notes; or (v) any liability of the Issuer incurred after termination of the Management Agreement unless attributable to the actions or omissions of the Manager prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

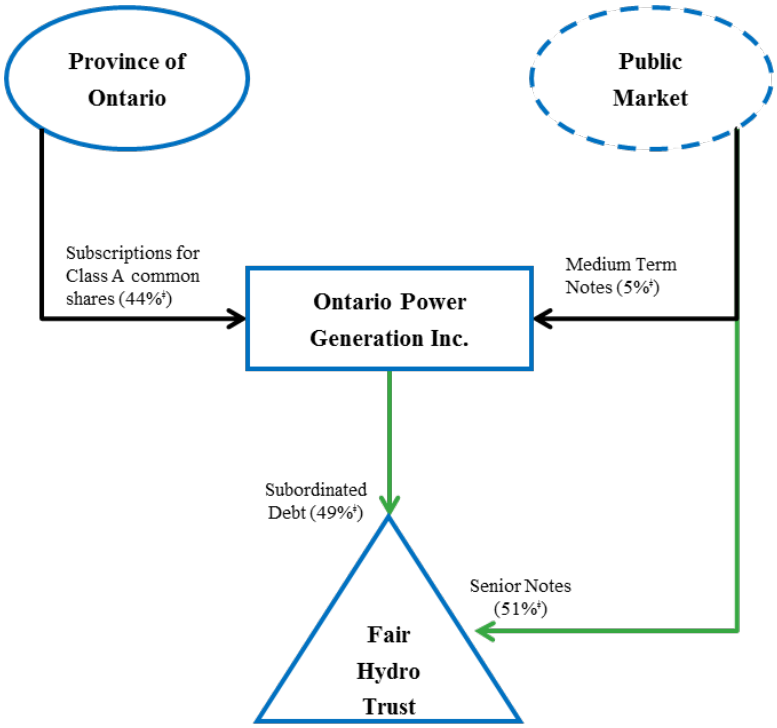
SUBORDINATED DEBT

Concurrent with every issuance of senior debt by the Issuer, including any Offering of Senior Notes, it is expected that OPG will subscribe for subordinated debt and junior subordinated debt of the Issuer in an amount of no more than 49% of all of the Issuer's Funding Obligations, approximately 44% of which is expected to be funded through equity investments in OPG by the Province of Ontario with the remaining approximately 5% being funded from OPG's available funds, including all or a portion of the proceeds of any offerings by OPG of medium term notes.

Under the Master Trust Indenture, the Issuer will be required at all times to ensure that: (i) the aggregate outstanding principal amount of all subordinated debt and junior subordinated debt be equal to not less than 35% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations; and (ii) the aggregate outstanding principal amount of all junior subordinated debt be equal to not less than 10% of the aggregate outstanding principal amount of all of the Issuer's Funding Obligations.

The Issuer is structured to be bankruptcy remote from OPG insofar as none of OPG, its subsidiaries or holders of its indebtedness will have any recourse whatsoever against the Issuer or its assets other than OPG's rights and remedies as a holder of subordinated debt of the Issuer in accordance with the provisions of that indebtedness. From an accounting perspective, however, the Issuer will be consolidated with OPG.

The following diagram illustrates the expected structure of OPG's investments in subordinated debt of the Issuer.



ǂ OPG is expected to acquire up to 49% of the Issuer's outstanding debt in the form of subordinated debt. Actual amounts may vary if OPG acquires less than 49% of the Issuer's outstanding debt.

SHORT TERM INDEBTEDNESS

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(a) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn;

(b) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(c) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest on December 21, 2017.

THE TRANSFEROR AND SERVICER

Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to Transfer to the Issuer a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of receiving the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts received in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on the 18th business day of each month, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) providing forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period.

The IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions. The Master Transfer and Servicing Agreement provides for various limitations on the duties and responsibilities of the IESO including that: (i) the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that Clean Energy Adjustment amounts will be sufficient to satisfy the Issuer's Funding Obligations, (ii) the IESO is under no responsibility or obligation to the Issuer with respect to the nature or extent of the Investment Interest, the collectability of the Clean Energy Adjustment or that Clean Energy Adjustment amounts received will be sufficient to satisfy the Issuer's Funding Obligations, (iii) the IESO shall have no liability or responsibility to any person in respect of any forecasts or other information provided, provided only that such forecasts or other information has been prepared and provided in good faith and (iv) the IESO is not responsible for, or in respect of, any amounts not collected by Electricity Vendors from Specified Consumers or not remitted by Electricity Vendors to the IESO. See *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"* and *"Ontario's Fair Hydro Plan — Other Statutory Protections"* with respect to the manner in which the risks associated with incorrect forecasts by the IESO, and shortfalls in Clean Energy Adjustments as a result of amounts not being collected by Electricity Vendors or remitted by Electricity Vendors, are mitigated.

The IESO is required to work with the Manager to develop, on or before January 31, 2020, a written implementation plan identifying the actions to be taken by the IESO and the Issuer to facilitate the OEB, the Issuer, the IESO and Electricity Vendors being prepared to perform their obligations under the FHPA when setting, invoicing and collecting Clean Energy Adjustment amounts. The IESO and the Manager will deliver to the Issuer written progress reports on the status of the implementation plan on or before June 30, 2020, October 31, 2020 and January 31, 2021. The IESO is also required to work with the Issuer to settle a form of monthly servicer report, which will be provided to the Manager on or before the 20th business day after the end of each month in which Clean Energy Adjustment amounts are collected by Electricity Vendors from Specified Consumers, and which report is expected to contain available information regarding the Clean Energy Adjustment amounts billed, collected and remitted by Electricity Vendors, actual electricity consumption compared to forecast electricity consumption and such other information as may be agreed to by the IESO.

Generally, all servicing duties provided by the IESO to the Issuer are provided at no cost to the Issuer. However, the Issuer will reimburse the IESO for its direct costs relating to the performance by the IESO of its duties and obligations under the Master Transfer and Servicing Agreement that are not otherwise recovered by the IESO under the *Electricity Act, 1998* (Ontario), excluding any costs relating to the performance of the IESO's duties and obligations under the FHPA, including its obligation to pay the Carrying Costs to the Issuer.

During the Moratorium Period and extending to July 31, 2021, the IESO, which is rated A(high) by DBRS and Aa2 by Moody's is required under the Regulations to pay and remit to the Issuer amounts charged to the IESO by the Issuer in respect of its Carrying Costs. Under the Regulations, Carrying Costs include all funding costs, such as interest on the Senior Notes, and other expenses of the Issuer, other than repayment of principal on any debt obligations

of the Issuer, including repayment of principal on the Senior Notes. Pursuant to the Master Transfer and Servicing Agreement, on or before the fourth business day of each calendar month, the Issuer will submit a carrying costs statement to the IESO certifying the amount of Carrying Costs estimated to be incurred by the Issuer in the following month. On or before the 14th business day following receipt of the Issuer's carry costs statement, the IESO is required to deliver the amount specified therein to the Issuer. The IESO has a $2 billion unsecured credit facility provided by the Ontario Financing Authority, expiring September 30, 2022, which is permitted to be used by the IESO to pay the Carrying Costs to the Issuer.

As security for the performance of its obligation to pay the Carrying Costs to the Issuer, the IESO has granted the Issuer a first-priority security interest in all accounts receivable owing to the IESO from Electricity Vendors, including amounts owing with respect to the global adjustment charge. The amounts paid by the IESO to fund these Carrying Costs will be recorded by the IESO in the variance account and form part of the Regulatory Asset which is expected to be offered by the IESO for Transfer to the Issuer in a subsequent period. Upon completion of such Transfer, the Issuer will acquire an Investment Interest pursuant to the FHPA.

As security for any failure of Non-Investment Grade Rated Electricity Vendors to remit Clean Energy Adjustment amounts collected under the FHPA, the IESO is required, pursuant to the Master Transfer and Servicing Agreement, to provide to the Issuer on or prior to the first day of the first billing period when the Clean Energy Adjustment is being invoiced to Specified Consumers, a letter of credit from a provider that satisfies the Rating Agency Condition or a performance guarantee or such other form of security that is acceptable to the Issuer and that satisfies the Rating Agency Condition. A "**Non-Investment Grade Rated Electricity Vendor**" means any Electricity Vendor that does not have a rating of: (i) "Baa3" or higher by Moody's, unless otherwise agreed to by Moody's; and (ii) "BBB(low)" or higher by DBRS, unless otherwise agreed to by DBRS.

The amount of security required from the IESO will be calculated on an annual basis and will be equal to the amount determined by the following formula:

((A / B) x C x D / 365 x E)

where A, B, C, D and E are as follows:

A = for the most recently completed twelve-month period, the aggregate amount of energy consumed by Specified Consumers of all Non-Investment Grade Rated Electricity Vendors.

B = for the same twelve-month period used for A, the aggregate amount of energy consumed by all Specified Consumers.

C = for the most current twelve-month forecast period available, the Clean Energy Adjustment amounts estimated to be payable by all Specified Consumers.

D = 45, representing the estimated number of days that total Clean Energy Adjustment amounts are expected to be held by Electricity Vendors or such other number as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

E = 0.50 or another value as mutually agreed to in writing by the Issuer and the IESO and that satisfies the Rating Agency Condition.

The Master Transfer and Servicing Agreement sets out specific servicer defaults. Upon the occurrence of a servicer default, the Issuer will be entitled to appoint a replacement servicer that will perform the IESO's duties as servicer under the Master Transfer and Servicing Agreement. Any replacement servicer must be permitted under the FHPA to perform the duties of servicer, the Rating Agency Condition must be satisfied and the replacement servicer must enter into a master transfer and servicing agreement with the Issuer having substantially the same terms as the Master Transfer and Servicing Agreement.

The IESO has agreed to indemnify the Issuer for any losses incurred by the Issuer as a result of the failure of the IESO to perform its obligations under the Master Transfer and Servicing Agreement or any other Program

Agreement to which it is a party or the breach by the IESO of any of its representations or warranties under the Master Transfer and Servicing Agreement or any other Program Agreement to which the IESO is a party, except to the extent such losses result from the willful misconduct, bad faith or gross negligence of the Issuer. Notwithstanding the foregoing, the IESO is not obligated to indemnify the Issuer under the Master Transfer and Servicing Agreement for any losses resulting from: (i) a breach or failure to perform by a third party under any Program Agreement or the FHPA (excluding any delegation by the IESO under the Master Transfer and Servicing Agreement to a third party); (ii) changes in law, (iii) the collectability or sufficiency of the Clean Energy Adjustment to satisfy the Issuer's Funding Obligations, including the Senior Notes; or (iv) any liability of the Issuer incurred after termination of the Master Transfer and Servicing Agreement unless attributable to the actions or omissions of the IESO prior to such termination or in respect of a representation, warranty or covenant that survives such termination.

CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of the credit quality of securities and are indicators of the likelihood of the payment capacity and willingness of an issuer to meet its financial commitment on an obligation in accordance with the terms of such obligation. The credit ratings accorded to the Senior Notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Term Sheet for each Offering will identify the rating of the applicable Senior Notes at the time of such Offering.

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to

the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the Manager in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;
- to invest funds in the Issuer Accounts at the direction of the Manager (or its agent);
- to deliver to Specified Creditors notice of any Default, Event of Default, Acceleration Event, Protection Event or Servicer Default of which it has received notice, as required under the Master Trust Indenture; and
- to perform certain other administrative functions identified in the Master Trust Indenture.

In the exercise of its duties, the Indenture Trustee will use the same degree of care and skill as a reasonably prudent person would use in comparable circumstances. When all Issuer Funding Obligations have been satisfied and discharged (see "*— Satisfaction and Discharge*"), the Indenture Trustee will no longer act as Indenture Trustee and will have no fiduciary responsibilities to any remaining Specified Creditors and will act only as security agent for those remaining Specified Creditors. The Indenture Trustee is not liable for any errors of judgment as long as the errors are made in good faith and the Indenture Trustee was not negligent. Furthermore, the Indenture Trustee will not be liable for any action taken or not taken by it in good faith if directed to do so by Extraordinary Resolution. The Indenture Trustee is not required to expend or risk its own funds, or incur any financial liability in the exercise of its duties under the Master Trust Indenture and it will not be obliged to exercise any of its rights under the Master Trust Indenture at the request of any Controlling Class Creditor unless such Controlling Class Creditor has provided it with security or an indemnity reasonably satisfactory to it.

In addition to the Indenture Trustee's compensation and the reimbursement of the Indenture Trustee's expenses in connection with the Master Trust Indenture, the Issuer will indemnify the Indenture Trustee for any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the administration of the trusts under the Master Trust Indenture. The payment of all such amounts will be subject to the payment waterfalls set out in the Master Trust Indenture and in certain instances, such amounts will be higher in priority than payments to Noteholders. See "*— Payment Waterfalls Prior to Acceleration — Collection Account*", "*— Payment Waterfalls Prior to Acceleration — Protection Account*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

The Indenture Trustee may resign at any time by giving written notice to the Issuer and it may be removed for any reason by Ordinary Resolution of Controlling Class Creditors. The Indenture Trustee must resign if a material

conflict of interest arises in its role as an Indenture Trustee under the Master Trust Indenture and such conflict of interest is not eliminated within 90 days after the Indenture Trustee becomes aware of such material conflict of interest. The Issuer may remove, or any Controlling Class Creditor who has been a *bona fide* Controlling Class Creditor for at least six months may, on behalf of itself and all other Debtholders, petition any court of competent jurisdiction for the removal of the Indenture Trustee if (i) the Indenture Trustee is no longer eligible to act as trustee under the Master Trust Indenture (and any Supplemental Indenture) and fails to resign after it has received a written request to do so by the Issuer or by any Controlling Class Creditor, (ii) the Indenture Trustee becomes incapable of acting, or (iii) the Indenture Trustee becomes subject to any bankruptcy or insolvency related events. In all such circumstances, the Issuer must appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee will not become effective until the successor Indenture Trustee accepts the appointment. If an instrument of acceptance by a successor Indenture Trustee has not been delivered to the Indenture Trustee within 30 days of giving notice of resignation or removal, the Indenture Trustee may petition a court of competent jurisdiction to appoint a successor Indenture Trustee.

Any successor Indenture Trustee will execute and deliver to the Issuer and its predecessor Indenture Trustee an instrument accepting such appointment. The successor Indenture Trustee must be a bank, a trust company or a corporation organized and doing business under the laws of Canada or of any province or territory thereof, authorized under such laws to carry on a trust business in each of the provinces and territories of Canada. The Issuer may not, nor may any person directly or indirectly controlling, controlled by, or under common control with the Issuer, serve as Indenture Trustee.

The Indenture Trustee may become the owner or pledgee of Notes and may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee (subject to its obligation to resign if there is a material conflict).

Conditions Precedent to Incurrence of Obligations Secured

There is no limit on the aggregate amount of indebtedness or other obligations which may be secured under the Master Trust Indenture. However, the Issuer will not be permitted to incur any Issuer Funding Obligations or other obligations unless the Issuer meets the conditions described below under *"— Issuer Funding Obligations"* and *"— Other Obligations Secured"*.

Issuer Funding Obligations

The Issuer may not incur any new Issuer Funding Obligations, or renew or extend any existing Issuer Funding Obligations (in each case, other than Derivative Funding Obligations), unless the conditions described below are met on or prior to the date that the Issuer enters into a definitive agreement in respect of such Issuer Funding Obligations:

(a) the Issuer delivers to the Indenture Trustee and each Rating Agency notice of such incurrence;

(b) the Issuer delivers to the Indenture Trustee and each Rating Agency a certificate to the effect that:

(i) the Issuer reasonably believes that such incurrence will not cause an Adverse Effect; an "**Adverse Effect**" means that such action will at the time of its occurrence (a) result in the occurrence of an Event of Default or any event which with the giving of notice or passage of time, or both, would become an Event of Default, (b) adversely affect the amount or timing of any payment to be made to any Debtholder or Derivative Counterparty pursuant to the Master Trust Indenture or any Program Agreement, (c) materially adversely affect the amount or timing of payments to be made to the Specified Creditors (other than Debtholders and Derivative Counterparties) pursuant to this Indenture or any Program Agreement, or (d) adversely affect the security interest and the rights and remedies of the Indenture Trustee in respect thereof;

(ii) all instruments furnished to the Indenture Trustee conform to the requirements of the Master Trust Indenture and constitute sufficient authority under the Master Trust Indenture for the Indenture Trustee to (A) in the case of an issuance of Notes only, authenticate and

deliver such Notes, and (B) in the case of all other Issuer Funding Obligations, execute and deliver the applicable Funding Obligation Agreement;

(iii) in the case of an issuance of Notes only, the form and terms of the Notes have been established in conformity with the provisions of the Master Trust Indenture;

(iv) the incurrence of such Issuer Funding Obligation is consistent in all material respects with the Financing Plan; see *"Ontario Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*;

(v) the conditions set out in clauses (c), (d), (g) and (k) below are met; and

(vi) such other matters as the Indenture Trustee may reasonably request;

(c) the representations and warranties of the Issuer in the Master Trust Indenture are true and correct in all material respects;

(d) the Rating Agency Condition is satisfied with respect to all outstanding Series or Tranches of Issuer Funding Obligations;

(e) the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such Issuer Funding Obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such Issuer Funding Obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

(f) the Issuer delivers to the Indenture Trustee copies of the applicable Funding Obligation Agreement, including in the case of Notes, a Supplemental Indenture relating to the applicable Series or Tranche of Notes and, if applicable, a Terms Document relating to the applicable Tranche of Notes;

(g) in the case of Senior Funding Obligations only, the Issuer has Subordinated Funding Obligations and Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 35% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence) and in the case of Subordinated Funding Obligations only, the Issuer has Junior Subordinated Funding Obligations in an aggregate outstanding principal amount equal to not less than 10% of the aggregate outstanding principal amount of the aggregate Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations (after giving effect to such incurrence);

(h) except in the case of Notes, the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(i) each Debtholder in respect of such Issuer Funding Obligation (or an authorized agent on their behalf) has made the acknowledgements and agreements described below under "*— Acknowledgements of Specified Creditors*";

(j) the Change of Law Protection Agreement is in full force and effect against the Province of Ontario or has been replaced with a new agreement that is in form and substance satisfactory to Controlling Class Creditors pursuant to an Ordinary Resolution;

(k) the conditions precedent, if any, specified in the applicable Funding Obligation Agreement are satisfied; and

(l) in the case of an issuance of Notes only:

(i) the Indenture Trustee receives a certificate for the certification and delivery of the Notes and specifying the particulars relating to such Notes;

(ii) in the case of Notes described in section 163(f)(2)(A) of the Internal Revenue Code, if such Notes are not in registered form (including by reason of a book entry system described in section 163(f) of the United States Internal Revenue Code of 1986), then such Notes are described in section 4701(b)(1)(B) of the United States Internal Revenue Code of 1986 and such section will apply to such Notes; and

(iii) in the case of foreign currency Notes, the Issuer appoints one or more Paying Agents in the appropriate countries, if requested by the Indenture Trustee.

Periodic drawdowns under existing Funding Obligation Agreements will not constitute a new incurrence of Issuer Funding Obligations. However, an increase in the aggregate commitment under an existing Funding Obligation Agreement or the issuance of additional Notes of an outstanding Series or Tranche of Notes will constitute a new incurrence of Issuer Funding Obligations.

The Indenture Trustee is not required to and, except as otherwise provided in a Funding Obligation Agreement, the Issuer is not required to, provide prior notice to or obtain the consent of any Debtholder or any other Specified Creditor to issue any Issuer Funding Obligations.

Other Obligations Secured

The Issuer may incur other obligations (including Derivative Funding Obligations) so long as:

(a) the Issuer delivers to the Indenture Trustee a copy of the agreement giving rise to such obligations;

(b) the Issuer delivers to the Indenture Trustee an updated list of the Specified Creditors;

(c) the counterparty to the agreement giving rise to such obligations makes the acknowledgements and agreements described below under "— *Acknowledgements of Specified Creditors*";

(d) if the obligations are Certified Primary Obligations, the Indenture Trustee receives either:

(i) a certified copy of the instrument whereby the Province of Ontario designated in writing that such obligation is an Approved Obligation as contemplated by the Change of Law Protection Agreement; or

(ii) both (A) an Adherence Compliance Certificate addressed to the Indenture Trustee with respect to such obligation delivered in accordance with the Change of Law Protection Agreement; and (B) a certificate signed by the Manager certifying that the Province of Ontario has not provided a Suspension Notice;

provided that, in respect of derivative agreements, the Issuer will provide notice to each Rating Agency of the identity of the Derivative Counterparty and the terms of any applicable master agreement and schedule.

Derivative Agreements

The Issuer may, from time to time, enter into one or more derivative agreements, which would consist of a currency swap or interest rate swap, a cap (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate), a floor (obligating a Derivative Counterparty to make payments if a reference rate is less than a

specified rate), or a collar (obligating a Derivative Counterparty to make payments if a reference rate is greater than a specified rate and entitling the Derivative Counterparty to receive payments if the same reference rate is less than a lower specified rate), with various counterparties. In general, the Issuer will receive payments from the Derivative Counterparty in exchange for the Issuer's payments to them, to the extent required under the derivative agreements. Payments received by the Issuer will constitute Available Collections.

Acknowledgements of Specified Creditors

Each Specified Creditor must acknowledge and agree in favour of the Indenture Trustee that it is a Specified Creditor under the Master Trust Indenture and that its entitlements as a Specified Creditor are subject to the provisions applicable to Specified Creditors under the Master Trust Indenture including, without limitation, those described under "*— Indenture Trustee*", "*— Payment Waterfalls Prior to Acceleration*", "*— Debtholder Approvals and Meetings — Access to Debtholder Lists*", "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*", "*— Acceleration and Remedies — Rights of Specified Creditors*", "*— Acceleration and Remedies — Limited Recourse*" and "*— Acceleration and Remedies — No Petition*".

Subordination Provisions

Under the Master Trust Indenture, the Issuer can issue the following classes of Issuer Funding Obligations: "Senior Funding Obligations", "Subordinated Funding Obligations" or "Junior Subordinated Funding Obligations" (each, a "**Class**"). The payment of interest on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations and Derivative Funding Obligations. The payment of interest on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of interest on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. The payment of principal on Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations and Derivative Funding Obligations. The payment of principal on Junior Subordinated Funding Obligations shall be subordinate and rank junior to the payment of principal on Senior Funding Obligations, Derivative Funding Obligations and Subordinated Funding Obligations. In each case, the subordinations are the to the extent and in the manner set forth in the Master Trust Indenture and described under "*— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*".

Subject to the applicable payment waterfall, (i) all Senior Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction on account, (ii) all Subordinated Funding Obligations will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction and (iii) all Junior Subordinated Funding Obligations of each Series or Tranche will in all respects be equally and ratably entitled to the benefits of the Master Trust Indenture with respect to such Series or Tranche without preference, priority or distinction, in each case, except as set out in a related Funding Obligation Agreement.

Security

To secure the payment of all Obligations Secured, including principal of and interest on the Issuer Funding Obligations, the Issuer has granted to the Indenture Trustee a security interest in all of its right, title and interest (whether now owned or hereafter acquired or arising) in and to the following property: (i) the Investment Interest acquired by the Issuer; (ii) each Issuer Account (including all sub-accounts); (iii) all Eligible Investments and all investment property, money and other property held in any Issuer Accounts (including all sub-accounts); (iv) all rights, benefits and powers of the Issuer under any Program Agreement; (v) all rights, benefits and powers of the Issuer under the FHPA; (vi) all present and future claims, demands, causes of and choses in action in respect of any of the foregoing and all interest, principal, payments and distributions of any nature or type on any of the foregoing; (vii) all accounts, general intangibles, chattel paper, instruments, documents, goods, money, investment property, deposit accounts, letters of credit and letter-of-credit rights consisting of, arising from, or relating to any of the foregoing; (viii) all debts, accounts, claims, monies and choses in action due or to become due with respect to all of the foregoing and also all securities, bills, notes, evidences of deposits of money, and other documents now held or owned or which may be hereafter taken, held or owned by the Issuer, or anyone on behalf of the Issuer, and all renewals thereof, accretions thereto, substitutions therefor and all interest, income and revenue arising therefrom or by virtue thereof; (ix) all

amounts received with respect to all of the foregoing; and (x) all proceeds of the foregoing (collectively, the "**Collateral**").

Issuer Accounts

Pursuant to the Master Trust Indenture, the Issuer will establish various accounts ("**Issuer Accounts**") – Program Accounts, Series Accounts and Securities Accounts. Each Issuer Account will be under the sole dominion and exclusive control of the Indenture Trustee. Each Program Account and each Series Account will be established as a segregated trust account with an Eligible Institution (an "**Eligible Deposit Account**"). If the institution holding any Program Account or Series Account ceases to be an Eligible Institution, the Issuer will establish a new Program Account or Series Account that is an Eligible Deposit Account and transfer any funds or other property from such existing Program Account or Series Account to such new Program Account or Series Account. Each Securities Account will be established as a segregated securities trust account with an affiliate of an Eligible Institution, which affiliate is licensed to maintain securities accounts (an "**Eligible Securities Account**"). If the institution holding any Securities Account ceases to be an affiliate of an Eligible Institution, the Issuer will establish a new Securities Account that is an Eligible Securities Account and transfer any funds or other property from such existing Securities Account to such new Securities Account. The Indenture Trustee has no obligation to reconcile any Issuer Account against another Issuer Accounts or against the Program Agreements.

Program Accounts

Collection Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Collection Account**"). The Indenture Trustee will hold the Collection Account for the benefit of the Indenture Trustee and the Specified Creditors. All Available Collections received by the Issuer will be credited to the Collection Account. "**Available Collections**" means: (i) all amounts received by the Servicer in respect of the Clean Energy Adjustment from Specified Consumers, (ii) IESO Carrying Cost payments (other than the IESO Cash Reserve Deposit Amount); and (iii) amounts received by the Issuer pursuant to derivative agreements. See *"Ontario Fair Hydro Plan"* and *"The Transferor and Servicer"*.

Interest Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Interest Accumulation Account**"). The Indenture Trustee will hold the Interest Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Interest Accumulation Account has been established for the purposes of pre-funding, collateralizing, over-collateralizing or establishing reserves for the payment of interest in respect of all Issuer Funding Obligations.

Principal Accumulation Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Principal Accumulation Account**"). The Indenture Trustee will hold the Principal Accumulation Account for the benefit of the Indenture Trustee and the Specified Creditors. The Principal Accumulation Account has been established for the purpose of accumulating funds to be used to make repayments in respect of all Issuer Funding Obligations.

IESO Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**IESO Cash Reserve Account**"). The Indenture Trustee will hold the IESO Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the IESO Cash Reserve Deposit Amount in the IESO Cash Reserve Account on the earlier of (x) April 30, 2021, and (y) the receipt by the Issuer of the IESO Cash Reserve Deposit Amount from the IESO. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes.

Program Cash Reserve Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Program Cash Reserve Account**"). The Indenture Trustee will hold the Program Cash Reserve Account for the benefit of the Indenture Trustee and the Specified Creditors. The Issuer will deposit the Program Cash Reserve Required Amount in the Program Cash Reserve Account during the Reference Period commencing May 1, 2021 pursuant to the application of amounts available therefor under the Collection Account Waterfall. Amounts in the Program Cash Reserve Account will be available to pay interest and principal on the Senior Notes.

Refinancing Account

Pursuant to the Master Trust Indenture, the Issuer has established an Eligible Deposit Account in the name of the Indenture Trustee (the "**Refinancing Account**"). The Indenture Trustee will hold the Refinancing Account for the benefit of the Indenture Trustee and the Specified Creditors. All proceeds arising from Notes and Borrowings related to Refinancings will be credited to the Refinancing Account.

Protection Account

Pursuant to the Master Trust Indenture, before the making of any demand for payment under the Change of Law Protection Agreement, the Issuer will establish an Eligible Deposit Account in the name of the Indenture Trustee (the "**Protection Account**"). The Indenture Trustee will hold the Protection Account for the benefit of the Indenture Trustee and the Specified Creditors. On the occurrence of a Protection Event and a written payment demand from the Indenture Trustee to the Province of Ontario, all payments received from the Province of Ontario under the Change of Law Protection Agreement will be credited to the Protection Account.

Series Accounts

Series Capital Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Capital Reserve Account**"). The Indenture Trustee will hold each Series Capital Reserve Account for the benefit of the Indenture Trustee and the applicable Debtholders or Derivative Counterparties. A Series Capital Reserve Account may be established for the sole purpose of allowing the Issuer to accumulate funds to be used to make repayments in respect of a Series of Issuer Funding Obligations. Details of any period of accumulation and the amounts to be accumulated will be specified in the applicable Funding Obligation Agreement.

Series Finance Reserve Account

In connection with the creation of a Series of Issuer Funding Obligations, the Issuer may establish an Eligible Deposit Account in the name of the Indenture Trustee (a "**Series Finance Reserve Account**"). The Series Finance Reserve Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold each Series Finance Reserve Account for the benefit of the applicable Debtholders or Derivative Counterparties. A Series Finance Reserve Account may be established for the sole purpose of allowing the Issuer to reserve funds to pay finance charges for a Series of Issuer Funding Obligations. Details of any reserve requirements will be specified in the applicable Funding Obligation Agreement.

Securities Accounts

In connection with the establishment of any Program Account (other than the Protection Account) or Series Account, the Issuer may establish an Eligible Securities Account in the name of the Indenture Trustee (a "**Securities Account**"). The Indenture Trustee will hold each Securities Account for the benefit of the applicable Specified Creditors. A Securities Account may be established for the purpose of allowing the Issuer to invest funds held in any Program Account or Series Account in Eligible Investments. Each Securities Account may relate to only one Program Account or Series Account. Funds in each Program Account and Series Account will be invested in Eligible

Investments at the direction of the Manager using the associated Securities Account. Additionally, neither the Indenture Trustee nor the Manager will be responsible for any losses incurred in the investment of any funds in any Eligible Investments and any insufficiency in an Issuer Account resulting from any loss on Eligible Investments.

Credit Enhancement Agreements and Liquidity Agreements

A Series or Tranche of Issuer Funding Obligations may have the benefit of one or more additional forms of credit enhancement—referred to herein as credit enhancement agreements—such as a letter of credit, surety bond or loan facility. In addition, a Series or Tranche of Notes may have the benefit of one or more forms of liquidity agreements—referred to herein as liquidity agreements—such as a liquidity facility. Whether a Series or Tranche of Issuer Funding Obligations has the benefit of a credit enhancement agreement or a liquidity agreement, including how any payments made pursuant to such agreement will be applied, will be set out in the applicable Funding Obligation Agreement and the related Term Sheet (where applicable).

Payment Waterfalls Prior to Acceleration

All amounts received by the Issuer and all amounts to be paid by the Issuer from a Program Account or Series Account will be made in accordance with the payment waterfalls described below. All payments or transfers described in the sections below will be made by the Paying Agent based on payment instructions provided by the Manager. See "*— Covenants of the Issuer — Payment Instructions*".

Collection Account

Subject to the paragraph below, on each Payment Date (after giving effect to the distributions described in the first paragraph under "*— IESO Cash Reserve Account*"), all amounts on deposit in the Collection Account will be distributed in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted) (the "**Collection Account Waterfall**"):

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee up to a maximum aggregate amount equal to (i) $150,000, multiplied by (ii) the number of Series of Senior Funding Obligations outstanding on such Payment Date, divided by (iii) 12;

(c) third, *pari passu* (i) to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Senior) for such Payment Date, and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Subordinated) for such Payment Date;

(e) fifth, to transfer to the Interest Accumulation Account, the Interest Accrual Amount (Junior Subordinated) for such Payment Date;

(f) sixth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Warehouse) for such Payment Date;

(g) seventh, *pari passu* (i) to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Senior) for such Payment Date, and (ii) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay all fees and other amounts (other than principal or interest) owing in respect of Senior Funding Obligations;

(i) ninth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(j) tenth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Subordinated) for such Payment Date;

(k) eleventh, to pay all fees and other amounts (other than principal or interest) owing in respect of Subordinated Funding Obligations;

(l) twelfth, to transfer to the Principal Accumulation Account, the Principal Accumulation Amount (Junior Subordinated) for such Payment Date;

(m) thirteenth, to transfer to the Program Cash Reserve Account, the amount, if any, by which the amount on deposit in the Program Cash Reserve Account is less than the Program Cash Reserve Required Amount;

(n) fourteenth, to transfer to any Series Account (other than any Series Account related solely to Subordinated Funding Obligations or Junior Subordinated Funding Obligations), the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(o) fifteenth, to transfer to any Series Account related solely to Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(p) sixteenth, to pay all fees and other amounts (other than principal or interest) owing in respect of Junior Subordinated Funding Obligations;

(q) seventeenth, to transfer to any Series Account related solely to Junior Subordinated Funding Obligations, the amount required to replenish such Series Account as required by any related Funding Obligation Agreement;

(r) eighteenth, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(s) nineteenth, to pay the amount required pursuant to the Declaration of Trust to the Issuer Trustee for the account of the beneficiaries of the Issuer;

(t) twentieth, to pay all indemnity amounts owing to the Manager;

(u) twenty-first, *pari passu* (i) to pay fees, expenses, reimbursement and indemnity amounts owing to the Issuer Trustee and the Indenture Trustee not previously paid pursuant to paragraph (b), (ii) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (iii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(v) twenty-second, any amounts remaining (i) to be held in the Collection Account for distribution in the above order of priority on the next Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full and discharged, and all other amounts have been paid in full, to pay to the Issuer.

Notwithstanding the foregoing, (i) the transfer of any amounts deposited by the IESO into the Collection Account on account of the IESO Cash Reserve Deposit Amount to the IESO Cash Reserve Account, and (ii) the transfer of any amounts deposited in the Collection Account on account of one-time transaction costs and expenses in connection with the incurrence of Issuer Funding Obligations on or within three business days of the closing date of such transaction, will, in each case, be made without reserving for or paying amounts which are senior in priority to such obligation under the Collection Account Waterfall.

Interest Accumulation Account

On each Interest Payment Date, the Paying Agent will distribute all amounts on deposit in the Interest Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all interest that is due and payable on Senior Funding Obligations on such Interest Payment Date;

(b) second, to pay all interest that is due and payable on Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining on deposit in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations as of such Interest Payment Date; and

(c) third, to pay all interest that is due and payable on Junior Subordinated Funding Obligations on such Interest Payment Date, so long as after making this payment, the amount remaining in the Interest Accumulation Account at least equals the amount of accrued and unpaid interest on Senior Funding Obligations and Subordinated Funding Obligations as of such Interest Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Interest Accumulation Account for distribution in the above order of priority on the next Interest Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Principal Accumulation Account

On each Interest Payment Date (after making the applications provided for in the waterfall under "*— Interest Accumulation Account*"), if any interest that is due and payable on Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations has not been paid, an amount equal to such deficiency will be withdrawn from the Principal Accumulation Account and applied to the payment of interest due and payable on such Interest Payment Date, provided that if the amount to be applied pursuant to this paragraph is insufficient to pay all such interest, the application of such amounts will be made first to Senior Funding Obligations, then to Subordinated Funding Obligations, and finally to Junior Subordinated Funding Obligations, in each case, on a *pro rata* basis.

On each Principal Payment Date (after making the applications provided for in the previous paragraph), the Paying Agent will distribute all amounts on deposit in the Principal Accumulation Account in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay all principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay all principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay all principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the Required Principal Accumulation Amount (Senior) as of such Principal Payment Date; and

(d) fourth, to pay all principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date, so long as after making this payment, the amount remaining in the Principal Accumulation Account at least equals the sum of the Required Principal Accumulation Amount (Senior) and the Required Principal Accumulation Amount (Subordinated) as of such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Principal Accumulation Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

IESO Cash Reserve Account

On each Payment Date beginning in November, 2021, an amount equal to the lesser of (i) the amounts to be paid or transferred pursuant to items (a) through (e) of the Collection Account Waterfall, and (ii) the amount, if any, by which the amount on deposit in the IESO Cash Reserve Account exceeds the IESO Cash Reserve Required Amount will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall.

On each Payment Date, if the amounts available for distribution from the Collection Account and from the preceding sentence are insufficient to pay or transfer items (a) through (e) of the Collection Account Waterfall, an amount equal to such deficiency will be withdrawn from the IESO Cash Reserve Account and applied to the making of such payments or transfers in the order provided for in the Collection Account Waterfall. Amounts in the IESO Cash Reserve Account are not available to pay principal on the Senior Notes. Once all funds in the IESO Cash Reserve Account have been paid out, the IESO Cash Reserve Account will be closed.

Program Cash Reserve Account

If, on any Payment Date, the amount on deposit in the Interest Accumulation Account is less than the sum of the Interest Accrual Amount (Senior), the Interest Accrual Amount (Subordinated) and the Interest Accrual Amount (Junior Subordinated), an amount equal to such deficiency will be withdrawn from the Program Cash Reserve Account and deposited in the Interest Accumulation Account.

If, on any Principal Payment Date, the amount available in the Principal Accumulation Account (in accordance with the provisions applicable thereto) is insufficient to pay all principal that is due and payable on Warehouse Obligations, other Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as applicable (see "*— Principal Accumulation Account*"), on such Principal Payment Date (after making the applications provided for in the previous paragraph), amounts on deposit in the Program Cash Reserve Account will be used in the following order of priority (*pro rata* in proportion to the claims represented by each paragraph below except as otherwise noted):

(a) first, to pay the deficiency on principal that is due and payable on Warehouse Obligations on such Principal Payment Date;

(b) second, to pay the deficiency on principal that is due and payable on Senior Funding Obligations (other than Warehouse Obligations) on such Principal Payment Date;

(c) third, to pay the deficiency on principal that is due and payable on Subordinated Funding Obligations on such Principal Payment Date; and

(d) fourth, to pay the deficiency on principal that is due and payable on Junior Subordinated Funding Obligations on such Principal Payment Date.

Any amounts remaining after the applications referred to above: (i) to be held in the Program Cash Reserve Account for distribution in the above order of priority on the next Interest Payment Date or Principal Payment Date; or (ii) after all Issuer Funding Obligations have been paid in full, to be transferred to the Collection Account.

Refinancing Account

On each Principal Payment Date, the Paying Agent will transfer from the Refinancing Account to the Principal Accumulation Account the lesser of (i) the amount on deposit in the Refinancing Account, and (ii) the amount by which the sum of the Principal Accumulation Amounts for all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on such Principal Payment Date (without reference

to any refinancing notice) exceeds the amount on deposit in the Principal Accumulation Account. After all Issuer Funding Obligations have been paid in full, any amounts remaining in the Refinancing Account will be transferred to the Collection Account.

Protection Account

On each date in respect of which the Province of Ontario makes a payment pursuant to the Change of Law Protection Agreement, the Paying Agent will, prior to making any payments under any other payment waterfall, distribute all amounts in the Protection Account solely to satisfy payments in respect of Approved Obligations as set out in the written payment statement delivered by the Manager to the Province of Ontario under the Change of Law Protection Agreement in the order of priority the applicable Obligation Secured has under the applicable payment waterfall.

On the Province of Ontario paying any amount in respect of an Approved Obligation into the Protection Account, the Province of Ontario will be subrogated and entitled to each applicable Specified Creditor's rights and interests under and in respect of the Approved Obligation to the extent of the amounts paid to the Specified Creditor out of the Protection Account, and shall be entitled to the right to be paid the applicable Subrogation Amount, the benefits of the Collateral and all proceeds therefrom.

Series Accounts

If, after giving effect to payments made on any Payment Date, the amount in the Collection Account is insufficient to make all required payments to Specified Creditors on such date, amounts on deposit in any Series Account may be withdrawn from such Series Account and allocated to the applicable Specified Creditors in accordance with the related Funding Obligation Agreement.

Covenants of the Issuer

Payment of Principal and Interest

The Issuer will duly and punctually pay the principal of and interest due on the Issuer Funding Obligations in the manner specified in the Master Trust Indenture and any related Funding Obligation Agreement.

Use of Proceeds

The Issuer will use the proceeds of such indebtedness solely for: (i) the acquisition by the Issuer of an Investment Interest; (ii) the redemption, repayment or repurchase of any existing Issuer Funding Obligations; (iii) the funding of Issuer Accounts; and (iv) the payment of transaction fees and expenses in connection with the incurrence of Issuer Funding Obligations.

Legal Existence

The Issuer will do or cause to be done all things necessary to preserve its existence and maintain its status as a Financing Entity.

Separateness Covenants

The Issuer will take all reasonable steps to maintain its identity as a distinct entity with assets and liabilities distinct from those of the Manager and any of its affiliates. Such steps include: (i) conducting all transactions with the Manager strictly on an arm's length basis and in good faith; (ii) allocating all overhead expenses for items shared between the Issuer and the Manager on the basis of actual use to the extent practicable; (iii) conducting its affairs strictly in accordance with the Declaration of Trust; (iv) maintaining its books and records separate from those of the Manager or any affiliate thereof; (v) preparing its financial statements separately from those of the Manager and ensuring that any consolidated financial statements of the Manager that include the Issuer have notes clearly stating that the Issuer is a separate entity; (vi) only maintaining bank accounts or other depository accounts to which the Issuer alone is the account party and from which only the Issuer or its agent has the power to make withdrawals; (vii) paying

its operating expenses from its own assets (including, reimbursing the Manager for any such expenses); (viii) maintaining its property in such a manner that it is not costly or difficult to segregate, ascertain or otherwise identify its individual assets from or against those of the Manager or any affiliate thereof; and (ix) not becoming liable to any person for any obligations of the Manager or any affiliate thereof.

Performance of Obligations

The Issuer agrees that it will (i) perform and observe all of its obligations and agreements contained in the Master Trust Indenture, the Declaration of Trust, the Master Transfer and Servicing Agreement, the other Program Agreements and in the instruments and agreements relating to the Collateral; (ii) diligently pursue any and all actions to enforce its rights each instrument or agreement included in the Collateral except as expressly provided in any Program Agreement; and (iii) enforce the Servicer's material obligations under the Master Transfer and Servicing Agreement and the Manager's material obligations under the Management Agreement.

Funding Obligations

The Issuer will ensure that all indebtedness is incurred pursuant to and in accordance with the provisions of the Master Trust Indenture, as described under "*— Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Issuer will not enter into any Funding Obligation Agreement (other than a Funding Obligation Agreement relating to Warehouse Obligations) that the Manager believes, acting reasonably, would likely require the Issuer to pay principal on such Issuer Funding Obligation by means of a Refinancing (other than a Pre-Approved Refinancing).

Financial Statements; Statement as to Compliance

The Issuer will deliver, or cause to be delivered to the Indenture Trustee and the Rating Agencies: (i) within 140 days after the end of each fiscal year, audited financial statements of the Issuer; (ii) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of each fiscal year), unaudited financial statements of the Issuer; and (iii) on an annual basis on or before March 31 of each year, a written statement concerning compliance with the conditions and covenants contained in the Master Trust Indenture and confirming that no Default or Event of Default has occurred or if a material Default or Event of Default has occurred, specifying the details thereof.

Payment Instructions

The Issuer will deliver to the Indenture Trustee and the Paying Agent (if the Paying Agent is not the Indenture Trustee) on a monthly basis, a payment instruction in respect of the Collection Account, which instruction shall set out the payments to be made on the following Payment Date and setting forth, among other things, (i) the amount of the payment to Debtholders (including a breakdown of principal and interest), (ii) any other transfers and payments to be made on such Payment Date, including amounts paid to the Indenture Trustee, the Issuer Trustee and the Manager, and (iii) the amounts on deposit in the Collection Account after giving effect to the foregoing payments. Similar payment instructions will also be delivered in respect of each other Program Account and Series Account, as and when payments are to be made from those accounts.

Notice of Certain Events; Protection Event

The Issuer will give the Indenture Trustee and each Rating Agency prompt written notice of (i) each Event of Default, (ii) each breach on the part of the Issuer or the Servicer of its respective obligations under the Master Transfer and Servicing Agreement (including any Servicer Default), (iii) each breach on the part of the Manager of its obligations under the Management Agreement, (iv) any default of the Issuer or a Derivative Counterparty under a derivative agreement, and (v) any Protection Event.

No Other Business

The Issuer will not engage in any activity other than the activities set forth in the Declaration of Trust or the other Program Agreements, the material provisions of which are described in this confidential shelf offering memorandum under "The Issuer".

Amendments to Program Agreements

Unless the Rating Agency Condition is satisfied, the Issuer will not make any material amendments to any Program Agreement (other than the Master Trust Indenture and individual trade confirmations under derivative agreements), or enter into any Co-Owner Agreement. Without limiting the foregoing sentence, the Issuer will not:

(a) enter into any Co-Owner Agreement without the consent of Controlling Class Creditors by Ordinary Resolution;

(b) amend, supplement, modify, restate or replace, or waive or consent to a postponement of compliance with the terms and conditions on the part of any other party to, any of the Program Agreements (other than the Master Trust Indenture, the derivative agreements and the Declaration of Trust) if any such amendment, supplement, modification, restatement or replacement, or waiver or consent, could reasonably be considered to be materially prejudicial to the rights or interests of any Specified Creditor(s), except as expressly permitted by such Specified Creditor(s) and subject to the Province of Ontario having been given prior notice;

(c) consent, if consent is required, to the resignation of the Manager under the Management Agreement; or

(d) amend the Declaration of Trust if such amendment would have or reasonably be expected to have an Adverse Effect; provided that if such amendment would have such result, such amendment may only be made if the Issuer has obtained the consent of the Debtholders affected by such amendment by Ordinary Resolution.

Regarding amendments to the Master Trust Indenture or a Supplemental Indenture, see "*— Amendments to Master Trust Indenture*".

Consolidation; Sale of Assets

The Issuer may not consolidate with or merge into any other person, or sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any person (each, a "**transaction**"), unless:

(a) the entity formed by or surviving the consolidation or merger (if other than the Issuer) or the entity that acquires by conveyance or transfer formed by or surviving the consolidation or merger, by conveyance or transfer, as applicable: (i) is a financing entity; (ii) is organized under the laws of Canada or any province or territory thereof; (iii) is not a non-resident for purposes of the *Income Tax Act* (Canada); (iv) is not subject to regulation as an "investment company" under the Investment Company Act, (v) expressly assumes, pursuant to an assignment and/or assumption agreement or supplement, the due and punctual payment of all Obligations Secured then outstanding and the performance or observance of all of the Issuer's agreements and covenants under each of the Program Agreements to which the Issuer is a party; and (vi) in the case of a conveyance or transfer only, expressly agrees, pursuant to such assignment and/or assumption agreement or supplement, that (A) all right, title and interest conveyed or transferred is subject and subordinate to the security interest of the Indenture Trustee and (B) it will make all filings required by applicable securities laws in connection with any Notes;

(b) no Event of Default has occurred and is continuing immediately after the transaction;

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of counsel, each stating that (i) such transaction and the agreements delivered in connection with such transaction comply with the terms and conditions in the Master Trust Indenture, (ii) all conditions precedent in the Master Trust Indenture relating to the transaction have been complied with, and (iii) each agreement delivered in connection with such transaction has been duly authorized,

executed and delivered, and are valid, binding and enforceable against the surviving entity or transferee, as applicable;

(d) the Rating Agency Condition has been satisfied with respect to such transaction; and

(e) any action as is necessary to maintain the first priority perfected security interest in the Collateral has been taken.

No Borrowing; Guarantees, Loans; Restricted Payments

The Issuer will not issue, incur, assume, guarantee or otherwise become liable for any indebtedness except for Funding Obligations. Additionally, the Issuer will not, except as contemplated by the Master Trust Indenture or the Declaration of Trust, make any loan or advance or credit to, or guarantee, endorse or otherwise become contingently liable in connection with the obligations of, or own, purchase or acquire any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other person.

The Issuer is permitted to declare or make payable any amounts to the owner of units in the Issuer as permitted by and in accordance with the Declaration of Trust, and redeem, purchase, retire or otherwise acquire for value any units in the Issuer, provided that the Issuer may only satisfy the distribution declared or made payable, or the redemption or purchase price of such units to the extent that cash or property is available for such purpose, subject to the payment waterfalls provided for in the Master Trust Indenture. If the Issuer is restricted from satisfying the foregoing amounts in cash or property, then the Issuer will satisfy such amounts through the issuance of additional units and/or a promissory note to its unitholders in accordance with the Declaration of Trust.

Subordinated Funding Obligations and Junior Subordinated Funding Obligations

Notwithstanding anything in a Funding Obligation Agreement to the contrary, the Issuer may not redeem any Series or Tranche of Subordinated Funding Obligations or Junior Subordinated Funding Obligations unless the following conditions are satisfied: (i) no Default or Event of Default has occurred and is continuing; (ii) all Issuer Accounts are fully funded in accordance with the Master Trust Indenture and any applicable Funding Obligation Agreement; and (iii) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to such redemption will not be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

The Issuer will not permit (i) the aggregate outstanding principal amount of Subordinated Funding Obligations and Junior Subordinated Funding Obligations to be less than 35% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations, or (ii) the aggregate outstanding principal amount of Junior Subordinated Funding Obligations to be less than 10% of the aggregate outstanding principal amount of Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations.

Security Matters

The Issuer will not (i) permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than permitted liens) to be created on or extend to the Collateral, (ii) release any security or guarantee in respect of the Collateral, (iii) sell, transfer, exchange or otherwise dispose of any of the Collateral except as expressly permitted under the Master Trust Indenture, or (vi) change its name, jurisdiction of formation or type of organization, unless it has provided the Indenture Trustee and each Rating Agency with prior written notice and it has first made all filings and taken all actions necessary to continue and maintain the Indenture Trustee's first priority security interest in the Collateral.

Other Covenants

In addition to the covenants contained in any Supplemental Indenture or any other Funding Obligation Agreement and the other covenants described in this section, the Issuer agrees that:

- upon the written request of the Indenture Trustee, it will use reasonable commercial efforts, following any (i) termination or resignation of the Servicer, the Manager or the Paying Agent, or (ii) termination, non-renewal or expiry of a liquidity agreement or a credit enhancement agreement, to appoint and enter into an agreement with a successor to such Servicer, Manager or Paying Agent, or replace or renew such liquidity agreement or credit enhancement agreement, in form and substance the same as the previously existing Program Agreement;

- it will not claim any credit on or make any deduction from the principal and interest payable on the Notes or Borrowings (other than amounts withheld or deducted in accordance with the Master Trust Indenture); or

- it will not take any action that would cause it to be treated as engaged in a "trade or business within the United States" for U.S. federal income tax purposes.

Amendments to Master Trust Indenture

Amendments not Requiring Consent of Specified Creditors

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify the Master Trust Indenture or any Supplemental Indenture without the consent of any Specified Creditor upon prior notice to each Rating Agency and the Province of Ontario and delivery by the Issuer to the Indenture Trustee of an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect. Such amendments to the Master Trust Indenture or any Supplemental Indenture may:

- evidence the succession or successive successions of another Financing Entity to the Issuer, and the assumption by such successor of the covenants of the Issuer in the Master Trust Indenture and the Notes;

- add to the covenants of the Issuer, or have the Issuer surrender any of its rights or powers under the Master Trust Indenture (or any Supplemental Indenture), for the benefit of the Debtholders of any or all Classes, Series or Tranches of Issuer Funding Obligations;

- cure any ambiguity, correct or supplement any provision in the Master Trust Indenture which may be inconsistent with any other provision in the Master Trust Indenture (or any Supplemental Indenture), to correct a clear clerical or administrative error, or make any other provisions for matters or questions arising under the Master Trust Indenture;

- provide for the issuance of any Series or Tranche of Notes and to set forth the terms thereof, and/or to add to the rights of the Noteholders of any Class, Series or Tranche;

- provide for the acceptance of a successor Indenture Trustee under the Master Trust Indenture;

- add any Events of Default relating to any or all Classes, Series or Tranches of Issuer Funding Obligations;

- provide for the consolidation of any financing entity and the Issuer into a single entity or the transfer of assets in any financing entity to the Issuer;

- if the IESO is replaced under the Master Transfer and Servicing Agreement, make any necessary changes to the Master Trust Indenture;

- provide for additional forms of credit enhancement for any Class, Series or Tranche of Issuer Funding Obligations;

- facilitate the issuance of foreign currency Issuer Funding Obligations;

- comply with any regulatory, accounting or tax laws, or changes to any ratings criteria;

- enable the Issuer to file a registration statement for the offering of securities registered under the Securities Act and to comply with Regulation AB thereunder; or

- qualify for sale treatment under generally accepted accounting principles.

The Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that (i) the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect, and (ii) such amendment is required to comply with law, or to conform or be consistent with the statements contained in this confidential shelf offering memorandum:

- to facilitate compliance with changes in laws or regulations applicable to the Issuer or the transactions governed by the Program Agreements; or

- to cause the provisions of the Master Trust Indenture to conform to or be consistent with or in furtherance of the statements made in this confidential shelf offering memorandum with respect to the Master Trust Indenture or any Supplemental Indenture.

Additionally, the Master Trust Indenture or any Supplemental Indenture may also be amended by the Issuer and the Indenture Trustee without the consent of any Specified Creditor (but with prior notice to each Rating Agency and the Province of Ontario) in the following circumstances, provided that (i) the Issuer delivers to the Indenture Trustee an officer's certificate to the effect that the Issuer reasonably believes that such amendment will not and is not reasonably expected to have an Adverse Effect and (ii) the Rating Agency Condition is satisfied with respect to such amendment:

- to add provisions to, or change in any manner or eliminate any of the provisions of, the Master Trust Indenture or any Supplemental Indenture;

- to modify in any manner the rights of the Specified Creditors under the Master Trust Indenture or any Supplemental Indenture; or

- to provide for those changes necessary for compliance with securities law requirements or banking laws or regulations.

The Indenture Trustee may, but is not obligated to, enter into any amendment which adversely affects its rights, duties, benefits, protections, privileges or immunities under the Master Trust Indenture (or any Supplemental Indenture).

Amendments Requiring Consent of Debtholders

The Issuer and the Indenture Trustee may amend, supplement or otherwise modify and amend the Master Trust Indenture or any Supplemental Indenture for reasons other than those stated in the prior section ("*— Amendments not Requiring Consent of Specified Creditors*"), with prior notice to each Rating Agency and the Province of Ontario, the consent of Debtholders of each Class, Series or Tranche of Issuer Funding Obligations affected by that amendment, supplement or other modification by Ordinary Resolution, and satisfaction of the Rating Agency Condition. However, if the amendment, supplement or other modification would result in any of the following events occurring, it may be made only with the consent of each Debtholder of Issuer Funding Obligations affected thereby and satisfaction of the Rating Agency Condition:

- a change in an Interest Payment Date, Principal Payment Date or Principal Payment Default Date for any Issuer Funding Obligation;

- a reduction in the principal amount of, or interest rate on, any Note, or a change in the method of computing the outstanding principal amount in a manner that is adverse to any Debtholder;

- a reduction in the amount of a discount note payable upon its acceleration;

- a reduction in the percentage in outstanding principal amount of Issuer Funding Obligations of any Class, Series or Tranche, the consent of whose holders is required for modification or amendment of the Master Trust Indenture, any Supplemental Indenture or any related agreement or for waiver of compliance with provisions of the Master Trust Indenture or for waiver of defaults and their consequences provided for in the Master Trust Indenture;

- a modification of any of the provisions governing the amendment of the Master Trust Indenture or any Supplemental Indenture, or waivers of past defaults, except to increase any percentage of Debtholders required to consent to any such amendment or waiver, or to provide that certain other provisions of the Master Trust Indenture cannot be modified or waived without the consent of each Debtholder affected by such modification;

- a change in the city or political subdivision so designated with respect to any Class, Series or Tranche of Notes where any principal of, or interest on, any Note is payable; or

- a change in the method of computing the amount of principal of, or interest on, any Note on any date.

Debtholder Approvals and Meetings

Access to Debtholder Lists

The Indenture Trustee will preserve the names and addresses of all Specified Creditors received by it in its capacity as Note registrar and those which it has received from the Issuer in accordance with the Master Trust Indenture. Three or more Debtholders of any Series or Tranche, each of whom has owned an Issuer Funding Obligation of such Series or Tranche for at least six months, may, by application to the Indenture Trustee in the prescribed form, obtain access to the current list of Debtholders held by the Indenture Trustee for purposes of communicating with other Debtholders concerning their rights under the Master Trust Indenture (or any Supplemental Indenture) or under the applicable Program Agreement.

Debtholder Meetings

The Master Trust Indenture sets out the mechanics for meetings of Debtholders. The Master Trust Indenture provides for meetings of Debtholders of any Class, Series or Tranche of Issuer Funding Obligations, of all Issuer Funding Obligations, of Controlling Class Obligations of a Series or of all Controlling Class Obligations (each of such groups of Debtholders being a "**Debtholder Group**"). The Indenture Trustee will call a meeting of a Debtholder Group upon request of the Issuer or Debtholders of at least 25% in aggregate outstanding principal amount of the applicable Issuer Funding Obligations. If the Indenture Trustee fails to convene, or cause to be convened, such a meeting after 30 days, the Issuer or those Debtholders may convene the meeting. The Indenture Trustee may call a meeting of a Debtholder Group at any time for any purpose. The quorum for any meeting is one or more persons holding (personally or as proxies) not less than 25% of the outstanding principal amount of the Issuer Funding Obligations of the Debtholder Group entitled to vote at such meeting. Each Debtholder who is present, whether in person or by proxy, will have one vote for every $1,000 of outstanding principal amount of applicable Issuer Funding Obligations of which he or she shall be the holder.

Every question submitted to a meeting, except those matters requiring an Extraordinary Resolution, shall be decided by a majority of the votes (an "**Ordinary Resolution**"). Any matter requiring an Extraordinary Resolution shall be decided by the affirmative vote of Controlling Class Creditors holding not less than 66⅔% of the outstanding principal amount of all Controlling Class Obligations (an "**Extraordinary Resolution**"). Such matters include:

- after the security has become enforceable, authorizing the Indenture Trustee to accept, in satisfaction or partial satisfaction, all or any part of the Collateral;

- after the security has become enforceable, sanctioning the selling of the Collateral or any part thereof or interest therein;

- after the security has become enforceable, authorizing the Indenture Trustee or any other person to bid or tender at any sale of the Collateral or any part thereof and take such actions in connection with such sale as it determines to be in the best interests of all Controlling Class Creditors;

- consenting to any compromise or arrangement by the Issuer with any creditor, creditors or class or classes of creditors or with the holders of any securities of the Issuer whose claims are payable from the Collateral;

- restraining any Debtholder from taking or instituting any suit, action or proceeding for the purpose of realizing on the Collateral or for the execution of any trust or power hereunder or for the appointment of a liquidator, receiver or trustee in bankruptcy or to have the Issuer liquidated or for any other remedy hereunder and to direct such Debtholder to waive any Event of Default on which any suit or proceeding is founded;

- requiring the Indenture Trustee (subject to receipt by the Indenture Trustee of reasonable funding and indemnity) to exercise or refrain from exercising any other powers conferred upon it by the Master Trust Indenture of general application to all Classes of Issuer Funding Obligations, including the exercise of any rights of the Issuer under any of the Program Agreements upon the occurrence and during the continuance of an Event of Default, or cancel any declaration of acceleration made pursuant to the Master Trust Indenture upon such terms and/or conditions as may be decided;

- authorizing the Indenture Trustee, for and on behalf of all Debtholders, to file and prove a claim or debt against the Issuer or its property for an amount equivalent to the aggregate amount which may be payable in respect of all Issuer Funding Obligations, to value the Collateral, and to vote such claim or debt at meetings of creditors and generally act for and on behalf of all Debtholders in such proceedings as such Extraordinary Resolution may provide; and

- appointing a committee to exercise, on behalf of all Controlling Class Creditors, any powers of such Controlling Class Creditors as are exercisable by Extraordinary Resolution or other resolution (as specified in the Extraordinary Resolution appointing such committee).

Any resolution or instrument signed by the requisite number of Debtholders or Controlling Class Creditors, as applicable, shall have the same force and effect as a resolution duly passed at a meeting of such Debtholders or Controlling Class Creditors.

Any action or vote taken at a meeting (including by way of written instrument) of Debtholders of a Debtholder Group duly held in accordance with the Master Trust Indenture will be binding on all Debtholders of that Debtholder Group. An Extraordinary Resolution shall bind all Debtholders and all other Specified Creditors.

In determining whether Noteholders of the requisite principal amount have taken any action under the Master Trust Indenture, (i) Senior Notes owned by the Issuer, the Manager or any affiliate of either of them, and (ii) any Class of Notes (or portion thereof) in which the Province of Ontario has an interest will, in each case, be disregarded and deemed not to be outstanding at any time that a Specified Creditor other than the Province of Ontario has an interest in such Class of Notes. In determining whether the Indenture Trustee will be protected in relying upon any such action, only Senior Notes (or, in the case of the Province of Ontario, any Notes) which a responsible officer of the Indenture Trustee knows to be owned by the Issuer, OPG or any affiliate of either of them, or with respect to which the Province of Ontario has an interest pursuant to the Change of Law Protection Agreement, will be so disregarded.

Whenever an action may be taken by Debtholders of a specified percentage of outstanding principal amount of Issuer Funding Obligations and at such time there are outstanding Issuer Funding Obligations of any relevant Series denominated in a foreign currency, then the principal amount of the Issuer Funding Obligations of such Series which will be deemed to be outstanding for purposes of taking such action will be the amount of Canadian dollars which could be obtained for such principal amount at the market exchange rate on the applicable date.

Events of Default

General

Each of the following events is an "**Event of Default**":

(a) the Issuer's failure, for a period of 5 days, to pay interest on any Controlling Class Obligations when such interest becomes due and payable;

(b) the Issuer's failure to pay the principal of any Controlling Class Obligations at the Principal Payment Default Date;

(c) any representation or warranty in the Master Trust Indenture proves to be incorrect in any material respect when made and if capable of remedy, such incorrect representation or warranty is not remedied for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(d) the Issuer's default in the performance, or breach, of any other of its covenants or warranties in the Master Trust Indenture, for a period of 60 days after the Indenture Trustee or Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer requesting remedy of that default and stating that as a result of such default, the interests of such Controlling Class Creditors are materially and adversely affected and continue to be materially and adversely affected during the 60-day period;

(e) certain events of bankruptcy or insolvency of the Issuer, or the Issuer fails to maintain its existence or status as a Financing Entity;

(f) the Change of Law Protection Agreement ceases to be in full force and effect against the Province of Ontario, or the validity thereof, or the applicability thereof to the Province of Ontario or any Controlling Class Obligations is disaffirmed by the Province of Ontario;

(g) an Acceleration Event has occurred and Controlling Class Creditors holding at least 25% of the outstanding principal amount of all Controlling Class Obligations have provided written notice to the Issuer and the Indenture Trustee specifying the default;

(h) the Issuer's default in the performance of its covenant to deliver payment instructions for a period of three days after the Indenture Trustee has provided written notice thereof;

(i) at any time, the amounts withdrawn from the Program Cash Reserve Account prior to such time exceed the aggregate of (x) 0.50% of the largest outstanding principal amount of all Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations on or prior to such time, (y) the sum of all amounts deposited to the Program Cash Reserve Account, and (z) all interest and earnings (net of losses and investment expenses), if any, on funds credited to the Program Cash Reserve Account; or

(j) a Servicer Default occurs.

If Controlling Class Obligations constituting 25% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the thresholds required in clauses (c), (d) or (g) will be deemed to have been met.

Waiver of Default

Subject to the summary provided for below under "*— Acceleration and Remedies — General*", Controlling Class Creditors may, by Ordinary Resolution, waive any past Default under the Master Trust Indenture so long as the Rating Agency Condition in respect of each Series or Tranche of Controlling Class Obligations has been satisfied.

Acceleration and Remedies

General

If an Event of Default (other than an Event of Default described in paragraph (e) or (f)) occurs and is continuing, either the Indenture Trustee or Controlling Class Creditors holding not less than 50% of the outstanding principal amount of all Controlling Class Obligations (treated as one class) may declare the outstanding principal amount of all Issuer Funding Obligations (other than Derivative Funding Obligations) to be immediately due and payable. If Controlling Class Obligations constituting 50% or more of the outstanding principal amount of all Controlling Class Obligations have been accelerated in accordance with their Funding Obligation Agreements, the 50% threshold required will be deemed to have been met. The occurrence of an Event of Default described in paragraph (e) or (f) results in an automatic acceleration of all Issuer Funding Obligations (other than Derivative Funding Obligations).

A declaration of acceleration or an automatic acceleration may be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived.

If Controlling Class Obligations are accelerated, the Indenture Trustee may amongst other things, (i) apply to a court for an order of sequestration and payment of amounts in respect of the Clean Energy Adjustment in accordance with the FHPA, (ii) take possession of the Collateral, (iii) appoint a receiver with respect to the Collateral, (iv) initiate proceedings in any court for the appointment of a receiver or for sale or foreclosure, (v) exercise rights, remedies, powers, privileges and claims under any Program Agreement, including the right to terminate and replace the Manager or the Servicer, or (vi) take any other action, suit, remedy or proceeding authorized or permitted by the Master Trust Indenture or by applicable law. The Indenture Trustee is not obligated to exercise any of its rights or powers under the Master Trust Indenture at the request or direction of any Controlling Class Creditors unless Controlling Class Creditors offer the Indenture Trustee a reasonable indemnity.

See *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset" and "Risk Factors — Insolvency-Related Risks Relating to the Issuer"*.

Limitation on Available Amounts on Acceleration

If all or any portion of the principal amount of any indebtedness of the Issuer (including one or more Series of Senior Notes) becomes due and payable after the Moratorium Period and before its scheduled payment date, maturity date or redemption date, the estimated Finance Amount used by the Financial Services Manager to determine the Clean Energy Adjustment for a period will be determined based on the extent, if any, to which the amount of the Clean Energy Adjustment is capable of being increased based on the Fair Allocation Amount for such period. See *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*. However, upon such acceleration, all accelerated Senior Notes will be repaid in full before any further payments of principal are made to holders of subordinated indebtedness, including the subordinated debt held by OPG; therefore, collections of the Clean Energy Adjustment that would otherwise have been available to repay the principal amount of subordinated indebtedness in the absence of acceleration of the Senior Notes will instead be applied to repay accelerated Senior Notes. See *"Capital Markets Platform"*.

Payment Waterfall Upon Acceleration

After acceleration of the Issuer Funding Obligations (other than derivative agreements), any money or other property standing to the credit of an Issuer Account (except as set out below) or otherwise collected by the Indenture Trustee will be applied in the following priority:

(a) first, to the payment or remittance of taxes for which a governmental authority is given priority over the Specified Creditors under the laws of the applicable jurisdiction;

(b) second, to pay fees, expenses and reimbursement amounts owing to the Issuer Trustee and the Indenture Trustee;

(c) third, *pari passu* (i) to pay interest, fees and other amounts (other than principal) owing in respect of Senior Funding Obligations and (ii) to pay all Derivative Funding Obligations (other than termination payments);

(d) fourth, to pay interest, fees and other amounts (other than principal) owing in respect of Subordinated Funding Obligations;

(e) fifth, to pay interest, fees and other amounts (other than principal) owing in respect of Junior Subordinated Funding Obligations;

(f) sixth, to pay principal owing in respect of Warehouse Obligations;

(g) seventh, *pari passu* (A) to pay principal owing in respect of Senior Funding Obligations (other than Warehouse Obligations) and (B) to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is not the defaulting party or the sole affected party;

(h) eighth, to pay fees, expenses and reimbursement amounts owing to the Manager;

(i) ninth, to pay principal owing in respect of Subordinated Funding Obligations;

(j) tenth, to pay principal owing in respect of Junior Subordinated Funding Obligations;

(k) eleventh, to pay termination payments owing to Derivative Counterparties where the Derivative Counterparty is the defaulting party or the sole affected party;

(l) twelfth, to pay all indemnity amounts owing to the Manager;

(m) thirteenth, *pari passu* (i) to the payment or remittance of taxes not previously paid pursuant to paragraph (a), and (ii) to pay all amounts owing to Specified Creditors not specifically referred to above; in each case, including, for each referenced party, any amounts payable to their respective affiliates under the terms of any relevant indemnity; and

(n) fourteenth, to pay any remaining amounts to the Issuer.

However, amounts on deposit in a Series Account will first be used to satisfy all obligations owing to the Debtholders or Derivative Counterparties for whom such Series Account was established. Thereafter, such amounts will be applied in accordance with the priorities set out above. In addition, amounts on deposit in the Protection Account will only be used to satisfy the obligations for which those amounts were deposited.

Rights of Specified Creditors

No Specified Creditor will have the right to institute any proceeding, judicial or otherwise, with respect to the Master Trust Indenture, or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Master Trust Indenture. A Controlling Class Creditor may exercise such rights if:

(a) the Issuer or a Controlling Class Creditor has previously given to the Indenture Trustee written notice of a continuing Event of Default;

(b) Controlling Class Creditors, by Ordinary Resolution, have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;

(c) Controlling Class Creditors have offered the Indenture Trustee a satisfactory indemnity; and

(d) the Indenture Trustee has, for 60 days, failed to institute the proceeding.

Subject to certain powers which may only be exercised by Extraordinary Resolution, Controlling Class Creditors, by Ordinary Resolution, will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee with respect to all Issuer Funding Obligations. However, the Indenture Trustee may decline to follow such direction if it determines (based on advice from counsel) that such direction (i) conflicts with applicable law or the Master Trust Indenture, (ii) has a substantial likelihood of involving the Indenture Trustee in personal liability or (iii) is unjustly prejudicial to Controlling Class Creditors not taking part such direction. See "*— Debtholder Approvals and Meetings — Debtholder Meetings*" for a description of certain powers which may only be exercised by Extraordinary Resolution. Specified Creditors (other than Debtholders) do not have any right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee. Specified Creditors (other than Debtholders) will only have the right to receive proceeds following an Event of Default.

Limited Recourse

The obligation of the Issuer to pay principal of and interest on the Issuer Funding Obligations or any other amount payable to any Specified Creditor is subject to the allocation and payment provisions in the Master Trust Indenture and the applicable Funding Obligation Agreement and limited to amounts available from the Collateral. Neither the Indenture Trustee, the Manager nor the Issuer Trustee in its individual capacity, nor any holder of any unit in the Issuer, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Notes or any other Issuer Funding Obligation, or for the Issuer's covenants and agreements contained in the Master Trust Indenture.

No Petition

Each Specified Creditor, by accepting its rights as a beneficiary under the Master Trust Indenture, agrees that until one year and one day following repayment in full of all Issuer Funding Obligations, it will not commence (or join in commencing) a bankruptcy, insolvency or similar proceeding under the laws of any jurisdiction against the Issuer.

Force Majeure

The Indenture Trustee and the Issuer Trustee will not be responsible or liable for any failure or delay in the performance of their obligations under the Master Trust Indenture arising out of or caused by, directly or indirectly, forces beyond their control, including loss or malfunctions of utilities, communications or computer services.

Satisfaction and Discharge

The Master Trust Indenture will cease to be of further effect with respect to any Class, Series or Tranche of Issuer Funding Obligations when:

(a) (x) in the case of Notes, all Notes of that Class, Series or Tranche which had been outstanding, with certain exceptions set forth in the Master Trust Indenture, have been delivered to the Indenture Trustee for cancellation or been cancelled, or (y) in the case of all other Issuer Funding Obligations, all Issuer Funding Obligations of that Class, Series or Tranche have been paid in full, as certified by the Issuer;

(b) the Issuer has paid all other sums payable by it under the Master Trust Indenture with respect to that Class, Series or Tranche of Issuer Funding Obligations; and

(c) the Issuer has delivered to the Indenture Trustee an officer's certificate and an opinion of external counsel each stating that the conditions precedent in the Master Trust Indenture relating to the satisfaction and discharge with respect to that Class, Series or Tranche of Issuer Funding Obligations have been complied with.

The Master Trust Indenture will cease to be of further effect when all Issuer Funding Obligations have been satisfied and discharged in accordance with the previous paragraph and all other Obligations Secured have been paid in full, as certified by the Issuer.

DESCRIPTION OF SENIOR NOTES

The following description of the Senior Notes is a summary of certain of their material attributes and characteristics, and does not purport to be complete. The terms and conditions set forth in this *"Description of Senior Notes"* section will apply to each Senior Note unless otherwise specified in the Term Sheet applicable to such Offering. For further particulars, reference should be made to the Master Trust Indenture and the Supplemental Indenture and Terms Document, if any, relating to the particular Series or Tranche of Senior Notes.

General

The Senior Notes will be issued under the Master Trust Indenture and will be Funding Obligations issued in connection with the financing program described under the heading "*Capital Markets Platform*". The specific terms and conditions of each Series of Senior Notes will be set forth in the Supplemental Indenture authorizing that Series and the specific terms and conditions of any Tranche of Senior Notes will be set forth in the Supplemental Indenture or the Terms Document authorizing that Tranche.

Under the Master Trust Indenture, the Issuer may issue an unlimited principal amount of Senior Notes. See "*Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations*". The Senior Notes will be direct obligations of the Issuer and secured in the manner provided for under the Master Trust Indenture. See "*Capital Markets Platform — Security*".

The Supplemental Indenture or Terms Document will describe the following terms of the Senior Notes:

- the Series designation;
- stated principal amount of the Senior Notes;
- whether such Senior Notes are of a particular Tranche of Senior Notes;
- the currency or currencies in which such Senior Notes will be denominated and in which payments of principal of, and interest on, such Senior Notes will or may be payable;

- the price at which such Series or Tranche of Senior Notes will be issued;
- the times at which such Series or Tranche of Senior Notes may, pursuant to any optional redemption provisions, be redeemed, and the other terms and provisions of any such redemption;
- the rate per annum at which such Series or Tranche of Senior Notes will bear interest, if any, or the formula or index on which such rate will be determined;
- each Interest Payment Date, each Principal Payment Date and the Principal Payment Default Date for such Series or Tranche of Senior Notes;
- the Principal Accumulation Date(s), if any, and Principal Accumulation Amount(s) for such Series of Senior Notes;
- the initial principal amount of such Senior Notes, and the means for calculating the outstanding principal amount of such Series or Tranche of Senior Notes;
- whether or not application will be made to list such Series or Tranche of Notes on any securities exchange;
- any events of default with respect to such Series or Tranche of Senior Notes;
- if such Series or Tranche of Senior Notes will be issued in whole or in part in the form of a global note, the terms and conditions, if any, upon which such global note may be exchanged for other individual Senior Notes, and the depository for such global note;
- if such Class, Series or Tranche of Senior Notes will be issued in whole or in part in registered form, bearer form or both, and if such Senior Notes will be issued with or without coupons;
- if such Class, Series or Tranche will have the benefit of a credit enhancement agreement or liquidity agreement, and the terms and provisions of the applicable agreement;
- the record date for any Interest Payment Date or Principal Payment Date of such Series or Tranche of Senior Notes, if different from the last of the month before the related Interest Payment Date or Principal Payment Date; and
- whether and under what conditions, additional amounts will be payable to Noteholders of such Series or Tranche of Notes.

Limitations

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer) or of the IESO. The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*.

Payments of Principal and Interest

Interest will accrue on the principal balance of each Series or Tranche of Senior Note at the interest rate specified in the related Term Sheet and will be payable on the Interest Payment Date(s) specified in the related Term Sheet. Principal of each Series or Tranche of Senior Notes will be payable in the amounts and on the Principal Payment Date(s) specified in the related Term Sheet. The Term Sheet applicable to a Series or Tranche of Senior Notes will

also set out the Principal Payment Default Date for such Senior Notes, which is the date on which failure to pay the principal amount of such Senior Notes will result in an Event of Default.

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Interest Accumulation Account the aggregate amount of interest that has accrued on each Series of Senior Notes (together with all other amounts to be accrued for other Issuer Funding Obligations). On each Interest Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes interest then due on such Senior Notes using amounts available therefor from the Interest Accumulation Account, the Principal Accumulation Account, the IESO Cash Reserve Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*".

On each Payment Date, the Issuer will, to the extent funds are available therefor from the Collection Account (see "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account*"), transfer to the Principal Accumulation Account the aggregate of the amounts the Issuer is required to accumulate for each Series of Senior Notes (together with all other amounts to be accumulated for other Issuer Funding Obligations). The Term Sheet applicable to a Series or Tranche of Senior Notes will set out the Principal Accumulation Amount(s) and the Payment Dates on which such amounts are to be accumulated for such Senior Notes. On each Principal Payment Date for a Series or Tranche of Senior Notes, the Paying Agent will pay to the holders of such Senior Notes the principal then due on such Senior Notes using amounts available therefor from the Principal Accumulation Account, the Program Cash Reserve Account and the Protection Account. See "*Change of Law Protection Agreement*" and "*Capital Markets Platform — Payment Waterfalls Prior to Acceleration*". Holders of Senior Notes may receive principal payments earlier than an expected Principal Payment Date if an optional redemption occurs and may receive principal payments later than an expected Principal Payment Date if there are insufficient Available Collections. See "*Risk Factors*" for a discussion of factors that may affect the timing of principal payments on a Series or Tranche of Senior Notes. It is not an Event of Default if the stated principal amount of a Series or Tranche of Senior Notes is not paid in full on an expected Principal Payment Date. If the stated principal amount of a Senior Note is not paid in full by its Principal Payment Default Date, an Event of Default will occur. See "*Capital Markets Platform — Events of Default*".

Unless otherwise specified in a Term Sheet, the Issuer has designated the Indenture Trustee as its Paying Agent for all Senior Notes having a place of payment in Toronto, Ontario.

Optional Redemption of Senior Notes

If a Supplemental Indenture for any Series or Tranche of Senior Notes states that such Senior Notes will be redeemable, in whole at any time or in part from time to time, such Senior Notes will be redeemable at the option of the Issuer at the redemption price specified in the Supplemental Indenture. If less than all the Senior Notes of any Series or Tranche are to be redeemed at one time, the Senior Notes of such Series or Tranche to be redeemed will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

Notice of any redemption will be delivered to each holder of the Senior Notes to be redeemed, electronically or by mail (postage prepaid) at the address of such holder appearing in the Note register (or published in an authorized newspaper in the case of Senior Notes held in bearer form) or otherwise in accordance with the procedures of the depository, at least 15 days but not more than 30 days before the redemption date, except that redemption notices may be delivered more than 30 days prior to the redemption date if the notice is issued in connection with a satisfaction and discharge of the Master Trust Indenture with respect to such Series or Tranche of Senior Notes. The notice of redemption will state (i) the portion of the principal amount thereof to be redeemed (provided that no Senior Notes in an aggregate principal amount of 1,000 units of the applicable currency or less will be redeemed in part), (ii) the redemption date and (iii) the redemption price. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Senior Notes or portions of the Senior Notes called for redemption. A replacement note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note; provided, however, that, in the case of a global note, an appropriate notation may instead be made on such note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

The Term Sheet for each Offering will identify the redemption provisions of the applicable Notes at the time of such Offering.

Purchase for Cancellation

The Issuer may purchase or otherwise acquire, at any time or from time to time, all or any of the outstanding Senior Notes of any Series or Tranche in the market or by invitation for tenders or by private contract at such prices as it may determine in its sole discretion. All such Senior Notes purchased by the Issuer will be cancelled. If, upon a tender, more Senior Notes of a Series or Tranche are tendered at the same lowest price than the Issuer is prepared to accept, the Senior Notes of such Series or Tranche to be purchased will be selected by the Indenture Trustee on a pro rata basis according to the principal amount of such Senior Notes registered in the name of each holder thereof, or in such other manner as the Indenture Trustee may consider equitable.

DEPOSITORY SERVICES

Except as otherwise provided below, the Senior Notes will be issued in "book-entry only" form and must be purchased, transferred, redeemed or exchanged through participants ("**Participants**") in the depository service of a depository chosen by the Issuer (the "**depository**") or its nominee, which include securities brokers and dealers, banks and trust companies. On the closing date of an Offering, the Issuer will cause a global certificate representing the Senior Notes to be delivered to, and registered in the name of, the depository or its nominee. Except as described below, no purchaser of Senior Notes will be entitled to a certificate or other instrument from the Issuer or the depository evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by the depository except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Senior Notes will typically receive a customer confirmation of purchase from the registered dealer from which the Senior Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally, customer confirmations are issued promptly after execution of a customer order. The depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Senior Notes.

Neither the Issuer, the Indenture Trustee nor the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Senior Notes held by the depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Senior Notes; or (iii) any advice or representation made by or with respect to the depository or those contained in this confidential shelf offering memorandum and relating to the rules governing the depository or any action to be taken by the depository or at the direction of its Participants. The rules governing the depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the depository and persons, other than Participants, having an interest in the Senior Notes must look solely to Participants for payments made by or on behalf of the Issuer to the depository in respect of the Senior Notes.

If: (i) required by applicable law; (ii) the depository notifies the Issuer in writing that the depository is no longer willing or able to discharge properly the responsibilities of a depository with respect to the Senior Notes and the Issuer is unable to locate a qualified successor; (iii) the Issuer determines the Senior Notes in book-entry only form should be exchanged for definitive certificates and the Issuer delivers a written notice to such effect to the Indenture Trustee; (iv) an Event of Default has occurred and Noteholders holding more than 50% of the Controlling Class Obligations of any Series of Senior Notes determine such book-entry system is no longer in the best interests of the holders of that Series; or (v) the book-entry system is terminated, then certificates representing the Senior Notes will be issued to the beneficial owners of Senior Notes.

Interest on the Senior Notes will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, interest will be paid by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. Payment of principal, and the interest due, at maturity, will be paid directly to CDS while the book-entry only system is in effect. If definitive certificates are issued, payment of principal, and interest due, at maturity, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Manner of Effecting Transfer or Redemption

A transfer or redemption of Senior Notes held in "book-entry form" only will be effected through records maintained by the depository or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of such Senior Notes who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Senior Notes, may do so only through Participants.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as depository for a series of Senior Notes, to the extent the Issuer makes such series of Senior Notes eligible with The Depositary Trust Company ("**DTC**"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the Issuer specifies as such in the Term Sheet with respect to the particular series of Senior Notes, holders may hold such series of Senior Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Senior Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Senior Notes on its behalf by delivering Senior Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Senior Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this confidential shelf offering memorandum concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Issuer's understanding of the policies of such organizations which may change at any time without notice.

PLAN OF DISTRIBUTION

The Senior Notes may be sold by the Issuer directly pursuant to applicable statutory exemptions or through agents designated by the Issuer from time to time. Each Term Sheet will identify the Agents engaged in connection with the applicable Offering of Senior Notes and will also set forth the terms of the Offering of Senior Notes, including the net proceeds to the Issuer and, to the extent applicable, any fees payable to the Agents. The Agents will conditionally offer the Senior Notes for sale on a "best efforts" basis, if, as and when issued and delivered by the Issuer in accordance with the conditions contained in an agency agreement (the "**Agency Agreement**") between the Issuer, OPG and the Agents to be entered into on or about the date of each Term Sheet. The Agents will be paid a fee by the Issuer for their services rendered to the Issuer in connection with the offering, issue and sale of the Senior Notes. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. The Agents may over-allot or effect transactions which stabilize or maintain the market price of the Senior Notes at a level different than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements in Section 2.3 of NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(2) of the *Securities Act* (Ontario), also known as the "accredited investor" exemption. In addition, Senior Notes will not be offered or sold, directly or indirectly, to individuals unless those individuals are also "permitted clients" within the meaning of NI 31-103.

Resale of the Senior Notes will be subject to restrictions under applicable securities legislation which vary depending on the relevant jurisdictions. **The Senior Notes may only be sold on a basis that is exempt from the prospectus requirements of applicable securities legislation through an appropriately registered dealer or pursuant to an exemption from the registration requirements of applicable securities legislation**. See *"Restrictions on Resale"*.

This confidential shelf offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Senior Notes in the United States. The Senior Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless the Senior Notes are registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. In addition, until 40 days after the commencement of an Offering, any offer or sale of the Senior Notes within the United States by any dealer (whether or not participating in an Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act. Each Agent has agreed that, except as permitted by an Agency Agreement, it will not offer or sell the Senior Notes as part of the distribution of the Senior Notes at any time within the United States or to, or for the account or benefit of, U.S. persons.

RISK FACTORS

An investment in Senior Notes involves certain risks. Prospective investors in the Senior Notes should carefully consider all the information included in this confidential shelf offering memorandum, including the risks described below, before deciding to invest in the Senior Notes. This section does not describe all risks applicable to the Issuer and is intended only as a summary of certain material risks. In addition, prospective investors should consult their own financial and other legal and tax advisors, and should carefully consider, among other matters, the following discussion of risks before deciding whether to purchase Senior Notes.

Judicial, Legislative or Regulatory Risks

Future legal action might challenge or invalidate the FHPA and materially adversely affect a holder's investment in the Senior Notes.

The Investment Asset is a creation of the FHPA, which became effective on June 1, 2017. The Issuer will be the first Financing Entity under the FHPA to issue Funding Obligations as contemplated under the FHPA. The FHPA or any provisions thereof might be directly contested in courts or otherwise become the subject of litigation. The FHPA is novel legislation in Canada and therefore there are no precedents to rely on to support the validity of the FHPA.

As of the date of this confidential shelf offering memorandum, no such litigation has arisen; however, there can be no assurance that a lawsuit challenging the validity of some portion or all of the FHPA will not be filed in the future or that, if filed, such lawsuit will not be successful. If such a lawsuit were successful, and an invalidation of any relevant underlying legislative or regulatory provision were to result that did not constitute a Protection Event under the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes. Even if the successful lawsuit constitutes a Protection Event, under the terms of the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee).

Future legislative action to change the FHPA, the Change of Law Protection Agreement or the electricity market might materially adversely affect a holder's investment in the Senior Notes.

The FHPA provides that no act or omission of the Crown shall be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. Ontario does not have a referendum or initiative process by which the FHPA may be amended or repealed. Therefore, the only way for such provisions of the FHPA to be amended or repealed would be through a subsequent legislative action by the Province of Ontario. A determination by the Province of Ontario that, for political or other reasons, the FHPA should no longer be law in Ontario or that the FHPA should be amended to limit or delay the recovery of Clean Energy Adjustments, could result in a decision to make such an amendment, repeal or revocation. Any such action that adversely affects the ability of the Issuer to receive amounts in respect of the Investment Interest so that it can pay Approved Obligations when due and payable (determined after taking into account certain factors described above in the definition of "Protection Event") would be subject to the Change of Law Protection Agreement. Under the Change of Law Protection Agreement, the Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include any amount in respect of an amount due and payable to a Specified Creditor under the Limited Guarantee). See *"Change of Law Protection Agreement"*. However, future legislative action by the Province of Ontario could also be taken that would have the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement.

Canada does not have any constitutional protection of property rights. While an adverse impact of statutory measures on private property has, in some circumstances, been judicially held to entitle property owners to compensation, such entitlements themselves can also be extinguished by legislation. Accordingly, if the provisions of the FHPA referenced in the previous paragraph were amended or repealed through subsequent legislative action of the Province of Ontario and future legislative action was also taken by the Province of Ontario that had the effect of voiding or otherwise rendering invalid the Change of Law Protection Agreement, a holder of Senior Notes may lose some or all of their investment in the Senior Notes or experience significant delays in recovering their investment in the Senior Notes.

Future judicial action could reduce the value of a holder's investment in the Senior Notes.

The Investment Asset is the creation of the FHPA. There is uncertainty associated with investing in Senior Notes payable from an interest in an asset that depends on legislation for its existence because there is no juridical or regulatory experience implementing and interpreting the legislation or similar legislation in Canada. Because the Investment Asset is a creation of the FHPA, any judicial determination interpreting the FHPA or the Investment Asset might have an adverse effect on a holder of Senior Notes' investment in the Senior Notes.

Potential difficulties in enforcing civil liabilities against the Province of Ontario may arise.

Under the *Proceedings Against the Crown Act* (Ontario), the remedies of injunction and specific performance are not available against the Crown, nor may an order for execution or attachment be made against the Crown, although the remedy of damages is available. Nothing in the Change of Law Protection Agreement or the Program Agreements affects the rights, protections and immunities of the Crown under the *Proceedings Against the Crown Act* (Ontario). As a result, if the Province of Ontario fails to comply with the Change of Law Protection Agreement, the Indenture Trustee's ability to obtain an effective remedy against the Province of Ontario is limited and holders of Senior Notes may lose some or all of their investments in the Senior Notes or experience significant delays in recovering their investments.

Risks Associated with the Unusual Nature of the Investment Asset

Clean Energy Adjustments will not be payable until May 1, 2021 and until such time the IESO will be the sole source of funds for payment on the Senior Notes. Amounts paid by the IESO are not available to pay principal on the Senior Notes.

During the Moratorium Period, no Clean Energy Adjustments are permitted to be collected from Specified Consumers. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior

Notes, and the Issuer must rely for payment of all of its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs to the Issuer. The amounts paid by the IESO with respect to Carrying Costs cannot be applied on account of principal on the Senior Notes. The IESO has granted the Issuer a first-priority security interest in all its accounts receivable from Electricity Vendors, which includes the amounts receivable by the IESO from Electricity Vendors with respect to the global adjustment charge, as security for the performance of its regulatory obligation to pay the Carrying Costs to the Issuer. The IESO also has a $2 billion unsecured credit facility agreement with the Ontario Financing Authority, expiring September 30, 2022, which can be used to pay the Carrying Costs to the Issuer. There can be no assurance that the IESO will continue to have sufficient funds available to pay the Carrying Costs to the Issuer during the Moratorium Period. If the Issuer enforces the security granted to the Issuer by the IESO during this period, there can be no assurance that the IESO's accounts receivable from Electricity Vendors will be sufficient to pay the Carrying Costs to the Issuer and a holder of Senior Notes may suffer material payment delay on the Senior Notes during the Moratorium Period.

The Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "**Canadian Insolvency and Restructuring Laws**"), the Issuer's ability to enforce security granted by the IESO may be significantly impaired or delayed. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is not possible to predict how long payments of Carrying Costs by the IESO or enforcement of any letter of credit or performance guarantee provided by the IESO could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the IESO or whether or when the Issuer would be able to repossess or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Issuer, whether or not the Issuer votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Issuer with respect to the payment of Carrying Costs or enforcement of any security provided by the IESO.

A holder of Senior Notes may experience material payment delays because the source of funds for payment after the Moratorium Period is limited.

A holder of Senior Notes may suffer material payment delays on the Senior Notes if the collateral securing the Senior Notes is insufficient to pay the accrued interest on and the principal amount of those Senior Notes in full. During the Moratorium Period, a holder of Senior Notes must rely for payment by the Issuer of interest on the Senior Notes, and the Issuer must rely on the IESO for the funds necessary to pay its Carrying Costs, upon the IESO who is obligated under the Regulations to pay these Carrying Costs to the Issuer. Amounts paid by the IESO are not available to pay principal on the Senior Notes. After the Moratorium Period, the only source of funds for payments of interest on and principal of the Senior Notes will be the collateral. The collateral for the Senior Notes will include:

- the Investment Interest, including the right to impose, bill, collect and receive Clean Energy Adjustment amounts, inclusive of the True-up Amount;
- the cash and investments on deposit in the accounts held by the Indenture Trustee; and

- the Issuer's rights under various contracts described in this confidential shelf offering memorandum and under the FHPA.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, the IESO, OPG or any of their respective affiliates, the Indenture Trustee or any other person or entity, except pursuant to the Limited Guarantee provided by the Province of Ontario upon the occurrence of a Protection Event. See *"Change of Law Protection Agreement"*. The Senior Notes will be nonrecourse obligations, secured only by the collateral. Delays in payment on the Senior Notes might result in a reduction in the market value of the Senior Notes and, therefore, the value of a holder's investment in the Senior Notes.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt or general obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. However, insofar as the Province of Ontario or any such political subdivision, agency or instrumentality is a Specified Consumer, such governmental entity will be obligated, in its capacity as a Specified Consumer, to pay Clean Energy Adjustment amounts that will be collected and remitted to the Issuer in respect of its Investment Interest securing the Senior Notes.

A holder of Senior Notes must rely for payment of principal of and interest on the Senior Notes solely upon the FHPA, rights to enforcement of the FHPA and of various agreements described in this confidential shelf offering memorandum, collections of Clean Energy Adjustment amounts and cash and investments on deposit in the related accounts held pursuant to the Master Trust Indenture.

The Clean Energy Adjustment may not be billed after April 30, 2047, unless further regulations to extend that date are passed.

The Clean Energy Adjustment may not be billed to Specified Consumers after April 30, 2047, unless further regulations to extend that date are passed. If Clean Energy Adjustment amounts billed through this period are not sufficient to repay the Senior Notes in full and further regulations to extend this date are not passed, apart from amounts in the capital accounts, if any, no other funds will be available to pay the unpaid balance due on the Senior Notes.

Foreclosure of the Indenture Trustee's lien on the Investment Interest securing the Senior Notes might not be practical and acceleration of the Senior Notes before maturity might have little practical effect.

Under the Master Trust Indenture, the Indenture Trustee on behalf of the holders of Senior Notes and other creditors has the right to foreclose or otherwise enforce the lien granted to the Indenture Trustee by the Issuer on the collateral securing the Senior Notes. However, in the event of foreclosure, there is likely to be a limited market, if any, for the collateral. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Senior Notes will be due and payable upon acceleration of the Senior Notes before maturity, under the Regulations, the amount of the Clean Energy Adjustment may not be increased to take into account such acceleration (subject to limited exceptions depending on the Fair Allocation Amount at the time). As a result, this limitation on increases to the Clean Energy Adjustment at the time of any acceleration of the Senior Notes prior to maturity will result in principal of the Senior Notes being paid on acceleration as funds become available. However, upon such acceleration, the priority of principal payments to creditors of the Issuer will result in all accelerated Senior Notes being repaid in full before any further payments of principal are made to holders of subordinated indebtedness of the Issuer. In the event of an acceleration, holders of Senior Notes may be paid sooner or later than originally expected.

The Issuer may issue multiple Series of Senior Notes secured by the Investment Interest and some decisions affecting holders of Senior Notes may require the approval of all Series.

The Issuer may issue multiple Series of Senior Notes all of which will be secured by the collateral securing the Senior Notes. The Issuer may not issue additional Series of Senior Notes if the issuance would not satisfy the Rating Agency Condition and certain other conditions precedent in the Master Trust Indenture. See *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*. If additional Series of Senior Notes are issued, Clean Energy Adjustment amounts collected by or for the benefit of the Issuer will be prorated among the Series of Senior Notes based on the respective amounts of interest and principal due and payable or required to be accumulated in respect of each Series of Senior Notes. Any issuance of additional Series of Senior Notes by the

Issuer could cause reductions or delays in payment on the Senior Notes. In addition, some matters relating to the Senior Notes issued by the Issuer may require the vote of the holders of all Series of Senior Notes. The interests of holders of a particular Series of Senior Notes in these votes might conflict with the interests of the holders of another Series of Senior Notes. Thus, these votes could result in an outcome that is materially unfavorable to holders of a particular Series of Senior Notes.

The Master Trust Indenture contains Events of Default (other than those pertaining to the insolvency of the Issuer or invalidity of the Change of Law Protection Agreement) that can only be declared by Debtholders who hold at least 25% of the outstanding Controlling Class Obligations. If any such Event of Default has occurred and is continuing, Debtholders who hold at least 50% of the outstanding Controlling Class Obligations may accelerate all Issuer Funding Obligations (other than Derivative Funding Obligations). However, it is possible for individual Series of Senior Notes to have their own acceleration events such that those individual Series of Senior Notes may be accelerated while other Series of Issuer Funding Obligations would not be accelerated. In such a case, (i) the allocation of Available Collections to the holders of accelerated Series of Issuer Funding Obligations in a Class would be higher relative to the non-accelerated Series of Issuer Funding Obligations of that Class than it would otherwise be, and (ii) after payment in full of accelerated Senior Notes and other Senior Funding Obligations and once all amounts due and payable on non-accelerated Senior Notes and other Senior Funding Obligations have been satisfied on any principal payment date, amounts remaining for payment of principal would be allocated to the repayment of principal on both accelerated and non-accelerated subordinated debt, as applicable. In certain cases, a declaration of acceleration or an automatic acceleration may also be rescinded by Extraordinary Resolution if (i) the Issuer has paid all overdue interest, principal that has become due (other than by reason of acceleration) on Controlling Class Obligations and other amounts set out in the Master Trust Indenture, and (ii) all Events of Default (other than non-payment of principal) have been cured or waived. See *"Capital Markets Platform — Acceleration and Remedies — General"*.

If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected.

Under certain circumstances it is possible that all outstanding Senior Notes will be accelerated as a Class or that certain Series of Senior Notes will be accelerated while other Series of Senior Notes will not be accelerated. See *"Capital Markets Platform – Acceleration and Remedies"*. The possibility of certain Series of Senior Notes accelerating while other Series of Senior Notes do not accelerate would arise if (i) an Event of Default occurs but Noteholders holding at least 50% of all outstanding Senior Notes do not approve the acceleration of all outstanding Senior Notes, and (ii) holders of Senior Notes of a particular Series approve the acceleration of the Senior Notes of that Series by the requisite majority of holders of that Series as set out in the applicable supplemental indenture for that Series.

If all Senior Notes are accelerated the application of available funds will be as described under *"Capital Markets Platform -- Acceleration and Remedies"* for all Senior Notes. It is possible that holders of 50% or more of the outstanding principal balance of all Senior Notes will approve the acceleration of all Senior Notes even if holders of a particular Series of Senior Notes do not vote in favour of the acceleration of the Senior Notes of that Series.

If only certain Series of Senior Notes are accelerated, then the outstanding principal balance of those Series of Senior Notes will become immediately due and payable but the payment due dates of those Series of Senior Notes that have not been accelerated will not change. In this case, the application of available funds will continue as described under *"Capital Markets Platform -- Payment Waterfalls Prior to Acceleration"*.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of subordinated indebtedness will be applied to repay principal of the accelerated Senior Notes. This could result in a holder of Senior Notes that have been accelerated receiving payment of principal sooner than expected. If a Series of Senior Notes has not been accelerated, the payment of principal on such Senior Notes should not occur earlier than expected as the payment due dates for such Senior Notes will not have been accelerated.

Where all Series of Senior Notes or only certain Series of Senior Notes are accelerated, available funds that would otherwise be used to pay the principal amount of the Senior Notes in accordance with the original repayment schedules of such Senior Notes may be applied to repay principal of the accelerated Senior Notes *pari passu* with the principal due on all outstanding Senior Notes (subject to the payment priority given to Warehouse Obligations). If accelerated Senior Notes were not expected to be repaid before a particular Series of Senior Notes at the time the accelerated Senior Notes were issued, the acceleration of such Senior Notes could result in the holder of a particular Series of Senior Notes receiving payment of principal later than expected.

The Issuer may have a co-ownership interest in the Investment Asset with other Financing Entities.

The FHPA authorizes the establishment of one or more Financing Entities that may incur Funding Obligations for the purpose of acquiring Investment Interests. The Master Trust Indenture does not contain any restrictions on the establishment of other Financing Entities or any restrictions on the Transfer by the IESO of specified portions of the Regulatory Asset to other Financing Entities. If additional Funding Obligations are incurred by other Financing Entities to acquire an Investment Interest, the Investment Asset will be co-owned by all Financing Entities (including the Issuer) and consequently Clean Energy Adjustment amounts collected by or for the benefit of the Financing Entities will be prorated among all Investment Interest owners based on the respective amounts of Clean Energy Adjustment amounts invoiced and not yet paid. Any issuance of Funding Obligations by other Financing Entities could cause reductions or delays in payment on the Senior Notes.

If the Clean Energy Adjustment amounts and other funds held in the Issuer Accounts results in investment losses or the investments become illiquid, a holder of Senior Notes might receive payment of principal of and interest on the Senior Notes later than expected.

Funds held in the Issuer Accounts will be invested in Eligible Investments. Eligible Investments include, among other categories, money market funds having a rating in the highest investment category from each applicable Rating Agency. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, a holder of Senior Notes might experience a delay in payments of principal and interest and a decrease in the value of their investment in the Senior Notes.

Servicing, Operating and Consumer Risks

Payments on the Senior Notes depend on the performance of Electricity Vendors and the IESO.

The Issuer's receipt of Clean Energy Adjustment amounts, which will be used to make payments on the Senior Notes, will depend in part on the skill and diligence of Electricity Vendors and the IESO and their respective successors in performing their respective duties under the FHPA and, with respect to the IESO, the Master Transfer and Servicing Agreement.

The FHPA and the Master Transfer and Servicing Agreement impose new duties and obligations on the IESO and Electricity Vendors. There can be no assurances that the new duties and obligations of the IESO and the Electricity Vendors will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Master Transfer and Servicing Agreement. If the IESO ceases to perform, or inadequately performs, its collection, remittance, forecasting and other functions under the terms of the FHPA and the Master Transfer and Servicing Agreement, it might be difficult to enforce these obligations against the IESO. While the Indenture Trustee has the right to replace the IESO, as servicer, on an Event of Default upon receipt of an Ordinary Resolution, it might be difficult to find a replacement for the IESO or a successor servicer. Also, any successor servicer might have less experience and ability than the IESO and might experience difficulties in collecting Clean Energy Adjustment amounts or providing forecast information, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor servicer would likely charge fees for the provision of such services and such fees could be material.

If an Electricity Vendor or the IESO fails to collect or remit sufficient Clean Energy Adjustment amounts for any reason, then the IESO's payments to the Issuer in respect of the Clean Energy Adjustments might be delayed or

reduced. In that event, payments on the Senior Notes might be delayed or reduced. In addition, any person into which the IESO may be merged, converted or amalgamated or that may succeed to the properties and assets of the IESO substantially as a whole will assume the role of servicer under the Master Transfer and Servicing Agreement, subject only to the satisfaction of the conditions set forth therein. These conditions do not include either the consent of holders of Senior Notes or satisfaction of the Rating Agency Condition.

Payments on the Senior Notes depend on the performance of OPG as Financial Services Manager and as Manager.

The FHPA imposes new duties and obligations on OPG, as Financial Services Manager, and the Program Agreements impose new duties and obligations on OPG, as Manager. There can be no assurances that the new duties and obligations of OPG will be assumed and implemented without difficulty and in accordance with the provisions of the FHPA and the Program Agreements. If OPG, as Financial Services Manager, ceases to perform, or inadequately performs, its statutory duties under the FHPA, including determining the Clean Energy Adjustment (inclusive of the True-up Amount), the Indenture Trustee will have no right to replace OPG as Financial Services Manager. If OPG ceases to perform, or inadequately performs, its management duties under the Management Agreement, the Indenture Trustee has the right to replace the Manager on an Event of Default upon receipt of an Ordinary Resolution but it might be difficult to find a replacement for OPG or a successor manager. Also, any successor manager might have less experience and ability than OPG, resulting in delays or disruptions to the setting and collection of the Clean Energy Adjustment. Any successor manager would likely charge fees for the provision of such services and such fees could be materially higher than the fees charged by OPG.

Inaccurate consumption forecasting or unanticipated delinquencies or write-offs might reduce or delay scheduled payments on the Senior Notes.

Clean Energy Adjustment amounts will be calculated based upon a forecast of Specified Consumer usage to be newly developed based on forecast information provided by the IESO. Under the Regulations, the IESO is required to provide forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period. The amount of the Clean Energy Adjustment collected in any period will depend in part on actual electricity usage by Specified Consumers and the amount of collections and write-offs for Specified Consumers. If the IESO or a successor inaccurately forecasts electricity consumption or if OPG uses inaccurate consumer delinquency or write-off data when setting or adjusting the Clean Energy Adjustment, there could be a shortfall or material delay in collections, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Inaccurate forecasting of electricity consumption by the IESO might result from, among other things unanticipated weather, resulting in less electricity consumption than forecast; general economic conditions being worse than expected, causing Specified Consumers to reduce their electricity consumption; the occurrence of a natural disaster, wind storm or an act of terrorism, cyber-attack or other catastrophic event unexpectedly disrupting electrical service and reducing electricity consumption; unanticipated changes in the market structure of the electric industry; Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario; dramatic and unexpected changes in energy prices resulting in decreased electricity consumption; Specified Consumers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electricity consumption efficiency; differences or changes in forecasting methodology; or Specified Consumers switching to alternative sources of energy, including self-generation or co-generation of electric power in some cases without using Ontario's transmission or distribution system. Self-generators that receive no transmission or distribution service from the Province of Ontario are not liable for the Clean Energy Adjustment. The FHPA does not require exit fees to be charged to any Specified Consumers that might leave the grid to self-generate.

Inaccurate forecasting of delinquencies or write-offs by OPG could result from, among other things unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events causing greater write-offs than expected or forcing Electricity Vendors to grant additional payment relief to Specified Consumers; the failure of Electricity Vendors to submit accurate and timely information regarding their collections and write-offs; an unexpected change in law that makes it more difficult for Electricity Vendors to terminate service to nonpaying Specified Consumers, or that requires Electricity Vendors to apply more lenient credit standards for Specified Consumers.

Changes to billing and collection practices may reduce the amount of funds available for payments on the Senior Notes.

The methodology for determining the amount of the Clean Energy Adjustment invoiced to each Specified Consumer is specified in FHPA. None of OPG, the IESO or any Electricity Vendor, as it performs its billing and collection functions on the Issuer's behalf, may change this methodology. However, subject to applicable law, tariff and regulatory requirements, billing and collection arrangements with each Specified Consumer may be changed in a manner that delays or reduces the payments to the Issuer in respect of the Clean Energy Adjustment, which might result in missed or delayed payments of principal and interest on the Senior Notes.

Limits on rights to terminate service to Specified Consumers might make it more difficult to collect the Clean Energy Adjustment.

To the extent that Specified Consumers do not pay for their electricity service, Electricity Vendors will not be able to collect the Clean Energy Adjustment from these Specified Consumers. Electricity Vendors have the ability to terminate service for non-payment subject to the terms of their conditions of service, which conditions must be consistent with the OEB's rules regarding disconnection. Under OEB rules, Electricity Vendors are prohibited from disconnecting or threatening to disconnect homes for non-payment during the winter from November 15 to April 30 every year. Historical rates of non-payment are included in the calculations of the Clean Energy Adjustment, but increases in the rates of non-payment would reduce the Clean Energy Adjustment until it is adjusted through the True-up Amount in a subsequent Reference Period.

It might be difficult for the Issuer to collect the Clean Energy Adjustment from Specified Consumers

Under the FHPA, the Issuer may bring an action against a Specified Consumer for non-payment of the Clean Energy Adjustment, but only an Electricity Vendor may terminate service for failure to pay the Clean Energy Adjustment. The FHPA provides that partial payment of electricity invoices shall be allocated pro rata among the Clean Energy Adjustment and other charges on the invoice. Since the Issuer does not have the threat of termination of service available to enforce payment of the Clean Energy Adjustment, it would need to rely on the Electricity Vendor to threaten to terminate service for nonpayment of other portions of the electricity invoice. This inability might reduce the value of a holder's investment in the Senior Notes.

Delinquent or partial payments of electricity bills may make payments on the Senior Notes occur later than expected.

The amount and the rate of collection of the Clean Energy Adjustment, including the True-up Amount, will impact whether there is a delay in the scheduled payments on the Senior Notes. If the Clean Energy Adjustment amounts are collected at a slower rate than expected, OPG might have to make adjustments to the Clean Energy Adjustment for a subsequent Reference Period through the True-up Amount. Until such adjustments are made or, if those adjustments are not timely and accurate, there may be a delay in payments of principal and interest and a decrease in the value of the Senior Notes.

Indemnification obligations of OPG and the IESO are limited and might not be sufficient to protect the investments in the Senior Notes.

OPG will be obligated under the Management Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances. Likewise, the IESO will be obligated under the Master Transfer and Servicing Agreement and the Acknowledgement and Indemnity Agreement to indemnify the Issuer and the Indenture Trustee only in specified circumstances.

Furthermore, neither OPG nor the IESO may have sufficient funds available to satisfy its indemnification obligations, and the amount of any indemnification paid by OPG or the IESO, as applicable, might not be sufficient for holders of Senior Notes to recover all of their investment in the Senior Notes. In addition, if OPG or the IESO becomes obligated to provide indemnification, the ratings on the Senior Notes might be downgraded as a result of the circumstances causing the breach.

Power outages could impair payment of the Senior Notes.

Ontario experiences seasonal conditions typical of southeastern Canada. Summers are usually hot with high temperatures in excess of 20° Celsius. Winters include snow and icy conditions that can be damaging to overhead power lines. Transmission and/or distribution and generation facilities could be damaged depending on weather conditions and usage of electricity could be interrupted temporarily or for long periods of time, reducing the Clean Energy Adjustment amounts collected in one or more Reference Periods.

Technological changes that make alternative energy sources more attractive in the future or significant population fluctuations may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through Electricity Vendors for increasing numbers of Specified Consumers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of Specified Consumers. Moreover, an increase in self-service power may result if extreme weather conditions result in regular shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Specified Consumers who self-generate their electricity may use it to offset, or eliminate, their consumption from the grid thereby reducing, or eliminating, the Clean Energy Adjustment amounts payable by such Specified Consumers. Technological developments might allow greater numbers of Specified Consumers to reduce or even altogether avoid the payment of Clean Energy Adjustment amounts under such provisions through on-site generation, including where coupled with on-site storage capacity. This might reduce the kilowatt-hours of electric energy delivered to Specified Consumers by means of an Electricity Vendor's system, thereby causing Clean Energy Adjustment charges to the remaining Specified Consumers to increase. Such increases may reduce the collectability of the Clean Energy Adjustment.

Unexpected significant population decreases in the Province of Ontario or Specified Consumers unexpectedly ceasing business or departing from the Province of Ontario may adversely affect the amount of the Clean Energy Adjustment to be invoiced, collected and recovered from Specified Consumers. The decrease in the population of the Province of Ontario may result in fewer Specified Consumers from whom to collect the Clean Energy Adjustment. The increased impact on the remaining Specified Consumers could lead to increased potential consumer defaults and delays, billing lags and write-offs or variations in billing due to variations in electricity consumption.

Insolvency-Related Risks

If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed.

Trusts such as the Issuer ordinarily cannot seek protection under the principal Canadian Insolvency and Restructuring Laws (other than a receivership). However, in view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, the courts' inherent jurisdiction and otherwise, it is not possible to state with certainty that the Issuer could not become subject to Canadian Insolvency and Restructuring Laws. If the Issuer were to become subject to Canadian Insolvency and Restructuring Laws, the Indenture Trustee's ability to enforce security granted by the Issuer may be significantly impaired or delayed. It is not possible to predict how long payments under the Senior Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws by the Issuer or whether or when the Indenture Trustee would be able to enforce upon or dispose of the assets over which it holds a security interest. Canadian Insolvency and Restructuring Laws also contemplate the granting of super priority security interests or charges (which could be in priority to the security of existing secured creditors) on the assets of the debtor company to secure the repayment of any amounts to be borrowed to facilitate the insolvency proceeding, any amounts owing for the fees and costs of professionals involved in the insolvency proceeding, obligations of directors of the company with respect to their statutory liabilities and sometimes other amounts.

Canadian Insolvency and Restructuring Laws also contain provisions enabling an obligor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization,

if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the applicable obligor within the affected classes, including the Indenture Trustee and the Noteholders, whether or not the Indenture Trustee or any holders of Senior Notes votes in favour of the restructuring proposal or plan of arrangement or reorganization. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to the Indenture Trustee and the holders of Senior Notes under the Master Trust Indenture or in respect of the collateral.

If the IESO were to become subject to Canadian Insolvency and Restructuring Laws, the Transfers of specified portions of the Regulatory Asset by the IESO may not be respected as true sales of the Regulatory Asset.

Ordinarily, the interests of the Issuer as acquirer of an Investment Interest may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the IESO arising prior to the time the corresponding Regulatory Asset was Transferred to the Issuer. This could reduce the amounts that may be available to the Issuer in respect of the Investment Interest and, consequently, the holders of Senior Notes. Section 27(3) of the Act provides that at the time of the Transfer of the Regulatory Asset to a Financing Entity, such Transfer shall be deemed to have been perfected, vested, valid and binding against the IESO and all other persons who have claims of any kind against the IESO. Section 27(4) of the Act provides that section 27(3) applies regardless of whether the persons who have claims have received notice of the Transfer and the property rights and interests acquired by the Transferee shall have priority over any liens in favour of those persons. However, in the event that the IESO becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the Act in such circumstances is untested. The Transfers of the Regulatory Asset to the Issuer will be made in accordance with section 26 of the Act. Section 27(1) of the Act provides that a Transfer of a specified portion of the Regulatory Asset under section 26 constitutes a valid and enforceable absolute assignment, conveyance and sale of the corresponding Investment Interest to the Transferee. Therefore, the Investment Interest would not form part of the assets of the IESO and would not be available to the creditors of the IESO. However, with respect to certain insolvency events relating to the IESO, it is possible that an insolvency administrator or a creditor of the IESO may attempt to argue that the transactions between the IESO and the Issuer are not true sales of the Regulatory Asset. This position, if accepted by a court applying federal bankruptcy and insolvency laws, could prevent timely or ultimate payment of amounts due to the Issuer and, consequently, due from the Issuer to holders of Senior Notes.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If the IESO or any Electricity Vendor were to become subject to Canadian Insolvency and Restructuring Laws, collections that have been commingled may be unrecoverable and the Issuer's ability to enforce its rights against the IESO or such Electricity Vendor may be significantly impaired or delayed.

Under the Master Transfer and Servicing Agreement, collections received by the IESO are to be held by the IESO in a segregated account. Until Clean Energy Adjustments are remitted to the IESO by Electricity Vendors, amounts collected by the Electricity Vendors are to be held by Electricity Vendors in segregated accounts. If the IESO or any Electricity Vendor fails to hold collections in a segregated account, then to the extent that funds are commingled and used for the benefit of the IESO or such Electricity Vendor prior to making required deposits, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of the IESO or the Electricity Vendor, the ability of the Issuer to enforce its rights to the collections in a timely manner may be adversely affected and collections that have been commingled may be unrecoverable. In the event of the insolvency of the IESO, the right of the Issuer under the Master Transfer and Servicing Agreement to appoint a replacement servicer may be stayed or prevented.

These risks are in addition to the insolvency risks of the IESO noted above under *"Risks Associated with the Unusual Nature of the Investment Asset"*.

If OPG were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to enforce its rights against the Manager may be significantly impaired or delayed and the Issuer's assets and liabilities may be substantively consolidated with those of OPG.

Section 53.1 of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), provides that, regardless of whether a Financing Entity is or is not a subsidiary of OPG: (a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and (b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity. However, in the event that OPG becomes insolvent, its insolvency would be subject to federal bankruptcy and insolvency legislation and the effect of these provisions of the *Electricity Act, 1998* (Ontario), as amended by the *Fair Hydro Act, 2017* (Ontario), in such circumstances is untested. In particular, in the event of the liquidation, insolvency, receivership or administration or other proceeding under Canadian Insolvency and Restructuring Laws of OPG, the ability of the Issuer to enforce certain of its rights in and to the Investment Interest in a timely manner may be adversely affected. Such affected rights may include the right to appoint a replacement Manager. It is possible that the creditors of OPG may attempt to substantively consolidate the assets and liabilities of OPG and the Issuer. The Issuer and OPG have taken steps to minimize this risk. However, no assurance can be given that, in the case of the insolvency of OPG, a court would not order that the Issuer's assets and liabilities be substantively consolidated with those of OPG. Such substantive consolidation would result in all creditors of OPG and the Issuer being paid out of a common pool of assets, with no distinction as to which assets are property of OPG and which assets are property of the Issuer, and could cause payment of the claims of the beneficial owners of the Senior Notes to be subject to substantial delay and to adjustment in timing and amount.

If the Issuer Trustee were to become subject to Canadian Insolvency and Restructuring Laws, the assets and liabilities of the Issuer may be substantively consolidated with the Issuer Trustee.

In the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Issuer are held by the Issuer Trustee in its personal capacity (and not as trustee of the Issuer) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Issuer in accordance with the provisions of the Declaration of Trust, the assets of the Issuer would not constitute property of the Issuer Trustee available for distribution to the creditors of the Issuer Trustee. An insolvency administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Issuer a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Issuer, is appointed or pending any proceeding in respect of the property of the Issuer. Such costs may exceed the compensation provided for in the Declaration of Trust.

If a Specified Consumer were to become subject to Canadian Insolvency and Restructuring Laws, the Issuer's ability to collect Clean Energy Adjustment amounts from such Specified Consumer may be adversely affected.

The application to a Specified Consumer of Canadian Insolvency and Restructuring Laws and related provincial laws could also affect the ability to collect the Clean Energy Adjustments due for the period prior to the insolvency. Federal bankruptcy laws generally discharge bankrupt Specified Consumers who are individuals of their obligation to pay Clean Energy Adjustment amounts due for the period prior to the individual being discharged from bankruptcy.

If amounts in the Issuer Accounts for any Series are invested with entities that become subject to insolvency proceedings, the Issuer's ability to make payments to holders of Senior Notes may be adversely affected.

Amounts that are on deposit from time to time in the Issuer Accounts for any Series may be invested in Eligible Investments. If insolvency proceedings were to be commenced by or against any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Indenture Trustee to enforce its rights in respect of any such Eligible Investment and the ability of the Issuer to make payments to holders of Senior Notes in a timely manner may be adversely affected. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. See "*Rating Agency Condition*".

Other Risks

The credit ratings are not an indication of the expected rate of payment of principal on the Senior Notes.

The Senior Notes will be rated by one or more established rating agencies. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Thus, the Issuer might repay the principal of a holder of Senior Notes later than expected, which might materially reduce the value of a holder's investment in the Senior Notes.

If the ratings on the Senior Notes are withdrawn or revised downward, the value of a holder's investment in the Senior Notes may be adversely affected.

There is no assurance that any credit rating will remain in effect for any given period of time. The ratings on the Senior Notes may be withdrawn or revised downward at any time without notice, which may have an adverse effect on the market price of the Senior Notes. A rating is not a recommendation to buy, sell or hold the Senior Notes. The ratings merely analyze the probability that the Issuer will repay the total principal amount of each series of Senior Notes at its final principal payment date (which is later than the Principal Payment Date(s)) and will make timely interest payments. The ratings are not an indication that the rating agencies believe that principal payments are likely to be paid on time according to any expected sinking fund schedule. Ratings on the Senior Notes may be lowered, qualified or withdrawn at any time without notice.

The credit ratings of the IESO, OPG and the Province of Ontario might affect the market value of the Senior Notes.

The Senior Notes will not be insured or guaranteed by the Province of Ontario, IESO, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. Although neither the IESO nor OPG are obligors in respect of the Senior Notes, a downgrading of the current credit ratings of the IESO, OPG or the Province of Ontario might have an adverse effect on the market value of the Senior Notes, particularly, with respect to the IESO, during the Moratorium Period when no Clean Energy Adjustments are permitted to be collected from Specified Consumers. Credit ratings might change at any time. A rating agency has the authority to revise or withdraw its rating based solely upon its own judgment.

The absence of an established market for the Senior Notes might limit the ability to resell or refinance the Senior Notes.

There is no public market for the Senior Notes, and the Issuer does not intend to apply for a listing of the Senior Notes on any stock exchange. There can be no assurance as to the liquidity of the trading market for the Senior Notes or that a trading market for the Senior Notes will develop.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Senior Notes with liquidity for their investment or that it will continue for the term of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date of the Senior Notes.

If an active market does develop for the Senior Notes, the market price on the Senior Notes will depend on many factors including, but not limited to, (i) the Issuer's credit rating and the credit rating of the Senior Notes; (ii) the prevailing interest rates being paid on similar securities; (iii) the Issuer's financial condition and future prospects; and (iv) the overall condition of the economy and the financial markets. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations could have an adverse effect on the market price of the Senior Notes.

The Financial Services Manager has the ability to determine whether to refinance Senior Notes maturing after May 2024 through the issuance of another Series of Senior Notes. However, there can be no assurance that Senior Notes can be refinanced on or before their applicable Principal Payment Default Date.

Restrictions on resale might limit the ability to resell the Senior Notes.

The Senior Notes may not be offered or sold, directly or indirectly, in Canada or to or for the account of any Canadian resident except, in the case of sales made in any province of Canada, pursuant to an exemption from the prospectus requirements under applicable securities laws. The Issuer currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering of Senior Notes. As a result, the Senior Notes purchased pursuant to this confidential shelf offering memorandum will be subject to restrictions on resale, and may only be resold if a further statutory exemption may be relied upon by the investor or if an appropriate discretionary order or consent is obtained pursuant to applicable securities laws. See "Restrictions on Resale".

REPRESENTATIONS AND AGREEMENTS OF PURCHASERS

The distribution of the Senior Notes in Canada is being made on a private placement basis. By purchasing Senior Notes and accepting a purchase confirmation in respect thereof, a purchaser in Canada will be deemed to have represented to the Issuer and the Agents that, as at the date of such purchaser's purchase of Senior Notes:

(a) none of the Issuer, the Agents or any person representing the Issuer or the Agents has made any representations to it (written or oral) with respect to the Issuer, any Offering or sale of the Senior Notes, other than the information contained in this confidential shelf offering memorandum which has been delivered to it;

(b) it is resident in a province of Canada (each an "**Offering Jurisdiction**") and is entitled under applicable securities laws of such Offering Jurisdiction to purchase the Senior Notes without the benefit of a prospectus qualified under those securities laws and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale has occurred only in one of the provinces of Canada;

(c) the purchaser has been provided the opportunity to receive a copy of the Master Trust Indenture and each of the Supplemental Indentures;

(d) the purchaser has reviewed and acknowledges the terms referred to below under the section entitled "Restrictions on Resale";

(e) it is basing its investment decision solely on this confidential shelf offering memorandum and not on any other information or statement concerning the Issuer or any Offering and it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Senior Notes;

(f) it has been independently advised as to restrictions with respect to trading in the Senior Notes imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of the Issuer or an Agent with respect thereto, acknowledges that it is aware of the characteristics of the Senior Notes, the risks relating to an investment in the Senior Notes and of the fact that it may not be able to resell the Senior Notes except in accordance with limited exemptions under applicable securities legislation and regulatory policy and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Senior Notes will bear a legend indicating that the resale of such Senior Notes is restricted; the purchaser further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of the resale restrictions applicable to it and has reviewed and acknowledges the terms referred to under the heading "Restrictions on Resale"; and the purchaser further acknowledges that if it resells the Senior

Notes in compliance with applicable law it will give notice to the subsequent transferee during the restricted period noted under the heading "Restrictions on Resale" of such restrictions;

(g) it acknowledges the risks relating to an investment in the Senior Notes and it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Senior Notes, it and any accounts for which it is acting have the ability to bear the economic risks of the prospective investment and can afford the complete loss of such investment and it acknowledges that it and any accounts for which it is acting may be required to bear the financial risks of this investment for an indefinite period of time;

(h) it acknowledges that: (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Senior Notes; and (ii) there is no government or other insurance covering the Senior Notes;

(i) it acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Senior Notes, or refund any part or all of the purchase price of the Senior Notes, or that the Senior Notes will be listed on any exchange or quoted on any quotation and trade reporting system, or that any application has been or will be made to list the Senior Notes on any exchange or quote the notes on any quotation and trade reporting system, and no person has given any undertaking to such purchaser relating to the future value or price of the Senior Notes;

(j) none of the funds being used to purchase the Senior Notes are, to the best of the purchaser's knowledge, (i) proceeds obtained by or derived, directly or indirectly, as a result of illegal activities, or (ii) being tendered on behalf of a person or entity who has not been identified to the purchaser;

(k) the funds being used to purchase the Senior Notes and advanced by or on behalf of the purchaser to the Agents do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada);

(l) the purchaser is responsible to obtain independent investment, legal and tax advice with respect to its purchase of the Senior Notes and accordingly has had the opportunity to acquire an understanding of the transaction described in this confidential shelf offering memorandum and the meanings of all the terms contained herein relevant to such purchase for the purpose of giving acknowledgements, representations and agreements under this confidential shelf offering memorandum;

(m) it (i) is an "accredited investor" (as such term is defined in NI 45-106 and, in the case of a purchaser resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario)) that is not an individual, unless such individual is also a "permitted client" (as such term is defined in NI 31-103); (ii) is either (A) purchasing the Senior Notes as principal, (B) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation of a jurisdiction of Canada (other than a trust company or trust corporation registered solely under the laws of the Province of Prince Edward Island) or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be, or (C) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or foreign jurisdiction; and (iii) was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106;

(n) the purchaser has provided applicable certifications and/or other information or documentation to the Agents and the Issuer to evidence its status and criteria for compliance with the relevant category of "accredited investor," understands that the Agents and the Issuer may be required to verify that the purchaser satisfies such criteria, and that the purchaser may be required to provide additional information or documentation to the Agents and the Issuer to evidence such compliance;

(o) the purchaser, if resident in the Province of Québec, has agreed that all documents relating to such purchase be in English only, as more particularly described under the heading "Language of Documents". *L'acquéreur, s'il réside dans la Province de Québec, accepte que tous les documents liés à son acquisition soient en langue anglaise uniquement, tel qu'il est plus amplement décrit sous la rubrique «Langue des documents»*;

(p) it will execute, deliver and file such reports, undertakings and other documents relating to his, her or its purchase of the Senior Notes as may be required by applicable securities laws, regulations and rules, or assist the Issuer and the Agents, as applicable, in obtaining and filing such reports, undertakings and other documents;

(q) it is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act), none of the Senior Notes are being or will be acquired, directly or indirectly, for the account or benefit of a U.S. person, the purchaser was not offered any of the Senior Notes in the United States, the purchaser did not execute or deliver any agreement in connection herewith in the United States, and the purchaser is aware that the Senior Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and that the Senior Notes may not be offered or sold in the United States without registration under the U.S. Securities Act or except in compliance with the requirements of an exemption from registration;

(r) if the purchaser is acquiring any Senior Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the acknowledgements, representations and agreements contained herein on behalf of each such account;

(s) the offer and sale of the Senior Notes is conditional upon the offer and sale being exempt from the prospectus filing requirements of applicable securities law;

(t) the purchaser acknowledges that the Issuer may be required to disclose to applicable securities regulatory authorities the identity of the purchaser and any person with a beneficial interest in the Senior Notes;

(u) except for any rating reports that may have been issued by the applicable Rating Agencies, no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the Senior Notes;

(v) if the purchaser is:

(i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof;

(ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to purchase the Senior Notes and to make such representations and agreements as contemplated herein and has obtained all necessary approvals in respect thereof; or

(iii) an individual, he or she is of the full age of majority, is a "permitted client" as such term is defined in NI 31-103 and is legally competent to purchase the Senior Notes and to make such representations and agreements as contemplated herein;

(w) the purchaser is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not registered or required to be registered as a dealer, adviser or otherwise under the securities

laws of any province of Canada (unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Agents);

(x) it will, if requested by the Issuer or the Agent from whom the purchase confirmation is received, provide evidence of the basis of its above representations; and

(y) the Issuer, the Agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and it agrees that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Senior Notes are no longer accurate, it shall promptly notify the Issuer and the Agents for the applicable Offering of Senior Notes.

In addition, each purchaser of Senior Notes, by purchasing Senior Notes and accepting a purchase confirmation in respect thereof, represents to the Issuer and the Agents for the applicable Offering of Senior Notes that the purchaser:

(a) has been notified by the Issuer:

(i) that the Issuer is required to provide information pertaining to the purchaser of Senior Notes required to be disclosed in Schedule 1 of Form 45-106F1 under NI 45-l06 (including its name, address, telephone number and the number and value of securities purchased), which Form 45-106F1 the Issuer is required to file under NI 45-106;

(ii) that such personal information will be delivered to the applicable Canadian securities regulatory authorities (the "**Commissions**") in accordance with NI 45-106;

(iii) that such personal information is being collected indirectly by the applicable Commission under the authority granted to it in securities legislation;

(iv) that such personal information is being collected for the purposes of the administration and enforcement of securities legislation; and

(v) that the public official in the provinces of Canada who can answer questions about the indirect collection of such personal information is set out in Schedule A of this confidential shelf offering memorandum, and

(b) has authorized the indirect collection of the personal information by the applicable Commission.

By purchasing Senior Notes, the purchaser also acknowledges that its name and other specified information, including the number of Senior Notes it has purchased, may be disclosed to other Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws and consents to the disclosure of that information. Furthermore, by purchasing the Senior Notes, the purchaser acknowledges that certain information as to its status as an "accredited investor" that the purchaser may have provided to any Agent involved in the trade may be required to be delivered by such Agent to the Issuer under the terms of an Agency Agreement between the Issuer, OPG and the Agents referred to under "Plan of Distribution". By purchasing the Senior Notes, the purchaser consents to the disclosure of such information.

LANGUAGE OF DOCUMENTS

Upon receipt of this confidential shelf offering memorandum, each purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Senior Notes described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *En recevant le présent document, chaque acquéreur confirme par les présentes qu'il a expressément demandé que tous les documents qui attestent la vente des débentures décrites dans les présentes ou qui s'y rapportent de quelque manière que ce soit (y compris, plus particulièrement, une confirmation d'achat ou un avis) soient rédigés en langue anglais seulement.*

RESTRICTIONS ON RESALE

The distribution of the Senior Notes in the provinces of Canada is being made on a private placement basis and is therefore exempt from the requirement that the Issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Senior Notes must be made: (a) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirements of applicable provincial securities laws; and (b) in accordance with, or pursuant to an exemption from, the prospectus requirements of applicable provincial securities laws. These resale restrictions may in some circumstances apply to resales made outside of Canada. Purchasers are advised to seek legal advice prior to any resale of the Senior Notes.

Purchasers are advised that the Issuer does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Senior Notes to the public in any province of Canada in connection with any Offering.

Furthermore, each purchaser of Senior Notes, by its purchase thereof, will be deemed to have represented, acknowledged or confirmed, as the case may be, to the Issuer and any dealer who is involved in the sale of the Senior Notes to such purchaser that such purchaser understands that the Senior Notes are subject to transfer and resale restrictions in Canada and that the certificates representing the Senior Notes (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this document) will bear or will notify the purchaser of the following legend:

> "EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 — RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.
>
> IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

The Issuer is not and does not intend to become a reporting issuer.

There is currently no secondary market for the Senior Notes. There can be no assurance that a secondary market will develop or, if a secondary market does develop, that it will provide holders of such Series of Senior Notes with liquidity for their investment or that it will continue for the life of such Senior Notes. Accordingly, purchasers of the Senior Notes may be required to bear the financial risk of investing in the Senior Notes until the maturity date.

REPORTING REQUIREMENTS

The Issuer is not a reporting issuer or the equivalent thereof under the securities legislation in any jurisdiction. Accordingly, the Issuer is not subject to the continuous reporting and disclosure requirements prescribed by such securities legislation. Therefore, there is no requirement that the Issuer comply with such requirements, including, without limitation, the requirements to provide prompt notification of material changes by way of press releases, to formally file disclosure documents with applicable securities regulatory authorities or to prepare and file annual audited financial statements or quarterly unaudited financial statements. However, the Issuer will provide audited annual financial statements and unaudited quarterly financial statements in accordance with the terms of the Master Trust Indenture. See *"Capital Markets Platform — Covenants of the Issuer — Financial Statements; Statement as to Compliance"*.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages where an offering memorandum or any amendment to it, and in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limit prescribed, and are subject to the defences contained, in the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages available to purchasers of the Senior Notes.

Rights for Purchasers in Ontario

Section 5.2 of Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this confidential shelf offering memorandum, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in section 73.3 of the *Securities Act* (Ontario) or a predecessor exemption to section 73.3 of the *Securities Act* (Ontario) the right of action referred to in section 130.1 of the *Securities Act* (Ontario) ("**Section 130.1**") is applicable, unless the prospective purchaser is:

(a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act;

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(e) a subsidiary of any person referred to in paragraphs (a), (b), (c) or (d), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1(1) provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the Issuer of securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a "misrepresentation". The term "misrepresentation" is defined to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on section 73.3 of the *Securities Act* (Ontario), and this document contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Issuer will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons and companies referred to above is joint and several. The Issuer, however, shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the Issuer, unless the misrepresentation, (a) was based on information that was previously publicly disclosed by the Issuer, (b) was a misrepresentation at the time of its previous public disclosure and (c) was not subsequently publicly corrected or superseded by the Issuer prior to the completion of the distribution of the securities being distributed.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the *Securities Act* (Ontario) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that where an offering memorandum (such as this confidential shelf offering memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the Issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the Issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and trustee of the Issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the Issuer or selling security holder, it will have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of

an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case will the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or

(b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

The liability of all persons and companies referred to above is joint and several.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, subject to certain limitations and defences, where an individual makes a verbal statement to a purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Financial and Consumer Affairs Authority of Saskatchewan.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action will be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

(i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

This summary is subject to the express provisions of the Saskatchewan Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Nova Scotia

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia). Section 138 provides, in the relevant part, that in the event that this confidential shelf offering memorandum (which shall for the purposes hereof be considered to include any document or record incorporated or deemed to be incorporated by reference herein), together with any amendments hereto (which shall for the purposes hereof be considered to include any document or record incorporated or deemed to be incorporated by reference therein), or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "misrepresentation"), a purchaser of Senior Notes is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the Issuer, its trustees, any person who signed this confidential shelf offering memorandum, any selling security holder and the directors of any such selling security holder at the date of this confidential shelf offering memorandum or, alternatively, while still the owner of the Senior Notes, may elect instead to exercise a statutory right of rescission against the Issuer, in which case the purchaser will have no right of action for damages against any person listed above, including the Issuer, provided that, among other limitations:

(a) no action may be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia under Section 138 later than 120 days after the date payment was made for the Senior Notes (or after the date on which initial payment was made for the Senior Notes where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);

(b) no person will be liable if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(c) no person or company, other than the Issuer, is liable under Section 138 if the person or company proves that:

(i) this confidential shelf offering memorandum, or any amendment hereto, was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(ii) after delivery of this confidential shelf offering memorandum, or the amendment hereto, and before the purchase of the Senior Notes by the purchaser, on becoming aware of any

misrepresentation in this confidential shelf offering memorandum, or the amendment hereto, or any record incorporated or deemed incorporated by reference herein, the person or company withdrew the person's or company's consent to this confidential shelf offering memorandum, or amendment hereto, or such record, and gave reasonable general notice of the withdrawal and the reason for it; or

(iii) with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed to be incorporated by reference herein, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this confidential shelf offering memorandum, or amendment hereto, or such record, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;

(d) no person or company, other than the Issuer, is liable under Section 138 with respect to any part of this confidential shelf offering memorandum, or amendment hereto, or any record incorporated or deemed incorporated by reference herein, not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation; and

(f) in no case will the amount recoverable under Section 138 in any action exceed the price at which the Senior Notes were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

The foregoing statutory right of action for rescission or damages conferred by Section 138 of the *Securities Act* (Nova Scotia) is in addition to and without derogation from any other right or remedy available at law or otherwise to the purchaser. This summary is subject to the express provisions of the *Securities Act* (Nova Scotia) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions may have at law.

Rights for Purchasers in New Brunswick

Section 2.1 of New Brunswick Securities Commission Rule 45-802 provides that the statutory rights of action in rescission or damages referred to in Section 150 of the *Securities Act* (New Brunswick) ("**Section 150**") apply to information relating to an offering memorandum, such as this confidential shelf offering memorandum, that is provided to a purchaser of securities in connection with a distribution made in reliance on the "accredited investor" prospectus exemption in Section 2.3 of NI 45-106. Section 150 provides investors who purchase securities offered for sale in reliance on an exemption from the prospectus requirements of the *Securities Act* (New Brunswick) with a statutory right of action for damages against (i) the Issuer; (ii) the selling security holder on whose behalf the distribution was made; (iii) every person who was a director of the Issuer as at the date of the offering memorandum; and (iv) every person who signed the offering memorandum in the event that an offering memorandum provided to such investor contains a "misrepresentation". Alternatively, if the investor purchased the securities from a person referred to in (i) or (ii) above, an investor may elect a right of rescission, in which case the investor shall have no right of action for damages. "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Where this confidential shelf offering memorandum is delivered to a prospective purchaser of Senior Notes in connection with a trade made in reliance on Section 2.3 of NI 45-106, and this document (including any documentation incorporated or deemed to be incorporated by reference) contains a misrepresentation, a purchaser who purchases the securities will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Issuer for damages or, while still the owner of Senior Notes, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The right of action for rescission will be exercisable by the purchaser only if the purchaser commences the action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action.

No person other than the Issuer or the selling security holder is liable under Section 150 if the person proves that:

(a) the offering memorandum was delivered to the purchaser without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Issuer that it was delivered without the person's knowledge or consent;

(b) upon becoming aware of a misrepresentation in the offering memorandum the person withdrew the person's consent to the offering memorandum and gave written notice to the Issuer of the withdrawal and the reason for the withdrawal; or

(c) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe there had been a misrepresentation or that the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert.

In addition, no person other than the Issuer or the selling security holder is liable under Section 150 with respect to any part of an offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless (i) the person failed to conduct such reasonable investigations as to provide reasonable grounds for a belief that there had been no misrepresentation or (ii) the person believed that there had been misrepresentation.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Senior Notes were offered.

The liability of all persons referred to above is joint and several.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Securities Act (New Brunswick) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Prince Edward Island

The right of action for rescission or damages described herein is conferred by Section 112 of the *Securities Act* (Prince Edward Island). Section 112 provides, that in the event that this confidential shelf offering memorandum contains a "misrepresentation", a purchaser who purchased the Senior Notes during the period of distribution, without regard to whether the purchaser relied upon such misrepresentation, has a statutory right of action for damages against the Issuer, the selling security holder on whose behalf the distribution was made, every trustee of the Issuer as at the date of the confidential shelf offering memorandum, and every person who signed the confidential shelf offering memorandum. Alternatively, the purchaser while still the owner of the Senior Notes may elect to exercise a statutory right of action for rescission against the Issuer or the selling security holder on whose behalf the distribution is made. "Misrepresentation" means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated by the *Securities Act* (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made. Statutory rights of action for rescission or damages by a purchaser are subject to the following limitations:

(a) no action will be commenced to enforce the right of action for rescission by a purchaser, resident in Prince Edward Island, later than 180 days after the date of the transaction that gave rise to the cause of action;

(b) in the case of any action other than an action for rescission, the earlier of;

  (i) 180 days after the purchaser first had knowledge of the facts given rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action;

(c) no person will be liable if the person proves that the purchaser purchased the security with knowledge of the misrepresentation;

(d) no person other than the Issuer and selling security holder will be liable if the person proves that:

  (i) the confidential shelf offering memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Issuer that it had been sent without the knowledge and consent of the person;

  (ii) the person, on becoming aware of the misrepresentation in the confidential shelf offering memorandum, had withdrawn the person's consent to the confidential shelf offering memorandum and had given reasonable notice to the Issuer of the withdrawal and the reason for it; or

  (iii) with respect to any part of the confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that:

    (A) there had been a misrepresentation; or

    (B) the relevant part of the confidential shelf offering memorandum:

      a. did not fairly represent the report, statement or opinion of the expert, or

      b. was not a fair copy of, or an extract from, the report, statement, or opinion of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act* (Prince Edward Island) for a complete listing.

If the purchaser elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Senior Notes were offered to the purchaser.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express conditions of the *Securities Act* (Prince Edward Island) and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Manitoba

Pursuant to section 141.1(1) of *The Securities Act* (Manitoba) (the "**Manitoba Act**"), where this confidential shelf offering memorandum, or any amendment to this confidential shelf offering memorandum, is sent or delivered to a purchaser in the Province of Manitoba and such document contains a misrepresentation, a purchaser who purchases Senior Notes offered by this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase and, subject to the defenses described in the Manitoba Act, has:

(a) a right of action for damages against:

(i) the Issuer;

(ii) each of its trustees at the date of this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(iii) every person or company who signed this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum; and

(b) while still an owner of the Senior Notes, a right of rescission against the Issuer;

provided that:

(c) no person or company is liable if the person or company proves that the purchaser purchased the Senior Notes with knowledge of the misrepresentation;

(d) in an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Senior Notes resulting from the misrepresentation relied on; and

(e) in no case will the amount recovered exceed the price at which the Senior Notes were offered to the public.

Where a purchaser elects to exercise a right of rescission against the Issuer, the purchaser will have no right of action for damages against the Issuer or against a person or company referred to in (a)(ii) or (iii) above.

No person or company other than the Issuer is liable:

(a) if the person or company proves that this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum was sent without the person's or company's knowledge or consent and that, after becoming aware of its being sent, the person or company promptly gave reasonable notice to the Issuer that it was so sent;

(b) if the person or company proves that after becoming aware of any misrepresentation in this confidential shelf offering memorandum or any amendment to this confidential shelf offering memorandum, the person or company withdrew the person's or company's consent to it and gave reasonable notice to the Issuer of the person's or company's withdrawal and the reason for it;

(c) if the person or company proves that with respect to any part of this confidential shelf offering memorandum or of any amendment to this confidential shelf offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

(i) there had been a misrepresentation; or

(ii) the relevant part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum:

(A) did not fairly represent the report, opinion or statement of the expert; or

(B) was not a fair copy of or extract from the report, opinion or statement of the expert; or

(d) with respect to any part of this confidential shelf offering memorandum or of the amendment to this confidential shelf offering memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, the expert's report, opinion or statement, unless the person or company:

(i) did not conduct an investigation, sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed that there had been a misrepresentation.

Pursuant to section 141.4 of the Manitoba Act, but subject to the other provisions thereof, no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of an action for damages, the earlier of:

(i) 180 days after the date that the plaintiff first had knowledge of the facts giving rise to the cause of action, or

(ii) two years after the date of the transaction that gave rise to the cause of action.

In an action for damages, the Issuer will not be liable for all or any part of the damages that the Issuer proves do not represent the depreciation in value of the Senior Notes as a result of the misrepresentation relied upon.

The rights of action for rescission or damages under the Manitoba Act are in addition to and do not derogate from any other right that the purchaser may have at law.

This summary is subject to the express provisions of the Manitoba Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.

Rights for Purchasers in Alberta, British Columbia, Newfoundland and Labrador and Québec

By purchasing Senior Notes hereunder, purchasers in Alberta, British Columbia, Newfoundland and Labrador and Québec not entitled to the statutory rights described above, in consideration of their purchase of Senior Notes and upon accepting a purchase confirmation in respect thereof, are hereby granted a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase Senior Notes.

General

The foregoing summaries are subject to the express provisions of the applicable securities law of each jurisdiction, and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described in this confidential shelf offering memorandum are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

INDENTURE TRUSTEE

The Indenture Trustee, BNY Trust Company of Canada, will be the registrar for the Senior Notes, and the register for the transfer of Senior Notes will be kept at its principal office in Toronto, Ontario.

LEGAL MATTERS

Certain Canadian legal matters in connection with the offering of Senior Notes will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

GLOSSARY

The following glossary contains definitions of certain terms that are used throughout this confidential shelf offering memorandum.

"**Acceleration**" means, with respect to a Funding Obligation, (a) a portion of the principal amount owing in respect of the Funding Obligation has become due and payable by a Financing Entity before the scheduled payment date, maturity date or redemption date, or (b) a party to a derivative agreement in respect of the Funding Obligation has elected to close-out or terminate the agreement, resulting in an obligation on a Financing Entity to pay a termination amount, close-out amount or similar amount.

"**Acceleration Event**" means the acceleration of any Series of Controlling Class Obligations pursuant to and in accordance with its Funding Obligation Agreement.

"**Act**" means the *Ontario Fair Hydro Plan Act, 2017*.

"**Adherence Compliance Certificate**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Adverse Effect**" has the meaning set out under *"Capital Markets Platform — Conditions Precedent to Incurrence of Obligations Secured — Issuer Funding Obligations"*.

"**Agency Agreement**" has the meaning set out under *"Plan of Distribution"*.

"**Agents**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Approved Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Available Collections**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Borrowing**" means a borrowing or drawing by the Issuer pursuant to a liquidity agreement, a loan agreement or a credit enhancement agreement.

"**Canadian Insolvency and Restructuring Laws**" has the meaning set out under *"Risk Factors — Risks Associated with the Unusual Nature of the Investment Asset"*.

"**Carrying Costs**" has the meaning ascribed to the term "carrying costs" in the Regulations.

"**CDS**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Certified Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Change of Law Protection Agreement**" means the change of law protection agreement dated as of December 21, 2017 among the Province, the Issuer and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Class**" has the meaning set out under *"Capital Markets Platform — Subordination Provisions"*.

"**Clean Energy Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Clean Energy Benefits**" means the value of the benefits determined to be derived by or accruing to Specified Consumers as a result of the Clean Energy Initiative, including as a result of Clean Energy Costs.

"**Clean Energy Costs**" means the value of the costs allocated to Specified Consumers as a result of the Clean Energy Initiative, including as a result of past, present and expected costs incurred in respect of

(a) the amounts to be paid or reflected by the IESO in adjustments made under section 25.33 of the *Electricity Act, 1998* (Ontario) or any provision that is the successor to that provision, which relate to contracts or amounts for

(i) renewable energy generation or capacity;

(ii) conservation and demand management;

(iii) energy storage;

(iv) energy efficiency; and

(v) natural gas generation and capacity, excluding contracts relating to amounts payable by the IESO under section 78.2 of the *Ontario Energy Board Act, 1998* and excluding such other contracts as may be prescribed;

(b) payments made or expected to be made under section 78.5 of the *Ontario Energy Board Act, 1998*; and

(c) such other costs or estimated costs as may be prescribed by the Regulations.

"**Clean Energy Initiative**" means the policies of the Ontario government related to

(a) eliminating coal generation and fostering the growth of and investment in clean, modern and reliable energy sources and technologies;

(b) removing barriers to and promoting opportunities for clean and renewable energy sources and technologies;

(c) promoting conservation, demand management and energy efficiency; and

(d) investing in energy infrastructure to ensure a clean, modern and reliable system.

"**Clearstream, Luxembourg**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Collateral**" has the meaning set out under *"Capital Markets Platform — Security"*.

"**Collection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Collection Account"*.

"**Collection Account Waterfall**" has the meaning set out under *"Capital Markets Platform — Payment Waterfalls Prior to Acceleration — Collection Account"*.

"**Commission**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**Confidential Information**" has the meaning set out under *"Confidentiality"*.

"**Controlling Class Creditors**" means the Debtholders holding Controlling Class Obligations.

"**Controlling Class Obligations**" means: (a) Senior Funding Obligations until such time as all Senior Funding Obligations have been paid in full; then (b) if all Senior Funding Obligations have been paid in full, Subordinated Funding Obligations until such time as all Subordinated Funding Obligations have been paid in full; and finally (c) if all Senior Funding Obligations and Subordinated Funding Obligations have been paid in full, Junior Subordinated Funding Obligations until such time as all Junior Subordinated Funding Obligations have been paid in full.

"**Co-Owner Agreement**" means any agreement between, *inter alia*, the Issuer and any other owner or owners of an Investment Interest as contemplated by the FHPA.

"**Crown**" means Her Majesty the Queen in Right of Ontario.

"**DBRS**" means DBRS Limited and its successors.

"**Debtholder**" means a Noteholder or a Lender.

"**Debtholder Group**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Declaration of Trust**" means the declaration of trust made as of December 20, 2017 under which the Issuer was established, as amended, supplemented, restated or otherwise modified from time to time.

"**Default**" means the occurrence of any event which, after the passage of time, the required notification to the Indenture Trustee and, if required, approval by the required Controlling Class Creditors, would become an Event of Default.

"**depository**" has the meaning set out under *"Depository Services"*.

"**Derivative Counterparty**" means any party to any derivative agreement other than the Issuer or the Indenture Trustee.

"**Derivative Funding Obligations**" means Funding Obligations arising under, or in connection with, derivative agreements.

"**DTC**" has the meaning set out under *"Depository Services . — DTC, Euroclear and Clearstream, Luxembourg"*.

"**Electricity Vendor**" means

(a) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to own or operate a "distribution system" within the meaning of that Act;

(b) a person licensed under Part V of the *Ontario Energy Board Act, 1998* to retail electricity;

(c) the IESO in circumstances where it directly invoices a Specified Consumer for electricity used in Ontario; or

(d) such other person as may be prescribed by the Regulations.

"**Eligible Deposit Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Eligible Institution**" means (a) a trust company or Schedule I chartered bank (or an affiliate thereof) incorporated under the laws of Canada or any province thereof (i) which has either (x) a long-term unsecured debt rating of "A" or better by DBRS, or (y) a short-term deposit rating of "R-1 (low)" or better by DBRS, and (ii) which has either (x) a long-term unsecured debt rating of "A2" or better by Moody's, or (y) a short-term deposit rating of "P-1" or better by Moody's, or (b) any institution that otherwise satisfies the Rating Agency Condition.

"**Eligible Investments**" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, Canada or the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, bank deposit products of or bankers' acceptances issued by, any depository institution (including, but not limited to, bank deposit products of the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America, Canada or any state or province thereof and subject to supervision and examination by applicable banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit, rated at least "R-1 (low)" and "P 1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity), which at the time of purchase is rated at least "R-1 (low)" and "P-1" by each of DBRS and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Issuer or any of the Issuer Funding Obligations;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from DBRS and Moody's;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America, Canada or their respective agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under the *Securities Act* (Ontario) (any such broker/dealer being referred to in this definition as a "**broker/dealer**"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "R-1" by DBRS at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; and

(g) any other investment permitted by each of the Rating Agencies;

in each case maturing not later than the business day preceding the next Payment Date, Interest Payment Date or Principal Payment Date, as applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing, no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has (x) either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A2" from Moody's and also has (y) either a short-term unsecured debt rating of at least "R-1 (low)" from DBRS or a long-term unsecured debt rating of at least "A" from DBRS.

"**Eligible Securities Account**" has the meaning set out under "*Capital Markets Platform — Security — Issuer Accounts*".

"**Euroclear**" has the meaning set out under "*Depository Services . — DTC, Euroclear and Clearstream, Luxembourg*".

"**Event of Default**" has the meaning set out under *"Capital Markets Platform — Event of Default"*.

"**Extraordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Fair Adjustment**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Fair Allocation Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Fair Allocation Amount and Financing Plan"*.

"**FHPA**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Finance Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Financial Services Manager**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Entity**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Financing Plan**" means the written plan entitled "Financing Plan" prepared by the Financial Services Manager as required under the FHPA to be used by the Financial Services Manager to evaluate whether potential Funding Obligations should be incurred for the purposes of a Financing Entity acquiring and financing an Investment Interest in accordance with the FHPA or for the purposes of a Refinancing, and includes any amendments thereto.

"**Funding Obligations**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Funding Obligation Agreement**" means any Note, any Supplemental Indenture (including any Terms Document), any liquidity agreement, any liquidity agreement, any credit enhancement agreement or any derivative agreement.

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

"**HOEP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices"*.

"**IESO**" means the Independent Electricity System Operator.

"**IESO Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — IESO Cash Reserve Account"*.

"**IESO Cash Reserve Deposit Amount**" means an amount equal to the aggregate of:

(a) 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations determined as of the Payment Date occurring in April, 2021; and

(b) an amount estimated by the Manager, acting reasonably, as the amount of Carrying Costs payable by the Issuer during May, June and July, 2021 on outstanding Issuer Funding Obligations and any Issuer Funding Obligations to be issued in accordance with the Financing Plan, provided that such estimate satisfies the Rating Agency Condition.

"**IESO Cash Reserve Required Amount**" means, on any Payment Date on or after the Payment Date in November, 2021, the amount, if any, by which (a) an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations,

exceeds (b) the amount on deposit in the Program Cash Reserve Account, determined after giving effect to all settlements on such Payment Date.

"**IESO Security Agreement**" means the security agreement made by the IESO in favour of the Issuer to secure its obligations to pay the Issuer's Carrying Costs pursuant to the Master Transfer and Servicing Agreement.

"**Indemnity Agreement**" means the Indemnity Agreement dated December 21, 2017 by OPG in favour of the Indenture Trustee.

"**Indenture**" means the Master Trust Indenture, as supplemented by any Supplemental Indenture.

"**Indenture Trustee**" means BNY Trust Company of Canada and its successors.

"**Interest Accrual Amount (Junior Subordinated)**" means, in respect of any Payment Date and all Junior Subordinated Funding Obligations, the amount of interest that accrued on such Junior Subordinated Funding Obligations during the period from and including the issuance date of such Junior Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Junior Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Senior)**" means, in respect of any Payment Date and all Senior Funding Obligations, the amount of interest that accrued on such Senior Funding Obligations during the period from and including the issuance date of such Senior Funding Obligations or the last date to which interest has been paid in respect of such Senior Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accrual Amount (Subordinated)**" means, in respect of any Payment Date and all Subordinated Funding Obligations, the amount of interest that accrued on such Subordinated Funding Obligations during the period from and including the issuance date of such Subordinated Funding Obligations or the last date to which interest has been paid in respect of such Subordinated Funding Obligations, as applicable, to such Payment Date less any amounts deposited to the Interest Accumulation Account in respect of such interest accruing during such period pursuant to the Collection Account Waterfall and the payment waterfall applicable to the IESO Cash Reserve Account.

"**Interest Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Interest Accumulation Account"*.

"**Interest Payment Date**" means each business day on which interest is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Investment Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investment Interest**" has the meaning set out under *"Ontario's Fair Hydro Plan — Investment Interest"*.

"**Investor Presentation**" has the meaning set out on page (iii) of this confidential shelf offering memorandum.

"**Issuer**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Issuer Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts"*.

"**Issuer Funding Obligation**" means Funding Obligations of the Issuer.

"**Issuer Trustee**" means Computershare Trust Company of Canada.

"**Junior Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Junior Subordinated" in the related Funding Obligation Agreement.

"**Junior Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**LDCs**" has the meaning set out under *"The Electricity Industry in Ontario"*.

"**Lender**" means any Person providing credit facilities, note purchase facilities or advances under a liquidity agreement, liquidity agreement or credit enhancement agreement, as applicable.

"**Limited Guarantee**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Management Agreement**" means the management agreement dated as of December 20, 2017 between the Manager and the Issuer, and acknowledged by the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Manager**" means OPG, as manager of the Issuer appointed under the Management Agreement.

"**Manitoba Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Manitoba"*.

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

"**Master Transfer and Servicing Agreement**" means the master transfer and servicing agreement dated as of December 21, 2017 between the Issuer and the IESO, as amended, supplemented, restated or otherwise modified from time to time.

"**Master Trust Indenture**" means the trust indenture dated as of December 21, 2017 between the Issuer, as issuer, and the Indenture Trustee, as amended, supplemented, restated or otherwise modified from time to time.

"**Material Effect**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moratorium Period**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**MTSA Acknowledgement**" means the acknowledgement and indemnity agreement dated December 21, 2017 by the IESO in favour of the Indenture Trustee.

"**NI 31-103**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**NI 45-106**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Non-Investment Grade Rated Electricity Vendor**" has the meaning set out under *"The Transferor and Servicer"*.

"**Note**" means any note of any Class, Series or Tranche created pursuant to a Supplemental Indenture and authenticated and delivered from time to time under the Master Trust Indenture.

"**Noteholders**" means a Person in whose name a Note is registered in the Note register or the bearer of any Note held in bearer form (including a global note in bearer form), as the case may be.

"**Obligations Secured**" means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Issuer to the Specified Creditors in their

capacity as such. For greater certainty, amounts owing to any Specified Creditors by the Issuer at any time shall include (a) the unpaid face amount of any Notes issued on a discount basis; (b) the principal amount owing at such time, together with the accrued and unpaid interest on interest bearing Notes or Borrowings; (c) accrued fees, whether or not then due and payable; and (d) any evidence of indebtedness issued pursuant to or in respect of an amount owing under a Program Agreement (other than amounts payable by the Issuer to its beneficiaries pursuant to the Declaration of Trust or a promissory note issued by the Issuer to a beneficiary as contemplated in the Declaration of Trust).

"**OEB**" means the Ontario Energy Board.

"**Offering**" has the meaning set out on page (ii) of this confidential shelf offering memorandum.

"**Offering Jurisdiction**" has the meaning set out under *"Representations and Agreements of Purchasers"*.

"**OPA**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO*.

"**OPG**" means Ontario Power Generation Inc.

"**Ordinary Resolution**" has the meaning set out under *"Capital Markets Platform — Debtholder Approvals and Meetings — Debtholder Meetings"*.

"**Participants**" has the meaning set out under *"Depository Services"*.

"**Paying Agent**" means any Person authorized by the Issuer to pay any Obligations Secured on behalf of the Issuer.

"**Payment Date**" means the 15th day of each calendar month or, if such day is not a business day, the next business day.

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

"**Post-Suspension Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Pre-Approved Refinancing**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Predecessor IESO**" has the meaning set out under *"The Electricity Industry in Ontario — Key Industry Participants — The IESO"*.

"**Primary Obligation**" has the meaning set out under *"Change of Law Protection Agreement — Approved Obligations & Adherence Conditions"*.

"**Principal Accumulation Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Principal Accumulation Account"*.

"**Principal Accumulation Amount**" means, in respect of any Series of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations and a Payment Date, the amount specified for such Payment Date in the related Funding Obligation Agreement plus any amounts specified in the related Funding Obligation Agreement in respect of prior Payment Dates which were not deposited to the Principal Accumulation Account; provided that if the Issuer has delivered a refinancing notice in respect of such Series, the Principal Accumulation Amounts in respect of such Series shall be adjusted as provided for in such refinancing notice.

"**Principal Accumulation Date**" means, in respect of any Series of Issuer Funding Obligations, other than Derivative Funding Obligations, the date, if any, specified in the related Funding Obligation Agreement.

"**Principal Payment Date**" means each business day on which principal is due and payable in respect of Senior Funding Obligations, Subordinated Funding Obligations or Junior Subordinated Funding Obligations, as set out in the related Funding Obligation Agreement.

"**Principal Payment Default Date**" has, with respect to any Issuer Funding Obligation, the meaning specified in the related Funding Obligation Agreement.

"**Program Account**" means each of the Collection Account, the Principal Accumulation Account, the Interest Accumulation Account, the Program Cash Reserve Account, the IESO Cash Reserve Account, the Refinancing Account and the Protection Account.

"**Program Agreements**" means the Master Trust Indenture, each Supplemental Indenture, the Declaration of Trust, the Management Agreement, the Master Transfer and Servicing Agreement, the MTSA Acknowledgement, the Indemnity Agreement, each transfer notice delivered under the Master Transfer and Servicing Agreement, any Co-Owner Agreements, the IESO Security Agreement, the Change of Law Protection Agreement, the Notes, any derivative agreements, credit enhancement agreements, liquidity agreements, loan agreements, underwriting agreements, agency agreements or note purchase agreements and all other documents and certificates delivered in connection therewith.

"**Program Cash Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Program Cash Reserve Account"*.

"**Program Cash Reserve Required Amount**" means (a) on each Payment Date prior to the Payment Date in May, 2021, nil, and (b) on each Payment Date thereafter, an amount equal to 0.50% of the aggregate outstanding principal amount of the Senior Funding Obligations, Subordinated Funding Obligations and Junior Subordinated Funding Obligations after giving effect to all settlements on such Payment Date, or such lesser amount proposed by the Manager that satisfies the Rating Agency Condition.

"**Protection Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Protection Account"*.

"**Protection Event**" has the meaning set out under *"Change of Law Protection Agreement — Protection Event"*.

"**Rating Agency**" means, with respect to any Issuer Funding Obligation, each nationally recognized statistical rating organization or designated rating organization, as specified in the related Funding Obligation Agreement, selected by the Manager to rate such Issuer Funding Obligation.

"**Rating Agency Condition**" has the meaning set out under *"Rating Agency Condition"*.

"**Reference Period**" means:

(a) the period beginning on July 1, 2017 and ending on October 31, 2017; and

(b) during the period beginning on November 1, 2017 and ending on either April 30, 2047 or such later day as may be prescribed by the Regulations

(i) every six-month period following the period mentioned in (a);

(ii) any period shorter than six months, as may be prescribed by the Regulations.

"**Refinancing**" has the meaning ascribed to the term "refinancing" in the FHPA.

"**Refinancing Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Program Accounts — Refinancing Account"*.

"**Regulated Price Plan**" or "**RPP**" has the meaning set out under *"The Electricity Industry in Ontario — Electricity Prices*.

"**Regulations**" means the regulations promulgated under the FHPA.

"**Regulatory Asset**" has the meaning set out under *"Ontario's Fair Hydro Plan — Regulatory Asset"*.

"**Required Principal Accumulation Amount (Senior)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Senior Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Senior Funding Obligations on or prior to such Principal Payment Date.

"**Required Principal Accumulation Amount (Subordinated)**" means, in respect of any Principal Payment Date, the aggregate of the Principal Accumulation Amounts in respect of all Subordinated Funding Obligations for all Payment Dates up to and including such Principal Payment Date, less all amounts that have been applied to principal repayments of Subordinated Funding Obligations on or prior to such Principal Payment Date.

"**Saskatchewan Act**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Saskatchewan"*.

"**Section 130.1**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in Ontario"*.

"**Section 150**" has the meaning set out under *"Statutory Rights of Action — Rights for Purchasers in New Brunswick"*.

"**Securities Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Securities Account"*.

"**Senior Funding Obligation**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Senior" in the related Funding Obligation Agreement.

"**Senior Notes**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Senior Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Series**" means, with respect to any Class of Issuer Funding Obligations, the Series of the Class specified in the related Funding Obligation Agreement.

"**Series Account**" means each Series Finance Reserve Account and each Series Capital Reserve Account.

"**Series Capital Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Capital Reserve Account"*.

"**Series Finance Reserve Account**" has the meaning set out under *"Capital Markets Platform — Security — Issuer Accounts — Series Accounts — Series Finance Reserve Account"*.

"**Servicer**" means the IESO, as servicer under the Master Transfer and Servicing Agreement.

"**Servicer Default**" means:

(a) any failure by the Servicer to remit to the Collection Account any required remittance that shall continue unremedied for a period of three business days after written notice of such failure is received by the Servicer from the Issuer or after discovery of such failure by a responsible officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is the IESO, any failure on the part of the IESO, as the case may be, to duly observe or to perform in any respect any covenants or agreements of the Servicer or the IESO, as the case may be, set forth in the Master Transfer and Servicing Agreement or in any other Program Agreement to which it is a party (other than as provided in (a) above), which failure shall (i) materially and adversely affect the rights of the Specified Creditors and (ii) continue unremedied for a period of 30 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or the IESO, as the case may be, by the Issuer or (B) such failure is discovered by a responsible officer of the Servicer;

(c) any representation or warranty made by the Servicer in the Master Transfer and Servicing Agreement, any other Program Agreement to which it is a party, any transfer notice or any monthly servicer report shall prove to have been incorrect when made, which has a material adverse effect on the Issuer and which remains unremedied for a period of 30 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer by the Issuer or (ii) such failure is discovered by a responsible officer of the Servicer;

(d) an insolvency event occurs with respect to the Servicer or the IESO; or

(e) any additional "Servicer Default" as specified in any Co-Owner Agreement occurs.

"**Specified Claims**" has the meaning set out under *"Change of Law Protection Agreement"*.

"**Specified Consumer**" has the meaning set out under *"Ontario's Fair Hydro Plan — Background"*.

"**Specified Creditors**" means, collectively, Noteholders, Lenders, the Paying Agent, the Indenture Trustee, the Issuer Trustee, the Manager, the Servicer, the Province of Ontario, Derivative Counterparties, credit enhancers, Rating Agencies and counterparties to underwriting agreements, agency agreements or note purchase agreements, in each case, to the extent of their claims related to Program Agreements, and any other Person that is owed a payment obligation by the Issuer that gives rise to a Finance Amount in respect of the Issuer.

"**Subordinated Funding Obligations**" means Funding Obligations arising under, or in connection with, Notes and Borrowings that have been designated as "Subordinated" in the related Funding Obligation Agreement.

"**Subordinated Notes, Series 2017-1**" has the meaning set out under *"Short Term Indebtedness"*.

"**Supplemental Indenture**" means a supplemental indenture to the Master Trust Indenture between the Issuer and the Indenture Trustee.

"**Suspension Event**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Suspension Notice**" has the meaning set out under *"Change of Law Protection Agreement — Suspension Notice & Post-Suspension Refinancings"*.

"**Term Sheet**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Terms Document**" means, with respect to any Tranche of Notes, a supplement to the related Supplemental Indenture.

"**Tranche**" means, with respect to any Series of Notes, Notes of such Series which have identical terms, conditions and Tranche designation. Notes of a single Tranche may be issued on different dates.

"**Transfer**" has the meaning specified in the *Ontario Fair Hydro Plan Act, 2017*, and "**Transferred**" and "**Transferee**" shall have corresponding meanings.

"**True-up Amount**" has the meaning set out under *"Ontario's Fair Hydro Plan — Clean Energy Adjustment"*.

"**Unitholders**" has the meaning set out under *"The Issuer"*.

"**U.S. Securities Act**" has the meaning set out on the face page of this confidential shelf offering memorandum.

"**Warehouse Facilities**" has the meaning set out under *"Short Term Indebtedness"*.

"**Warehouse Obligations**" means Senior Funding Obligations incurred pursuant to a Funding Obligation Agreement that provide the Issuer with a revolving facility under which principal amounts can be advanced, repaid and again advanced during a committed revolving period and does not provide any other type of credit facility.

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SCHEDULE A – CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact regarding indirect collection of information: Director

EXHIBIT 1

INVESTOR PRESENTATION

(See attached.)

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January 22, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Capital Markets Platform" and "Description of Senior Notes" sections of the confidential shelf offering memorandum which contain a more detailed description of certain terms of the Series 2018-1 Senior Notes and the trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture (the "Series 2018-1 Senior Supplemental Indenture") pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *January 22, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE MAY 15, 2033, SERIES 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.	
Issue:	●% Senior Notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Senior Notes**").	
Expected Credit Ratings:	DBRS:	AAA(sf)
	Moody's:	Aa2(sf)
Principal Amount:	$●[(1)]	
Term:	15.25 years	
Launch Date:	●, 2018	
Pricing Date:	●, 2018	
Settlement Date:	●, 2018 (T+3)	
Interest Rate:	●% per annum (the "**Series 2018-1 Interest Rate**")	
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ●	
	+● bps (including a ● bps curve adjustment and +● bps delay adjustment), versus the CAN ●% due ● (priced at $● to yield ●%)	

(1) The Issuer may offer and sell Series 2018-1 Senior Notes having a principal amount greater than the amount shown above. In that event, the Principal Accumulation Amounts, the principal amounts of the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes and the use of proceeds amount will be increased proportionately.

Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-1 Senior Notes.
Agents Commission:	$● per $1,000 principal amount of Series 2018-1 Senior Notes sold (payable from existing cash resources of the Issuer)
Interest Payment Dates:	The Interest Payment Dates for the Series 2018-1 Senior Notes are as follows: (i) prior to the occurrence of an Amortization Event, interest on the Series 2018-1 Senior Notes shall be payable in equal semi-annual instalments (except the first interest payment) in arrears on May 15 and November 15 of each year, commencing May 15, 2018 (short first coupon); and (ii) following the occurrence of an Amortization Event, interest will be payable in arrears on the outstanding principal amount of the Series 2018-1 Senior Notes on each Payment Date thereafter at a rate equal to the monthly equivalent of the Series 2018-1 Interest Rate; that is, the interest rate that, when compounded monthly for six months on a stated outstanding principal amount, yields interest in an amount equal to the Series 2018-1 Interest Rate, multiplied by such outstanding principal amount and divided by two. The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first Interest Payment Date. Subject to the occurrence of an Acceleration Event, the first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes. If an Interest Payment Date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis. The record date for each Interest Payment Date is the last day of the calendar month preceding such Interest Payment Date. "**Amortization Event**" means either an Acceleration Event has occurred with respect to the Series 2018-1 Senior Notes, or the outstanding principal amount of the Series 2018-1 Senior Notes has not been paid in full on the Expected Principal Payment Date (as defined below). An "**Acceleration Event**" means either (i) all Issuer Funding Obligations are declared due and payable in accordance with the provisions of the Master Trust Indenture, or (ii) the outstanding principal amount of the Series 2018-1 Senior Notes and all interest thereon is declared due and payable in accordance with the Indenture as a result of the occurrence of a Series 2018-1 Event of Default (as defined below).
Principal Payment Dates and Principal Payment Amount:	Subject to the occurrence of an Acceleration Event, the outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on May 15, 2033 (such Payment Date, the "**Expected Principal Payment Date**"). Following the occurrence of an Amortization Event, each Payment Date thereafter shall be a Principal Payment Date in respect of the Series 2018-1 Senior Notes and the then outstanding principal amount of the Series 2018-1 Senior Notes shall be due and payable on each such Payment Date.
Principal Payment Default Date:	May 15, 2035

Principal Accumulation Amounts:	Subject to the occurrence of an Amortization Event, the Series 2018-1 Senior Notes shall have the Principal Accumulation Amounts for the Payment Dates specified in Appendix A hereto. Following the occurrence of an Amortization Event, the Principal Accumulation Amount with respect to each Payment Date thereafter shall be an amount equal to the outstanding principal amount of the Series 2018-1 Senior Notes.
Subordination:	Concurrent with the issuance of the Series 2018-1 Senior Notes, OPG will subscribe for (i) $● of ●% subordinated notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Subordinated Notes**"); and (ii) $● of ●% junior subordinated notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Junior Subordinated Notes**"). The Series 2018-1 Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations), and the Series 2018-1 Junior Subordinated Notes shall be subordinated to the Series 2018-1 Senior Notes (and all other Senior Funding Obligations) and the Series 2018-1 Subordinated Notes (and all other Subordinated Funding Obligations), in each case in the manner described in the confidential shelf offering memorandum under the heading "*Capital Markets Platform – Subordination Provisions*".
Optional Redemption:	The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption. "**Par Call Date**" means November 15, 2032. "**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third business day preceding the date of redemption, plus ●% per annum. "**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the Par Call Date (calculated from the date of redemption), such yield being the average of the yields provided by two major Canadian investment dealers specified by the Issuer.

Limited Recourse:	The Series 2018-1 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-1 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-1 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Series 2018-1 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under *"Change of Law Protection Agreement"*. The Series 2018-1 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under the heading *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.
Use of Proceeds:	The proceeds from the Series 2018-1 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement. See *"Consolidated Capitalization"*. Expenses of the Series 2018-1 Senior Notes Offering are to be paid from existing cash resources.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Change of Law Protection Agreement:	The Series 2018-1 Senior Notes are Approved Obligations under the Change of Law Protection Agreement.
Series 2018-1 Events of Default:	In addition to the Events of Default contained in the Master Trust Indenture and described in the confidential shelf offering memorandum, each of the following events constitute a "**Series 2018-1 Events of Default**": (a) failure to pay interest on the Series 2018-1 Senior Notes when due, subject to a 5-day cure period; (b) failure to pay principal on the Principal Payment Default Date for the Series 2018-1 Senior Notes; (c) breach of representation or warranty in the Series 2018-1 Senior Supplemental Indenture applicable to the Series 2018-1 Senior Notes, subject to materiality requirements and a 60-day cure period; (d) breach of a covenant in the Series 2018-1 Senior Supplemental Indenture, subject to materiality requirements and a 60-day cure period; and (e) an event occurs and as a result thereof, all or any portion of the principal amount of any other Senior Funding Obligation has been accelerated.

Acceleration upon a Series 2018-1 Event of Default:	Upon the occurrence of a Series 2018-1 Event of Default, the holders of Series 2018-1 Senior Notes may, by Ordinary Resolution, declare the outstanding principal and all accrued and unpaid interest on the Series 2018-1 Senior Notes to be immediately due and payable, whether or not all Issuer Funding Obligations have been accelerated pursuant to the Master Trust Indenture. For a discussion of the consequences of such declaration, see the confidential shelf offering memorandum under the headings "*Capital Markets Platform – Acceleration and Remedies*" and "*Risk Factors – If a Series of Senior Notes or all Senior Notes are accelerated, a holder of Senior Notes might receive payment of principal sooner or later than expected*".
Rating Agency Condition:	"**Rating Agency Condition**" means with respect to any action in respect of the Series 2018-1 Senior Notes subject to such condition, the Issuer shall deliver written notice of the proposed action to such Rating Agency or Rating Agencies at least 10 business days prior to the effective date of such action (or if 10 business days prior notice is impractical, such advance notice as is practicable) and (i) the Rating Agencies shall not have informed the Issuer prior to the effective date of such action that such action will result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action, or (ii) in the case of DBRS, or any successor thereto, DBRS shall have informed the Issuer in writing prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Series 2018-1 Senior Notes immediately before the taking of such action.
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	CIBC World Markets Inc. (joint lead and joint bookrunner), Goldman Sachs Canada Inc. (joint lead), RBC Dominion Securities Inc. (joint lead and joint bookrunner), BMO Nesbitt Burns Inc., Scotia Capital Inc., National Bank Financial Inc., TD Securities Inc., Morgan Stanley Canada Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Desjardins Securities Inc. and Casgrain & Company Limited.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the

circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for the Series 2018-1 Subordinated Notes and the Series 2018-1 Junior Subordinated Notes.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	$●
Debt		
Long-term debt, including current portion…….	Nil	$●
Short-term debt……...	$1,179,000,000.00[(2)]	$●
Bank indebtedness……..	Nil	$●
Total Debt……	$1,179,000,000.00[(2)]	$●
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	$1,179,010,000.01[(2)]	$●

(2) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short term debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes, Series 2017-1 held by OPG; and (iii) $117,900,000, or 10% of all short term debt, represented by Junior Subordinated Notes, Series 2017-1 held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On November 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer" of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, 2018, the Issuer had approximately $● outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' commission payable by the Issuer.

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

APPENDIX A
PRINCIPAL ACCUMULATION AMOUNTS AND PAYMENT DATES

Payment Date	Principal Accumulation Amount
January 15, 2030	$●
February 15, 2030	$●
March 15, 2030	$●
April 15, 2030	$●
May 15, 2030	$●
June 15, 2030	$●
July 15, 2030	$●
August 15, 2030	$●
September 15, 2030	$●
October 15, 2030	$●
November 15, 2030	$●
December 15, 2031	$●
January 15, 2031	$●
February 15, 2031	$●
March 15, 2031	$●
April 15, 2031	$●
May 15, 2031	$●
June 15, 2031	$●
July 15, 2031	$●
August 15, 2031	$●
September 15, 2031	$●
October 15, 2031	$●
November 15, 2031	$●
December 15, 2031	$●
January 15, 2032	$●
February 15, 2032	$●
March 15, 2032	$●
April 15, 2032	$●
May 15, 2032	$●
June 15, 2032	$●
July 15, 2032	$●
August 15, 2032	$●
September 15, 2032	$●
October 15, 2032	$●
November 15, 2032	$●
December 15, 2033	$●
January 15, 2033	$●
February 15, 2033	$●
March 15, 2033	$●
April 15, 2033	$●
May 15, 2033	$●

This confidential shelf offering memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This confidential shelf offering memorandum is not, and in no circumstances is to be construed as, a prospectus or advertisement or public offering of these securities. ***No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this material or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *Persons who acquire securities pursuant to this confidential shelf offering memorandum will not have the benefit of the review of this material by any securities commission or similar authority. The information contained in this confidential shelf offering memorandum has been furnished or supplied by the Issuer based on the most accurate information available as at the date hereof and there is no representation or warranty by the Agents as to the accuracy or completeness of such information. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to, or for the account of, U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See "Plan of Distribution". This confidential shelf offering memorandum is confidential and contains certain information not publicly disclosed. No one is authorized to make any representation or give any warranty on behalf of the Issuer other than those representations and warranties made or referred to in this confidential shelf offering memorandum.*

The information contained in this confidential shelf offering memorandum and delivered in connection with the private placement of the Senior Notes by the Issuer is confidential, is for the confidential use of only those persons to whom it is delivered in connection with the offering solely for the purpose of considering the purchase of the Senior Notes and its use for any other purpose is prohibited. By accepting this confidential shelf offering memorandum, each prospective purchaser agrees that it will not transmit, reproduce or make available to anyone, other than their respective advisors (so long as they advise such advisors of the confidential nature of such document), this confidential shelf offering memorandum (including any Term Sheets) or any information contained herein, and will not use such information (or permit its advisors to use such information) for any purpose other than to evaluate an investment in the Senior Notes pursuant to an Offering.

CONFIDENTIAL SHELF OFFERING MEMORANDUM

New Issue By Way of Private Placement — January 22, 2018

FAIR HYDRO TRUST

Senior Secured Notes

Fair Hydro Trust (the "**Issuer**"), a special purpose trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, acting as trustee of the Issuer, and caused to be established by Ontario Power Generation Inc. ("**OPG**"), as Financial Services Manager (as hereinafter defined), has created a program providing for the offering and issuance of senior secured notes (the "**Senior Notes**"), in one or several offerings. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017* (together with the regulations promulgated thereunder, the "**FHPA**"). Under the FHPA, OPG is appointed as financial services manager (in such capacity, the "**Financial Services Manager**") and is given the authority to, among other things, establish, or cause to be established, one or more financing entities (each, a "**Financing Entity**") to incur payment obligations (referred to as "**Funding Obligations**") for the purposes prescribed under the FHPA. The Issuer is a Financing Entity under the FHPA and the Senior Notes are Funding Obligations being offered for the purposes of the FHPA.

The Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Senior Notes following the occurrence of certain events. See *"Change of Law Protection Agreement"*. The Senior Notes will be limited recourse obligations, secured only by the collateral described in this confidential shelf offering memorandum. See *"Capital Markets Platform — Acceleration and Remedies — Limited Recourse"* and *"Risk Factors"*.

The specific terms of any offering of Senior Notes, including, without limitation, the aggregate principal amount of Senior Notes being offered, the currency of the Senior Notes, the issue price (at par, at a discount or at a premium), the issue, delivery and maturity dates, any redemption or repayment provisions, the rating of the Senior Notes at the time of such offering, the interest (either fixed or floating and the circumstances, if any, under which the rate may be adjusted), the interest rate basis and interest payment dates, will be established by the Issuer and set forth in a term sheet (a "**Term Sheet**") that will accompany, be incorporated by reference in and form an integral part of this

Other Statutory Protections

The FHPA provides certain protection and assurances in respect of the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment. Generally, no action or omission by the OEB, the Minister of Energy or the Crown, and no regulation under the FHPA, will be effective to reduce, impair, postpone or terminate the obligations of Specified Consumers to pay amounts in respect of the Clean Energy Adjustment or to impair or postpone the invoicing, collection or remittance of the Clean Energy Adjustment. If an Electricity Vendor, the IESO or the Financial Services Manager, has failed, or will fail, to comply with the FHPA, the Issuer may apply to an Ontario court to make an order directing such party to comply and requiring compensation to be provided to the Issuer by such non-compliant party. Additional contractual protections are provided in the Change of Law Protection Agreement described below.

CHANGE OF LAW PROTECTION AGREEMENT

The following brief summary of certain provisions of the Change of Law Protection Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Change of Law Protection Agreement are qualified in their entirety by reference to the Change of Law Protection Agreement and the detailed provisions thereof. The Change of Law Protection Agreement may be reviewed at the principal office of the ~~Issuer Trustee~~**Manager** in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Pursuant to the Change of Law Protection Agreement, upon a Protection Event and delivery by the Indenture Trustee of a written payment demand, the Province of Ontario is required to make payments of amounts that are due and payable in respect of all Approved Obligations when due and payable into the Protection Account. The Issuer and Indenture Trustee must ensure that amounts deposited into the Protection Account are applied to pay Specified Creditors to whom amounts are due and payable under an Approved Obligation in accordance with the provisions of the Master Trust Indenture. See *"Capital Markets Platform"*. The Province of Ontario's obligation to make such payments under the Change of Law Protection Agreement upon a Protection Event and delivery by the Indenture Trustee of a written payment demand is referred to as the "**Limited Guarantee**".

The payment obligations of the Province of Ontario under the Limited Guarantee differ depending on whether an Acceleration has occurred. If no Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Change of Law Protection Agreement provides that the Province of Ontario is to pay the amounts due and payable on such date in respect of Approved Obligations. If an Acceleration has occurred in respect of any Senior Notes on or before a date on which the Province of Ontario is to perform the Limited Guarantee, the Province of Ontario is to pay the amounts that would be available to be paid on such date in respect of the Approved Obligation on an applicable payment date in respect of the Approved Obligation under the applicable payment provisions of the Master Trust Indenture, determined on the assumption that the amount available for allocation to Specified Creditors in accordance with such applicable payment provisions of the Master Trust Indenture in respect of each relevant month during each Reference Period is equal to the estimated Finance Amount determined in respect of such Reference Period, divided by the number of months in such Reference Period. See *"Capital Markets Platform — Acceleration and Remedies — Limitation on Available Amounts on Acceleration"* for a description of the amounts that would be available to be paid under the Master Trust Indenture in such circumstances.

The Province of Ontario is not obligated to pay or indemnify the Indenture Trustee or any Specified Creditor for consequential, special or punitive damages, or for economic loss or loss of profits (provided that economic loss does not include payments of amounts that are due and payable in respect of the Senior Notes).

Under the Change of Law Protection Agreement, the right to deliver a written payment demand on occurrence of a Protection Event to enforce the Limited Guarantee is the only remedy available to the Indenture Trustee (and to Specified Creditors, to the extent they are permitted to exercise any rights, interests or elections under and in accordance with the Master Trust Indenture). Specified Creditors are not permitted to exercise any rights, interests, or elections under the Change of Law Protection Agreement, other than in the manner and to the extent effected and exercised under, in accordance with and subject to the limitations set forth in the Master Trust Indenture as at December 21, 2017.

THE ISSUER

The Issuer is an unincorporated open-ended unit trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Issuer Trustee is the sole trustee of the Issuer, which is a Financing Entity established to incur Funding Obligations for the purpose of acquiring Investment Interests pursuant to the FHPA. The principal business address and head office of the Issuer is in Ontario, in the care of the Issuer Trustee at the following address: 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

The following brief summary of certain provisions of the Declaration of Trust does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Declaration of Trust are qualified in their entirety by reference to the Declaration of Trust and the detailed provisions thereof. The Declaration of Trust may be reviewed at the principal office of the ~~Issuer Trustee~~**Manager** in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The Declaration of Trust establishes the Issuer to carry on activities for the exclusive benefit of its unitholders, FHP2017 Inc., a wholly-owned subsidiary of OPG, and BNY Trust Company of Canada, the Indenture Trustee under the Master Trust Indenture (collectively, the "**Unitholders**"). The beneficial interest and rights generally of the Unitholders in the Issuer are limited to the right to participate in distributions when and as declared by the Issuer Trustee and distributions upon the termination of the Issuer. The legal ownership of the trust property and the right to conduct the activities of the Issuer are vested exclusively in the Issuer Trustee and no Unitholder has any right of ownership in any of the trust property. Except in limited circumstances provided in the Declaration of Trust, no Unitholder is entitled to interfere with or give any direction to the Issuer Trustee with respect to the affairs of the Issuer or in connection with the exercise of any powers or authorities conferred upon the Issuer Trustee under the Declaration of Trust. The Issuer Trustee will generally have, free from any power or control on the part of the Unitholders, full authority over the trust property and the activities of the Issuer to the same extent as if the Issuer Trustee were the sole and absolute owner thereof. The Unitholders will also not be subject to any liability arising out of the activities of the Issuer.

The Issuer Trustee, on behalf of the Issuer, has entered into a management agreement with OPG, as Manager, whereby all of the powers and duties of managing the Issuer have been delegated to the Manager. See *"The Manager."*

The permitted activities of the Issuer are limited to:

(a) acquiring, owning, holding, administering or entering into agreements regarding the acquisition and servicing of Investment Interests, along with certain other related assets;

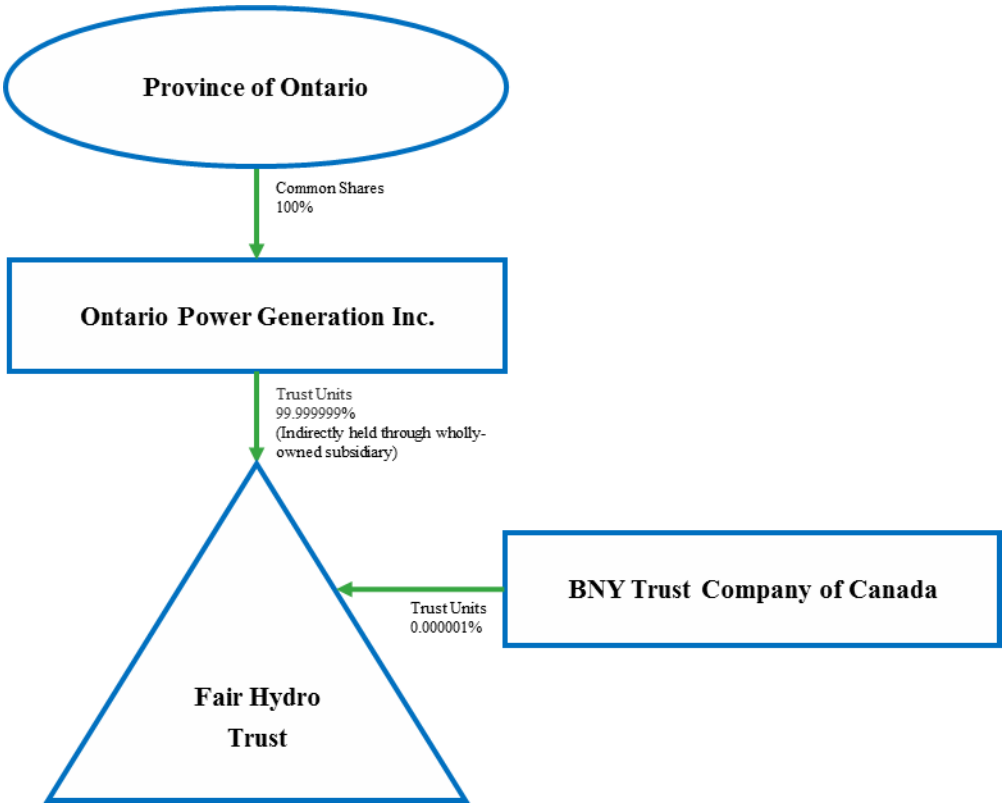
(b) managing, selling, assigning, pledging and collecting amounts due on or otherwise dealing with Investment Interests and certain other related assets in accordance with the terms of the Program Agreements;

(c) negotiating, authorizing, executing, delivering, assuming the obligations under and performing its duties under the Program Agreements;

(d) filing with any applicable securities commission one or more prospectuses, offering memoranda, registration statements or documents necessary or desirable to register one or more series of Funding Obligations under the securities laws of any applicable jurisdiction;

(e) authorizing, executing, delivering, issuing and registering one or more series of Funding Obligations;

The following diagram illustrates the structure of the Issuer and its affiliates.



THE MANAGER

Pursuant to the Management Agreement, the Issuer has delegated to OPG, as Manager, all of the powers and duties of managing the Issuer. The following brief summary of certain provisions of the Management Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Management Agreement are qualified in their entirety by reference to the Management Agreement and the detailed provisions thereof. The Management Agreement may be reviewed at the principal office of the ~~Issuer Trustee~~**Manager** in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

The powers and duties delegated to the Manager under the Management Agreement include, among others:

(a) negotiating and executing, on behalf of the Issuer, the Program Agreements;

(b) maintaining accounts and banking records;

(c) enforcing the rights of the Issuer under the Program Agreements and the FHPA;

(d) determining, in accordance with the Financing Plan, when it is appropriate for the Issuer to incur Funding Obligations;

(e) ensuring that all Primary Obligations of the Issuer are and remain Approved Obligations;

(f) administering all activities of the Issuer in connection with the issuance, sale, payment, repurchase and redemption of the Issuer's Funding Obligations;

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest on December 21, 2017.

THE TRANSFEROR AND SERVICER

Pursuant to the Master Transfer and Servicing Agreement, the IESO may periodically Transfer specified portions of the Regulatory Asset to the Issuer. Additional information regarding the IESO, including its most recently published financial statements, is available at www.ieso.ca. Such information does not form part of this confidential shelf offering memorandum and neither the Issuer nor the Agents guarantee the accuracy of such information or has independently verified the accuracy or completeness of any such information or to determine if there has been any omission by the IESO to disclose any facts, information or events which may affect the significance or accuracy of any such financial statements or other information.

The following brief summary of certain provisions of the Master Transfer and Servicing Agreement does not purport to be comprehensive or definitive. All references in this confidential shelf offering memorandum to the Master Transfer and Servicing Agreement are qualified in their entirety by reference to the Master Transfer and Servicing Agreement and the detailed provisions thereof. The Master Transfer and Servicing Agreement may be reviewed at the principal office of the ~~Issuer Trustee~~**Manager** in Toronto, Ontario during normal business hours while any Senior Notes are outstanding.

Under the Master Transfer and Servicing Agreement, the IESO may offer, no more frequently than monthly, to Transfer to the Issuer a specified portion of the Regulatory Asset. The Issuer has the right, but not the obligation, to accept the IESO's offer. The IESO is responsible for servicing the Issuer's Investment Interest in accordance with the Regulations and the Master Transfer and Servicing Agreement. Its responsibilities including, among others:

(a) establishing a segregated account to be used for the sole purpose of receiving the Clean Energy Adjustment in respect of the Issuer's Investment Interest and making commercially reasonable efforts to cause Electricity Vendors to do the same;

(b) making commercially reasonable efforts to cause each Electricity Vendor to establish procedures for the invoicing of amounts in respect of the Clean Energy Adjustment;

(c) responding to inquiries by Electricity Vendors with respect to the Clean Energy Adjustment and amounts payable in respect thereof;

(d) reviewing reports submitted to the IESO by Electricity Vendors regarding the collection of Clean Energy Adjustment amounts for material manifest discrepancies;

(e) contacting Electricity Vendors on the occurrence of certain events;

(f) holding Clean Energy Adjustment amounts received in respect of the Issuer's Investment Interest in trust for the benefit of the Issuer and remitting such amounts to the Issuer on the 18th business day of each month, subject to daily remittance being required in certain limited circumstances;

(g) together with the Issuer, settling a form of monthly servicer report to be provided to the Issuer; and

(h) providing forecast information to the OEB and the Issuer, which forecast information will be used by the OEB to forecast electricity consumption of Specified Consumers in respect of the relevant period.

The IESO must follow standards, policies and procedures in performing its servicing duties that are customary for an electricity market operator and administrator that regularly performs settlement functions. The Master Transfer and Servicing Agreement provides for various limitations on the duties and responsibilities of the IESO including that: (i) the IESO provides no guarantee that collections of the Clean Energy Adjustment from Electricity Vendors will equal amounts invoiced or that Clean Energy Adjustment amounts will be sufficient to

RATING AGENCY CONDITION

The Program Agreements provide that certain actions are subject to the "**Rating Agency Condition**". In each such case, satisfaction of the Rating Agency Condition requires: (a) that the Issuer has delivered written notice of the proposed action to the Rating Agencies at least ten business days prior to the effective date of such action; and (b) that the Rating Agencies shall have informed the Issuer prior to the effective date of such action that such action will not result in the reduction or withdrawal of the rating in effect with respect to the Notes immediately before the taking of such action. If the Rating Agency Condition is to be satisfied without specifying one or more specific Series or Tranches of Notes, the Rating Agency Condition must be satisfied with respect to all outstanding Series or Tranches of Notes.

CAPITAL MARKETS PLATFORM

The Financial Services Manager has developed a Financing Plan for the Issuer which encompasses an ongoing program which allows for the issuance of a variety of short and long term debt, as well as interest rate and currency swaps and other hedging instruments.

The Master Trust Indenture establishes common security and a set of common covenants given by the Issuer for the benefit of all of its creditors. Notes are issued under Supplemental Indentures and in certain cases, Terms Documents. Borrowings are incurred pursuant to liquidity agreements or loan agreements. Notes and Borrowings incurred by the Issuer are Issuer Funding Obligations. Each Issuer Funding Obligation will be part of a Class and Series of Issuer Funding Obligations, and may include one or more Tranches. A Class designation determines the relative seniority for receipt of cash flows. See *"— Subordination Provisions"*, *"— Payment Waterfalls Prior to Acceleration*" and "*— Acceleration and Remedies — Payment Waterfall Upon Acceleration*". Tranches of Issuer Funding Obligations may differ from each other as to the interest rate, maturity and the timing, sequential order and amount of payments of principal or interest, or both.

The following summary of the principal provisions contained in the Master Trust Indenture does not purport to be comprehensive or definitive. This overview summarizes certain provisions of the Master Trust Indenture and omits descriptions of many provisions which may be considered to be of a customary nature. All references in this confidential shelf offering memorandum to the Master Trust Indenture are qualified in their entirety by reference to the Master Trust Indenture and the detailed provisions thereof. The Master Trust Indenture may be reviewed at the principal office of the ~~Issuer Trustee~~**Manager** in Toronto, Ontario during normal business hours while any Notes are outstanding.

Indenture Trustee

BNY Trust Company of Canada, a trust company governed by the laws of Canada, is the Indenture Trustee under the Master Trust Indenture.

Under the terms of the Master Trust Indenture, the Issuer has agreed to pay the Indenture Trustee reasonable compensation for the performance of its duties under the Master Trust Indenture. The Indenture Trustee has agreed to perform only those duties expressly set forth in the Master Trust Indenture. Many of the duties of the Indenture Trustee are described throughout this confidential shelf offering memorandum. Under the terms of the Master Trust Indenture, the Indenture Trustee's limited responsibilities include the following:

- to authenticate, deliver, cancel and otherwise administer the Notes;
- to serve as the registrar in respect of the Notes;
- to establish and maintain all Issuer Accounts and to maintain accurate records of activity in those accounts;
- to serve as the Paying Agent and distribute and transfer funds at the direction of the Manager in accordance with the terms of the Master Trust Indenture;

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January 22, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Capital Markets Platform" and "Description of Senior Notes" sections of the confidential shelf offering memorandum which contain a more detailed description of certain terms of the Series 2018-1 Senior Notes and the trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture (the "Series 2018-1 Senior Supplemental Indenture") pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *January 22, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE MAY 15, 2033, SERIES 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due May 15, 2033, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Expected Credit Ratings:	DBRS: ●-AAA(●sf) Moody's: ●-Aa2(●sf)
Principal Amount:	$●[(1)]
Term:	15.25 years
Launch Date:	●, 2018
Pricing Date:	●, 2018
Settlement Date:	●, 2018 (T+3)
Interest Rate:	●% per annum (the "**Series 2018-1 Interest Rate**")
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● +● bps (including a ● bps curve adjustment and +● bps delay adjustment), versus the CAN ●% due ● (priced at $● to yield ●%)

From:	Bryan, Richard
To:	sheen.liu@opg.com
Cc:	LEE John -TREASURY; "ken.ryfa@opg.com"; "Kevin.Shvarts@ofina.on.ca"; Mike Manning; Linda Smith; Brett Kichiy; Carrique, John; Locas, Yves; Scraire, Jean-François; Roy, Linda; Kalinauskas, Jonathan; Catallozzi, Anthony
Subject:	RE: Fair Hydro Trust - Indicative Bond Spreads - Jan 23 2018
Date:	Thursday, January 25, 2018 9:52:56 AM
Attachments:	FHT Indicative Spreads January 23rd 2018 revised.xlsx

Hi Sheen, please find attached updated spreads for captioned.

Regards

Rick

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Bank Name	National Bank of Canada
Date	1/23/2018

Fair Hydro Trust, Indicative Spreads from NBC
(Moodys, DBRS)

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.38%	2.36%	2.31%	2.26%	2.06%	1.90%	0.01%	0.02%	0.04%	0.07%	0.07%	0.06%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	100	95	86	72	52	40	0	0	3	2	2	5
Re-Offered Yield	3.38%	3.31%	3.17%	2.98%	2.58%	2.30%	0.01%	0.02%	0.07%	0.09%	0.09%	0.11%
Commission (bp)	2.7	3.4	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.41%**	**3.34%**	**3.21%**	**3.03%**	**2.66%**	**2.39%**	**0.01%**	**0.02%**	**0.07%**	**0.09%**	**0.09%**	**0.11%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69	66.5	60	40	26	3	1	0.5	2.5	2	1.5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	130	123	104	85	65	55	0	0	0	0	-5	0
Schedule I Bank covered bonds (Aa ; AAA ; AAA)	113	106	87	70	50	42	0	0	0	0	-5	0
Schedule I Bank ABS (Aaa ; AAA ; AAA)	125	120	103	85	65	55	0	0	0	0	-5	0

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.38%	2.36%	2.31%	2.26%	2.06%	1.90%	0.01%	0.02%	0.04%	0.07%	0.07%	0.06%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	115	110	100	85	65	52	0	0	2	0	5	7
Re-Offered Yield	3.53%	3.46%	3.31%	3.11%	2.71%	2.42%	0.01%	0.02%	0.06%	0.07%	0.12%	0.13%
Commission (bp)	2.7	3.4	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.56%**	**3.49%**	**3.35%**	**3.16%**	**2.79%**	**2.51%**	**0.01%**	**0.02%**	**0.06%**	**0.07%**	**0.12%**	**0.13%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69	67	60	40	26	3	1	1	3	2	2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Highway 407 (A, A)	120	113	94	75	55	45	0	0	0	0	0	0
NAV Canada (AA-, AA low)	85	83	76	70	50	40	0	0	0	0	0	0
GTAA (Aa3, A+)	85	83	76	70	50	40	0	0	0	0	0	0
Hydro One (A3/A/A high)	120	113	94	75	55	45	0	-1	-3	-5	-5	0

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark Yield	2.38%	2.36%	2.31%	2.26%	2.06%	1.90%	0.01%	0.02%	0.04%	0.07%	0.07%	0.06%
Curve Adjustment (bp)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	150	145	130	110	85	70	10	10	10	10	5	10
Re-Offered Yield	3.88%	3.81%	3.61%	3.36%	2.91%	2.60%	0.11%	0.12%	0.14%	0.17%	0.12%	0.16%
Commission (bp)	2.7	3.4	3.8	4.7	7.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.91%**	**3.84%**	**3.65%**	**3.41%**	**2.99%**	**2.69%**	**0.11%**	**0.12%**	**0.14%**	**0.17%**	**0.12%**	**0.16%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69	67	60	40	26	3	1	1	3	2	2

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)	145	139	122	105	75	60	5	4	2	0	0	0
Highway 407 (A, A)	120	113	94	75	55	45	0	0	0	0	0	0
Enbridge Gas Distribution (A-, A)	120	114	97	80	60	50	0	-1	-3	-5	-5	0
Hydro One (A3/A/A high)	120	113	94	75	55	45	0	-1	-3	-5	-5	0
Schedule 1 Bank ABS (A)	180	175	158	140	120	105	0	0	0	0	-5	0

From:	Scotiabank - Global Banking and Markets (Scotiabank)
To:	"Sheen.Liu@opg.com"
Cc:	"irma.mahmood@opg.com"; Ricky Lai; "john.s.lee@opg.com"; Mike Manning; Linda Smith; Brett Kichiy; "ken.ryfa@opg.com"; "j.hahnparker@opg.com"; Kevin Shvarts; Doug Noe (Scotiabank GBM); Nick Mantas (Scotiabank GBM); D. Gregory Lawrence; Fanny Doucet (Scotiabank GBM); Neill McDonald (Scotiabank GBM)
Subject:	RE: Fair Hydro Trust - Indicative New Issue Spreads 04/19/2018
Date:	Thursday, April 19, 2018 4:16:35 PM
Attachments:	20180419.xlsx

Sheen,
Please find attached our indicative new issue spreads for Fair Hydro Trust.
Regards,

Doug Noe | Managing Director & Head | Securitization & Structured Finance | Scotia Capital Inc.

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Bank Name	BNS
Date	1/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+94**	**+92**	**+87**	**+77**	**+59**	**+43**						
Re-Offered Yield	3.31%	3.29%	3.20%	3.07%	2.70%	2.36%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.33%**	**3.32%**	**3.24%**	**3.12%**	**2.77%**	**2.45%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66						
CPP	71			61	43	26						
BNS - Denior Deposit Notes	113			83	66	53						
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+119**	**+115**	**+107**	**+97**	**+79**	**+63**						
Re-Offered Yield	3.56%	3.52%	3.40%	3.27%	2.90%	2.56%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.58%**	**3.55%**	**3.44%**	**3.32%**	**2.97%**	**2.65%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.37%	2.36%	2.34%	2.30%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.2	(0.1)	0.9	2.8	5.3						
Spread to GoC Curve (bp)	**+144**	**+138**	**+127**	**+117**	**+99**	**+83**						
Re-Offered Yield	3.81%	3.75%	3.60%	3.47%	3.10%	2.76%						
Commission (bp)	2.3	3.2	3.6	4.5	7.6	8.8						
All-in Yield	**3.83%**	**3.78%**	**3.64%**	**3.52%**	**3.17%**	**2.85%**						

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	69	67	59	39	26						

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	64	51						
Master Credit Card Trust				81	64	51						

Bank Name	BNS
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+103**	**+101**	**+87**	**+85**	**+65**	**+45**	9	9	0	9	6	2
Re-Offered Yield	3.50%	3.48%	3.31%	3.24%	2.81%	2.42%	0.19%	0.20%	0.10%	0.17%	0.12%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.53%**	**3.52%**	**3.35%**	**3.29%**	**2.89%**	**2.51%**	**0.20%**	**0.20%**	**0.11%**	**0.17%**	**0.11%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	67	67	45	28	9	9	0	9	6	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0			0	0	0
CPP	71			61	43	26	0			0	0	0
BNS - Denior Deposit Notes	117			87	70	57	4			4	4	4
Golden Credit Card Trust				81	65	52				0	1	1
Master Credit Card Trust				81	65	52				0	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+128**	**+124**	**+107**	**+105**	**+85**	**+65**	9	9	0	9	6	2
Re-Offered Yield	3.75%	3.71%	3.51%	3.44%	3.01%	2.62%	0.19%	0.20%	0.10%	0.17%	0.12%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.75%**	**3.55%**	**3.49%**	**3.09%**	**2.71%**	**0.20%**	**0.20%**	**0.11%**	**0.17%**	**0.11%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	67	67	45	28	9	9	0	9	6	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				110	94	83				29	30	32
Master Credit Card Trust				0	0	0				-81	-64	-51

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.11%	0.11%	0.11%	0.09%	0.05%	0.03%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+153**	**+147**	**+127**	**+125**	**+105**	**+85**	9	9	0	9	6	2
Re-Offered Yield	4.00%	3.94%	3.71%	3.64%	3.21%	2.82%	0.19%	0.20%	0.11%	0.17%	0.12%	0.06%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	1	0	0	0	0	0
All-in Yield	**4.03%**	**3.98%**	**3.75%**	**3.69%**	**3.29%**	**2.91%**	**0.20%**	**0.20%**	**0.11%**	**0.17%**	**0.11%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	67	67	45	28	9	9	0	9	6	2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				110	94	83				29	30	32
Master Credit Card Trust				0	0	0				-81	-64	-51

Bank Name	BNS
Date	2/8/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+99**	**+98**	**+92**	**+83**	**+64**	**+48**	4	3	5	4	5	5
Re-Offered Yield	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	0.03%	0.03%	0.05%	0.04%	0.04%	0.05%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**0.03%**	**0.03%**	**0.05%**	**0.04%**	**0.04%**	**0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	150			105	79	66	0	0	0	0	0	0
CPP	71			61	43	26	0	0	0	0	0	0
BNS - Denior Deposit Notes	117			87	70	57	0	0	0	0	0	0
Golden Credit Card Trust				81	65	52	0	0	0	0	0	0
Master Credit Card Trust				81	65	52	0	0	0	0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+134**	**+131**	**+122**	**+113**	**+94**	**+78**	14	13	15	14	15	15
Re-Offered Yield	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	0.14%	0.12%	0.15%	0.14%	0.15%	0.15%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**0.14%**	**0.12%**	**0.15%**	**0.14%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.2	(0.2)	1.0	3.2	6.7	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+169**	**+164**	**+152**	**+143**	**+124**	**+108**	24	23	25	24	25	25
Re-Offered Yield	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	0.24%	0.23%	0.25%	0.24%	0.25%	0.25%
Commission (bp)	3.0	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**0.24%**	**0.23%**	**0.25%**	**0.23%**	**0.25%**	**0.25%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	67	60	39	26	(2)	(3)	0	(2)	(1)	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				81	65	52	0	0	0	81	65	52
Master Credit Card Trust				81	65	52	0	0	0	(7)	(6)	(6)

Bank Name	BNS
Date	2/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+101**	**+100**	**+94**	**+85**	**+66**	**+50**	2	2	2	2	2	2
Re-Offered Yield	3.48%	3.48%	3.37%	3.19%	2.74%	2.40%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.51%**	**3.51%**	**3.40%**	**3.23%**	**2.82%**	**2.49%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	155			110	85	73	5	0	0	5	6	7
CPP	74			63	45	29	3	0	0	2	2	3
BNS - Denior Deposit Notes	121			91	74	61	4	0	0	4	4	4
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+136**	**+133**	**+124**	**+115**	**+96**	**+80**	2	2	2	2	2	2
Re-Offered Yield	3.83%	3.81%	3.67%	3.49%	3.04%	2.70%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.86%**	**3.84%**	**3.70%**	**3.53%**	**3.12%**	**2.79%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.48%	2.48%	2.43%	2.33%	2.06%	1.85%	0.00%	0.01%	-0.01%	-0.06%	-0.08%	-0.06%
Curve Adjustment (bp)	0.0	0.2	(0.4)	1.7	3.5	5.5	0	0	0	1	0	-1
Spread to GoC Curve (bp)	**+171**	**+166**	**+154**	**+145**	**+126**	**+110**	2	2	2	2	2	2
Re-Offered Yield	4.18%	4.14%	3.97%	3.79%	3.34%	3.00%	0.02%	0.03%	0.01%	-0.03%	-0.06%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**4.21%**	**4.17%**	**4.00%**	**3.83%**	**3.42%**	**3.09%**	**0.02%**	**0.03%**	**0.01%**	**-0.03%**	**-0.06%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	72	71	69	61	41	26	4	2	2	2	2	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				89	73	60	0	0	0	8	8	8
Master Credit Card Trust				89	73	60	0	0	0	8	8	8

Bank Name	BNS
Date	2/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+100**	**+99**	**+93**	**+84**	**+65**	**+49**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.50%	3.50%	3.41%	3.25%	2.83%	2.49%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.53%**	**3.53%**	**3.44%**	**3.30%**	**2.91%**	**2.57%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	155			110	85	73	0			0	0	0
CPP	74			63	45	29	0			0	0	0
BNS - Denior Deposit Notes	121			91	75	62	0			0	1	1
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+135**	**+132**	**+123**	**+114**	**+95**	**+79**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.85%	3.83%	3.71%	3.55%	3.13%	2.79%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**3.88%**	**3.86%**	**3.74%**	**3.60%**	**3.21%**	**2.87%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.51%	2.51%	2.48%	2.40%	2.15%	1.93%	0.03%	0.03%	0.05%	0.08%	0.10%	0.08%
Curve Adjustment (bp)	0.0	0.2	(0.3)	1.3	3.5	6.7	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+170**	**+165**	**+153**	**+144**	**+125**	**+109**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.20%	4.16%	4.01%	3.85%	3.43%	3.09%	0.02%	0.02%	0.04%	0.06%	0.09%	0.08%
Commission (bp)	2	3	4	5	7	9	0	0	0	0	0	0
All-in Yield	**4.23%**	**4.19%**	**4.04%**	**3.90%**	**3.51%**	**3.17%**	**0.02%**	**0.02%**	**0.04%**	**0.06%**	**0.09%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	72	70	61	39	26	-2	1	1	0	-2	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				88	71	58				-1	-2	-2
Master Credit Card Trust				88	71	58				-1	-2	-2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+100**
Re-Offered Yield	3.41%
Commission (bp)	2
All-in Yield	**3.43%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	155
CPP	75
BNS - Denior Deposit Notes	120
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+135**
Re-Offered Yield	3.76%
Commission (bp)	2
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.41%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+170**
Re-Offered Yield	4.11%
Commission (bp)	2
All-in Yield	**4.13%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	75

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+99	**+93**	**+84**	**+65**
3.42%	3.31%	3.10%	2.70%
3	4	5	8
3.45%	**3.34%**	**3.15%**	**2.78%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		110	85
		64	45
		90	75
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+132	**+123**	**+114**	**+95**
3.75%	3.61%	3.40%	3.00%
3	4	5	8
3.78%	**3.64%**	**3.45%**	**3.08%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.43%	2.38%	2.25%	2.06%
0.4	(0.4)	1.6	(0.0)
+165	**+153**	**+144**	**+125**
4.08%	3.91%	3.70%	3.30%
3	4	5	8
4.11%	**3.94%**	**3.75%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
73	70	63	40

Current			
20-year	**15-year**	**10-year**	**5-year**
		87	72
		87	72

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
0.0	0	0	0	0	-4
+49	0	0	0	0	0
2.40%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.49%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
73	0			0	0
30	1			1	0
63	-1			-1	0
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+79	0	0	0	0	0
2.70%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
2.79%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.91%	-0.10%	-0.08%	-0.10%	-0.15%	-0.09%
(0.0)	0	0	0	0	-4
+109	0	0	0	0	0
3.00%	-0.10%	-0.08%	-0.10%	-0.15%	-0.13%
9	0	0	0	0	0
3.09%	**-0.10%**	**-0.08%**	**-0.10%**	**-0.15%**	**-0.13%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
27	5	1	-1	2	1

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
60				-1	1
60				-1	1

BNS
2/27/2018

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
0
1
1
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

3-year
-0.02%
-7
0
-0.09%
0
-0.09%

3-year
1

3-year
2
2

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+103**
Re-Offered Yield	3.42%
Commission (bp)	2
All-in Yield	**3.44%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG	160
CPP	77
BNS - Denior Deposit Notes	125
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+138**
Re-Offered Yield	3.77%
Commission (bp)	2
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.39%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**+173**
Re-Offered Yield	4.12%
Commission (bp)	2
All-in Yield	**4.14%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	76

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Golden Credit Card Trust	
Master Credit Card Trust	

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+102	**+96**	**+87**	**+68**
3.40%	3.28%	3.11%	2.72%
3	4	4	7
3.43%	**3.31%**	**3.16%**	**2.79%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		115	90
		66	46
		95	79
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+135	**+126**	**+117**	**+98**
3.73%	3.58%	3.41%	3.02%
3	4	4	7
3.76%	**3.61%**	**3.46%**	**3.09%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23
5.00%	5.75%	1.00%	1.75%
2.38%	2.32%	2.23%	2.04%
0.5	(0.2)	1.8	0.1
+168	**+156**	**+147**	**+128**
4.06%	3.88%	3.71%	3.32%
3	4	4	7
4.09%	**3.91%**	**3.76%**	**3.39%**

Current			
20-year	**15-year**	**10-year**	**5-year**
75	70	64	42

Current			
20-year	**15-year**	**10-year**	**5-year**
		91	76
		91	76

Bank Name
Date

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+52	3	3	3	3	3
2.40%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.49%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
78	5			5	5
32	2			2	1
66	5			5	4
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+82	3	3	3	3	3
2.70%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
2.79%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Mar-21					
0.75%					
1.88%	-0.02%	-0.05%	-0.06%	-0.02%	-0.02%
0.2	0	0	0	0	0
+112	3	3	3	3	3
3.00%	0.01%	-0.02%	-0.03%	0.01%	0.02%
9	0	0	0	0	0
3.09%	**0.01%**	**-0.02%**	**-0.03%**	**0.01%**	**0.01%**

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
28	1	3	0	2	2

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
64				4	4
64				4	4

BNS
3/6/2018

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
5
2
3
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

3-year
-0.03%
0
3
0.00%
0
0.00%

3-year
1

3-year
4
4

Bank Name	BNS
Date	3/13/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	2	2	2	2	2	2
Re-Offered Yield	3.43%	3.40%	3.28%	3.11%	2.72%	2.44%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.45%**	**3.44%**	**3.31%**	**3.15%**	**2.80%**	**2.53%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	76			66	45	31	(1)			0	(1)	(1)
BNS - Denior Deposit Notes	124			94	78	65	(1)			(1)	(1)	(1)
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	2	2	2	2	2	2
Re-Offered Yield	3.78%	3.73%	3.58%	3.41%	3.02%	2.74%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.80%**	**3.77%**	**3.61%**	**3.45%**	**3.10%**	**2.83%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.38%	2.36%	2.30%	2.20%	2.03%	1.90%	-0.01%	-0.01%	-0.02%	-0.03%	-0.02%	0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	2.0	0.1	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	2	2	2	2	2	2
Re-Offered Yield	4.13%	4.06%	3.88%	3.71%	3.32%	3.04%	0.01%	0.01%	0.00%	-0.01%	0.00%	0.04%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.15%**	**4.10%**	**3.91%**	**3.75%**	**3.40%**	**3.13%**	**0.01%**	**0.01%**	**0.00%**	**-0.01%**	**0.00%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	75	65	43	28	1	2	5.5	1	1	0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				92	76	64				1	0	0
Master Credit Card Trust				92	76	64				1	0	0

Bank Name	BNS
Date	3/20/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+105**	**+104**	**+98**	**+89**	**+70**	**+54**	0	0	0	0	0	0
Re-Offered Yield	3.39%	3.37%	3.27%	3.12%	2.75%	2.48%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.42%**	**3.40%**	**3.31%**	**3.17%**	**2.83%**	**2.57%**	**-0.03%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	160			115	90	78	0			0	0	0
CPP	77			67	46	30	1			1	1	(1)
BNS - Denior Deposit Notes	124			94	77	65	0			0	(1)	0
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	0	0	0	0	0	0
Re-Offered Yield	3.74%	3.70%	3.57%	3.42%	3.05%	2.78%	-0.04%	-0.04%	-0.01%	0.01%	0.03%	0.04%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.76%**	**3.73%**	**3.61%**	**3.46%**	**3.12%**	**2.87%**	**-0.04%**	**-0.04%**	**-0.01%**	**0.01%**	**0.03%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.42%	2.41%	2.38%	2.32%	2.17%	2.04%	0.04%	0.05%	0.09%	0.12%	0.14%	0.14%
Curve Adjustment (bp)	0.0	0.5	(0.1)	1.6	1.4	1.3	0	0	0	0	1	1
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	0	0	0	0	0	0
Re-Offered Yield	4.17%	4.11%	3.96%	3.82%	3.48%	3.19%	0.04%	0.04%	0.09%	0.12%	0.15%	0.15%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.19%**	**4.14%**	**4.00%**	**3.87%**	**3.55%**	**3.28%**	**0.04%**	**0.04%**	**0.09%**	**0.12%**	**0.15%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	74	73	64	41	26	-2	-3	-2	-2	-2	-2

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				90	73	61				(2)	(3)	(3)
Master Credit Card Trust				90	73	61				(2)	(3)	(3)

Bank Name	BNS
Date	3/27/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+104**	**+103**	**+97**	**+88**	**+69**	**+53**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.32%	3.30%	3.21%	3.06%	2.73%	2.49%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-1	0	0	0	0	0
All-in Yield	**3.35%**	**3.33%**	**3.24%**	**3.10%**	**2.81%**	**2.58%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	163			118	93	81	3			3	3	3
CPP	78			68	47	30	1			1	1	0
BNS - Denior Deposit Notes	129			99	82	70	5			5	5	5
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	-0.06%	-0.06%	-0.05%	-0.05%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+139**	**+136**	**+127**	**+118**	**+99**	**+83**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.67%	3.63%	3.51%	3.36%	3.03%	2.79%	-0.07%	-0.07%	-0.06%	-0.06%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.70%**	**3.66%**	**3.54%**	**3.40%**	**3.11%**	**2.88%**	**-0.07%**	**-0.07%**	**-0.06%**	**-0.06%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.29%	2.27%	2.24%	2.17%	2.04%	1.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Curve Adjustment (bp)	0.0	0.7	(0.1)	1.8	0.3	0.5	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+174**	**+169**	**+157**	**+148**	**+129**	**+113**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.02%	3.96%	3.81%	3.66%	3.33%	3.09%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.05%**	**3.99%**	**3.85%**	**3.70%**	**3.41%**	**3.18%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**	**-0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	75	74	64	42	27	1	1	1	1	1	1

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				93	76	64				3	3	3
Master Credit Card Trust				93	76	64				3	3	3

Bank Name	BNS
Date	4/3/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	2	2	2	2	2	2
Re-Offered Yield	3.40%	3.38%	3.28%	3.13%	2.76%	2.49%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.43%**	**3.41%**	**3.32%**	**3.18%**	**2.84%**	**2.58%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPG	167			122	97	85	4			4	4	4
CPP	79			69	49	31	1			1	2	1
BNS - Denior Deposit Notes	132			102	85	73	3			3	3	3
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+141**	**+138**	**+129**	**+120**	**+101**	**+85**	2	2	2	2	2	2
Re-Offered Yield	3.75%	3.71%	3.58%	3.43%	3.06%	2.79%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	1	0	0	0	0	0
All-in Yield	**3.78%**	**3.74%**	**3.62%**	**3.48%**	**3.14%**	**2.88%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.29%	2.21%	2.05%	1.94%	0.06%	0.06%	0.05%	0.05%	0.01%	-0.02%
Curve Adjustment (bp)	0.0	0.6	(0.2)	1.8	0.2	0.3	0	0	0	0	0	0
Spread to GoC Curve (bp)	**+176**	**+171**	**+159**	**+150**	**+131**	**+115**	2	2	2	2	2	2
Re-Offered Yield	4.10%	4.04%	3.88%	3.73%	3.36%	3.09%	0.08%	0.08%	0.07%	0.07%	0.03%	0.00%
Commission (bp)	3.0	3.2	3.6	4.9	7.7	8.6	0	0	0	0	0	0
All-in Yield	**4.13%**	**4.07%**	**3.92%**	**3.78%**	**3.44%**	**3.18%**	**0.08%**	**0.08%**	**0.07%**	**0.07%**	**0.03%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	80	80	79	69	45	30	4	5	5	5	3	3

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Golden Credit Card Trust				98	81	69				5	5	5
Master Credit Card Trust				98	81	69				5	5	5

Bank Name	BNS
Date	4/10/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+106**	**+105**	**+99**	**+90**	**+71**	**+55**	0	0	0	0	0	0
Re-Offered Yield	3.37%	3.34%	3.24%	3.10%	2.75%	2.51%	-0.03%	-0.04%	-0.03%	-0.02%	-0.01%	0.02%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.40%**	**3.37%**	**3.28%**	**3.15%**	**2.83%**	**2.60%**	**-0.03%**	**-0.04%**	**-0.03%**	**-0.03%**	**-0.01%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	170			125	100	86	3			3	3	1
CPP	79			69	49	31	0			0	0	0
BNS - Denior Deposit Notes	132			102	86	75	0			0	1	2
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.18%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+140**	**+137**	**+128**	**+119**	**+100**	**+84**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.71%	3.66%	3.53%	3.39%	3.04%	2.80%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**3.74%**	**3.69%**	**3.57%**	**3.44%**	**3.12%**	**2.89%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.32%	2.29%	2.26%	2.19%	2.04%	1.96%	-0.03%	-0.04%	-0.04%	-0.03%	-0.01%	0.02%
Curve Adjustment (bp)	0.0	0.7	(0.1)	2.3	0.9	0.8	0	0	0	1	1	1
Spread to GoC Curve (bp)	**+175**	**+170**	**+158**	**+149**	**+130**	**+114**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.06%	3.99%	3.83%	3.69%	3.34%	3.10%	-0.04%	-0.05%	-0.04%	-0.03%	-0.02%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.8	-1	0	0	0	0	0
All-in Yield	**4.09%**	**4.02%**	**3.87%**	**3.74%**	**3.42%**	**3.19%**	**-0.04%**	**-0.05%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83	82	81	72	50	32	3	2	1.5	3	5	3

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				100	83	71				2	2	2
Master Credit Card Trust				100	83	71				2	2	2

Bank Name	BNS
Date	4/17/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.35%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.08%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+103**	**+102**	**+96**	**+87**	**+68**	**+52**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.38%	3.35%	3.26%	3.13%	2.81%	2.54%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.40%**	**3.38%**	**3.29%**	**3.17%**	**2.88%**	**2.62%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	(5)			(5)	(5)	(5)
CPP	82			72	49	32	3			3	0	1
BNS - Senior Deposit Notes	132			102	86	76	0			0	0	1
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+137**	**+134**	**+125**	**+116**	**+97**	**+81**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.71%	3.67%	3.55%	3.42%	3.09%	2.83%	0.00%	0.01%	0.01%	0.03%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**3.74%**	**3.70%**	**3.58%**	**3.46%**	**3.17%**	**2.91%**	**0.00%**	**0.01%**	**0.01%**	**0.03%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.30%	2.24%	2.11%	2.01%	0.03%	0.04%	0.04%	0.06%	0.07%	0.05%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.7	1.2	0.8	0	0	0	-1	0	0
Spread to GoC Curve (bp)	**+172**	**+167**	**+155**	**+146**	**+127**	**+111**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	4.06%	4.00%	3.85%	3.72%	3.39%	3.13%	0.00%	0.01%	0.01%	0.02%	0.05%	0.02%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	0	0	0	0	0	0
All-in Yield	**4.09%**	**4.03%**	**3.88%**	**3.76%**	**3.47%**	**3.21%**	**0.00%**	**0.01%**	**0.01%**	**0.02%**	**0.05%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	77	67	45	28	-5	-4	-4	-5	-6	-5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				(1)	0	1
Master Credit Card Trust				99	83	72				(1)	0	1

Bank Name	BNS
Date	4/19/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.41%	2.39%	2.33%	2.17%	2.04%	0.09%	0.09%	0.09%	0.08%	0.06%	0.03%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.4	1.4	1.3	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+117**	**+107**	**+99**	**+92**	**+70**	**+55**	14	5	3	5	2	3
Re-Offered Yield	3.60%	3.49%	3.38%	3.26%	2.89%	2.61%	0.23%	0.14%	0.12%	0.13%	0.08%	0.07%
Commission (bp)	2.4	3.7	3.6	4.5	7.7	8.6	0	1	0	0	0	0
All-in Yield	**3.62%**	**3.53%**	**3.41%**	**3.31%**	**2.96%**	**2.69%**	**0.23%**	**0.14%**	**0.12%**	**0.13%**	**0.08%**	**0.07%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	76.5	67	45	28	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPG	165			120	95	81	0			0	0	0
CPP	82			72	49	32	0			0	0	0
BNS - Senior Deposit Notes	132			102	86	76	0			0	0	0
Golden Credit Card Trust				99	83	72				0	0	0
Master Credit Card Trust				99	83	72				0	0	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.41%	2.39%	2.33%	2.17%	2.04%	0.09%	0.09%	0.09%	0.08%	0.06%	0.03%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.4	1.4	1.3	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+152**	**+142**	**+129**	**+122**	**+100**	**+85**	15	8	4	6	3	4
Re-Offered Yield	3.95%	3.84%	3.68%	3.56%	3.19%	2.91%	0.24%	0.17%	0.13%	0.14%	0.09%	0.08%
Commission (bp)	2.4	3.7	3.6	4.5	7.7	8.6	0	1	0	0	0	0
All-in Yield	**3.97%**	**3.88%**	**3.71%**	**3.61%**	**3.26%**	**2.99%**	**0.24%**	**0.17%**	**0.13%**	**0.14%**	**0.10%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	76.5	67	45	28	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				0	0	0
Master Credit Card Trust				99	83	72				0	0	0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.43%	2.41%	2.39%	2.33%	2.18%	2.04%	0.09%	0.09%	0.09%	0.08%	0.06%	0.03%
Curve Adjustment (bp)	0.0	0.6	(0.1)	1.4	1.4	1.3	0	0	0	0	0	1
Spread to GoC Curve (bp)	**+190**	**+180**	**+159**	**+152**	**+130**	**+115**	18	13	4	6	3	4
Re-Offered Yield	4.33%	4.22%	3.98%	3.86%	3.49%	3.21%	0.27%	0.22%	0.13%	0.14%	0.10%	0.08%
Commission (bp)	2.4	3.7	3.6	4.5	7.7	8.6	0	1	0	0	0	0
All-in Yield	**4.35%**	**4.26%**	**4.01%**	**3.91%**	**3.57%**	**3.29%**	**0.27%**	**0.22%**	**0.13%**	**0.14%**	**0.10%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78	78	76.5	67	45	28	0	0	0	0	0	0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Golden Credit Card Trust				99	83	72				0	0	0
Master Credit Card Trust				99	83	72				0	0	0

From:	Ken Kandeepan
To:	Anna Strathy
Cc:	Gadi Mayman; Ronald Kwan; Mike Manning
Subject:	RE: Fair Hydro Trust -- Term Closing
Date:	Friday, February 09, 2018 10:33:19 AM

Thanks Anna, however, Malle already forwarded same to us last night, though for some reason Gadi was not cc'ed.
Thanks
Ken k

From: Anna Strathy
Sent: Friday, February 09, 2018 10:30 AM
To: Gadi Mayman ; Ronald Kwan ; Ken Kandeepan ; Mike Manning
Subject: FW: Fair Hydro Trust -- Term Closing

Good morning,
A process certificate was received in the DMO from OPG. A scan is being sent to me – does anyone have a view that the scan should go to someone else here? Or are you comfortable with me forwarding it on to this group once I receive it?
Anna

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, February 09, 2018 10:25 AM
To: David McLean (MOF) <David.McLean@ontario.ca>; Kobrinsky, Liza (MOF) <Liza.Kobrinsky@ontario.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: RE: Fair Hydro Trust -- Term Closing

Hi Dave,
Would you please scan it and send a copy to me and also to Anna Strathy? Anna: please confirm if it should be sent to you or someone else at the OFA. We do have an advance copy but think it would be prudent for you to scan and send the one you receive to us.
The delivery of this certificate is a requirement of the Process Agreement entered into by the Province and the Fair Hydro Trust in order to keep the Province advised of the Fair Hydro Trust obligations that are covered by the Province's Change of Law Assurance Agreement. Fair Hydro Trust is required to deliver the certificate prior to entering into the obligations (i.e. the closing date) and confirm a number of items to the Province including the material terms and that they are to be issued under terms and conditions substantially similar to the terms of reference documentation for the program, that the terms are in compliance with law and the Financing Plan, are of a type and terms that a reasonably prudent financial services manager would incur in similar circumstances and reflect arm's length terms and conditions.
As part of the closing of the term deal by Fair Hydro Trust, the Trust must confirm that it has delivered the certificate to the Province.
If you have any other questions please let us know.
Thank you.
Malle
Malle Hanslep
Deputy Director
Ministry of the Attorney General

Ministry of Finance Legal Services Branch
Telephone: 416-325-1457
Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you.

From: McLean, David (MOF)
Sent: February 9, 2018 10:13 AM
To: Hanslep, Malle (MOF); Kobrinsky, Liza (MOF)
Cc: Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: Fair Hydro Trust -- Term Closing

Yes, we received the fax. Paul in our office just picked it up. Do you need us to do anything with it (I haven't had a chance to review it)?

From: Hanslep, Malle (MOF)
Sent: February 9, 2018 10:10 AM
To: Kobrinsky, Liza (MOF)
Cc: McLean, David (MOF); Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: FW: Fair Hydro Trust -- Term Closing

Hi Liza,
Would you please let us know if you have received the attached certificate by fax? Thank you.
Malle
Malle Hanslep
Deputy Director
Ministry of the Attorney General
Ministry of Finance Legal Services Branch
Telephone: 416-325-1457
Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you.

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: February 8, 2018 4:40 PM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Mansoori, Nina
Subject: RE: Fair Hydro Trust -- Term Closing

All,
Further to Rima's email, please find attached a letter enclosing the process certificate and the agreements that Rima mentions below. The attached will be delivered by fax shortly to the each of the Ministers and Deputy Ministers at the fax numbers in the notice provisions of the Change of Law Process Agreement.
Thanks,
Brett

Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com

TORYS LLP

From: Ramchandani, Rima

Sent: February-08-18 2:22 PM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Cc: 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Ramchandani, Rima <rramchandani@torys.com>
Subject: Fair Hydro Trust -- Term Closing

Alena, Malle and Toby, hope you are all well. In case you have not been made aware, we wanted to let you know that we are closing the Fair Hydro Trust term deal tomorrow morning and will be delivering, on behalf of OPG, the required process certificate by fax to the attention of the Ministers and Deputy Ministers later today. As with the warehouse closing, Brett Saulnier from Torys will send all of you an email with a PDF of the signed process certificate and accompanying cover letter for your records.

Just FYI, you will see that the cover letter will also reference the delivery (pursuant to Section 2.01(c) of the process agreement) of a brief 2-page agreement that will be entered into between the Trust and the warehouse lenders on closing tomorrow which simply permits delivery of the decrease notice 2 business days prior to closing and repayment of the warehouse notes on a day other than the 15th business day of the month.

Thanks,
Rima

Rima Ramchandani
P. 416.865.7666

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From:	Mike Manning
To:	Anna Strathy
Subject:	RE: Fair Hydro Trust -- Term Closing
Date:	Friday, February 09, 2018 10:48:46 AM

I've got it as well.
Thanks, Mike

From: Anna Strathy
Sent: Friday, February 09, 2018 10:30 AM
To: Gadi Mayman <Gadi.Mayman@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>
Subject: FW: Fair Hydro Trust -- Term Closing

Good morning,

A process certificate was received in the DMO from OPG. A scan is being sent to me – does anyone have a view that the scan should go to someone else here? Or are you comfortable with me forwarding it on to this group once I receive it?

Anna

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, February 09, 2018 10:25 AM
To: David McLean (MOF) <David.McLean@ontario.ca>; Kobrinsky, Liza (MOF) <Liza.Kobrinsky@ontario.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>
Subject: RE: Fair Hydro Trust -- Term Closing

Hi Dave,

Would you please scan it and send a copy to me and also to Anna Strathy? Anna: please confirm if it should be sent to you or someone else at the OFA. We do have an advance copy but think it would be prudent for you to scan and send the one you receive to us.

The delivery of this certificate is a requirement of the Process Agreement entered into by the Province and the Fair Hydro Trust in order to keep the Province advised of the Fair Hydro Trust obligations that are covered by the Province's Change of Law Assurance Agreement. Fair Hydro Trust is required to deliver the certificate prior to entering into the obligations (i.e. the closing date) and confirm a number of items to the Province including the material terms and that they are to be issued under terms and conditions substantially similar to the terms of reference documentation for the program, that the terms are in compliance with law and the Financing Plan, are of a type and terms that a reasonably prudent financial services manager would incur in similar circumstances and reflect arm's length terms and conditions.

As part of the closing of the term deal by Fair Hydro Trust, the Trust must confirm that it has delivered the certificate to the Province.

If you have any other questions please let us know.

Thank you.

Malle

Malle Hanslep
Deputy Director
Ministry of the Attorney General
Ministry of Finance Legal Services Branch
Telephone: 416-325-1457

Notice: This communication may be solicitor/client privileged and contain confidential information intended only for the person(s) to whom it is addressed. If you have received this message in error please notify the writer and permanently delete the message and all attachments. Thank you.

From: McLean, David (MOF)
Sent: February 9, 2018 10:13 AM
To: Hanslep, Malle (MOF); Kobrinsky, Liza (MOF)
Cc: Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: RE: Fair Hydro Trust -- Term Closing

Yes, we received the fax. Paul in our office just picked it up. Do you need us to do anything with it (I haven't had a chance to review it)?

From: Hanslep, Malle (MOF)
Sent: February 9, 2018 10:10 AM
To: Kobrinsky, Liza (MOF)
Cc: McLean, David (MOF); Strathy, Anna (OFA); Whitfield, Tobias P. (MOF)
Subject: FW: Fair Hydro Trust -- Term Closing

Hi Liza,

Would you please let us know if you have received the attached certificate by fax? Thank you.

Malle

Malle Hanslep
Deputy Director
Ministry of the Attorney General
Ministry of Finance Legal Services Branch
Telephone: 416-325-1457

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From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: February 8, 2018 4:40 PM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY)
Cc: 'WONG Leslie -LAWDIV'; Ramchandani, Rima; Mansoori, Nina
Subject: RE: Fair Hydro Trust -- Term Closing

All,

Further to Rima's email, please find attached a letter enclosing the process certificate and the agreements that Rima mentions below. The attached will be delivered by fax shortly to the each of the Ministers and Deputy Ministers at the fax numbers in the notice provisions of the Change of Law Process Agreement.

Thanks,
Brett

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com

TORYS LLP

From: Ramchandani, Rima
Sent: February-08-18 2:22 PM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Cc: 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Ramchandani, Rima <rramchandani@torys.com>
Subject: Fair Hydro Trust -- Term Closing

Alena, Malle and Toby, hope you are all well. In case you have not been made aware, we wanted to let you know that we are closing the Fair Hydro Trust term deal tomorrow morning and will be delivering, on behalf of OPG, the required process certificate by fax to the attention of the Ministers and Deputy Ministers later today. As with the warehouse closing, Brett Saulnier from Torys will send all of you an email with a PDF of the signed process certificate and accompanying

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Thanks,
Rima

Rima Ramchandani

P. 416.865.7666

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From:	VINER, JON
To:	Ken Kandeepan; "Thouin, Alena (ENERGY)"; Tobias P. Whitfield (MOF); Mike Manning; Malle Hanslep (MOF); Anna Strathy; Ronald Kwan; Tim Christie (ENERGY); Veinot, Cindy (TBS); Mark Donaldson (MOF); Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY)
Cc:	ASHBOURNE, STEPHEN
Subject:	RE: Fair Hydro Trust OM - Comments
Date:	Friday, January 12, 2018 10:59:30 AM
Attachments:	12928826-vpdf-Form of Series 2018-1 Senior Notes Term Sheet (Fair Hydro ....pdf 12928826-v2-Form of Series 2018-1 Senior Notes Term Sheet (Fair Hydro Tr....docx

All,

Apologies for the double-email; I'm following up with one further document:

- Clean and blacklined copies of the term sheet for the 2018-1 senior notes.

Best,

Jon

Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
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blakes.com[blakes.com] | **Twitter**[twitter.com] | **Unsubscribe**[blakes.com]

Blake, Cassels & Graydon LLP | Barristers & Solicitors | Patent & Trade-mark Agents
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L'information paraissant dans ce message électronique est CONFIDENTIELLE. Si ce message vous est parvenu par erreur, veuillez immédiatement m'en aviser par téléphone ou par courriel et en détruire toute copie. Merci.

From: VINER, JON
Sent: Friday, January 12, 2018 10:52 AM
To: Ken Kandeepan; 'Thouin, Alena (ENERGY)'; Tobias P. Whitfield (MOF); Mike Manning; Malle Hanslep (MOF); Anna Strathy; Ronald Kwan; Tim Christie (ENERGY); Veinot, Cindy (TBS); Mark Donaldson (MOF); Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS); Daniel Cayley (ENERGY); Lightbody, Ava (ENERGY); James Rehob (ENERGY)
Cc: ASHBOURNE, STEPHEN
Subject: Fair Hydro Trust OM - Comments

All,

Please for your reference please find attached copies of the following documents:

- Clean copy of comments on the FHT OM
- Blacklined copy of comments on the FHT OM showing changes against Torys' draft
- Blacklined copy of comments on the FHT OM showing changes against the previously circulated draft
- Comments on the Investor Presentation (with revisions indicated in red, blue or highlighted text).

Once you have had a chance to review, please let us know if you would like to discuss.

Kind regards,

Jon
Jon Viner
Associate
jon.viner@blakes.com
Dir: 416-863-2499

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January ●, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Description of Notes" section of the confidential shelf offering memorandum which contains a more detailed description of certain terms of the Series 2018-1 Senior Notes and the master trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *January ●, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ●, Series 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust ~~established under~~governed by the laws of the Province of Ontario.
Issue:	●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Credit Ratings:	DBRS: ● (●) Moody's: ● (●)
Principal Amount:	$●
Term:	● years[1]
Launch Date:	●, 2018
Pricing Date:	●, 2018
Settlement Date:	●, 2018 (T+3)
Interest Rate:	●%
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● +● bps (including a ● bps curve adjustment) versus the CAN ●% due ● (priced at $● to yield ●%)

[1] Please confirm if a single principal payment date is contemplated. Does this need to be reconciled with the "legal final maturity date" concept?

Issue Yield: ●%

Issue Price: $● for each $1,000 principal amount of Series 2018-1 Senior Notes sold.

Agents Commission: **$●**

Net Proceeds: $●

Interest Payment Dates: Interest on the Series 2018-1 Senior Notes shall be payable in equal (except the initial interest payment) semi-annual instalments in arrears on April 15 and October 15 of each year, commencing April 15, 2018 (short first coupon). The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first interest payment date for the Series 2018-1 Senior Notes. The first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes.

If an interest payment date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis.

Principal Accumulation Date(s) and Principal Accumulation Amount(s):

Principal Accumulation Dates	**Principal Accumulation Amounts**
●, 20●	$●

Principal Payment Date(s) and Principal Payment Amount(s):

Principal Payment Date	**Principal Payment Amount**
●, 20●	$●

Principal Payment Default Date: ●, 20●

Optional Redemption: The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption.

"**Par Call Date**" means ●, 20●.

"**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the date of redemption, plus ●% per annum.

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable

	Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the Par Call Date (calculated from the date of redemption), such yield being expressed as a per annum rate equal to the average of the per annum yields provided by two major Canadian investment dealers specified by the Issuer.
Limited Recourse:	The Series 2018-1 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-1 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-1 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Series 2018-1 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under *"Change of Law Protection Agreement"*. The Series 2018-1 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under "*Capital Markets Platform — Acceleration and Remedies — Limited Recourse*" and *"Risk Factors"*.
Use of Proceeds:	The net proceeds from the Series 2018-1 Senior Notes Offering will be used as follows: **[(i) to refinance $● of indebtedness of the Issuer originally incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement and (ii) to pay the Series 2018-1 Senior Notes Offering and related costs of the Issuer in an approximate amount of $●. See *"Consolidated Capitalization"*.]**
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	**[CIBC World Markets Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc. (as co-leads and co-bookrunners)]**, ●, ●, and ●.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer", of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

[NTD: If there are subsequent draws on the warehouse before the launch of the Series 2018-1 Senior Notes Offering, this section to be updated.]

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for:

(i) $● of ●% subordinated notes due ●, Series 2018-1; and
(ii) $● of ●% subordinated junior notes due ●, Series 2018-1.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	Nil
Debt		
Long-term debt, including current portion…….	Nil	$●
Short-term debt……...	**$[1,179,000,000.00]**(1)	**$[1,179,000,000.00]**
Bank indebtedness……..	Nil	Nil
Total Debt……	**$[1,179,000,000.00]**(1)	$●
Equity		
Equity……	$10,000.01	$10,000.01

~~12928826.1~~
12928826.2

Total Capitalization.....	$**[1,179,010,000.01]**[1]	$●

(1) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short-term debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes, Series 2017-1 held by OPG; and (iii) $117,900,000 of which, or 10% of all short term debt, represented by Junior Subordinated Notes held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On October 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on

their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the

date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer", of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, the Issuer had approximately $● billion outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' fee payable by the Issuer

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

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Document comparison by Workshare Compare on Friday, January 12, 2018 10:06:13 AM

Input:	
Document 1 ID	PowerDocs://TOR_2024/12928826/1
Description	TOR_2024-#12928826-v1-Form_of_Series_2018-1_Senior_Notes_Term_Sheet_(Fair_Hydro_Trust)
Document 2 ID	PowerDocs://TOR_2024/12928826/2
Description	TOR_2024-#12928826-v2-Form_of_Series_2018-1_Senior_Notes_Term_Sheet_(Fair_Hydro_Trust)
Rendering set	Standard

Legend:	
Insertion	
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Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	12
Deletions	4
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	16

This indicative term sheet accompanies, is incorporated by reference in and forms part of the confidential shelf offering memorandum (the "confidential shelf offering memorandum") dated January ●, 2018 of Fair Hydro Trust (the "Issuer") and is subject to all of the restrictions, conditions and limitations set out in the confidential shelf offering memorandum. This term sheet and the confidential shelf offering memorandum constitute an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. The Issuer is not obligated to accept an offer to purchase the securities described herein.

The summary below describes the principal terms of the Series 2018-1 Senior Notes (as defined below). Certain of the terms summarized below are subject to important limitations and exceptions. The following is not intended to be complete. Prospective investors should review the "Description of Notes" section of the confidential shelf offering memorandum which contains a more detailed description of certain terms of the Series 2018-1 Senior Notes and the master trust indenture (the "Master Trust Indenture") between the Issuer and BNY Trust Company of Canada, acting as trustee, dated December 21, 2017 (and to which the Series 2018-1 Senior Notes will be subject), as supplemented by the term senior series 2018-1 supplemental indenture to the Master Trust Indenture pursuant to which the Series 2018-1 Senior Notes will be issued (together with the Master Trust Indenture, the "Indenture"). In the event of any inconsistency between this indicative term sheet and the confidential shelf offering memorandum, the terms of this indicative term sheet apply. Certain capitalized terms used and not otherwise defined in the summary below have the meanings given thereto in the confidential shelf offering memorandum.

New Issue by Way of Private Placement *January ●, 2018*

FAIR HYDRO TRUST

●% SENIOR NOTES DUE ●, Series 2018-1

Indicative Term Sheet

Issuer:	Fair Hydro Trust, a special purpose trust governed by the laws of the Province of Ontario.
Issue:	●% Senior Notes due ●, Series 2018-1 (the "**Series 2018-1 Senior Notes**").
Credit Ratings:	DBRS: ● (●) Moody's: ● (●)
Principal Amount:	$●
Term:	● years[1]
Launch Date:	●, 2018
Pricing Date:	●, 2018
Settlement Date:	●, 2018 (T+3)
Interest Rate:	●%
Issue Spread:	+● bps (+/-● bps) versus Government of Canada curve interpolated between CAN ●% due ● and CAN ●% due ● +● bps (including a ● bps curve adjustment) versus the CAN ●% due ● (priced at $● to yield ●%)

[1] Please confirm if a single principal payment date is contemplated. Does this need to be reconciled with the "legal final maturity date" concept?

Issue Yield: ●%

Issue Price: $● for each $1,000 principal amount of Series 2018-1 Senior Notes sold.

Agents Commission: **$●**

Net Proceeds: $●

Interest Payment Dates: Interest on the Series 2018-1 Senior Notes shall be payable in equal (except the initial interest payment) semi-annual instalments in arrears on April 15 and October 15 of each year, commencing April 15, 2018 (short first coupon). The first interest payment on the Series 2018-1 Senior Notes will include accrued and unpaid interest for the period from, and including, the closing date of this Offering (the "**Series 2018-1 Senior Notes Offering**") to, but excluding, the first interest payment date for the Series 2018-1 Senior Notes. The first interest payment will be in an amount equal to $● per $1,000 principal amount of Series 2018-1 Senior Notes.

If an interest payment date is not a business day in Toronto, then the payment will be made on the next business day with no adjustment. For any period less than a full semi-annual interest period, interest will be calculated on an actual/365 basis.

Principal Accumulation Date(s) and Principal Accumulation Amount(s):

Principal Accumulation Dates	**Principal Accumulation Amounts**
●, 20●	$●

Principal Payment Date(s) and Principal Payment Amount(s):

Principal Payment Date	**Principal Payment Amount**
●, 20●	$●

Principal Payment Default Date: ●, 20●

Optional Redemption: The Series 2018-1 Senior Notes will be redeemable at the option of the Issuer, in whole or in part, at any time and from time to time, on not less than 15 nor more than 60 days' notice at the redemption price specified below. At any time prior to the Par Call Date, the redemption price will be equal to the greater of (i) the Series 2018-1 Canada Yield Price and (ii) par, plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. On or after the Par Call Date, the redemption price will be equal to par, plus accrued and unpaid interest to, but not including, the date of redemption.

"**Par Call Date**" means ●, 20●.

"**Series 2018-1 Canada Yield Price**" means a price equal to the price of the Series 2018-1 Senior Notes calculated to provide a yield to the Par Call Date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the third Business Day preceding the date of redemption, plus ●% per annum.

"**Government of Canada Yield**" on any date means, in respect of the Series 2018-1 Senior Notes being redeemed, the yield from the redemption date to the Par Call Date compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity

	equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the Par Call Date (calculated from the date of redemption), such yield being expressed as a per annum rate equal to the average of the per annum yields provided by two major Canadian investment dealers specified by the Issuer.
Limited Recourse:	The Series 2018-1 Senior Notes do not constitute a debt, liability or other obligation of, or interest in, OPG or any of its other affiliates (other than the Issuer). The Series 2018-1 Senior Notes are not a debt, liability or obligation of the Province of Ontario or any of its political subdivisions, agencies or instrumentalities. The Series 2018-1 Senior Notes will not be insured or guaranteed by the Province of Ontario, OPG or any of their respective affiliates or any other person or entity, except that the Province of Ontario has agreed to provide a limited guarantee in respect of the Series 2018-1 Senior Notes following the occurrence of certain events. See the confidential shelf offering memorandum under "*Change of Law Protection Agreement*". The Series 2018-1 Senior Notes will be limited recourse obligations, secured only by the collateral described in the confidential shelf offering memorandum. See the confidential shelf offering memorandum under "*Capital Markets Platform — Acceleration and Remedies — Limited Recourse*" *and "Risk Factors"*.
Use of Proceeds:	The net proceeds from the Series 2018-1 Senior Notes Offering will be used as follows: **[(i) to refinance $● of indebtedness of the Issuer originally incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement and (ii) to pay the Series 2018-1 Senior Notes Offering and related costs of the Issuer in an approximate amount of $●. See *"Consolidated Capitalization"*.]**
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other senior indebtedness issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.
Additional Security:	No Series Account will be established for the Series 2018-1 Senior Notes. No credit enhancement agreement or liquidity agreement has been entered into for the benefit of the Series 2018-1 Noteholders.
Currency:	Canadian dollars.
Minimum Subscription:	Minimum principal amount of $150,000.
Form and Denomination:	Book entry only through participants in CDS. The Series 2018-1 Senior Notes will be issued in multiples of $1,000.
CUSIP/ISIN:	CUSIP – ● ISIN – ●
Agents:	**[CIBC World Markets Inc., Goldman Sachs Canada Inc., RBC Dominion Securities Inc. (as co-leads and co-bookrunners)]**, ●, ●, and ●.

Any statement contained in the confidential shelf offering memorandum or in any document incorporated or deemed to be incorporated by reference in the confidential shelf offering memorandum shall be deemed to be modified or superseded, to the extent that a statement contained herein or in any other subsequent document which is or is deemed to be incorporated by reference in the confidential shelf offering memorandum, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior

statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the confidential shelf offering memorandum, except as so modified or superseded.

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities (as described herein). The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer", of certain of the Agents for the purposes of securities regulations in certain provinces. See "Relationship between the Issuer and the Agents".

CAPITALIZATION

On December 21, 2017, the Issuer entered into the following supplemental indentures under the Master Trust Indenture for the provision of an aggregate of approximately $1.56 billion in short term indebtedness (collectively, the "**Warehouse Facilities**"), of which a total of $1.179 billion is drawn as of the date hereof:

(i) a warehouse senior series 2017-1 supplemental indenture with, among others, Royal Bank of Canada, as administrative agent for certain commercial paper conduit purchasers and financial institutions named therein, for the provision of an aggregate maximum principal amount of $800,000,000 floating rate variable funding Senior Notes, Series 2017-1 ("**Senior Notes, Series 2017-1**"), of which $601,290,000 is drawn. See "*Relationship between the Issuer and the Agents*";

(ii) a warehouse subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $611,764,705.88 floating rate variable funding Subordinated Notes, Series 2017-1 ("**Subordinated Notes, Series 2017-1**"), of which $459,810,000 is drawn; and

(iii) a warehouse junior subordinated series 2017-1 supplemental indenture with, among others, OPG for the provision of an aggregate maximum principal amount of $156,862,745.10 floating rate variable funding Junior Subordinated Notes, Series 2017-1 ("**Junior Subordinated Notes, Series 2017-1**"), of which $117,900,000 is drawn.

The issuance of Senior Notes, Series 2017-1, Subordinated Notes, Series 2017-1 and Junior Subordinated Notes, Series 2017-1 under the Warehouse Facilities described above were used to acquire a $1.179 billion Investment Interest from the IESO on December 21, 2017.

[NTD: If there are subsequent draws on the warehouse before the launch of the Series 2018-1 Senior Notes Offering, this section to be updated.]

Concurrently with the issuance of the Series 2018-1 Senior Notes, OPG will also subscribe for:

(i) $● of ●% subordinated notes due ●, Series 2018-1; and
(ii) $● of ●% subordinated junior notes due ●, Series 2018-1.

The following table summarizes the capitalization of the Issuer as at the dates indicated before and after completion of the Series 2018-1 Senior Notes Offering.

	As at December 31, 2017 before giving effect to the Series 2018-1 Senior Notes Offering	**As at December 31, 2017 after giving effect to the Series 2018-1 Senior Notes Offering**
Cash and Cash Equivalents……..	Nil	Nil
Debt		
Long-term debt, including current portion…….	Nil	$●
Short-term debt……...	**$[1,179,000,000.00][(1)]**	**$[1,179,000,000.00]**
Bank indebtedness……..	Nil	Nil
Total Debt……	**$[1,179,000,000.00][(1)]**	$●
Equity		
Equity……	$10,000.01	$10,000.01
Total Capitalization……	**$[1,179,010,000.01][(1)]**	$●

(1) Representing Notes outstanding as of the date hereof under the Warehouse Facilities as follows: (i) $601,290,000, or 51% of all short-term

debt, represented by Senior Notes, Series 2017-1; (ii) $459,810,000, or 39% of all short term debt, represented by Subordinated Notes, Series 2017-1 held by OPG; and (iii) $117,900,000 of which, or 10% of all short term debt, represented by Junior Subordinated Notes held by OPG.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following summary describes the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder who acquires Series 2018-1 Senior Notes as beneficial owner pursuant to the Series 2018-1 Senior Notes Offering and who, for purposes of the Tax Act and at all relevant times, deals at arm's length and is not affiliated with the Issuer, and holds Series 2018-1 Senior Notes as capital property (a "**Holder**"). Generally, the Series 2018-1 Senior Notes will be capital property to a Holder provided that the Holder does not acquire or hold the Series 2018-1 Senior Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Series 2018-1 Senior Notes as capital property may, in certain circumstances, be entitled to treat their Series 2018-1 Senior Notes and any other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and all subsequent taxation years as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for purposes of the "mark to market property" and "specified debt obligation" rules); (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iii) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian dollars; or (iv) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Series 2018-1 Senior Notes. Any such holders should consult their own tax advisors with respect to an investment in the Series 2018-1 Senior Notes. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Series 2018-1 Senior Notes.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement and this summary does not consider the implications of this announcement. On October 18, 2017, the Minister of Finance (Canada) announced that the government intends to move forward with the planned amendments subject to further developments to address concerns of business owners the details of which are not yet available. Holders that are private corporations should consult their own tax advisors regarding the implications of these announcements with respect to their particular circumstances.

This summary is based upon the facts set out in the confidential shelf offering memorandum, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, administrative or judicial action nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Series 2018-1 Senior Notes. Moreover, the income and other tax consequences of acquiring, holding or disposing of the Series 2018-1 Senior Notes will vary depending on the Holder's particular circumstances, including the province or territory, or provinces or territories, in which the Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Series 2018-1 Senior Notes based on their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Series 2018-1 Senior Notes under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Series 2018-1 Senior Notes must be expressed in Canadian dollars, including any interest, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars in accordance with the Tax Act on the date such amounts first arose. A Holder may realize a capital gain or a capital loss on the disposition or deemed disposition of a Series 2018-1 Senior Note by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar. The amount of interest or other amounts required to be included in computing the Holder's income for a taxation year will also be affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Interest on Series 2018-1 Senior Notes

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that accrues or is deemed to accrue to such Holder to the end of the particular taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year all interest on the Series 2018-1 Senior Notes that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a redemption, purchase for cancellation, or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by the Issuer to a Holder on the redemption of a Series 2018-1 Senior Note or a purchase for cancellation of a Series 2018-1 Senior Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will generally be deemed to be interest received at the time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of or purchase for cancellation of, the interest that, would have been paid or payable by the Issuer on the Series 2018-1 Senior Note for a taxation year ending after the redemption or purchase for cancellation, and to the extent such premium was not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

Where a Holder is required to include in income interest on a Series 2018-1 Senior Note that accrued before such Series 2018-1 Senior Note was acquired by the Holder, the Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Holder of the Series 2018-1 Senior Note will be reduced by the amount which is so deductible.

If a Series 2018-1 Senior Note is purchased by a Holder at a discount from its face value, the Holder may be required to include an amount equal to such discount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Series 2018-1 Senior Notes

On a disposition or deemed disposition of a Series 2018-1 Senior Note (including a redemption, purchase for cancellation or repayment at maturity), a Holder will generally be required to include in income any premium deemed to be interest and the amount of interest accrued, or deemed to have accrued, on the Series 2018-1 Senior Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

A disposition or deemed disposition by a Holder of a Series 2018-1 Senior Note will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any

accrued interest or any amount deemed to be interest, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition.

One half of any capital gain (a "**taxable capital gain**") generally must be included in the Holder's income for the taxation year of the disposition, and one half of any capital loss (an "**allowable capital loss**") realized in a taxation year must be deducted from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be deducted from net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to detailed rules contained in the Tax Act in this regard. A capital gain realized by an individual (other than certain specified trusts) may give rise to a liability for alternative minimum tax.

Eligibility for Investment

The Series 2018-1 Senior Notes would, if acquired on the date hereof and if they (i) are issued as part of a single issue of debt of at least $25 million and (ii) have an investment grade rating with certain rating agencies prescribed under the Tax Act, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax free savings account ("**TFSA**") and deferred profit sharing plan ("**DPSP**") (except for a trust governed by a DPSP to which the Issuer has made a contribution).

Even if the Series 2018-1 Senior Notes may be qualified investments for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA, if the Series 2018-1 Senior Notes are "prohibited investments" (as defined in section 207.01 of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA, then a holder of the TFSA or RDSP, a subscriber of the RESP or an annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 2018-1 Senior Notes would not be prohibited investments on the date hereof, provided (i) the holder of the TFSA or RDSP, the subscriber of the RESP or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with the Issuer within the meaning of the Tax Act, and (ii) does not have a "significant interest" within the meaning of subsection 207.01(4) of the Tax Act in the Issuer. Investors intending to hold the Series 2018-1 Senior Notes in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own advisors as to whether the Series 2018-1 Senior Notes would be a prohibited investment in their particular circumstances.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENTS

CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. are each, directly or indirectly, a wholly-owned or majority-owned subsidiary or affiliate of a financial institution which is a lender to the Issuer and to which the Issuer is currently indebted under the terms of the Warehouse Facilities. The Issuer may use a portion of the net proceeds of the Series 2018-1 Senior Notes Offering to repay certain indebtedness under the Warehouse Facilities. Consequently, the Issuer may be considered to be a "connected issuer", of certain of the Agents under applicable Canadian securities legislation. As of the date of this Term Sheet, the Issuer is in compliance with the terms of its indebtedness under the Warehouse Facilities. Since the indebtedness under the Warehouse Facilities was incurred, the financial position of the Issuer has not materially changed. As of ●, the Issuer had approximately $● billion outstanding under the Warehouse Facilities. CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. have each advised that the decision to act as Agents for the Series 2018-1 Senior Notes Offering was made independently of the lenders under the Warehouse Facilities and the lenders had no influence as to the determination of the terms of the distribution. None of CIBC World Markets Inc., RBC Dominion Securities Inc. and Goldman Sachs Canada Inc. will receive any benefit in connection with the Series 2018-1 Senior Notes Offering other than its respective portion of the Agents' fee payable by the Issuer

LEGAL MATTERS

Certain Canadian legal matters in connection with the Series 2018-1 Senior Notes Offering will be passed upon by Torys LLP on behalf of the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Agents.

From:	Egberts, Adam
To:	"john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"
Cc:	Brown, Rob; Laham, Chris; Khan, Nur; Benaiah, Ian; Taylor, Brent R
Subject:	RE: Fair Hydro Weekly Pricing
Date:	Tuesday, January 23, 2018 5:30:45 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png image007.png 18-01-23 Fair Hydro Weekly Pricing - vRBC.xlsx

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Please also find attached this week's Fair Hydro pricing indications.
Regards,
Adam
Adam Egberts | RBC Debt Capital Markets
T: (416) 842-2544 | Email: adam.egberts@rbccm.com

From: Egberts, Adam
Sent: January 22, 18 8:06 PM
To: 'john.s.lee@opg.com' ; 'ken.hartwick@opg.com' ; 'OPG - Treasury Group,' ; 'Sheen.Liu@opg.com' ; 'Kevin.Shvarts@ofina.on.ca' ; 'Linda.Smith@ofina.on.ca' ; 'ken.ryfa@opg.com' ; 'brett.kichiy@ofina.on.ca' ; 'j.hahnparker@opg.com' ; 'matthew.go@opg.com' ; 'Ricky.Lai@ofina.on.ca' ; 'aiman.el-nahas@opg.com'
Cc: Brown, Rob ; Egberts, Adam ; Wetmore, Jamie ; Schoroth, Joseph ; Murray, Tim
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, January 22, 2018

The Canadian corporate primary market continued to be active last week with five issuers accessing the market for C$2.2 billion in aggregate proceeds. Last week's transactions were concentrated in the short-end and belly of the curve with the financial sector making up for the bulk of the volume, representing 88% of the total volume. To kick off the week, Laurentian Bank of Canada launched and priced a C$550 million 1.8-year floating rate note offering shortly after the highly anticipated Bank of Canada rate decision meeting on Wednesday. On Thursday, Toyota Credit Canada priced a C$600 million dual-tranche offering at the tight-end of guidance with RBC acting as Joint Bookrunner; both tranches generated strong investor interest to achieve attractive pricing versus secondary levels. On the same day, H&R Real Estate Investment Trust priced a C$250 million 5-year offering, while Lloyd's Banking Group returned to the Canadian market since its last issuance in 2011 with a C$750 million 7-year offering, marking the first Maple transaction of the year. Finally to end the week, Canadian Western Bank priced a C$250 million 1.5-year floating rate note. Looking ahead, primary market activity is expected to continue to be steady as market tone remains highly supportive of new issues, providing corporate issuers with attractive funding levels as they begin their 2018 funding programs.

The secondary market was active last week despite investors' focus turned towards the Bank of Canada rate decision. On the week, there was some good two-way trading activity in the short-end

and the belly in financials while there was some sizeable flow in long-end telcos, utilities and infrastructure credits. Overall, corporate credit spreads closed the week generically 3bps tighter.

The Government market was busy last week with C$1.6 billion of domestic supply across four provincial offerings. There were two transactions earlier in the week prior to the Bank of Canada meeting with the Province of Alberta printing a C$700 million 2048 re-opening, including a C$200 million tranche that was privately placed, followed by the Province of Manitoba printing a C$300 million 10-year re-opening. Later in the week, Province of Quebec returned to the market with a C$500 million 2027 re-opening, and finally Saskatchewan printed an opportunistic C$100 million Jan 2021 FRN re-opening. Ontario will be releasing its Net Roadshow presentation early this week in conjunction with a potential upcoming Global SEC Registered 7-year CAD Green Bond with RBC acting as a bookrunner. In the offshore market, Alberta printed an A$50 million Apr 2028 re-opening and an A$55 million re-opening of its 3.10% Dec 14 2026 Kangaroo bond with RBC acting as Sole Lead on both deals. In secondaries, trading volumes picked up with net better selling that drove provincial spreads 2-3 bps wider across the curve with a steepening bias. In CMBs, spreads were better bid and tightened by 1-1.5bps as relative value dynamics improved.

EQUITY MARKET UPDATE

North American stock indices soared to new heights last week as accommodative policies, strong corporate earnings and evidence of economic growth spurred investor sentiment higher. Over the past year, since President Trump took office, the S&P 500 climbed more than 20% while the Dow Jones broke through the 26,000 level. Furthermore, U.S. equities indices edged further into the green despite a potential US government shutdown that became a reality over the weekend, leading to bipartisan talks continuing over the weekend on government spending and immigration to try to reach an agreement before the beginning of the week; the S&P500 rose 0.9% to 2,810 and the Dow Jones rose 1.0% to 26,072. In Canada, the S&P/TSX rose 0.3% to 16,353 as gains in the industrial and financial sectors to end the week helped offset the decline from the energy sector. In commodities, crude oil ended the week $0.93/bbl lower as surging U.S. oil production is expected to outweigh that of Russia and Saudi Arabia while gold fell $5.80 to $1,331.84/oz. On the week, the Canadian dollar depreciated 0.3% against the greenback to end at $1.2493 USDCAD.

Index	Level		1 Week Δ
S&P/TSX	16,353	▲	0.3%
DJA	26,072	▲	1.0%
S&P 500	2,810	▲	0.9%
NASDAQ	7,336	▲	1.0%
Oil	$63.37	▼	$0.93
Gold	$1,331.84	▼	$5.80
USDCAD	1.2493	▲	0.3%

CANADIAN NEW ISSUES

Corporates

Wed, Jan 17 – Laurentian Bank of Canada (A(L)/-/BBB) – C$550 million 1.8-year FRN at 3mCDOR+65bps

Thur, Jan 18 – Toyota Credit Canada Inc. (-/Aa3/AA-) – C$600 million dual-tranche senior offering consisting of a C$200 million 2.5-year FRN at 3mCDOR+11bps and a C$400 million 5-year 2.70% at GoC+68bps

Thur, Jan 18 – Lloyd's Banking Group PLC (A/A3/BBB+) – C$500 million 7-year maple 3.50% offering at GoC+135bps

Thur, Jan 18 – H&R Real Estate Investment Trust (BBB(H)/-/-) – C$250 million 5-year 3.416% offering at GoC+137bps

Fri, Jan 19 – Canadian Western Bank (A(L)/-/-) – C$250 million 1.5-year FRN at 3m CDOR+38bps

Governments

Tue, Jan 16 – Province of Alberta (AA/Aa1/A+) – C$700 million 3.05% 30-year re-opening at GoC+74.5bps

Tue, Jan 16 – Province of Manitoba (A(H)/Aa2/A+) – C$300 million 2.60% 9-year re-opening at GoC+63bps

Thur, Jan 18 – Province of Quebec (A(H)/Aa2/AA-) – C$500 million 2.75% Sep-2027 re-opening

at GoC+54bps

Thur, Jan 18 – Province of Saskatchewan (AA/Aaa/AA) – C$100 million Jan 2021 re-opening

NORTH AMERICAN RATES UPDATE

North American bond yields rose on both sides of the border last week, signaling optimism around inflation and global growth. In Canada, market participants' focus was turned towards the Bank of Canada rate decision meeting where Governor Poloz increased its benchmark rate to 1.25% following strong employment reports and optimistic business spending out of the Business Outlook Survey. However, NAFTA negotiation concerns were highlighted by the Bank of Canada and focus will turn to the January 23rd negotiation round in Montreal. On the week, the government yields increased 5-7bps in tenors below 10-year while the long-end was unchanged. South of the border, market participants did not appear too overly concerned with threats of a government shutdown as U.S. Treasury yields ended the week 7-11bps higher across all tenors; notably, the 10-year Treasury yields surpassed 2.65% for the first time since 2014. Looking ahead to the next FOMC meeting, markets are currently discarding a rate hike at the end of January but are pricing an 88% probability of a March hike.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.81%	▲ 5
5yr	2.03%	▲ 6
10yr	2.24%	▲ 7
30yr	2.38%	unch

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.06%	▲ 7
5yr	2.45%	▲ 10
10yr	2.66%	▲ 11
30yr	2.93%	▲ 8

MARKET IMPLIED BOC RATES

Meeting	Implied Rate
March 7, 2018	1.2984
April 18, 2018	1.4215
May 30, 2018	1.4975

SWAPS

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	36.50	▼ 0.25
3yr	41.00	▲ 0.50
5yr	37.50	▲ 0.50
7yr	36.25	▲ 1.00
10yr	33.50	▲ 0.50
30yr	28.50	▲ 2.75

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Mon, Jan 22	Wholesale Trade Sales MoM	1.2%	1.5%
Thu, Jan 25	Retail Sales MoM	0.8%	1.5%
Fri, Jan 26	CPI NSA MoM	-0.3%	0.3%
US Economic Data			
Wed, Jan 24	MBA Mortgage Applications	--	4.1%
Wed, Jan 24	Existing Home Sales	5.69m	5.81m
Thu, Jan 25	Initial Jobless Claims	235k	220k
Thu, Jan 25	New Home Sales	675k	733k
Fri, Jan 26	GDP Annualized QoQ	2.9%	3.2%
Fri, Jan 26	Durable Goods Orders	0.9%	1.3%
International Economic Data			
Mon, Jan 22	Eurogroup Meeting		
Mon, Jan 22	BOJ Policy Balance Rate	-0.1%	-0.1%
Wed, Jan 24	Euro Area Flash PMIs		
Wed, Jan 24	UK Unemployment Rate	4.3%	4.3%
Thu, Jan 25	ECB Rate Decision	0.0%	0.0%
Fri, Jan 26	UK GDP QoQ	0.4%	0.4%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

AGF Management, Canadian National Railway, Celestica, Novagold Resources, Rogers Communications

US

3M, Abbott Laboratories, AbbVie, American Airlines Group, Biogen, Caterpillar, Celgene, Colgate-Palmolive, Comcast, Ford Motor, Freeport-McMoRan, General Electric, Halliburton, Honeywell International, Intel, Johnson & Johnson, Netflix, Procter & Gamble, Raytheon, Starbucks, Texas Instruments, Union Pacific, United Technologies, Verizon Communications

Regards,

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Index	Level		1 Week Δ
S&P/TSX	16,353	▲	0.3%
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NASDAQ	7,336	▲	1.0%
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April 18, 2018	1.4215
[redacted] May 30, 2018	1.4975

Swaps	Spread (bps)	1 Week Δ(bps)
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3yr	41.00	▲ 0.50
5yr	37.50	▲ 0.50
7yr	36.25	▲ 1.00
10yr	33.50	▲ 0.50
30yr	28.50	▲ 2.75

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Thu, Jan 25	ECB Rate Decision	0.0%	0.0%
Fri, Jan 26	UK GDP QoQ	0.4%	0.4%

-- Confidential --

Bank Name	RBC
Date	23-Jan-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					01-Sep-22	
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%					1.00%	
Benchmark Yield	**2.35%**	**2.33%**	**2.26%**	**2.23%**	**2.03%**	**1.86%**	-8.5	-6.5	-1.0	0.6	0.6	0.3
Curve Adjustment (bp)	**0.0**	**0.5**	**2.7**	**1.1**	**2.3**	**4.6**	-	-0.3	-3.4	-0.4	0.6	1.2
Spread to GoC Curve (bp)	**98**	**98**	**95**	**88**	**66**	**50**	-	-	-	-3.0	-2.0	-4.0
Re-Offered Yield	3.33%	3.32%	3.24%	3.12%	2.71%	2.40%	-8.5	-6.8	-4.4	-2.8	-0.8	-2.5
Commission (bp)	2.7	3.5	3.8	4.7	7.5	8.7	-0.03	-0.02	-0.01	-0.01	-0.00	-0.00
All-in Yield	**3.36%**	**3.35%**	**3.27%**	**3.16%**	**2.79%**	**2.49%**	-8.5	-6.8	-4.4	-2.8	-0.8	-2.5

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	**68**	**68**	**65**	**58**	**36**	**20**	-	-	-	-3.3	-2.9	-3.9

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Government Comparables												
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**37**	**28**	**14**				1.0	2.0	-
City of Toronto (AA/Aa1/AA)	**94**	**93**	**91**	**80**	**55**	**41**	1.0	1.0	0.3	0.7	0.6	1.6
Utility Comparables												
Hydro One Inc. (A(H)/A3/A)	**122**	**n/a**	**n/a**	**83**	**59**	**49**	-			-	-	-
Ontario Power Generation Inc. (A(low)/-/BBB+)	**146**	**n/a**	**n/a**	**104**	**77**	**68**	-1.0			-2.0	-1.0	-
Toronto Hydro Corporation (A/-/A)	**118**	**n/a**	**n/a**	**80**	**56**	**48**	-			-	-	-
Corporate Infrastructure Comparables												
Canadian National Railway Co (A/A2/A)	**120**	**n/a**	**n/a**	**83**	**59**	**51**	-			-	-	-
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**87**	**n/a**	**n/a**	**71**	**50**	**40**	-			-	-	-
NAV Canada (AA(low)/Aa2/AA-)	**85**	**n/a**	**n/a**	**73**	**55**	**46**	-			-	-	-

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.35%	2.33%	2.26%	2.23%	2.03%	1.86%						
Curve Adjustment (bp)	0.0	0.5	2.7	1.1	2.3	4.6						
Spread to GoC Curve (bp)	**123**	**123**	**120**	**113**	**91**	**75**	-	-	-	-3.0	-2.0	-4.0
Re-Offered Yield	3.58%	3.57%	3.49%	3.37%	2.96%	2.65%	-8.5	-6.8	-4.4	-2.8	-0.8	-2.5
Commission (bp)	2.7	3.5	3.9	4.8	7.6	8.7	-0.03	-0.02	-0.01	-0.01	-0.00	-0.00
All-in Yield	**3.61%**	**3.60%**	**3.52%**	**3.41%**	**3.04%**	**2.74%**	-8.5	-6.8	-4.4	-2.8	-0.8	-2.5

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	68	68	65	58	36	20	-	-	-	-3.3	-2.9	-3.9

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**60**	**40**	**n/a**				-2.0	-2.0	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.35%	2.33%	2.26%	2.23%	2.03%	1.86%						
Curve Adjustment (bp)	0.0	0.5	2.7	1.1	2.3	4.6						
Spread to GoC Curve (bp)	**138**	**138**	**135**	**128**	**106**	**90**	5.0	5.0	5.0	2.0	3.0	1.0
Re-Offered Yield	3.73%	3.72%	3.64%	3.52%	3.11%	2.80%	-3.5	-1.8	0.6	2.2	4.2	2.5
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	-0.01	-0.01	0.00	0.01	0.01	0.00
All-in Yield	**3.76%**	**3.75%**	**3.68%**	**3.56%**	**3.19%**	**2.89%**	-3.5	-1.8	0.6	2.2	4.2	2.5

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	68	68	65	58	36	20	-	-	-	-3.3	-2.9	-3.9

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From:	Egberts, Adam
To:	"john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"
Cc:	Brown, Rob; Laham, Chris; Khan, Nur; Benaiah, Ian; Taylor, Brent R
Subject:	RE: Fair Hydro Weekly Pricing
Date:	Tuesday, January 30, 2018 8:07:20 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png image007.png FHP_RBC_20180130.xlsx

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Please find attached this week's Fair Hydro pricing indications.
Regards,
Adam

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From: Egberts, Adam
Sent: January 29, 18 5:41 PM
To: 'john.s.lee@opg.com' ; 'ken.hartwick@opg.com' ; 'OPG - Treasury Group,' ; 'Sheen.Liu@opg.com' ; 'Kevin.Shvarts@ofina.on.ca' ; 'Linda.Smith@ofina.on.ca' ; 'ken.ryfa@opg.com' ; 'brett.kichiy@ofina.on.ca' ; 'j.hahnparker@opg.com' ; 'matthew.go@opg.com' ; 'Ricky.Lai@ofina.on.ca' ; 'aiman.el-nahas@opg.com'
Cc: Brown, Rob ; Egberts, Adam ; Wetmore, Jamie ; Schoroth, Joseph ; Murray, Tim
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, January 29, 2018

The Canadian corporate primary market was moderately active last week with 4 transactions priced for C$2 billion in gross proceeds. The offerings in the Canadian market this week well-diversified across sectors demonstrate the continued strong demand for corporate new issues with heavily oversubscribed orderbooks supporting tight pricing, negative new issue concessions and notable post-pricing secondary performance. Also notable on the week was the very strong demand for floating rate product, with three of the week's four offerings for C$1.8 billion printed as FRNs. Dollarama was in the market with a C$300 million 3-year FRN offering with RBC acting as Lead Left Bookrunner. The transaction also capitalized on the technical bid for credit and took advantage of recent non-deal investor marketing conducted towards the end of 2017. Also in FRN product, Bank of Montreal printed a C$1 billion 5-year floating rate Covered Bond – BMO' first Canadian dollar Covered Bond – and Morgan Stanley priced a self-led C$500 million 3.75NC2.75-year TLAC-eligible Maple FRN. The Morgan Stanley offering also marks the second Maple transaction of the year and continues the momentum from last year which saw near-record Maple supply. Of note, the bonds priced largely in line with recent US$ offerings, further highlighting the continued strength of the C$ market from a global perspective. From the real estate sector, CT Real Estate Investment Trust accessed the market with a C$200 million 10-year trade, which follows their last

offering of C$175 million 10-years in June 2017. Away from the primary market, Fair Hydro Trust announced cross-country marketing efforts last week to take place in Toronto, Montreal, Winnipeg and Vancouver between January 29th and Feb 2nd in anticipation of an inaugural trade with RBC acting as Joint Bookrunner. Looking ahead, market tone continues to be very constructive for new issue supply as issuers evaluate the market for stable funding windows and as the roadshow calendar continues to build.

The secondary market started the week light but saw more activity over the course of the week with flows balanced and trading two-way. The week started with better buying of utilities while financial names saw good two-way flow in the belly of the curve over the next couple sessions. Short-dated deposit notes in particular traded actively through the week among financial names, while energy credits were better bid in the long end. To close the week, there was a net selling bias across select telcos and auto finance names in shorter-dated tenors. Corporate credit spreads generally closed the week 3 bps tighter.

Governments had a very active week with 5 transactions pricing for C$2.7 billion. Province of Ontario completed 2 transactions on the week, first pricing a C$600 million long-dated offering with RBC acting as Lead and then their fourth ever Green Bond with a C$1 billion new 7-year with RBC acting as Joint-Lead. This marked the first green offering of 2018 after a very active prior year in the C$ green space, which in total absorbed C$1.9 billion across 4 transactions. Montreal completed the first municipal offering of the year with a C$400 million 10-year and Province of BC completed a C$500 million 30-year re-opening with RBC acting as Lead. Province of Manitoba also completed the first issue of their new 2068 ultra-long bond for C$150 million. Secondary flows were healthy this week with good two-way trading of Provincials in the front-end and belly of the curve, while CMBs saw better selling activity in 5-years. Spreads ended the week 1bp tighter in 10-year provincials and 0.5bp wider through the rest of the curve, and CMBs closed 0.5-1bp wider.

EQUITY MARKET UPDATE

North American equity markets closed the week mixed as headlines originating from the World Economic Forum in Davos and, in particular, US President Trump's "America First" address rallied US stocks. The Dow Jones and S&P 500 indices significantly rose by 2.1% and 2.2%, respectively, to close the week at fresh all-time highs. Conversely, the Canadian stock market saw valuations decline as intense international trade negotiations continued in a sixth round in Montreal over the course of the week with investors shedding risk assets in the face of an overhanging threat of a US withdrawal from NAFTA negotiations. The S&P/TSX composite fell 0.7% and touched the lowest point since December 2017 led by declines in commodity-linked sectors including energy and materials names. In commodity markets, crude oil futures rose $2.77 to close the week at $66.14/bbl, while gold prices also rose $17.28 to finish the week at $1,349.12/oz. In currency markets, the Canadian dollar appreciated 1.5% against the US greenback to close at 1.2308 USDCAD.

Index	Level		1 Week Δ
S&P/TSX	16,239	▼	0.7%
DJA	26,617	▲	2.1%
S&P 500	2,873	▲	2.2%
NASDAQ	7,506	▲	2.3%
Oil	$66.14	▲	$2.77
Gold	$1,349.12	▲	$17.28
USDCAD	1.2308	▼	1.5%

CANADIAN NEW ISSUES

Corporates

Tue, Jan 23 – Morgan Stanley (A(H)/A3/BBB+) – C$500 million 3.75NC2.75-year FRN at BA+37.5bps

Wed, Jan 24 – CT Real Estate Investment Trust (BBB(H)/-/BBB+) – C$200 million 3.865% 10-year senior unsecured notes at GoC +158bps

Thu, Jan 25 – Dollarama Inc. (BBB/-/-) – C$300 million 3-year FRN at BA+27bps

Fri, Jan 26 – Bank of Montreal (AAA/Aaa/AAA) – C$1 billion 5-year floating rate covered bond at BA+19bps

Governments

Mon, Jan 22 – Province of Manitoba (A(high)/Aa2/A+) – C$150 million 3.10% 50-year MTN offering
Tue, Jan 23 – Province of Ontario (AA(low)/Aa2/A+) – C$600 million 2.90% 30-year re-opening at GoC +68.0bps
Wed, Jan 24 – City of Montreal (-/Aa2/AA-) – C$400 million 3.00% 10-year re-opening at GoC +79.0bps
Wed, Jan 24 – Province of British Columbia (AA(H)/Aaa/AAA) – C$500 million 30-year re-opening +61.5bps
Thu, Jan 25 – Province of Ontario (A(L)/Aa2/A+) – C$1 billion 7-year Green Bond at GoC +53bps

NORTH AMERICAN RATES UPDATE

North American government yield curves bear flattened over the course of the week on both sides of the border as NAFTA negotiations continued and headlines surrounding a US government shutdown remained at the forefront with regard to market tone. In particular, the US government formally shutdown for two days after a failure to pass legislation to fund government operations mainly stemming from a dispute over immigration policy; however the situation was remedied when the Senate Democrats agreed to end the filibuster in exchange for continued dialogue on legislation. In the US, Treasury yields were 2-5 bps higher at the front-end of the curve, while the 10-year benchmark yield closed unchanged and the long-end of the curve fell 2bps. The Government of Canada curve shifted in sympathy with its US counterpart as the 2- to 10-year part of the curve rose 1-3bps while the 30-year benchmark yield finished 4bps lower. In international markets, the ECB left its benchmark rate unchanged during its meeting on January 25th citing uncertainties that continue to persist globally. In Canadian swap markets, the curve generally rose 0.25-0.5bps, while the 30-year rose 4.75bps.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.82%	▲ 1
5yr	2.06%	▲ 3
10yr	2.26%	▲ 2
30yr	2.33%	▼ 4

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.12%	▲ 5
5yr	2.47%	▲ 2
10yr	2.66%	unch
30yr	2.91%	▼ 2

MARKET IMPLIED BOC RATES

Meeting	Implied Rate
March 7, 2018	1.3034
April 18, 2018	1.4235
May 30, 2018	1.5035

SWAPS

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	36.75	▲ 0.25
3yr	41.00	unch
5yr	38.00	▲ 0.50
7yr	36.75	▲ 0.50
10yr	34.00	▲ 0.50
30yr	33.25	▲ 4.75

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Wed, Jan 31	GDP MoM	4.0%	0.0%
US Economic Data			
Tue, Jan 30	Conf. Board Consumer Confidence	123.0	122.1
Wed, Jan 31	MBA Mortgage Applications	--	4.5%
Wed, Jan 31	FOMC Rate Decision	1.5%	1.5%
Wed, Jan 31	ADP Employment Change	185k	250k
Thu, Feb 1	Continuing Claims	1,925k	1,937k
Thu, Feb 1	Initial Jobless Claims	235k	233k
Thu, Feb 1	ISM Manufacturing	58.6	59.7
Fri, Feb 2	Change in Nonfarm Payrolls	180k	148k
Fri, Feb 2	Unemployment Rate	4.1%	4.1%
Fri, Feb 2	Durable Goods Orders	--	2.9%
Fri, Feb 2	Factory Orders	1.2%	1.3%
International Economic Data			
Tue, Jan 30	France GDP QoQ	0.6%	0.6%
Tue, Jan 30	Euro Area GDP QoQ	0.6%	0.6%
Tue, Jan 30	Australia CPI QoQ	0.7%	0.6%
Wed, Jan 31	Germany Unemployment Change	-17k	-29k
Wed, Jan 31	Euro Area Unemployment Rate	8.7%	8.7%
Thu, Feb 1	Markit Eurozone Manufacturing PMI	59.6	59.6

SELECTED COMPANIES REPORTING THIS WEEK

Canada

CGI Group, Imperial Oil, Methanex, Metro, Norbord, Open Text, Saputo

US

Ally Financial, Alphabet, Altria Group, Amazon.com, Amgen, Apple, AT&T, Blackstone Group, Boeing, Charter Communications, Chevron, ConocoPhillips, DowDuPont, eBay, Exxon Mobil, Facebook, Hershey, Lockheed Martin, Mastercard, McDonald's, Merck & Co, MetLife, Microsoft, Mondelez International, PayPal Holdings, Pfizer, Time Warner, United Parcel Service, Visa

Regards,

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Meeting	Implied Rate
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[redacted]	1.5035

Swaps	Spread (bps)	1 Week Δ(bps)
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5yr	38.00	▲ 0.50
7yr	36.75	▲ 0.50
10yr	34.00	▲ 0.50
30yr	33.25	▲ 4.75

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-- Confidential --

Bank Name	RBC
Date	30-Jan-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	**2.35%**	**2.35%**	**2.31%**	**2.29%**	**2.08%**	**1.89%**	-0.3	1.5	5.5	5.9	5.0	3.1
Curve Adjustment (bp)	**0.0**	**0.3**	**0.9**	**0.1**	**2.7**	**5.4**	-	-0.2	-1.8	-1.0	0.4	0.8
Spread to GoC Curve (bp)	**100**	**100**	**97**	**87**	**65**	**50**	2.0	2.0	2.0	-1.0	-1.0	-
Re-Offered Yield	3.35%	3.35%	3.29%	3.16%	2.76%	2.44%	1.7	3.3	5.7	3.9	4.4	3.9
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.37%**	**3.38%**	**3.33%**	**3.20%**	**2.83%**	**2.53%**	1.7	3.3	5.7	3.9	4.4	3.9

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	**70**	**70**	**67**	**57**	**35**	**20**	1.5	1.9	2.0	-1.0	-1.0	-0.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**37**	**28**	**15**				0.5	-	0.5
City of Toronto (AA/Aa1/AA)	**95**	**95**	**92**	**79**	**54**	**41**	1.0	1.5	1.5	-1.0	-1.0	-0.5
Hydro One Inc. (A(H)/A3/A)	**119**	**n/a**	**n/a**	**80**	**56**	**48**	-3.0			-3.0	-3.0	-1.0
Ontario Power Generation Inc. (A(low)/-/BBB+)	**146**	**n/a**	**n/a**	**104**	**77**	**68**	-			-	-	-
Toronto Hydro Corporation (A/-/A)	**116**	**n/a**	**n/a**	**78**	**54**	**49**	-2.0			-2.0	-2.0	1.0
Canadian National Railway Co (A/A2/A)	**117**	**n/a**	**n/a**	**80**	**59**	**51**	-3.0			-3.0	-	-
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**86**	**n/a**	**n/a**	**70**	**49**	**39**	-1.0			-1.0	-1.0	-1.0
NAV Canada (AA(low)/Aa2/AA-)	**85**	**n/a**	**n/a**	**73**	**55**	**46**	-			-	-	-

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.35%	2.35%	2.31%	2.29%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.3	0.9	0.1	2.7	5.4						
Spread to GoC Curve (bp)	**125**	**125**	**122**	**112**	**90**	**75**	2.0	2.0	2.0	-1.0	-1.0	-
Re-Offered Yield	3.60%	3.60%	3.54%	3.41%	3.01%	2.69%	1.7	3.3	5.7	3.9	4.4	3.9
Commission (bp)	2.7	3.5	3.9	4.8	7.6	8.7	0.01	0.01	0.02	0.01	0.01	0.01
All-in Yield	**3.63%**	**3.63%**	**3.58%**	**3.45%**	**3.08%**	**2.78%**	1.7	3.3	5.7	3.9	4.4	3.9

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70	67	57	35	20	1.5	1.9	2.0	-1.0	-1.0	-0.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**51**	**33**	**n/a**				-9.0	-7.0	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.35%	2.35%	2.31%	2.29%	2.08%	1.89%						
Curve Adjustment (bp)	0.0	0.3	0.9	0.1	2.7	5.4						
Spread to GoC Curve (bp)	**140**	**140**	**137**	**127**	**105**	**90**	2.0	2.0	2.0	-1.0	-1.0	-
Re-Offered Yield	3.75%	3.75%	3.69%	3.56%	3.16%	2.84%	1.7	3.3	5.7	3.9	4.4	3.9
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	0.01	0.01	0.02	0.01	0.01	0.01
All-in Yield	**3.78%**	**3.78%**	**3.73%**	**3.60%**	**3.23%**	**2.93%**	1.7	3.3	5.7	3.9	4.4	3.9

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70	67	57	35	20	1.5	1.9	2.0	-1.0	-1.0	-0.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From: Mike Manning
To: Ricky Lai
Cc: James Devine; Carlos Yep
Subject: RE: Fair Hydro spreads
Date: Tuesday, February 06, 2018 3:06:46 PM

Hi Rick:
Looks good. Actuals came in fairly close to forecast.

Thanks, Mike

From: Ricky Lai
Sent: Tuesday, February 06, 2018 1:40 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Cc: James Devine <James.Devine@ofina.on.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>
Subject: Fair Hydro spreads

Please find attached the Fair Hydro spreads file. Please let me know if you have any suggestions on the file, thanks.

Ricky

From:	Mike Manning
To:	Ricky Lai
Cc:	James Devine; Carlos Yep
Subject:	RE: Fair hydro spreads
Date:	Thursday, February 08, 2018 1:06:45 PM

Thanks Rick for the quick turnaround.

Mike

From: Ricky Lai
Sent: Thursday, February 08, 2018 12:59 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Cc: James Devine <James.Devine@ofina.on.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>
Subject: Fair hydro spreads

Please find the latest Fair Hydro spreads.

Thanks.

Ricky

From:	Ricky Lai
To:	Mike Manning
Cc:	James Devine; Carlos Yep
Subject:	RE: Fair hydro spreads
Date:	Thursday, February 08, 2018 1:32:52 PM
Attachments:	Fair Hydro price indications Feb 8 2018 (remove).xlsx

Please see row 15 highlighted in yellow for an average without the high and low. The Junior sub note is quite different for the 10-30 year tenors.

Ricky

From: Ricky Lai
Sent: Thursday, February 08, 2018 12:59 PM
To: Mike Manning
Cc: James Devine ; Carlos Yep
Subject: Fair hydro spreads

Please find the latest Fair Hydro spreads.

Thanks.

Ricky

FAIR HYDRO SPREADS

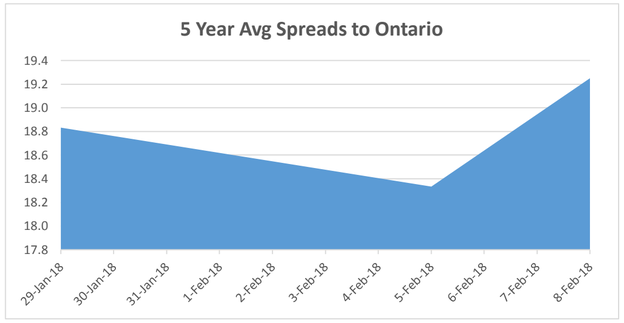
29.875 28.625

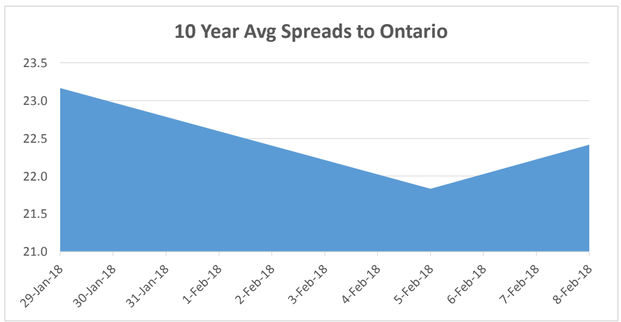
Senior Note

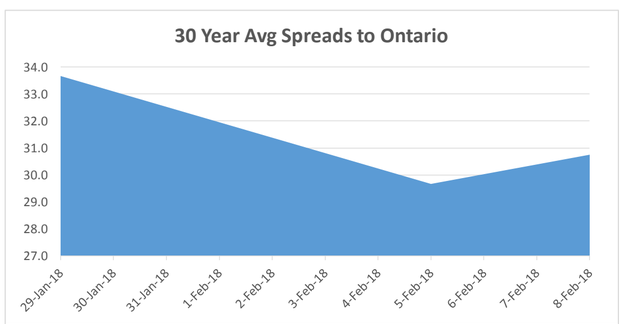
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
30.8	28.3	24.6	22.4	19.3	17.0

Average All-in Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
103.1	101.3	95.5	85.6	65.9	50.5
Last Week's	105.9	102.4	95.4	86.3	65.2	52.0
Change	-2.8	-1.0	0.0	-0.7	0.7	-1.6
Removed H/L	**102.2**	**101.8**	**95.4**	**84.9**	**65.1**	**51.1**

All-in Spread to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*BMO*	*BMO*	*BMO*	*BMO*	*CIBC*	*BMO*
	95.6	95.4	94.4	82.6	59.3	41.9
Maximum	*TD*	*NBF*	*NBF*	*TD*	*RBC*	*Scotia*
	114.4	105.5	96.8	91.5	75.6	56.6





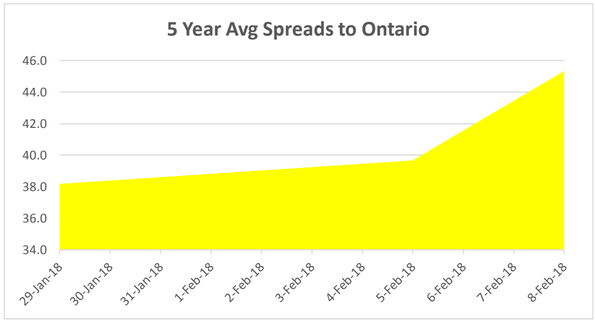


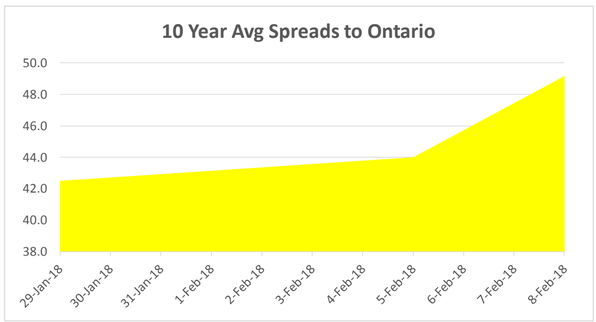
Sub Note

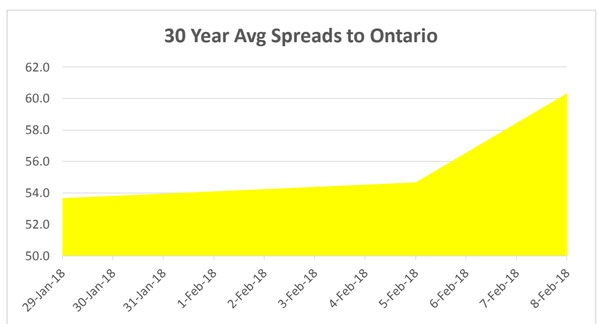
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
60.3	57.6	53.0	49.2	45.3	42.9

Average All-in Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
132.7	130.6	123.9	112.4	92.0	76.4
Last Week's	125.9	122.4	115.1	105.7	84.5	71.0
Change	6.8	8.2	8.8	6.7	7.4	5.4
133.2	**131.2**	**122.6**	**112.4**	**91.6**	**76.0**

All-in Spread to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*RBC*	*CIBC*	*NBF*	*CIBC*	*BMO*
	121.8	123.6	119.4	105.7	84.3	67.9
Maximum	*TD*	*BMO*	*BMO*	*TD*	*Scotia*	*Scotia*
	141.9	135.5	133.4	119.0	100.9	86.6





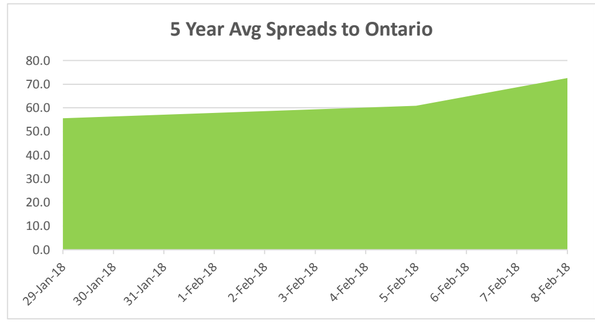


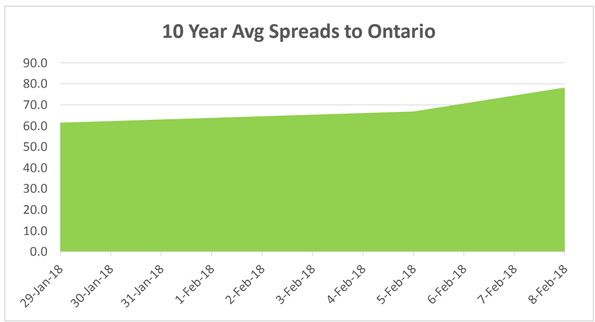
Junior Sub Note

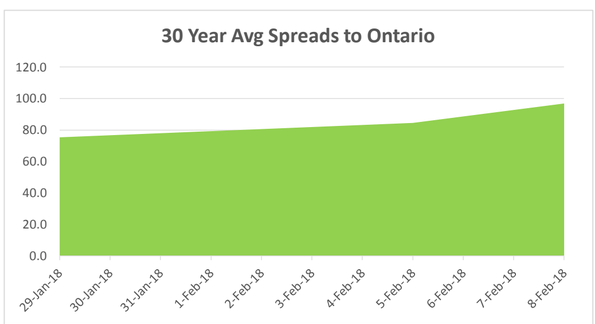
Average Spreads to Ontario					
30-year	20-year	15-year	10-year	5-year	3-year
95.8	92.5	86.1	78.3	72.6	70.3

Average All-in Fair Hydro Spreads to GoC curve					
30-year	20-year	15-year	10-year	5-year	3-year
168.2	165.6	157.0	141.5	119.2	103.8
Last Week's	147.6	144.1	136.1	124.7	101.9	88.7
Change	20.6	21.5	20.9	16.8	17.4	15.1
164.1	**160.0**	**149.9**	**138.6**	**118.8**	**102.5**

All-in Spread to GoC						
	30-year	20-year	15-year	10-year	5-year	3-year
Minimum	*RBC*	*RBC*	*RBC*	*RBC*	*CIBC*	*CIBC*
	141.8	143.6	141.0	131.8	109.3	96.2
Maximum	*BMO*	*BMO*	*BMO*	*BMO*	*Scotia*	*Scotia*
	210.9	209.7	201.5	162.8	130.9	116.6







Indicative New Issue Spreads
Week of Feb 5, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	BMO	BMO	BMO	*BMO*	*BMO*	BMO	CIBC	CIBC	CIBC	*CIBC*	*CIBC*	CIBC	NBF	NBF	NBF	*NBF*	*NBF*	NBF
	BMO						CIBC						NBF					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Jun-24	01-Sep-22	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.48%	2.49%	2.41%	2.37%	2.12%	1.91%	2.51%	2.51%	2.47%	2.40%	2.27%	2.15%	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%
Curve Adjustment (bp)	0.0	0.2	3.7	1.4	3.4	6.5	0.0	0.1	(0.3)	1.2	4.7	3.5	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	93	92	91	78	52	35	100	100	92	81	58	45	105	102	93	78	58	45
Re-Offered Yield	3.41%	3.41%	3.35%	3.16%	2.67%	2.33%	3.51%	3.52%	3.39%	3.22%	2.89%	2.63%	3.50%	3.47%	3.34%	3.15%	2.74%	2.42%
Commission (bp)	2.6	3.4	3.4	4.6	7.4	6.9	2.7	2.7	2.4	2.1	1.8	1.2	2.7	3.5	3.8	4.7	7.6	8.7
All-in Yield	**3.44%**	**3.45%**	**3.39%**	**3.21%**	**2.75%**	**2.40%**	**3.54%**	**3.54%**	**3.41%**	**3.25%**	**2.91%**	**2.65%**	**3.53%**	**3.50%**	**3.38%**	**3.20%**	**2.82%**	**2.51%**
All-in Spread to GoC Curve (bp)	**95.63**	**95.41**	**94.36**	**82.62**	**59.43**	**41.86**	**102.72**	**102.72**	**94.41**	**83.10**	**59.26**	**46.22**	**107.71**	**105.50**	**96.85**	**82.71**	**65.55**	**53.70**

Primary Comparable (S&P/Moody's/ DBRS)	BMO						CIBC						NBF					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69	69	59	40	27	70	70	68	58	38	25	70	70	68	59	39	26

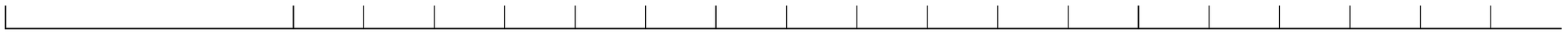
Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						NBF					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)																		
City of Toronto (AA/Aa1/AA)																		
Hydro One Inc. (A(H)/A3/A)																		
Ontario Power Generation Inc. (A(low)/-/BBB+)							150	--	--	106	70	56						
Toronto Hydro Corporation (A/-/A)							118	--	--	81	56	46						
Canadian National Railway Co (A/A2/A)																		
Greater Toronto Airports Authority (A(high)/Aa3/A+)																		
NAV Canada (AA(low)/Aa2/AA-)	84	0	0	74	52	45												
OPB Finance Trust (AA+/-/AA(H))																		
Covered Bond - Bank (AAA/Aaa/AAA)																		
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)													125	119	102	85	65	55
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)													108	102	85	70	50	42
Schedule I Bank ABS (Aaa ; AAA ; AAA)													130	125	108	85	70	60
ABS - Eagle 2017-1 A (AAA)	0	0	0	0	75	0												
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)	0	0	0	0	67	53												
MBS - BAML NHA MBS (AAA/AAA)	0	0	0	0	54	38												
CMBs: (AAA/Aaa/AAA)	0	0	39	34	26	14												
PSP Investments (AAA/Aaa/AAA)	0	0	0	64	43	26												
CPP Investment Board (AAA/Aaa/AAA)	84	0	0	64	43	26												
BMO (Senior) (A+/A1/AA)	107	0	0	82	69	56												
Nova Scotia Power (BBB+ / - / A(l))							131	--	--	92	65	52						
FortisAlberta (A- / Baa1 / A(l))							121	--	--	86	61	--						
Brookfield Renewable Energy Partners (BBB / - / BBB(H))							215	--	--	158	109	83						
Bruce Power (BBB / Baa2 / BBB)							190	--	--	133	89	--						
City of Toronto (- / Aa1 / AA)							94	92	--	76	--	--						
BNS - Denior Deposit Notes																		
Golden Credit Card Trust																		
Master Credit Card Trust																		

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	BMO						CIBC						NBF					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.48%	2.49%	2.41%	2.37%	2.12%	1.91%	2.51%	2.51%	2.47%	2.40%	2.27%	2.15%	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%
Curve Adjustment (bp)	0.0	0.2	3.7	1.4	3.4	6.5	0.0	0.1	(0.3)	1.2	4.7	3.5	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	133	132	130	108	78	61	125	125	117	106	83	70	130	127	117	101	81	67
Re-Offered Yield	3.81%	3.81%	3.74%	3.46%	2.93%	2.59%	3.76%	3.77%	3.64%	3.47%	3.14%	2.88%	3.75%	3.72%	3.58%	3.38%	2.97%	2.64%
Commission (bp)	2.8	3.5	3.4	4.7	7.5	6.9	2.7	2.7	2.4	2.1	1.8	1.2	2.7	3.5	3.8	4.7	7.6	8.7
All-in Yield	**3.84%**	**3.85%**	**3.78%**	**3.51%**	**3.01%**	**2.66%**	**3.79%**	**3.79%**	**3.66%**	**3.50%**	**3.16%**	**2.90%**	**3.78%**	**3.75%**	**3.62%**	**3.43%**	**3.05%**	**2.73%**
All-in Spread to GoC Curve (bp)	**135.76**	**135.53**	**133.44**	**112.69**	**85.47**	**67.88**	**127.72**	**127.72**	**119.41**	**108.10**	**84.26**	**71.22**	**132.71**	**130.50**	**120.85**	**105.71**	**88.55**	**75.70**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						NBF					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.																		
Highway 407 (A, A)													120	113	94	75	55	45
NAV Canada (AA-, AA low)													85	83	76	70	50	40
GTAA (Aa3, A+)													85	83	76	70	50	40
Hydro One (A3/A/A high)													125	118	99	80	60	50
ABS - BMO Fortified (HELOC ABS) (AA/AA)	0	0	0	0	0	73												
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)	0	0	0	0	0	88												
BMO (Senior) (A+/A1/AA)	107	0	0	82	69	56												
Nav Canada (sub) (AA-/Aa2/AAL)	84	0	0	74	52	45												
City of Toronto (AA / Aa1 / AA)	94	93	92	77	55	40												
Bank ABS (AAA / - / AAA)							--	--	--	--	68	58						
Auto ABS (Ford) (AAA / Aaa / AAA)							--	--	--	--	83	71						
NHA MBS (AAA / Aaa / AAA)							--	--	--	--	51	41						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	BMO						CIBC						NBF					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37		1-Jun-27	01-Jun-24	01-Sep-22	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22	01-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%	2.75%	5.00%	5.75%	1.00%	2.50%	1.00%	2.75%	5.00%	5.75%	1.00%	2.75%	0.75%
Benchmark Yield	2.48%	2.49%	2.41%	2.37%	2.12%	1.91%	2.51%	2.51%	2.47%	2.40%	2.27%	2.15%	2.45%	2.45%	2.41%	2.37%	2.16%	1.97%
Curve Adjustment (bp)	0.0	0.2	3.7	1.4	3.4	6.5	0.0	0.1	(0.3)	1.2	4.7	3.5	0.0	0.0	0.0	0.0	0.0	0.0
Spread to GoC Curve (bp)	208	206	198	158	122	105	150	150	142	131	108	95	160	157	145	123	98	85
Re-Offered Yield	4.56%	4.55%	4.42%	3.96%	3.37%	3.03%	4.01%	4.02%	3.89%	3.72%	3.39%	3.13%	4.05%	4.02%	3.86%	3.60%	3.14%	2.82%
Commission (bp)	2.9	3.7	3.5	4.8	7.5	6.9	2.7	2.7	2.4	2.1	1.8	1.2	2.7	3.5	3.8	4.7	7.6	8.7
All-in Yield	**4.59%**	**4.59%**	**4.46%**	**4.01%**	**3.45%**	**3.10%**	**4.04%**	**4.04%**	**3.91%**	**3.75%**	**3.41%**	**3.15%**	**4.08%**	**4.05%**	**3.90%**	**3.65%**	**3.22%**	**2.91%**
All-in Spread to GoC Curve (bp)	**210.86**	**209.65**	**201.54**	**162.77**	**129.53**	**111.92**	**152.72**	**152.72**	**144.41**	**133.10**	**109.26**	**96.22**	**162.71**	**160.50**	**148.85**	**127.71**	**105.55**	**93.70**

Other Comparables (S&P/Moody's/ DBRS)	BMO						CIBC						NBF					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)													145.0	139.0	122.0	105.0	80.0	65.0
Highway 407 (A, A)													120.0	113.3	94.1	75.0	55.0	45.0
Enbridge Gas Distribution (A-, A)													120.0	114.0	97.0	80.0	60.0	50.0
Hydro One (A3/A/A high)													125.0	118.3	99.1	80.0	60.0	50.0
Schedule 1 Bank ABS (A)													185.0	180.0	163.0	140.0	125.0	110.0
ABS - Eagle 2017-1 Sub A Rated Tranche	-	-	-	-	140.0	-												
ABS - BMO Fortified Sub A Rated Tranche	-	-	-	-	122.0	-												
Hydro One (A/A3/AH)	123.0	-	-	81.0	59.0	47.0												
OPG (BBB+/-/AL)	158.0	-	-	111.0	89.0	77.0												



Indicative New Issue Spreads
Week of Feb 5, 2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	RBC	RBC	RBC	*RBC*	*RBC*	RBC	Scotia	Scotia	Scotia	*Scotia*	*Scotia*	Scotia	TD	TD	TD	*TD*	*TD*	TD
	RBC						Scotia						TD					
	Current						Current						Current					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	30-Nov-44	31-May-33	31-May-25	31-May-23	31-Aug-18	31-Aug-16
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.50%	2.50%	2.44%	2.40%	2.14%	1.92%	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	2.50%	2.51%	2.43%	2.40%	2.15%	1.92%
Curve Adjustment (bp)	0.0	0.2	3.3	1.3	3.5	6.6	0.0	0.2	(0.2)	1.0	3.2	6.7	0.0	0.2	4.3	1.2	3.5	7.0
Spread to GoC Curve (bp)	94	95	92	82	68	45	99	98	92	83	64	48	112	102	92	87	57	42
Re-Offered Yield	3.44%	3.45%	3.39%	3.23%	2.85%	2.44%	3.46%	3.45%	3.36%	3.22%	2.80%	2.46%	3.62%	3.53%	3.39%	3.28%	2.75%	2.41%
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	3.0	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.46%**	**3.49%**	**3.43%**	**3.28%**	**2.93%**	**2.52%**	**3.49%**	**3.49%**	**3.40%**	**3.26%**	**2.88%**	**2.54%**	**3.65%**	**3.56%**	**3.43%**	**3.32%**	**2.83%**	**2.50%**
All-in Spread to GoC Curve (bp)	**96.69**	**98.49**	**95.86**	**86.72**	**75.58**	**53.71**	**101.50**	**100.70**	**95.61**	**87.03**	**70.94**	**56.64**	**114.39**	**105.20**	**95.62**	**91.53**	**64.44**	**50.64**

Primary Comparable (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	71	68	58	44	21	69	70	67	60	39	26	70	70	66	61	43	34

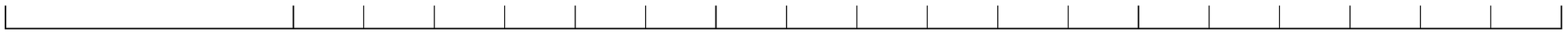
Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	36	28	15												
City of Toronto (AA/Aa1/AA)	95	96	94	86	56	41												
Hydro One Inc. (A(H)/A3/A)	125	n/a	n/a	83	58	50							124	114	93	85	63	48
Ontario Power Generation Inc. (A(low)/-/BBB+)	148	n/a	n/a	106	79	70	150	0	0	105	79	66						
Toronto Hydro Corporation (A/-/A)	118	n/a	n/a	80	55	50												
Canadian National Railway Co (A/A2/A)	119	n/a	n/a	82	60	52												
Greater Toronto Airports Authority (A(high)/Aa3/A+)	86	n/a	n/a	70	49	39												
NAV Canada (AA(low)/Aa2/AA-)	86	n/a	n/a	74	55	46												
OPB Finance Trust (AA+/-/AA(H))													109	99	94	85	55	41
Covered Bond - Bank (AAA/Aaa/AAA)													N/A	N/A	N/A	70	55	44
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)																		
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)																		
Schedule I Bank ABS (Aaa ; AAA ; AAA)																		
ABS - Eagle 2017-1 A (AAA)																		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)																		
MBS - BAML NHA MBS (AAA/AAA)																		
CMBs: (AAA/Aaa/AAA)																		
PSP Investments (AAA/Aaa/AAA)																		
CPP Investment Board (AAA/Aaa/AAA)							71	0	0	61	43	26						
BMO (Senior) (A+/A1/AA)																		
Nova Scotia Power (BBB+ / - / A(l))																		
FortisAlberta (A- / Baa1 / A(l))																		
Brookfield Renewable Energy Partners (BBB / - / BBB(H))																		
Bruce Power (BBB / Baa2 / BBB)																		
City of Toronto (- / Aa1 / AA)																		
BNS - Denior Deposit Notes							117	0	0	87	70	57						
Golden Credit Card Trust							0	0	0	81	65	52						
Master Credit Card Trust							0	0	0	81	65	52						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	30-Nov-44	31-May-33	31-May-25	31-May-23	31-Aug-18	31-Aug-16
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.50%	2.50%	2.44%	2.40%	2.14%	1.92%	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	2.50%	2.51%	2.43%	2.40%	2.15%	1.92%
Curve Adjustment (bp)	0.0	0.2	3.3	1.3	3.5	6.6	0.0	0.2	(0.2)	1.0	3.2	6.7	0.0	0.2	4.3	1.2	3.5	7.0
Spread to GoC Curve (bp)	119	120	117	107	93	70	134	131	122	113	94	78	140	130	120	115	85	70
Re-Offered Yield	3.69%	3.70%	3.64%	3.48%	3.10%	2.69%	3.81%	3.78%	3.66%	3.52%	3.10%	2.76%	3.90%	3.81%	3.67%	3.55%	3.03%	2.69%
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.7	3.0	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.71%**	**3.74%**	**3.68%**	**3.53%**	**3.18%**	**2.77%**	**3.84%**	**3.82%**	**3.70%**	**3.56%**	**3.18%**	**2.84%**	**3.92%**	**3.84%**	**3.70%**	**3.60%**	**3.10%**	**2.77%**
All-in Spread to GoC Curve (bp)	**121.78**	**123.57**	**120.93**	**111.78**	**100.63**	**78.74**	**136.50**	**133.70**	**125.61**	**117.03**	**100.94**	**86.64**	**141.89**	**132.70**	**123.12**	**119.03**	**91.94**	**78.14**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	51	33	n/a												
Highway 407 (A, A)																		
NAV Canada (AA-, AA low)																		
GTAA (Aa3, A+)																		
Hydro One (A3/A/A high)																		
ABS - BMO Fortified (HELOC ABS) (AA/AA)																		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)																		
BMO (Senior) (A+/A1/AA)																		
Nav Canada (sub) (AA-/Aa2/AAL)																		
City of Toronto (AA / Aa1 / AA)																		
Bank ABS (AAA / - / AAA)																		
Auto ABS (Ford) (AAA / Aaa / AAA)																		
NHA MBS (AAA / Aaa / AAA)																		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	RBC						Scotia						TD					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	30-Nov-44	31-May-33	31-May-25	31-May-23	31-Aug-18	31-Aug-16
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.50%	2.50%	2.44%	2.40%	2.14%	1.92%	2.48%	2.48%	2.44%	2.38%	2.14%	1.91%	2.50%	2.51%	2.43%	2.40%	2.15%	1.92%
Curve Adjustment (bp)	0.0	0.2	3.3	1.3	3.5	6.6	0.0	0.2	(0.2)	1.0	3.2	6.7	0.0	0.2	4.3	1.2	3.5	7.0
Spread to GoC Curve (bp)	139	140	137	127	113	90	169	164	152	143	124	108	167	157	147	142	112	97
Re-Offered Yield	3.89%	3.90%	3.84%	3.68%	3.30%	2.89%	4.16%	4.11%	3.96%	3.82%	3.40%	3.06%	4.17%	4.08%	3.94%	3.83%	3.30%	2.96%
Commission (bp)	2.8	3.6	4.0	4.8	7.7	8.8	3.0	3.2	3.6	4.5	7.4	8.6	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.91%**	**3.94%**	**3.88%**	**3.73%**	**3.38%**	**2.97%**	**4.19%**	**4.15%**	**4.00%**	**3.86%**	**3.48%**	**3.14%**	**4.20%**	**4.11%**	**3.98%**	**3.87%**	**3.38%**	**3.05%**
All-in Spread to GoC Curve (bp)	**141.85**	**143.64**	**140.98**	**131.83**	**120.67**	**98.77**	**171.50**	**166.70**	**155.61**	**147.03**	**130.94**	**116.64**	**169.39**	**160.20**	**150.62**	**146.53**	**119.44**	**105.64**

Other Comparables (S&P/Moody's/ DBRS)	RBC						Scotia						TD					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Ontario Power Generation (BBB+/A low)																		
Highway 407 (A, A)																		
Enbridge Gas Distribution (A-, A)																		
Hydro One (A3/A/A high)																		
Schedule 1 Bank ABS (A)																		
ABS - Eagle 2017-1 Sub A Rated Tranche																		
ABS - BMO Fortified Sub A Rated Tranche																		
Hydro One (A/A3/AH)																		
OPG (BBB+/-/AL)																		



29-Jan-18	18.8	23.2	33.7

Fair Hydro Spread to Ontarios

	5 Year	**10 Year**	**30 Year**
29-Jan-18	18.8	23.2	33.7
5-Feb-18	18.3	21.8	29.7
8-Feb-18	19.3	22.4	30.8

57.7	81.7	103.3	38.8	58.5	69.7

Fair Hydro Spread to GOC			**Ontario Spread to GOC**		
5 Year	**10 Year**	**30 Year**	**5 Year**	**10 Year**	**30 Year**
57.7	81.7	103.3	38.8	58.5	69.7
56.8	80.6	99.1	38.5	58.8	69.4
59.3	81.4	100.4	40.1	59.0	69.7

29-Jan-18	38.2	42.5	53.7

Fair Hydro Spread to Ontarios

	5 Year	**10 Year**	**30 Year**
29-Jan-18	38.2	42.5	53.7
5-Feb-18	39.7	44.0	54.7
8-Feb-18	45.3	49.2	60.3

77.0	101.0	123.3	38.8	58.5	69.7

Fair Hydro Spread to GOC			**Ontario Spread to GOC**		
5 Year	**10 Year**	**30 Year**	**5 Year**	**10 Year**	**30 Year**
77.0	101.0	123.3	38.8	58.5	69.7
78.2	102.8	124.1	38.5	58.8	69.4
85.4	108.2	130.0	40.1	59.0	69.7

29-Jan-18	55.5	61.5	75.3

Fair Hydro Spread to Ontarios

	5 Year	**10 Year**	**30 Year**
29-Jan-18	55.5	61.5	75.3
5-Feb-18	60.8	66.8	84.5
8-Feb-18	72.6	78.3	96.8

94.3	120.0	145.0	38.8	58.5	69.7

Fair Hydro Spread to GOC			**Ontario Spread to GOC**		
5 Year	**10 Year**	**30 Year**	**5 Year**	**10 Year**	**30 Year**
94.3	120.0	145.0	38.8	58.5	69.7
99.3	125.6	153.9	38.5	58.8	69.4
112.7	137.3	166.5	40.1	59.0	69.7

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.49%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**93**	**92**
Re-Offered Yield	3.41%	3.41%
Commission (bp)	2.6	3.4
All-in Yield	**3.44%**	**3.45%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ONTARIO: (A+/Aa2/AAL)	70	69

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 A (AAA)		
ABS - BMO Fortified (HELOC ABS) (AAA/AAA)		
MBS - BAML NHA MBS (AAA/AAA)		
CMBs: (AAA/Aaa/AAA)		
PSP Investments (AAA/Aaa/AAA)		
CPP Investment Board (AAA/Aaa/AAA)	84	
BMO (Senior) (A+/A1/AA)	107	
Nav Canada (sub) (AA-/Aa2/AAL)	84	

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.49%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**133**	**132**
Re-Offered Yield	3.81%	3.81%
Commission (bp)	2.8	3.5
All-in Yield	**3.84%**	**3.85%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - BMO Fortified (HELOC ABS) (AA/AA)		
ABS - Ford Floorplan Auto Securitization (AA / AA / AA)		
BMO (Senior) (A+/A1/AA)	107	
Nav Canada (sub) (AA-/Aa2/AAL)	84	
City of Toronto (AA / Aa1 / AA)	94	93

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current	
	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.49%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**208**	**206**
Re-Offered Yield	4.56%	4.55%
Commission (bp)	2.9	3.7
All-in Yield	**4.59%**	**4.59%**

Primary Comparable (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
Province of Ontario (AA- / Aa2 / AA(L))	70	69

Other Comparables (S&P/Moody's/ DBRS)	Current	
Spread to GoC Curve (bp)	30-year	20-year
ABS - Eagle 2017-1 Sub A Rated Tranche		
ABS - BMO Fortified Sub A Rated Tranche		
Hydro One (A/A3/AH)	123	
OPG (BBB+/-/AL)	158	

Generic Corporate Credit Spreads AA	88	
Generic Corporate Credit Spreads A	146	
Generic Corporate Credit Spreads BBB	218	

* Generic Corporate Credit Spreads derived from an average of all Corporate Bonds included

Bank Nam
Date

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.41%	2.37%	2.12%	1.91%	14bps	15bps	10bps	9bps	4bps
3.7	1.4	3.4	6.5	0bps	0bps	2bps	0bps	1bps
91	**78**	**52**	**35**	3bps	3bps	3bps	3bps	2bps
3.35%	3.16%	2.67%	2.33%	17bps	18bps	15bps	12bps	7bps
3.4	4.6	7.4	6.9					
3.39%	**3.21%**	**2.75%**	**2.40%**	17bps	18bps	15bps	12bps	7bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
68.5	59	39.5	26.5	0bps	-1bps	0bps	1bps	0bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
		75						2bps
		67	53					2bps
		54	38					2bps
38.5	33.5	25.5	14			-2bps	-2bps	-1bps
	64	43	26				0bps	0bps
	64	43	26	0bps			0bps	0bps
	82	69	56	2bps			2bps	2bps
	74	52	45	2bps			3bps	6bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.41%	2.37%	2.12%	1.91%	14bps	15bps	10bps	9bps	4bps
3.7	1.4	3.4	6.5	0bps	0bps	2bps	0bps	1bps
130	**108**	**78**	**61**	3bps	3bps	3bps	3bps	3bps
3.74%	3.46%	2.93%	2.59%	17bps	18bps	15bps	12bps	8bps
3.4	4.7	7.5	6.9					
3.78%	**3.51%**	**3.01%**	**2.66%**	17bps	18bps	15bps	12bps	8bps

				Week over Week				
15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
69	59	40	27	0bps	-1bps	0bps	1bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
			73					
			88					
	82	69	56	2bps			2bps	2bps
	74	52	45	2bps			3bps	6bps
92	76.5	54.5	39.5	0bps	-1bps	0bps	1bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20					
5.75%	1.00%	2.75%	0.75%					
2.41%	2.37%	2.12%	1.91%	14bps	15bps	10bps	9bps	4bps
3.7	1.4	3.4	6.5	0bps	0bps	2bps	0bps	1bps
198	**158**	**122**	**105**	3bps	3bps	3bps	3bps	2bps
4.42%	3.96%	3.37%	3.03%	17bps	18bps	15bps	12bps	7bps
3.5	4.8	7.5	6.9					
4.46%	**4.01%**	**3.45%**	**3.10%**	17bps	18bps	15bps	12bps	7bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
69	59	40	27	0bps	-1bps	0bps	1bps	0bps

				Week over Week				
15-year	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
		140						2bps
		122						2bps
	81	59	47	3bps			1bps	4bps
	111	89	77	6bps			3bps	6bps

	82	60		0bps			2bps	2bps
	109	76		1bps			2bps	1bps
	160	110		-1bps			-1bps	1bps

in BMO Corporate Bond Universe Pricing

Bank of Montreal
8-Feb-18

3-year
2bps
2bps
0bps
4bps
4bps

3-year
1bps

3-year
0bps
0bps
0bps
0bps
0bps
0bps
5bps

3-year
2bps
2bps
1bps
5bps
5bps

3-year
1bps

3-year
0bps
0bps
0bps
5bps
1bps

3-year
2bps
2bps
0bps
4bps
4bps

3-year
1bps

3-year
4bps
6bps

Note: All ratings are to be confirmed

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.51%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**100**
Re-Offered Yield	3.51%
Commission (bp)	2.7
All-in Yield	**3.54%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
OPG (BBB+ / - / A(l))	150
Toronto Hydro (A / - / A)	118
Nova Scotia Power (BBB+ / - / A(l))	131
FortisAlberta (A- / Baa1 / A(l))	121
Brookfield Renewable Energy Partners (BBB / - / BBB(H))	215
Bruce Power (BBB / Baa2 / BBB)	190
City of Toronto (- / Aa1 / AA)	94

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.51%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**125**
Re-Offered Yield	3.76%
Commission (bp)	2.7
All-in Yield	**3.79%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Bank ABS (AAA / - / AAA)	--
Auto ABS (Ford) (AAA / Aaa / AAA)	--
NHA MBS (AAA / Aaa / AAA)	--

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**30-year**
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.51%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**150**
Re-Offered Yield	4.01%
Commission (bp)	2.7
All-in Yield	**4.04%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(l))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

Bank Nam
Date

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-
2.51%	2.47%	2.40%	2.27%	2.15%	0.16%	0.17%	0.14%	0.12%	0.09%
0.1	(0.3)	1.2	4.7	3.5	0.0	(0.0)	(0.2)	0.2	0.8
100	**92**	**81**	**58**	**45**	0	1	-4	-3	-3
3.52%	3.39%	3.22%	2.89%	2.63%	0.16%	0.18%	0.10%	0.09%	0.08%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
3.54%	**3.41%**	**3.25%**	**2.91%**	**2.65%**	**0.16%**	**0.18%**	**0.10%**	**0.09%**	**0.08%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
70	68	58	38	25	0	1	2	-1	-3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	106	70	56	2	--	--	2	2
--	--	81	56	46	1	--	--	2	2
--	--	92	65	52	2	--	--	2	2
--	--	86	61	--	-	--	--	2	2
--	--	158	109	83	-	--	--	-	-
--	--	133	89	--	2	--	--	2	2
92	--	76	--	--	(1)	(1)	--	(1)	--

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
01-Jun-37	01-Jun-33	01-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-
2.51%	2.47%	2.40%	2.27%	2.15%	0.16%	0.17%	0.14%	0.12%	0.09%
0.1	(0.3)	1.2	4.7	3.5	-	(0.0)	(0.2)	0.2	0.8
125	**117**	**106**	**83**	**70**	0	1	-4	-3	-3
3.77%	3.64%	3.47%	3.14%	2.88%	0.16%	0.18%	0.10%	0.09%	0.08%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
3.79%	**3.66%**	**3.50%**	**3.16%**	**2.90%**	**0.16%**	**0.18%**	**0.10%**	**0.09%**	**0.08%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
70	68	58	38	25	0	1	2	-1	-3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
--	--	--	68	58	--	--	--	--	4
--	--	--	83	71	--	--	--	--	4
--	--	--	51	41	--	--	--	--	2

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
1-Jun-37	.	1-Jun-27	01-Jun-24	01-Sep-22	-	-	-	-	-
5.00%	5.75%	1.00%	2.50%	1.00%	-	-	-	-	-
2.51%	2.47%	2.40%	2.27%	2.15%	0.16%	0.17%	0.14%	0.12%	0.09%
0.1	(0.3)	1.2	4.7	3.5	-	(0.0)	(0.2)	0.2	0.8
150	**142**	**131**	**108**	**95**	15	16	11	12	13
4.02%	3.89%	3.72%	3.39%	3.13%	0.31%	0.33%	0.25%	0.24%	0.23%
2.7	2.4	2.1	1.8	1.2	-	-	-	-	-
4.04%	**3.91%**	**3.75%**	**3.41%**	**3.15%**	**0.31%**	**0.33%**	**0.25%**	**0.24%**	**0.23%**

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year
70	68	58	38	25	0	1	2	-1	-3

Current					Week over Week				
20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year

CIBC
2/8/2018

3-year
-
-
0.07%
0.8
-1
0.07%
-
0.07%

3-year
-1

3-year
2
2
2
--
-
--
--

3-year
-
-
0.07%
0.8
-1
0.07%
-
0.07%

3-year
-1

3-year
4
4
2

3-year
-
-
0.07%
0.8
14
0.22%
-
0.22%

3-year
-1

3-year

Indicative New Issue Spreads - Senior Notes (Aa2/AAA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	105
Re-Offered Yield	3.50%
Commission (bp)	2.7
All-in Yield	**3.53%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Schedule I Bank deposit notes (A1-Aa2 ; A-AA- ; AA)	125
Schedule I Bank covered bonds (Aaa ; AAA ; AAA)	108
Schedule I Bank ABS (Aaa ; AAA ; AAA)	130

Indicative New Issue Spreads - Sub Notes (Aa2/AA)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	130
Re-Offered Yield	3.75%
Commission (bp)	2.7
All-in Yield	**3.78%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Highway 407 (A, A)	120
NAV Canada (AA-, AA low)	85
GTAA (Aa3, A+)	85
Hydro One (A3/A/A high)	125

Indicative New Issue Spreads - Jr. Sub Notes (Aa2/A)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.45%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	160
Re-Offered Yield	4.05%
Commission (bp)	2.7
All-in Yield	**4.08%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Ontario Power Generation (BBB+/A low)	145
Highway 407 (A, A)	120
Enbridge Gas Distribution (A-, A)	120
Hydro One (A3/A/A high)	125
Schedule 1 Bank ABS (A)	185

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.45%	2.41%	2.37%	2.16%
0.0	0.0	0.0	0.0
102	93	78	58
3.47%	3.34%	3.15%	2.74%
3.5	3.8	4.7	7.6
3.50%	**3.38%**	**3.20%**	**2.82%**

Current			
20-year	**15-year**	**10-year**	**5-year**
70	67.5	58.5	38.5

Current			
20-year	**15-year**	**10-year**	**5-year**
119	102	85	65
102	85	70	50
125	108	85	70

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.45%	2.41%	2.37%	2.16%
0.0	0.0	0.0	0.0
127	117	101	81
3.72%	3.58%	3.38%	2.97%
3.5	3.8	4.7	7.6
3.75%	**3.62%**	**3.43%**	**3.05%**

Current			
20-year	**15-year**	**10-year**	**5-year**
70	68	59	39

Current			
20-year	**15-year**	**10-year**	**5-year**
113	94	75	55
83	76	70	50
83	76	70	50
118	99	80	60

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-22
5.00%	5.75%	1.00%	2.75%
2.45%	2.41%	2.37%	2.16%
0.0	0.0	0.0	0.0
157	145	123	98
4.02%	3.86%	3.60%	3.14%
3.5	3.8	4.7	7.6
4.05%	**3.90%**	**3.65%**	**3.22%**

Current			
20-year	**15-year**	**10-year**	**5-year**
70	68	59	39

Current			
20-year	**15-year**	**10-year**	**5-year**
139	122	105	80
113	94	75	55
114	97	80	60
118	99	80	60
180	163	140	125

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.97%	0.09%	0.10%	0.09%
0.0	0.0	0.0	0.0
45	5	5	5
2.42%	0.14%	0.15%	0.14%
8.7	0.0	0.0	0.0
2.51%	**0.14%**	**0.15%**	**0.14%**

			Week
3-year	**30-year**	**20-year**	**15-year**
26	0	-1	0

			Week
3-year	**30-year**	**20-year**	**15-year**
55	0	1	3
42	0	1	3
60	5	5	5

			Week
3-year	**30-year**	**20-year**	**15-year**
01-Sep-20	01-Dec-48	01-Jun-37	01-Jun-29
0.75%	0.00%	0.00%	0.00%
1.97%	0.09%	0.10%	0.09%
0.0	0.0	0.0	0.0
67	15	15	15
2.64%	0.24%	0.25%	0.24%
8.7	0.0	0.0	0.0
2.73%	**0.24%**	**0.25%**	**0.24%**

			Week
3-year	**30-year**	**20-year**	**15-year**
26	0	-1	0

			Week
3-year	**30-year**	**20-year**	**15-year**
45	5	4	2
40	0	0	0
40	0	0	0
50	5	5	5

	Week

3-year	30-year	20-year	15-year
01-Sep-20	01-Dec-48	1-Jun-37	1-Jun-29
0.75%	0.00%	0.00%	0.00%
1.97%	0.09%	0.10%	0.09%
0.0	0.0	0.0	0.0
85	15	15	15
2.82%	0.24%	0.25%	0.24%
8.7	0.0	0.0	0.0
2.91%	**0.24%**	**0.25%**	**0.24%**

	Week

3-year	30-year	20-year	15-year
26	0	-1	0

	Week

3-year	30-year	20-year	15-year
65	5	5	5
45	5	4	2
50	0	0	0
50	5	5	5
110	5	5	5

Bank Name	National Bank of Canada
Date	2/8/2018

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.06%	0.04%	0.02%
0.0	0.0	0.0
5	5	5
0.11%	0.09%	0.07%
0.0	0.0	0.0
0.11%	**0.09%**	**0.07%**

over Week		
10-year	**5-year**	**3-year**
0.5	-1.5	1

over Week		
10-year	**5-year**	**3-year**
5	5	5
5	5	5
0	5	5

over Week		
10-year	**5-year**	**3-year**
01-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.06%	0.04%	0.02%
0.0	0.0	0.0
15	15	15
0.21%	0.19%	0.17%
0.0	0.0	0.0
0.21%	**0.19%**	**0.17%**

over Week		
10-year	**5-year**	**3-year**
1	-2	1

over Week		
10-year	**5-year**	**3-year**
0	0	0
0	0	0
0	0	0
5	5	5

over Week		
10-year	**5-year**	**3-year**
1-Jun-27	01-Jun-22	01-Sep-20
0.00%	0.00%	0.00%
0.06%	0.04%	0.02%
0.0	0.0	0.0
15	15	15
0.21%	0.19%	0.17%
0.0	0.0	0.0
0.21%	**0.19%**	**0.17%**

over Week		
10-year	**5-year**	**3-year**
1	-2	1

over Week		
10-year	**5-year**	**3-year**
5	5	5
0	0	0
0	0	0
5	5	5
0	5	5

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	**2.50%**
Curve Adjustment (bp)	**0.0**
Spread to GoC Curve (bp)	**94**
Re-Offered Yield	3.44%
Commission (bp)	2.7
All-in Yield	**3.46%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	**70**

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**
City of Toronto (AA/Aa1/AA)	**95**
Hydro One Inc. (A(H)/A3/A)	**125**
Ontario Power Generation Inc. (A(low)/-/BBB+)	**148**
Toronto Hydro Corporation (A/-/A)	**118**
Canadian National Railway Co (A/A2/A)	**119**
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**86**
NAV Canada (AA(low)/Aa2/AA-)	**86**

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.50%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**119**
Re-Offered Yield	3.69%
Commission (bp)	2.8
All-in Yield	**3.71%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
RBC Sr-Sub.	**n/a**

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	
	30-year
Benchmark Canada Bond Maturity	01-Dec-48
Benchmark Canada Bond Coupon	2.75%
Benchmark Yield	2.50%
Curve Adjustment (bp)	0.0
Spread to GoC Curve (bp)	**139**
Re-Offered Yield	3.89%
Commission (bp)	2.8
All-in Yield	**3.91%**

Primary Comparable (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**
Province of Ontario (AA- / Aa2 / AA(L))	70

Other Comparables (S&P/Moody's/ DBRS)	
Spread to GoC Curve (bp)	**30-year**

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate a an indicative price of an instrument or transaction such as the instrument or transaction for which an indicative price i prices or valuations for the instrument or transaction and can be less favourable to you.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as ac RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard t any transaction with any counterparty at this price.

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-- Confidential --

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.50%	**2.44%**	**2.40%**	**2.14%**
0.2	**3.3**	**1.3**	**3.5**
95	**92**	**82**	**68**
3.45%	3.39%	3.23%	2.85%
3.5	3.9	4.7	7.6
3.49%	**3.43%**	**3.28%**	**2.93%**

Current			
20-year	**15-year**	**10-year**	**5-year**
71	**68**	**58**	**44**

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**36**	**28**
96	**94**	**86**	**56**
n/a	**n/a**	**83**	**58**
n/a	**n/a**	**106**	**79**
n/a	**n/a**	**80**	**55**
n/a	**n/a**	**82**	**60**
n/a	**n/a**	**70**	**49**
n/a	**n/a**	**74**	**55**

Current			
20-year	**15-year**	**10-year**	**5-year**
01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.50%	2.44%	2.40%	2.14%
0.2	3.3	1.3	3.5
120	**117**	**107**	**93**
3.70%	3.64%	3.48%	3.10%
3.6	3.9	4.8	7.6
3.74%	**3.68%**	**3.53%**	**3.18%**

Current			
20-year	**15-year**	**10-year**	**5-year**
71	68	58	44

Current			
20-year	**15-year**	**10-year**	**5-year**
n/a	**n/a**	**51**	**33**

Current			
20-year	**15-year**	**10-year**	**5-year**
1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22
5.00%	5.75%	1.00%	1.00%
2.50%	2.44%	2.40%	2.14%
0.2	3.3	1.3	3.5
140	**137**	**127**	**113**
3.90%	3.84%	3.68%	3.30%
3.6	4.0	4.8	7.7
3.94%	**3.88%**	**3.73%**	**3.38%**

Current			
20-year	**15-year**	**10-year**	**5-year**
71	68	58	44

Current			
20-year	**15-year**	**10-year**	**5-year**

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s being provided to you may differ substantially from a firm price of such instrument or transaction. The indicative price

:counting, internal reporting or capital adequacy purposes. The difference between the indicative price and the price or
o any other existing or future transactions between you and RBC. The indicative price does not in any way amend, mo

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; or damage, direct or indirect, arising from the use of the Information.

Bank Name	
Date	

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Sep-20					
0.75%					
1.92%	5.8	5.7	5.0	3.7	0.7
6.6	-	-	0.4	0.4	0.3
45	-	-	-2.0	-1.0	8.0
2.44%	5.8	5.7	3.4	3.1	9.0
8.7	0.0	0.0	0.0	0.0	0.0
2.52%	5.8	5.7	3.4	3.1	9.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
21	1.0	1.0	-0.5	0.5	0.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
15				-	-
41	-0.5	0.5	3.5	7.0	0.5
50	-			-	-
70	-			-	-
50	-			-	-
52	-			-	-
39	-			-	-
46	-			-	-

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
01-Sep-20					
0.75%					
1.92%					
6.6					
70	-	-	-2.0	-1.0	8.0
2.69%	5.8	5.7	3.4	3.1	9.0
8.7	0.02	0.02	0.01	0.01	0.02
2.77%	5.8	5.7	3.4	3.1	9.0

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
21	1.0	1.0	-0.5	0.5	8.5

	Week over Week				
3-year	30-year	20-year	15-year	10-year	5-year
n/a				-	-

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
01-Sep-20					
0.75%					
1.92%					
6.6					
90	5.0	5.0	3.0	4.0	13.0
2.89%	10.8	10.7	8.4	8.1	14.0
8.8	0.04	0.03	0.02	0.02	0.03
2.97%	10.8	10.7	8.4	8.1	14.0

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**
21	1.0	1.0	-0.5	0.5	8.5

	Week over Week				
3-year	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**

fer, or an indication of RBC's willingness to make such an offer at any time. As a general matter, and particularly in times of distressed markets
e may vary significantly from prices or valuation estimates available from other sources. If RBC decides to quote a firm price, the firm price can

valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does n
dify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not comm

y at RBC by using the indicative price. The indicative price is provided without any warranty, express or implied, as to its legal effect or complet
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nformation which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty with respect to the I

RBC
08-Feb-18

3-year
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icative New Issue Spreads - Senior Notes (AAA/A	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+99**	**+98**
Re-Offered Yield	3.46%	3.45%
Commission (bp)	3.0	3.2
All-in Yield	**3.49%**	**3.49%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPG	150	
CPP	71	
BNS - Denior Deposit Notes	117	
Golden Credit Card Trust		
Master Credit Card Trust		

ndicative New Issue Spreads - Sub Notes (AA/Aa2	30-year	20-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+134**	**+131**
Re-Offered Yield	3.81%	3.78%
Commission (bp)	3.0	3.2
All-in Yield	**3.84%**	**3.82%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

dicative New Issue Spreads - Jr. Sub Notes (A/Aa		
	30-year	**20-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.48%	2.48%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**+169**	**+164**
Re-Offered Yield	4.16%	4.11%
Commission (bp)	3.0	3.2
All-in Yield	**4.19%**	**4.15%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Golden Credit Card Trust		
Master Credit Card Trust		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.44%	2.38%	2.14%	1.91%	0.00%
(0.2)	1.0	3.2	6.7	0
+92	**+83**	**+64**	**+48**	5
3.36%	3.22%	2.80%	2.46%	0.05%
3.6	4.5	7.4	8.6	0
3.40%	**3.26%**	**2.88%**	**2.54%**	**0.05%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
67	60	39	26	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	105	79	66	0
	61	43	26	0
	87	70	57	0
	81	65	52	0
	81	65	52	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.44%	2.38%	2.14%	1.91%	0.00%
(0.2)	1.0	3.2	6.7	0
+122	**+113**	**+94**	**+78**	15
3.66%	3.52%	3.10%	2.76%	0.15%
3.6	4.5	7.4	8.6	0
3.70%	**3.56%**	**3.18%**	**2.84%**	**0.15%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
67	60	39	26	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	81	65	52	0
	81	65	52	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
1-Jun-33	1-Jun-27	01-Sep-22	01-Sep-20	
5.75%	1.00%	1.00%	0.75%	
2.44%	2.38%	2.14%	1.91%	0.00%
(0.2)	1.0	3.2	6.7	0
+152	**+143**	**+124**	**+108**	25
3.96%	3.82%	3.40%	3.06%	0.25%
3.6	4.5	7.4	8.6	0
4.00%	**3.86%**	**3.48%**	**3.14%**	**0.25%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
67	60	39	26	0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
	81	65	52	0
	81	65	52	0

Bank Name	BNS
Date	2/8/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0
5	5	5	5	5
0.05%	0.05%	0.05%	0.05%	0.05%
0	0	0	0	0
0.05%	**0.05%**	**0.05%**	**0.05%**	**0.05%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0
15	15	15	15	15
0.15%	0.15%	0.15%	0.15%	0.15%
0	0	0	0	0
0.15%	**0.15%**	**0.15%**	**0.15%**	**0.15%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0
0	0	0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0
25	25	25	25	25
0.25%	0.25%	0.25%	0.25%	0.25%
0	0	0	0	0
0.25%	**0.25%**	**0.25%**	**0.25%**	**0.25%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0	0	0	0	0
0	0	0	0	0

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.51%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**112**	**102**
Re-Offered Yield	3.62%	3.53%
Commission (bp)	2.4	3.2
All-in Yield	**3.65%**	**3.56%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
OPB Finance Trust (AA+/-/AA(H))	109	99
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A
Hydro One Inc. (A/A3/AH)	124	114

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	30-year	20-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.51%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**139.5**	**129.5**
Re-Offered Yield	3.90%	3.81%
Commission (bp)	2.4	3.2
All-in Yield	**3.92%**	**3.84%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**

Province of Ontario (AA- / Aa2 / AA(L))	70	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)		
	30-year	**20-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33
Benchmark Canada Bond Coupon	2.75%	5.00%
Benchmark Yield	2.50%	2.51%
Curve Adjustment (bp)	0.0	0.2
Spread to GoC Curve (bp)	**167**	**157**
Re-Offered Yield	4.17%	4.08%
Commission (bp)	2.4	3.2
All-in Yield	**4.20%**	**4.11%**

Primary Comparable (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70

Other Comparables (S&P/Moody's/ DBRS)		
Spread to GoC Curve (bp)	**30-year**	**20-year**
MBS		
ABS		

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-Aug-18	31-Aug-16	-
5.75%	1.00%	1.00%	0.75%	-
2.43%	2.40%	2.15%	1.92%	0.034%
4.3	1.2	3.5	7.0	-
92	**87**	**57**	**42**	2
3.39%	3.28%	2.75%	2.41%	0.05%
3.6	4.5	7.4	8.6	-
3.43%	**3.32%**	**2.83%**	**2.50%**	**0.06%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
65.5	61	43	34	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
94	85	55	41	-
N/A	70	55	44	N/A
93	85	63	48	-

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-Aug-18	31-Aug-16	-
5.75%	1.00%	1.00%	0.75%	-
2.43%	2.40%	2.15%	1.92%	0.034%
4.3	1.2	3.5	7.0	-
119.5	**114.5**	**84.5**	**69.5**	9.5
3.67%	3.55%	3.03%	2.69%	0.13%
3.6	4.5	7.4	8.6	-
3.70%	**3.60%**	**3.10%**	**2.77%**	**0.13%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

66	61	43	34	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
31-May-25	31-May-23	31-Aug-18	31-Aug-16	-
5.75%	1.00%	1.00%	0.75%	-
2.43%	2.40%	2.15%	1.92%	0.034%
4.3	1.2	3.5	7.0	-
147	**142**	**112**	**97**	17
3.94%	3.83%	3.30%	2.96%	0.20%
3.6	4.5	7.4	8.6	-
3.98%	**3.87%**	**3.38%**	**3.05%**	**0.21%**

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**
66	61	43	34	0.0

Current				
15-year	**10-year**	**5-year**	**3-year**	**30-year**

Bank Name	TD Securuties
Date	2/8/2018

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.029%	0.030%	0.035%	0.026%	0.012%
-	-	-	-	-
2	2	2	2	2
0.05%	0.05%	0.06%	0.05%	0.04%
-	-	-	-	-
0.05%	**0.06%**	**0.05%**	**0.05%**	**0.04%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.0	0.0	0.0	1.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	0	-	-	0
N/A	N/A	-	-	0
-	-	-	-	0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.029%	0.030%	0.035%	0.026%	0.012%
-	-	-	-	-
9.5	9.5	9.5	9.5	9.5
0.13%	0.13%	0.13%	0.13%	0.12%
-	-	-	-	-
0.13%	**0.13%**	**0.13%**	**0.12%**	**0.11%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

0.0	0.0	0.0	1.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
-	-	-	-	-
-	-	-	-	-
0.029%	0.030%	0.035%	0.026%	0.012%
-	-	-	-	-
17	17	17	17	17
0.20%	0.20%	0.21%	0.20%	0.19%
-	-	-	-	-
0.20%	**0.21%**	**0.20%**	**0.20%**	**0.19%**

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**
0.0	0.0	0.0	1.0	1.0

Week over Week				
20-year	**15-year**	**10-year**	**5-year**	**3-year**

From:	Bonnie Lemcke
To:	Anna Strathy; Ken Kandeepan
Cc:	Usman Zahid; Mike Manning
Subject:	RE: For Review - SCOPA QAs
Date:	Thursday, February 01, 2018 10:30:35 AM

There are no changes to the credit ratings section.
Bonnie

From: Anna Strathy
Sent: Thursday, February 01, 2018 10:18 AM
To: Bonnie Lemcke ; Ken Kandeepan
Cc: Usman Zahid ; Mike Manning
Subject: FW: For Review - SCOPA QAs

Hi Bonnie, Ken,
Could you please take a look at the attached Q&As that will support our Deputy and Gadi at their SCOPA appearance? Note, there are still several placeholders for input from TBS and Energy related to Pension Asset Accounting and the OFHP. We should be reviewing the Q&As on pgs 6-8 related to our debt burden and credit ratings. **Please make your edits in track changes and send to me by NOON tomorrow.**
Usman, I'll consolidate OFA/CEFD comments for Gadi's review.
Mike, this is just an FYI for you right now. Once we have the input from Energy on the Q&As related to the OFHP, I'll circulate to your team for review.
Thanks, Anna

From: Shewaramani, Deepika (MOF) [mailto:Deepika.Shewaramani@ontario.ca]
Sent: Thursday, February 01, 2018 9:47 AM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>; Birks, Ryan (MOF) <Ryan.Birks@ontario.ca>
Cc: Ghufran Tarin (MOF) <Ghufran.Tarin@ontario.ca>
Subject: For Review - SCOPA QAs

Hi all,
Please see attached draft QAs to support DM Thompson at the Standing Committee of Public Affairs later this month. These will be joint consolidated QAs with TBS and Energy. Could you please fact-check your relevant sections and get back to us by EOD tomorrow, February 2?
OFA – I've included a draft QA on the records disclosed as previously discussed. We haven't seen Energy's QA on this yet but we're including this for now as a placeholder at least. We're still ironing out the approvals process with TBS and Energy so I'll let you know more about this next week.
Please let me know if you have any questions/concerns.
Thanks,

Deepika Shewaramani | Issues Advisor
Issues, Media, Correspondence & Research Services
Communications Services Branch | Ministry of Finance
(416)-326-3665

From:	John Kim
To:	Sarah Harris
Cc:	Ken Kandeepan; Mike Manning; Opal Kandelas; William Tan; Gavin He; Shajee Kathirgamanathan
Subject:	RE: IESO/OFA - FH line
Date:	Wednesday, September 19, 2018 1:59:15 PM

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From:	Gadi Mayman
To:	Scott Thompson (CAB); Serge Imbrogno (ENERGY)
Cc:	Mike Manning
Subject:	RE: Investor Package - Fair Hydro Trust
Date:	Thursday, April 19, 2018 12:38:21 PM

The FHT 20-year senior debt issue was priced this morning for $400 million at a spread of 107 basis points over Canada, or 32 over Ontario, and a yield of 3.52%.
Regards,
Gadi

From: Gadi Mayman
Sent: Wednesday, April 18, 2018 10:09 PM
To: Scott Thompson (CAB) ; Serge Imbrogno (ENERGY)
Cc: Mike Manning
Subject: Fw: Investor Package - Fair Hydro Trust

FYI.
OPG will be issuing the next tranche of the FHT senior debt tomorrow. Target size is $300-400 million.
OPG contacted Moody's to find out whether their placement of our debt on negative outlook would affect the FHT rating. OPG was told that structured finance ratings don't have outlooks, they just have a rating, so even though Moody's has directly tied the FHT rating to ours (and included it in their analysis of our debt when they put us on negative outlook yesterday - it was a small part, so far, and not the reason for the outlook change) there is no immediate ratings impact on the FHT.
Gadi

From: Martin, Kevin E <kevin.e.martin@rbccm.com>
Sent: Wednesday, April 18, 2018 2:10 PM
To: Elizabeth Wallace; James Devine; Mike Manning; Carlos Yep; Gadi Mayman
Cc: Caridia, Alex; Vijay, Shaaj; Dorri, Sam
Subject: FW: Investor Package - Fair Hydro Trust

20-year min $300mm, small room to grow.
To launch and price tomorrow.

From: Robertson, Sherry
Sent: April 18, 18 2:06 PM
To: +DS-GM-Bond Sales Desk
Subject: Investor Package - Fair Hydro Trust

THE FOLLOWING HAS BEEN FORWARDED TO INVESTORS

Base Offering Memorandum

Investor Presentation

Term Sheet

Sherry Robertson, MBA | Vice President | Debt Syndication | RBC Capital Markets | (416) 842-7758 |
2nd Floor, North Tower, Royal Bank Plaza | 200 Bay Street, Toronto, Ontario M5J 2W7
sherry.robertson@rbccm.com

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From: Imbrogno, Serge (ENERGY)
To: Gadi Mayman; Scott Thompson (CAB)
Cc: Mike Manning
Subject: RE: Investor Package - Fair Hydro Trust
Date: Thursday, April 19, 2018 12:55:23 PM

Hi Gadi. Thanks for the updates. Serge

Sent with BlackBerry Work
(www.blackberry.com)

From: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>
Date: Thursday, Apr 19, 2018, 12:38 PM
To: Thompson, Scott (MOF) <Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>>, Imbrogno, Serge (ENERGY) <Serge.Imbrogno@ontario.ca<mailto:Serge.Imbrogno@ontario.ca>>
Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>
Subject: RE: Investor Package - Fair Hydro Trust

The FHT 20-year senior debt issue was priced this morning for $400 million at a spread of 107 basis points over Canada, or 32 over Ontario, and a yield of 3.52%.

Regards,
Gadi

From: Gadi Mayman
Sent: Wednesday, April 18, 2018 10:09 PM
To: Scott Thompson (CAB) <Scott.Thompson@ontario.ca>; Serge Imbrogno (ENERGY) <Serge.Imbrogno@ontario.ca>
Cc: Mike Manning <Mike.Manning@ofina.on.ca>
Subject: Fw: Investor Package - Fair Hydro Trust

FYI.

OPG will be issuing the next tranche of the FHT senior debt tomorrow. Target size is $300-400 million.

OPG contacted Moody's to find out whether their placement of our debt on negative outlook would affect the FHT rating. OPG was told that structured finance ratings don't have outlooks, they just have a rating, so even though Moody's has directly tied the FHT rating to ours (and included it in their analysis of our debt when they put us on negative outlook yesterday - it was a small part, so far, and not the reason for the outlook change) there is no immediate ratings impact on the FHT.

Gadi

From: Martin, Kevin E <kevin.e.martin@rbccm.com<mailto:kevin.e.martin@rbccm.com>>
Sent: Wednesday, April 18, 2018 2:10 PM
To: Elizabeth Wallace; James Devine; Mike Manning; Carlos Yep; Gadi Mayman

Cc: Caridia, Alex; Vijay, Shaaj; Dorri, Sam
Subject: FW: Investor Package - Fair Hydro Trust

20-year min $300mm, small room to grow.

To launch and price tomorrow.

From: Robertson, Sherry
Sent: April 18, 18 2:06 PM
To: +DS-GM-Bond Sales Desk
Subject: Investor Package - Fair Hydro Trust

THE FOLLOWING HAS BEEN FORWARDED TO INVESTORS

Base Offering Memorandum
Investor Presentation
Term Sheet

Sherry Robertson, MBA | Vice President | Debt Syndication | RBC Capital Markets | (416) 842-7758 |
2nd Floor, North Tower, Royal Bank Plaza | 200 Bay Street, Toronto, Ontario M5J 2W7
sherry.robertson@rbccm.com<mailto:sherry.robertson@rbccm.com>

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From:	Anna Strathy
To:	John Psinas
Cc:	Mike Manning; Ronald Kwan; Usman Zahid
Subject:	RE: Joint Meeting | AG Update
Date:	Wednesday, May 02, 2018 8:29:07 AM

Just spoke to Comms and they don't have anything either. I think we can provide a very succinct response here. One line describing the protection agreement and one line that explains why it cannot be released (I assume it's privileged?)

From: Anna Strathy
Sent: Wednesday, May 02, 2018 8:14 AM
To: John Psinas
Cc: Mike Manning ; Ronald Kwan ; Usman Zahid
Subject: FW: Joint Meeting | AG Update

Hi John, attached are the materials that were prepared for the technical briefing, although I don't see anything here on the protection agreement.
I've got a call into my MOF Comms contact to see if he has any other public messaging that's been used.

From: Schlaepfer, Martin (ENERGY) [mailto:Martin.Schlaepfer@ontario.ca]
Sent: Sunday, October 15, 2017 4:19 PM
To: Serge Imbrogno (ENERGY) <Serge.Imbrogno@ontario.ca>; Francesca Bungaro-Yemec (ENERGY) <Francesca.Bungaro-Yemec@ontario.ca>; Andrew Teliszewsky (ENERGY) <Andrew.Teliszewsky@ontario.ca>; Baker, Carys (ENERGY) <Carys.Baker@ontario.ca>; Matt Whittington (ENERGY) <Matt.Whittington@ontario.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Hilary Cox (ENE) <Hilary.Cox@ontario.ca>; Scott Nelms (ENERGY) <Scott.Nelms@ontario.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Carolyn Calwell (MCSS) <Carolyn.Calwell@ontario.ca>; Murray, Maud (ENERGY) <Maud.Murray3@ontario.ca>; Kyle MacIntyre (MOF) <Kyle.MacIntyre@ontario.ca>; Allison Ue (MCSS) <Allison.Ue@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Patrick Laughton (MOF) <Patrick.Laughton@ontario.ca>; Hosick, Sarah (TBS) <Sarah.Hosick@ontario.ca>; 'Jordan Penic' <jordan.penic@ieso.ca>; 'Kim Marshall' <Kim.Marshall@ieso.ca>; 'HARTWICK Ken - FINANCE' <ken.hartwick@opg.com>; 'KING Catriona -OFFCORPSEC' <catriona.king@opg.com>
Cc: Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Ridd, Carl (ENERGY) <Carl.Ridd@ontario.ca>; Helen Angus (MOHLTC) <Helen.Angus@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Jason Pichelli (MOF) <Jason.Pichelli@ontario.ca>; Gabrielle Gallant (OMAF) <Gabrielle.Gallant@ontario.ca>; Christine Poopalapillai (MRI) <Christine.Poopalapillai@ontario.ca>; Karen Hughes (MGS) <Karen.Hughes@ontario.ca>; Scott Thompson (CAB) <Scott.Thompson@ontario.ca>; Ghiassi, Ali (MOF) <Ali.Ghiassi@ontario.ca>; Giroux Namian, Orli (MOF) <Orli.GirouxNamian@ontario.ca>; Marianne Nguyen (MCYS) <Marianne.Nguyen@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Gadi Mayman <Gadi.Mayman@ofina.on.ca>
Subject: Joint Meeting | AG Update

Hi everyone,
Attached are the materials for tomorrow morning's meeting:

- Technical Briefing Deck

- Agenda
- Consolidated QAs

Thanks,
Martin

From:	Anna Strathy
To:	Ronald Kwan
Cc:	John Psinas; Mike Manning; Usman Zahid
Subject:	RE: Joint Meeting | AG Update
Date:	Wednesday, May 02, 2018 8:51:21 AM

Thanks Ron. Yes, I just reviewed and the quote from the OPG website that OPCD had put in, and agreed. Looks good. I'll see if Malle can have a quick look.

From: Ronald Kwan
Sent: Wednesday, May 02, 2018 8:50 AM
To: Anna Strathy
Cc: John Psinas ; Mike Manning ; Usman Zahid
Subject: Re: Joint Meeting | AG Update

Hi Anna,
I thought that the response OPCD already put in looked okay. Did you want to run it by MOF Legal?
Ron

On May 2, 2018, at 8:29 AM, Anna Strathy <Anna.Strathy@ofina.on.ca> wrote:

> Just spoke to Comms and they don't have anything either. I think we can provide a very succinct response here. One line describing the protection agreement and one line that explains why it cannot be released (I assume it's privileged?)
>
> **From:** Anna Strathy
> **Sent:** Wednesday, May 02, 2018 8:14 AM
> **To:** John Psinas <John.Psinas@ofina.on.ca>
> **Cc:** Mike Manning <Mike.Manning@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
> **Subject:** FW: Joint Meeting | AG Update
> Hi John, attached are the materials that were prepared for the technical briefing, although I don't see anything here on the protection agreement.
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> **Sent:** Sunday, October 15, 2017 4:19 PM
> **To:** Serge Imbrogno (ENERGY) <Serge.Imbrogno@ontario.ca>; Francesca Bungaro-Yemec (ENERGY) <Francesca.Bungaro-Yemec@ontario.ca>; Andrew Teliszewsky (ENERGY) <Andrew.Teliszewsky@ontario.ca>; Baker, Carys (ENERGY) <Carys.Baker@ontario.ca>; Matt Whittington (ENERGY) <Matt.Whittington@ontario.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Hilary Cox (ENE) <Hilary.Cox@ontario.ca>; Scott Nelms (ENERGY) <Scott.Nelms@ontario.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Carolyn Calwell (MCSS) <Carolyn.Calwell@ontario.ca>; Murray, Maud (ENERGY) <Maud.Murray3@ontario.ca>; Kyle MacIntyre (MOF) <Kyle.MacIntyre@ontario.ca>; Allison Ue (MCSS) <Allison.Ue@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Patrick Laughton (MOF)

<Patrick.Laughton@ontario.ca>; Hosick, Sarah (TBS) <Sarah.Hosick@ontario.ca>; 'Jordan Penic' <jordan.penic@ieso.ca>; 'Kim Marshall' <Kim.Marshall@ieso.ca>; 'HARTWICK Ken -FINANCE' <ken.hartwick@opg.com>; 'KING Catriona -OFFCORPSEC' <catriona.king@opg.com>
Cc: Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Ridd, Carl (ENERGY) <Carl.Ridd@ontario.ca>; Helen Angus (MOHLTC) <Helen.Angus@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Jason Pichelli (MOF) <Jason.Pichelli@ontario.ca>; Gabrielle Gallant (OMAF) <Gabrielle.Gallant@ontario.ca>; Christine Poopalapillai (MRI) <Christine.Poopalapillai@ontario.ca>; Karen Hughes (MGS) <Karen.Hughes@ontario.ca>; Scott Thompson (CAB) <Scott.Thompson@ontario.ca>; Ghiassi, Ali (MOF) <Ali.Ghiassi@ontario.ca>; Giroux Namian, Orli (MOF) <Orli.GirouxNamian@ontario.ca>; Marianne Nguyen (MCYS) <Marianne.Nguyen@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Gadi Mayman <Gadi.Mayman@ofina.on.ca>
Subject: Joint Meeting | AG Update
Hi everyone,
Attached are the materials for tomorrow morning's meeting:

- Technical Briefing Deck
- Agenda
- Consolidated QAs

Thanks,
Martin

From:	Bonnie Lemcke
To:	Gadi Mayman
Cc:	Anna Strathy; Ken Kandeepan; Mike Manning
Subject:	RE: Moody"s will be sending their credit opinion shortly
Date:	Monday, January 29, 2018 3:16:20 PM
Attachments:	Fair Hydro Trust Moody"s.pdf

FYI – Here is the rating report for the FHT. I am still waiting for the initial draft of the credit opinion for the province. There will be a small section on the FHT and how Moody's views this debt in their report on the province.

Bonnie

From: Gadi Mayman
Sent: Monday, January 29, 2018 3:01 PM
To: Bonnie Lemcke
Cc: Anna Strathy ; Ken Kandeepan ; Mike Manning
Subject: Re: Moody's will be sending their credit opinion shortly
When will this go public? Ken and John from OPG are doing their FHT roadshow this week in advance of launching their first transaction next week.

On Jan 29, 2018, at 2:28 PM, Bonnie Lemcke <Bonnie.Lemcke@ofina.on.ca> wrote:

> They have decided to include the Fair Hydro Trust in the province's debt calculation
> They do not view this as self-supporting because there are no payments from ratepayers until sometime in the future. When the payments from the ratepayers start to pay that debt down they may change their view. This will not affect the province's rating at this time.
> I will send you the report as soon as I get it
> Bonnie Lemcke
> Manager, Credit Analysis and Rating Relations
> Ontario Financing Authority
> 416-325-8170 (w)
> 416-716-4092 (m)

MOODY'S INVESTORS SERVICE

CREDIT OPINION
22 January 2018

Pre-Sale

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Asset analysis	12
Securitization structure	15
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Methodology and monitoring	22

Estimated Closing Date

February 2018

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Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Fair Hydro Trust, Series 2018-1

Pre-Sale - Canada's first issuance of ABS backed by utility cost recovery charges

Capital structure

Exhibit 1
Provisional (P) ratings

Series 2018-1	Provisional Rating	Amount ($m)	Coupon (%)	Expected Maturity	Principal Payment Default Date*	Initial Subordination
Senior Notes	(P)Aa2 (sf)	TBD	TBD	15 May 2033	15 May 2035	49.00%
Subordinated Notes	(P)Aa2 (sf)	TBD	TBD	15 May 2033	15 May 2035	10.00%
Junior Subordinated Notes	(P)Aa2 (sf)	TBD	TBD	15 May 2033	15 May 2035	0.00%

* The ratings address the expected loss posed to investors by the principal payment default date. In our opinion the structure allows for timely payment of interest and ultimate payment of principal at par on or before the principal payment default date. Our ratings address only the credit risks associated with the transaction. Other non-credit risks are not addressed, but may have a significant effect on yield to investors.
Source: Fair Hydro Trust Confidential Shelf Offering Memorandum and Moody's Investors Service

Summary

We have assigned provisional ratings to the Series 2018-1 notes (the notes) to be issued by Fair Hydro Trust (FHT or the Issuer), which was established in connection with the Ontario Fair Hydro Plan Act, 2017 (the FHPA) to finance a temporary electricity rate reduction for all residential consumers, small businesses and farms (specified consumers) in the Province of Ontario (Aa2 stable) in accordance with the terms of the FHPA and related regulations.

Specifically, FHT will purchase and finance an investment interest in a regulatory asset (the investment asset). The regulatory asset represents the right to recover the difference between (i) the reduced electricity costs paid by specified consumers in the Province of Ontario under the FHPA, and (ii) the higher actual costs payable for that electricity. All debt incurred by FHT to finance the investment interest is recoverable through a "Clean Energy Adjustment", which is a special charge (the recovery charge) to be imposed on the electricity bills of all specified consumers in the Province, starting in May 2021 and continuing through April 2047. The notes will be the first term series of utility cost recovery notes issued by FHT, which is serviced by Ontario's Independent Electricity System Operator (IESO; Aa2 stable).

This pre-sale report addresses the structure and characteristics of the proposed transaction based on the information provided to Moody's as of 19 January 2018. Investors should be aware that certain issues concerning this transaction have yet to be finalized. Upon conclusive review of all documents and legal information as well as any subsequent changes in information, Moody's will endeavor to assign definitive ratings to this transaction. The definitive ratings may differ from the provisional ratings set forth in this report. Moody's will disseminate the assignment of definitive ratings through its Client Service Desk. This report does not constitute an offer to sell or a solicitation of an offer to buy any securities, and it may not be used or circulated in connection with any such offer or solicitation.

Our provisional ratings on the notes reflect our assessment of (1) the strength of the FHPA and the related regulations authorizing the creation and recovery of the investment asset; (2) the credit enhancement in the form of a mandatory uncapped true-up mechanism; (3) the size, stability and diversity of the Province's ratepayer base; (4) the ability and experience of the IESO, as servicer, and; (5) the integral role of the Province of Ontario, and related entities, in the creation and operation of the Fair Hydro program and as guarantor to address the risk of a future adverse change in law.

The program as structured and under current law and regulations is considered to be of similar credit quality to US utility cost recovery programs rated by Moody's. However, the FHT program's 30-year term, combined with the pervasive role of the Province and its related entities in many aspects of this transaction, increase the risk that the Province could make future changes to the law or related regulations that could adversely affect the outstanding obligations under the FHT program. The Provincial guarantee is a mitigant to this risk, but it is not as robust as the constitutional protection found in similar US programs. Accordingly, we have linked the provisional ratings of the notes to the Aa2 rating of the Province. Future changes to the Province's rating will result in similar changes to the ratings of the notes.

Credit strengths

Strength of the law and regulations: The FHPA, coupled with the related regulations, permits the securitization program and protects the investment asset securing the notes. The legislation deems that the investment asset and the related rights to collection are a current and irrevocable property right and interest. In addition, the FHPA contains the typical strong true-sale and security interest provisions.

The law effectively authorizes the Issuer to recover all debt incurred by the Issuer to acquire the investment interest, plus related debt service costs and expenses of FHT, through collecting the monthly recovery charges from all existing and future specified consumers of electricity in Ontario. Ownership of the investment interest grants the Issuer the irrevocable right to impose, bill and collect non-bypassable recovery charges based on electricity usage, plus related rights, including the ability to periodically adjust the charges through a mandatory uncapped rate setting and true-up mechanism to ensure timely debt service payments until all the notes are repaid in full. In this context, "non-bypassable" means that the Issuer must levy the charges on all of the existing and future specified consumers receiving electricity distribution services in Ontario and those consumers may not legally avoid payment of such charges.

Rate Setting and true-up adjustment mechanism: The rate setting and true-up adjustment mechanism is the key form of credit enhancement supporting the notes. The legislation and the related regulations authorize a rate setting process that mandatorily adjusts the recovery charges semi-annually (and more frequently if required) to ensure timely debt service payments. The semi-annual rate setting incorporates a true-up to capture any shortfalls in collections from previous periods.

Strength of the ratepayer base: The size, economic stability and diversity of the ratepayer base in Ontario is a credit strength. The service area covers the entire province and the category of specified consumers is comprised of about five million residential and small commercial customers. There are no industrial customers included in the program, which is a credit positive because energy consumption by industrial customers is more dependent on economic conditions and therefore tends to be more volatile.

Strength of the servicer: We rate the IESO at a Aa2 with a stable outlook. The IESO is responsible for operating the real-time electricity market in Ontario. It does not have any shareholders or owners, but it is governed by an independent board of directors appointed by the Minister of Energy for the Province of Ontario.

Credit challenges

Change of law: There is no Canadian equivalent to the US protection of property rights under the federal and state constitutions. As such, the transaction is exposed to the risk of future adverse changes to the FHPA, the related regulations, the investment interest, or the recovery charges over the term of the FHT program that could reduce the ability of the Issuer to make timely payments on the notes. To help mitigate this risk, the Province has entered into a Change of Law Protection Agreement with the Issuer, under which it agrees to guarantee the debt service payments of the Issuer upon a change in law or regulation that has an adverse impact on the Issuer's ability to make all debt service payments when due.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

In similar US utility cost recovery transactions, the state that passes the securitization law pledges to and agrees with bondholders and the issuer that it will not 1) take or permit any action that limits, alters or impairs the value of the property right, or 2) reduce, alter or impair the charges that are imposed, collected and remitted for the benefit of the bondholders until the bonds have been repaid in full. We view it as a remote risk that the state would take legislative action that compromises its non-impairment pledge to the significant detriment of bondholders because impairment would give rise to claims under state and federal laws prohibiting impairment of contracts and reasonable reimbursement under state and federal "taking" claims.

Delayed collection period: Interest and other costs incurred by FHT prior to the start of the collection period in May 2021 will be paid monthly in advance by the IESO as servicer, as required under the regulations. The IESO will have the ability to capitalize those costs by adding them to the balance of the regulatory asset, and may subsequently recover those costs through the sale of an investment interest to FHT.

Decentralized Billing and Collection: The decentralized nature of the billing, collection and remittance process for the recovery charges gives rise to operational and cash commingling risk. All billing and collection of the monthly recovery charges will be done through local electricity distribution companies (LDCs), which under the FHPA are required to add the recovery charge to each customer's bill, then collect and remit those charges each month to the IESO as servicer for the Issuer. In Ontario, all electricity is delivered to residential and small commercial companies through LDCs, which purchase electricity through the IESO in the real-time market and sell it to customers in their respective local distribution areas. LDCs are predominantly municipally owned, and all have a regulated monopoly in their service area. Recovery charges collected by the LDCs are required to be immediately transferred to segregated accounts held in trust for FHT, remitted to the IESO on a monthly basis, and then remitted on to FHT.

Potential for insufficient collections: Collections arising from the investment interest could fall short of required distributions on the notes as a result of inaccurate forecasting of electrical consumption by the servicer, unanticipated customer delinquencies and defaults, population migration or self-generation, including solar and wind. Customers that self-generate will only be responsible for paying the charges based upon their electric consumption provided that they are connected to the electricity grid. The IESO's estimates of market demand, energy prices and growth within its service area could also be inaccurate. These concerns are substantially mitigated through the mandatory uncapped rate adjustment mechanism, in which the recovery charges are adjusted on a semi-annual basis to ensure timely debt service payments on the notes. True-up adjustments for shortfalls in collections from previous periods are incorporated into this process, and can occur on an interim basis as needed.

Key characteristics

Exhibit 2

Asset characteristics

Assets:	Investment interest in a regulatory asset, which consists of all rights and interest of the Issuer under the FHPA and related regulations, including the right to impose, bill, collect and receive irrevocable, binding, non-bypassable charges based on the usage of electricity from all existing and future specified consumers receiving electricity distribution service in the Province of Ontario
Service Area:	The Province of Ontario spans more than one million square kilometers, including the cities of Toronto, Mississauga and Ottawa, and the electricity grid supplies service to approximately 5 million residential and small commercial customers.

Sources: Fair Hydro Trust Confidential Shelf Offering Memorandum and Moody's Investors Service

Exhibit 3

Securitization Structure

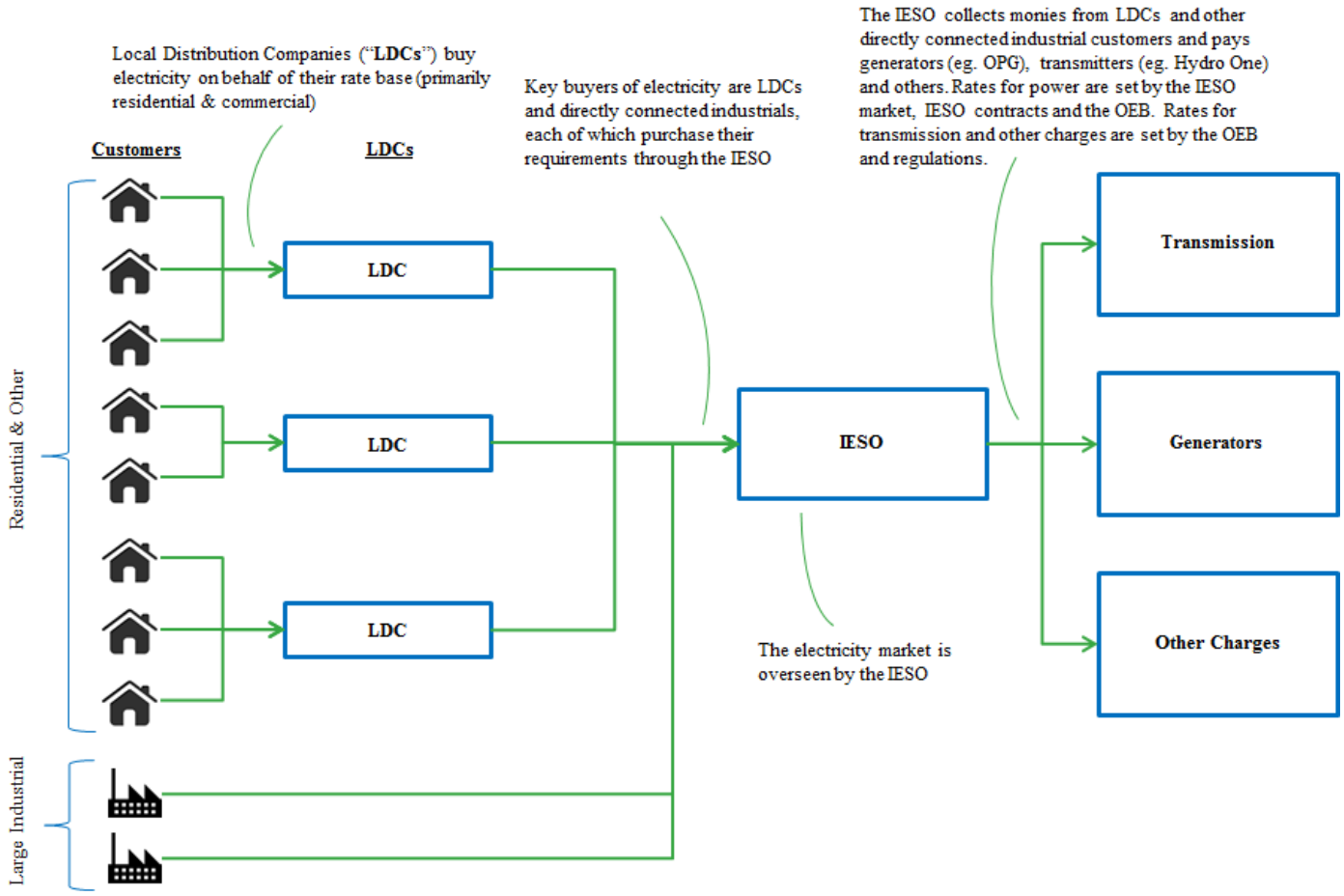
Credit Enhancement				
			Initial Subordination	
	Class Size	**Rating**	**As % of Note Balance**	**As % Of Class**
Senior Notes	51.0%	(P)Aa2 (sf)	49.0%	96.1%
Subordinate Notes	39.0%	(P)Aa2 (sf)	10.0%	25.6%
Junior Subordinate Notes	10.0%	(P)Aa2 (sf)	0.0%	0.0%
Payments				
Interest Payments	Semi-annually in arrears on the 15th day of May and November			
Principal Payments	Soft bullet on the expected final payment date			
Securitization Structure Characteristics				
Issuing Entity	Fair Hydro Trust			
Originator/Seller/Servicer	Independent Electricity System Operator (Aa2 stable)			
Credit Enhancement	Mandatory uncapped true-up mechanism, subordination			
Financial Services Manager	Ontario Power Generation Inc. (NR)			
Indenture Trustee	BNY Trust Company of Canada (NR)			
Issuer Trustee	Computershare Trust Company of Canada (NR)			
Lead Underwriter(s)	CIBC World Markets Inc., Goldman Sachs Canada, Inc., RBC Capital Markets			

Source: Fair Hydro Trust Confidential Shelf Offering Memorandum and Moody's Investors Service

Ontario Electricity Industry

The Ontario electricity industry is principally comprised of three components: Generation, Transmission and Distribution. The IESO is at the center of this highly regulated market.

Exhibit 4
Ontario Electricity Industry



Source: Fair Hydro Trust Confidential Shelf Offering Memorandum

Asset description

The notes are secured by the Issuer's investment interest in a regulatory asset (the investment asset), which consists of all rights and interest of the Issuer under the FHPA and related regulations to impose, bill, collect and receive irrevocable, binding, non-bypassable charges based on the usage of electricity from all existing and future specified consumers receiving electricity distribution services in Ontario.

The notes are also secured by funds on deposit in the collection account and reserve accounts, the Issuer's rights under the various transaction documents, all payments on or under the pledged collateral and all proceeds arising from the pledged collateral.

The securitization law

The FHPA was passed on 1 June 2017, to reallocate certain electricity costs over time and provide rate relief to specified consumers. Further clarity on certain aspects of the FHPA were defined in subsequent regulations promulgated under the FHPA.

From 1 July 2017 until 30 April 2018, the electricity rate payable by specified consumers is the rate that results in a representative consumer being charged an invoice amount that is 25% less than the rate that would otherwise have been determined by the OEB

for that period. Of the 25% reduction, 8% comes through a sales tax rebate and 17% comes from a rate reduction on the specified consumers' electricity bills.

The initial reduction runs to 30 April 2018, and rates are expected to then increase at the rate of inflation to 30 April 2019. Permitted increases after that date will be determined by the Ontario government through additional regulations, although the Province has indicated that rate increases will be held to the rate of inflation until 2021. Under the legislation, the difference between the amount invoiced to the specified consumers and the amount payable by the IESO to the generators of the related electricity is accrued in a variance account. The cumulative amount of the variance is projected to grow to a peak of just over $19 billion by 2029.

Under the FHPA, the IESO is responsible for determining the shortfall each month resulting from the rate reduction and adding this amount, together with the costs of financing the shortfall, to the balance of the variance account. Under the FHPA, the IESO has the right to recover the full balance of the variance account from specified consumers, which qualifies the variance account as a regulatory asset. The FHPA expressly permits the transfer of all or a portion of the regulatory asset to a financing entity. Under the Act, such transfer creates an investment asset, which is a current and irrevocable property right and interest, and confers the following rights to the Issuer, as the owner of the investment asset:

» The right and interest to impose, invoice, collect receive and recover a monthly recovery charge from specified consumers, including the right to determine the amount of the recovery charge in accordance with the FHPA;

» The right to receive, collect and recover any amounts of the recovery charge held by LDCs or the IESO;

» The right to enforce the duties and obligations under the FHPA of each LDC and the IESO to collect, receive and remit amounts received by it in respect of the recovery charge, including all collections and the proceeds of any enforcement action undertaken by any LDC pursuant to the FHPA.

The FHPA expressly confirms the ability of a financing entity to secure a funding obligation by granting a valid and perfected security interest over its investment interest under the Personal Property Security Act (Ontario).

The recovery charge and true-up mechanism

Under the Act, the recovery of the investment interest is to begin on 1 May 2021 and continue to 30 April 2047 through a separate charge on the electricity bill of all specified consumers. The recovery charge (referred to in the FHT program documents as the "Clean Energy Adjustment") is a non-bypassable, consumption-based charge, separate and apart from normal base rates. The charge is to be paid by all existing and future specified consumers receiving electricity distribution service in the Ontario market. No customer receiving distribution service can avoid the charge, unless they disconnect from the electricity grid.

The amount of the recovery charge is required to be calculated by Ontario Power Generation Inc. (OPG) in its role as Financial Services Manager for the Issuer in advance of each six month reference period by taking the total of the following amounts:

1. The estimated finance amount for the upcoming reference period, which is defined as the amount payable by the Issuer over the next six months in respect of principal payments (including sinking fund payments for bullet bonds), interest costs, transaction expenses, reserve account deposits and derivative payments.

2. A true-up amount that captures the difference between the finance amounts actually incurred by the financing entities and the amount previously collected from the specified consumers. The true-up amount also includes other anticipated shortfalls, taking into account historical and reasonably foreseeable differences between amounts invoiced and amounts collected due to various factors, including specified consumer defaults and delinquencies.

OPG must then notify the OEB of the total amount recoverable for each upcoming reference period. The OEB must accept this amount and will determine the rates at which specified consumers are to be invoiced to recover that amount by dividing (i) the total recoverable amount in respect of the relevant reference period by (ii) the forecasted electricity consumption provided by the IESO for specified consumers in respect of that period. The LDCs are then required to invoice specified consumers for the recovery charge by applying the rate set by the OEB, which is required to be included as a separate line item on each customer's bill.

Under the FHPA, the LDCs are required to collect the recovery charges as agent of the Issuer, deposit such amounts into a segregated trust account established for the purpose of receiving those amounts and for the benefit of the Issuer, and then remit such amounts to the IESO on a monthly basis. If a LDC does not receive payment in full for an invoice issued to a specified consumer, the LDC must allocate the payment received on a pro rata basis to the recovery charge and the other amounts payable under the particular invoice. It is a deemed condition of their licenses that LDCs comply with their obligations under the FHPA.

Recovery charges will be phased in over time, with the peak recovery periods corresponding with the timing of expected reductions in market electricity costs due to efficiencies gained from the renegotiation of expiring fixed-price generation contracts. The average monthly recovery charge is projected to represent 6.9% of the total bill for an average residential customer over the 26 year collection period and peak at 10% of the total bill. Both are comparable with other utility cost recovery transactions that we rate.

Initial financing of carrying costs

From 1 July 2017 until 30 April 2021, no recovery amounts are permitted to be collected from specified consumers, so during this period and up until 31 July 2021, the IESO is required under the FHPA and related regulations to pay and remit to the Issuer each month any interest owing on the notes plus other expenses of the Issuer.

Immediate funds for that payment will come from the IESO's $2 billion unsecured credit facility established by the Province of Ontario for this purpose, which matures in 2022. Funds advanced by the IESO will be added to the variance account and recorded as part of the regulatory asset, which may then be sold to the Issuer and become part of the Issuer's investment interest.

As backing for its payment obligation, the IESO has granted the Issuer a first-priority security interest in all of its accounts receivable.

The Provincial pledge

The FHPA deems that the investment asset and the related rights to collection are a current and irrevocable property right and interest, and that no action or omission by the OEB or the Province and no regulation under the Act will be effective to reduce, impair, postpone or terminate the obligations of specified consumers to pay amounts in respect of the recovery charge, or to impair or postpone the invoicing, collection or remittance of that recovery charge.

Notwithstanding, there is no Canadian equivalent to the US constitutional protection of property rights under the federal and state constitutions that would make it a violation of law to take an action that could impair the Issuer's right to collect the recovery charges. It is therefore possible that, for political or other reasons, the Province could make a determination that the FHPA or the related regulations should no longer be law in Ontario or that the FHPA or the regulations should be amended to limit or delay the billing of the recovery charge.

Over the medium term, we believe it's unlikely that the Province will take an action that would adversely impact the investment asset or the related rights of collection. However, over the 15-year term of the notes and 30-year term of the FHT program there is greater potential for this to occur, particularly if the recovery charge and/or electricity prices are higher than expected.

The Change of Law Protection Agreement

To protect against the risk that the Province or any other entity controlled by the Province could take a future action that could impair the rights of the noteholders, the Province of Ontario has entered into a Change of Law Protection Agreement with FHT, under which the occurrence of certain "Protection Events" will allow the Issuer and/or a majority of senior noteholders at such time to require that the Province make all debt service payments on the Notes as they become due and payable.

A "Protection Event" means any of the following:

1. The Ontario government repeals (and does not replace on an equivalent basis) or amends the FHPA in whole or part;
2. The government enacts or amends any other statute;
3. The government repeals (and does not replace on an equivalent basis) or amends the regulations made under the Act in whole or part;
4. The government an official of the government or a board or commission appointed by the government makes or amends any regulation; or,

5. There is a change in the organization or structure of the IESO or Ontario's electricity market undertaken at the initiative of the Province or an entity controlled by the Province.

in each case that adversely affects (i) the ability of the Issuer to receive amounts in respect of its investment interest so that it can pay all outstanding debt in accordance with its terms, taking into account any funds in reserve accounts and any credit enhancement and the potential effect of the true-up amount, or (ii) the Change of Law Protection Agreement or any of the agreements under which the debt arises. A Protection Event also includes a court determining that all or a portion of the FHPA or the related regulations are invalid in a way that adversely affects the ability of the Issuer to receive amounts on its investment interest so that it can pay outstanding debt in accordance with its terms.

Once invoked, the terms of the Change of Law Protection Agreement are consistent with the standards set by Moody's methodology "Rating Transactions Based on the Credit Substitution Approach: Letter of Credit-backed, Insured and Guaranteed Debts" as outlined in Exhibit 5.

Exhibit 5

Key elements of credit substitution

Key Elements of Credit Substitution	
Mitigation of bankruptcy of Issuer	• The Province assumes all debt service payments for all approved obligations, thereby insulating Investors from the risk of an inability to pay principal and interest as due from the cash flows generated by the securitization's collateral • Amounts advanced each month by the Province for payment under the guarantee are to be deposited into a segregated account (the Protection Account) with an eligible institution in the name of the Indenture Trustee for the benefit of the noteholders • Any debt service payments that are recovered from noteholders due to preference are deemed not to have been paid, and the liability of the Province is not diminished by such payment
Sufficiency of credit support	• The payment obligation for each month is equal to the sum of the required principal payments (including sinking fund payments for bullet bonds), interest costs, Issuer expenses, and derivative payments, plus any true-up amount for prior period deficiencies
Structural provisions that provide for the timely payment of debt service	• Mechanics and timing for submitting a claim for payment and the making of such payment are clearly defined • Duties and actions of the trustee under the Protection Agreement are clearly defined
Bondholders to be paid in full if credit support expiration or termination will result in a change in credit quality	• The Change of Law Protection Agreement will remain in force until the notes are repaid in full
High quality investments that preserve funds held for the payment of debt service	• The Protection Account must be with an eligible institution in the name of the Indenture Trustee for the benefit of the noteholders • An eligible institution must have a minimum unsecured debt rating of A2/P-1 • If at any time the institution holding the Protection Account ceases to be an eligible institution, the funds must be transferred to a new Protection Account with an eligible institution within 30 days
Legally Enforceable Credit Support	• Legal opinions support that the Change of Law Protection Agreement is legal, binding and enforceable against the Province of Ontario

Source: Moody's Investors Service

The service area

The size and geographic diversity of Ontario, and the inclusion in this transaction of approximately five million residential and small commercial customers is considered a key strength. Ontario covers approximately one million square kilometers (416,000 square miles), which is more than twice the size of California, and includes the cities of Toronto, Ottawa, Mississauga and Hamilton. In total, there are more than 5.1 million residential, commercial and industrial customers in Ontario, but the group of "specified consumers" participating in the Fair Hydro program numbers about five million.

Billing and Collection

The IESO will be the servicer under the FHT program, but billing and collection of the recovery charges from the specified consumers, and the remittance of those amounts to the IESO will be the responsibility of the LDCs.

There are currently 65 LDCs in Ontario, of which the majority are municipally owned, and all have a licensed, regulated monopoly for electricity distribution in their geographic service area. In Ontario, LDCs purchase about 80% of electricity sold by the IESO, which is then distributed to residential, commercial and industrial users in the LDC's respective service areas. Large industrial users directly

purchase the remaining 20% of electricity from the IESO. The three largest LDCs (Hydro One, Alectra & Toronto Hydro) account for about 60% of the 5.1 million LDC customers in Ontario, and the top ten LDCs have almost 80% of the customers.

The OEB has regulatory oversight of LDCs and the authority to issue a distribution license that must be obtained by owners or operators of an electricity distribution system in Ontario. The OEB prescribes license requirements and conditions including, among other things, specified accounting records, regulatory accounting principles, separation of accounts for distribution and other activities, and requirements for rate setting and other legal filings.

LDCs are required to charge their customers for the following amounts (all of which, other than distribution rates, represent a pass-through of amounts payable to the IESO):

» Commodity Charge – The commodity charge represents the market price of electricity consumed by customers and is passed through the IESO to operators of generating stations

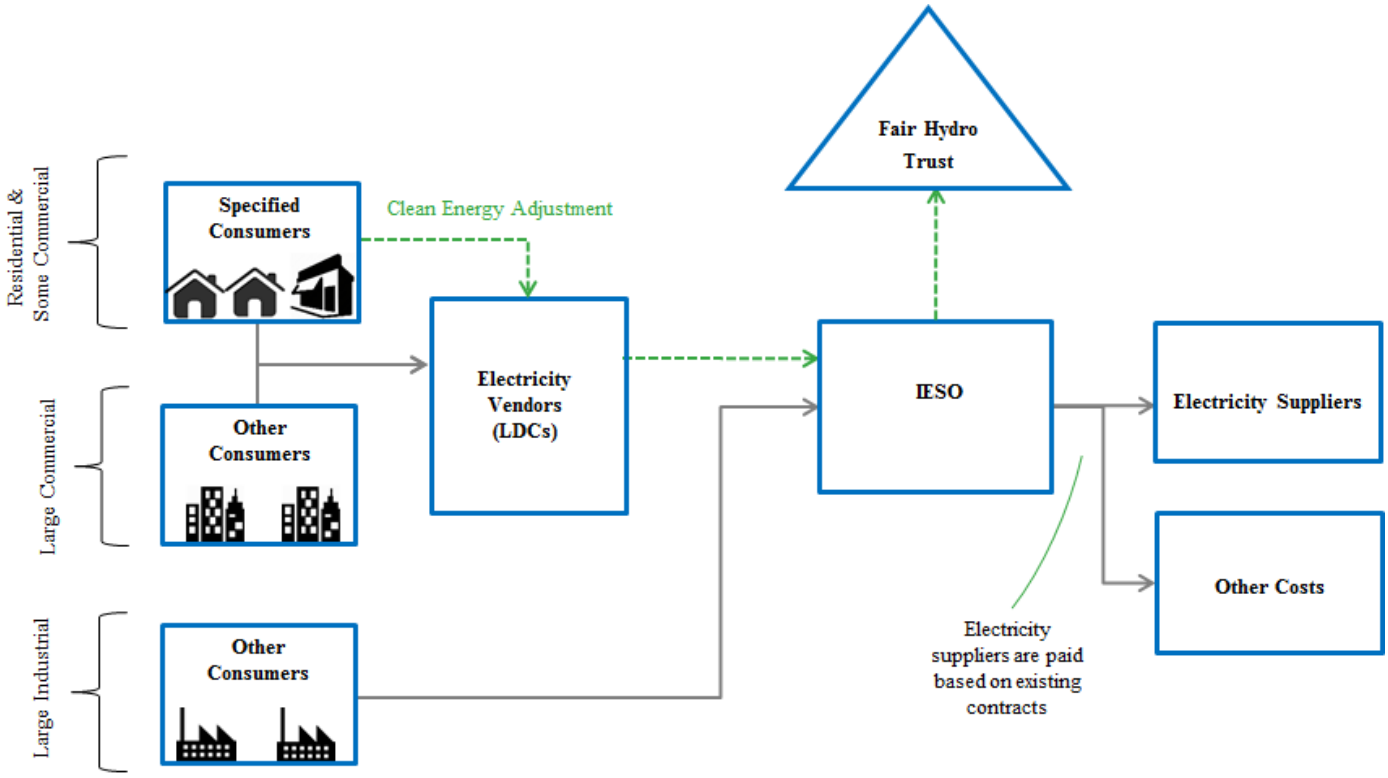
» Transmission Rate – The transmission rate represents the costs incurred in respect of the transmission of electricity from generating stations to local distribution networks. Retail transmission rates are passed through the IESO to operators of transmission facilities.

» Regulatory Charge – The regulatory charge represents various wholesale market support costs, such as the cost of the IESO to administer the wholesale electricity system, operate the electricity market, and maintain reliable operation of the provincial grid. Wholesale charges are passed through to the IESO.

» Distribution Rate – The distribution rate is designed to recover the costs incurred by LDC in delivering electricity to customers, plus an OEB-allowed cost of capital (assuming a deemed equity level of 40%). Distribution rates are regulated by the OEB and include fixed and usage-based components, based on a forecast of LDC's customers and demand.

» Under the terms of the Act and related regulations, the recovery charge (Clean Energy Adjustment) must be added as a separate line item on each invoice issued to specified consumers.

Exhibit 6
FHT program flow of funds



Source: Fair Hydro Trust Confidential Shelf Offering Memorandum

LDCs are rate-regulated, and the OEB approves distribution rates charged by LDCs using a cost of service model, through which the OEB evaluates the cost base of the LDC and, providing those costs are prudently incurred, sets rates to allow for a recovery of those costs plus a fixed rate of return on equity (assuming a deemed equity level of 40%).

LDCs under the OEB's Retail Settlement and Distribution System Code may obtain a security deposit or letter of credit from their customers to mitigate risk of payment default. LDCs are also able to include an amount for accounts receivable write-offs within operating expenses for rate setting purposes. They can also apply for any extraordinary write-offs as a variance account adjustment to be considered by the OEB.

The OEB closely tracks the performance of each LDC on a number of measures and publishes annual scorecards for each LDC, as well as a consolidated industry comparison. Metrics tracked include service quality, operational effectiveness, public policy responsiveness and financial performance. The OEB also tracks and publishes financial data for each LDC, including the levels of arrears and write-offs, and aggregates the data so it can be tracked on a system-wide basis, as Exhibit 7 shows.

Exhibit 7

Ontario LDC industry metrics

	2013	2014	2015	2016
LDC Revenues and Net Income				
Total LDC System Revenue (CAD millions)	15,484	16,480	17,267	18,894
Total Distribution Revenue (CAD millions)	3,216	3,344	3,296	3,433
Total Net Income (CAD millions)	625	555	672	722
Return on Shareholders' Equity	9.5%	7.9%	9.0%	9.3%
Aggregate LDC 30+ Day Arrears				
Outstanding Receivables (CAD millions at 12/31)	3,355	3,018	2,922	3,216
30+ Day Arrears (CAD millions at 12/31)	97	142	129	135
Arrears as a % of Annual Revenue	0.6%	0.9%	0.7%	0.7%
Arrears as a % of Year End Receivables	2.9%	4.7%	4.4%	4.2%
Aggregate LDC Net Charge-offs				
Net Charge-Offs (CAD millions)	1.1	2.1	3.6	6.4
Net Charge-Offs as a % of Annual Revenue	0.01%	0.01%	0.02%	0.03%

Sources: OEB 2016 Yearbook of Electricity Distributors, published 17 August 2017, Moody's Investors Service

Starting in May 2021, each LDC will be required under the terms of the FHPA and corresponding regulations to add a line item to the bill of each specified consumer for the usage-based recovery charge, based on the rate set by the OEB in advance of each six month period. The legislation mandates that the recovery charge shown on an invoice issued to a specified consumer is determinative of the amount of the consumer's indebtedness, and is irrevocable on invoicing and may not be set off or bypassed.

Recovery charges received by an LDC are required to be immediately segregated into an eligible account (minimum bank rating of A2/P-1), which must be explicitly designated as a trust account for the benefit of Fair Hydro Trust. Any partial payments of invoices by a specified consumer are required to be split between the recovery charge and the electricity charge for that invoice period.

To address commingling risk, the IESO will provide a letter of credit (L/C) or performance guarantee to FHT in an amount equal to 50% of 45 days of anticipated recovery charge collections by each LDC that is unrated by Moody's or is rated non-investment grade. Moody's currently only rates one LDC, Hydro One (A3), which is the largest LDC in Ontario with approximately 25% of the total customers.

The billing and settlement process for the remittance to the IESO of the regulatory charges held by the LDCs will leverage the existing infrastructure in place for the IESO's billing and collection of monthly electricity purchases from those same LDCs.

Since 2002, LDCs and industrial purchasers of electricity in the Ontario market have been required to adhere to specific market rules under the Ontario Electricity Act. The rules are in respect of amounts owing to the IESO for the LDCs purchase of electricity, and govern the timing of payments, collateral posting, and margin calls.

On the 10th business day of each month, the IESO sends out an invoice to every LDC for the amount owing for electricity purchased in the previous month. Those invoices are required to be paid in full on the 12th business day, and then the IESO is required to pay the generators and transmitters of electricity in full on the 14th business day. As part of this process, the IESO conducts daily monitoring of all LDC's electricity market financial exposures. Since the opening of the current market in 2002, virtually all amounts due from LDCs have been collected in full on the 12th business day, and an LDC has never been in default of their payment obligations.

The monthly remittances of recovery charges from the LDCs are required to be immediately segregated by the IESO into a trust account for the benefit of FHT, before being transferred to FHT on each monthly settlement date.

Asset analysis

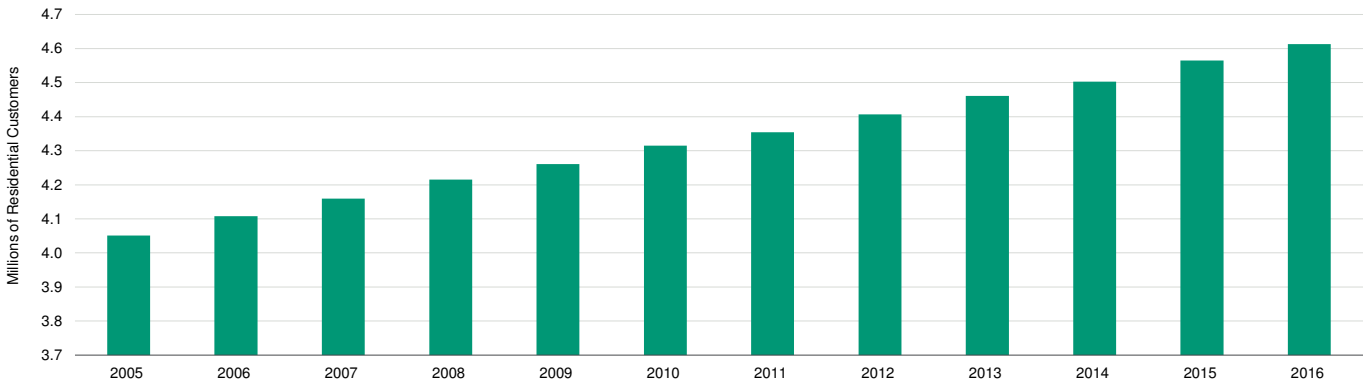
Strong service area

This transaction benefits from the size and diversity of the ratepayer base within Ontario and the projected population growth and economic stability of the Province. Ontario is the largest province in Canada, with a growing population of 14 million, which is up 5.4% over the past five years, and represents 38.7% of the total Canadian population. Toronto is Ontario's largest city and ranks as the fourth largest city in North America behind Mexico City, New York and Los Angeles. Since 2009, Ontario's unemployment rate has been trending down, and was 5.5% at the end of 2017, versus 5.7% for all of Canada.

Over the years 2005-2016, the number of residential electricity customers in Ontario has grown by 14% to 4.6 million in 2016 from just over 4 million in 2005.

Exhibit 8

Residential electricity customers in Ontario



Source: OEB Yearbook of Electricity Distributors - 2005-2016

Remote risk of severe ratepayer base declines

The Series 2018-1 bonds are exposed to the risk of declines in the ratepayer base in the Province. However, declines in the ratepayer base dramatic enough to impact the rating of the bonds are unlikely given the size, projected population growth and economic stability of the province's ratepayer base. We view the risks of ratepayer base declines due to any of the following factors to be low.

Self-generation

We view the potential for increased use of self-generation as a minor headwind to the transaction. Self-generation, which primarily includes solar and wind, has the potential to reduce energy consumption and increase the burden of the recovery charges on other non-self-generating ratepayers. Self-generators that receive no transmission or distribution service in Ontario are not liable for payment of the recovery charge, and neither the FHPA nor the related regulations provide for exit fees to be charged to any specified consumers that might leave the grid to self-generate, although such charges are not precluded.

Currently, self-generation is not an efficient option for the residential and small commercial customers that make up the specified consumer category for this program. Costs are relatively high, Ontario's weather is not conducive, and there are only emerging options for storage. However, given the term of this financing program, technological developments will likely allow greater numbers of specified consumers to reduce or even altogether avoid the payment of recovery charges through on-site generation, including where coupled with on-site storage capacity.

Storm damage

The physical size of Ontario and its northern location reduce the potential for a weather event to have a significant impact on transmission, distribution or consumption, such that there would be a significant impact on recovery charge collections. It's unlikely that Ontario will be impacted by hurricanes, tropical storms or wind storms. Snow or ice damage may occur in winter months, but those tend to be localized and less likely in the more heavily populated southern sections of the Province.

Forecasting electricity consumption

The recovery charges will be assessed based on forecast usage by the specified consumers. The amount of the charge collected in any period will depend on actual electricity consumption, the amount billed and remitted, and write-offs. If the servicer inaccurately forecasts electricity consumption or underestimates customer delinquency or write-offs when setting or adjusting the recovery charges, there could be a shortfall or material delay in collections.

The mechanism for calculating the recovery charge in the FHT program will minimize forecast error, since the amount of the charge is required to be recalculated every six months for the next following six month period. As previously described, the charge will be based on the amount required by FHT to meet its debt service obligations and pay trust expenses over that six month period, plus true-up recoveries for any prior period deficiencies, which will then be divided by forecast energy consumption to arrive at a rate per kWh.

Forecast variance

For there to be insufficient funds for the Issuer to pay ultimate principal and timely interest on the notes, there would need to be an unexpected, persistent and extensive drop in electricity consumption within a six month period. If that were to occur, the legislation allows for interim true-up adjustments as required prior to the end of the six month period.

Cash flow analysis

We examined the cash flows that the recovery charges will generate under various scenarios. In light of the strength of the ratepayer base, the purpose was primarily to see how high the charges can go as a percentage of a typical specified consumer's bill and also to illustrate how the recovery charges behave under various stress scenarios of customer demand. Our rating is primarily based on qualitative analysis of the political, legal and regulatory aspects of the FHT program, and the strength of the ratepayer base. However, we run these stress scenarios to confirm that the level of the recovery charges is consistent with other comparable transactions.

The concern is that the recovery charges or the law that authorizes them could be subject to challenge in the courts or to future political pressure to rescind or change them through legislation. That becomes more likely as recovery charges rise. Consequently, our economic analysis focuses on the size of the cost recovery charge, both in absolute terms and as a percentage of the customer's energy bill.

We looked at three scenarios, assuming the projected issuance of the full $19 billion in debt:

Scenario description and projected output

Base Scenario

1. Electricity consumption in accordance with the IESO's projections, which increases by an average compounded rate of 0.2% per year from 2018-2047, with specified consumers representing 50% of total consumption
2. Implied net charge-off rate of 0.28%
3. Collection curve projects 96.5% of collections within 30 days and 98% of collections within five months
4. There is no servicing fee so long as the servicer remains the IESO. While a back-up servicer has not been retained, the Issuer can increase servicing fees to 0.60% to attract one if needed

Stress Scenario 1

1. Electricity consumption decreases linearly by 5% every year until it reaches 50% of the projected consumption for all specified consumers
2. Annual net charge-offs are the same as in base case
3. Collection curve is the same as in base case
4. Loss of 100% of the collections from the peak consumption month and 50% of the collections from the second highest consumption month each year
5. Replacement servicing fee of 0.60% per year of the initial bond balance with other expenses the same as in the base case

Stress Scenario 2

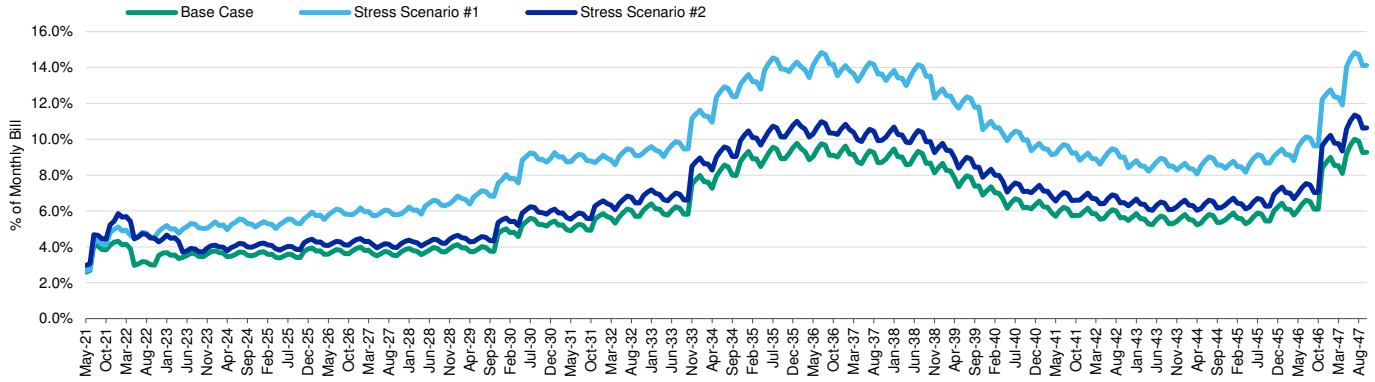
1. Electricity consumption is reduced by 25% permanently against the first year base case projection
2. Annual net charge-offs the same as in base case
3. Collection curve is the same as in base case
4. Servicing fee and all other fees the same as in base case

For all of the scenarios, the bonds are fully paid by their legal final maturity dates.

Exhibit 9 shows the projected recovery charge as a percentage of an average 750 kWh residential customer's total bill, and Exhibit 10 shows the projected dollar amount of recovery charges for customers per 750 kWh over the life of the program. The periodic variance in the charges under the stress scenarios is due to the semi-annual rate resets and true-ups.

Exhibit 9

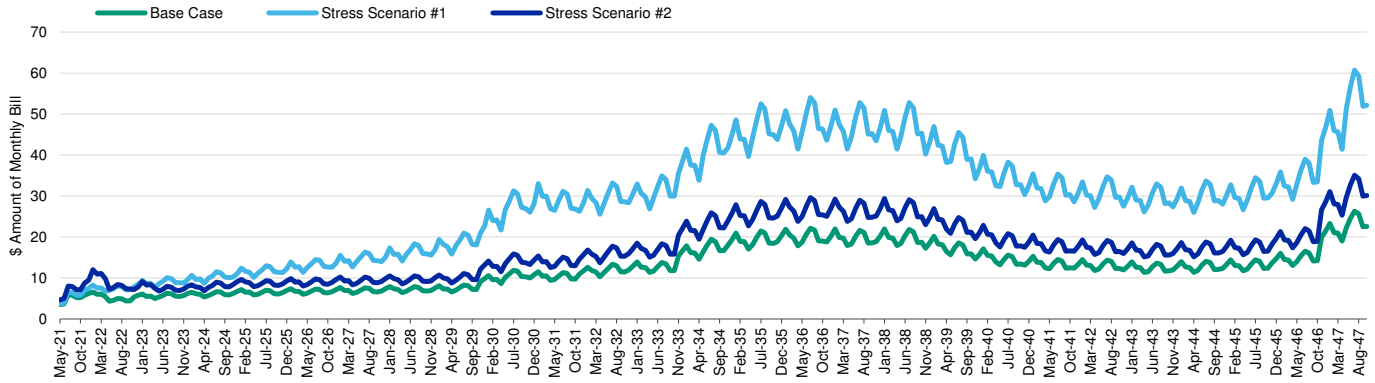
Projected recovery charge as a percentage of a customer's monthly total bill



Source: Ontario Power Generation, Moody's Investors Service

Exhibit 10

Projected recovery charge on a customer's monthly bill ($ per 750 kWh)



Source: Ontario Power Generation, Moody's Investors Service

Comparables

As Exhibit 11 shows, stress scenario 1 is the most stressful and results in a peak recovery charge equal to about 14.8% of a 750 kWh per month customer's bill. This is moderate compared to other utility cost recovery deals rated by Moody's.

Exhibit 11

Maximum recovery charge comparison (% of a customer's monthly bill)

Deal Name	Base Case	Stress Scenario #1	Stress Scenario #2
Fair Hydro Trust*	10.0%	14.8%	11.4%
UDSA 2017**	12.4%	24.5%	17.5%
UDSA 2016B**	11.5%	23.8%	15.3%
UDSA 2016A**	7.2%	16.0%	10.4%
DEF 2016-1**	2.7%	6.9%	4.7%
UDSA 2015**	7.0%	12.3%	7.9%

* Based on average 750 kWh customer
** Based on average 1,000 kWh customer
Source: Moody's Investors Service

Securitization structure

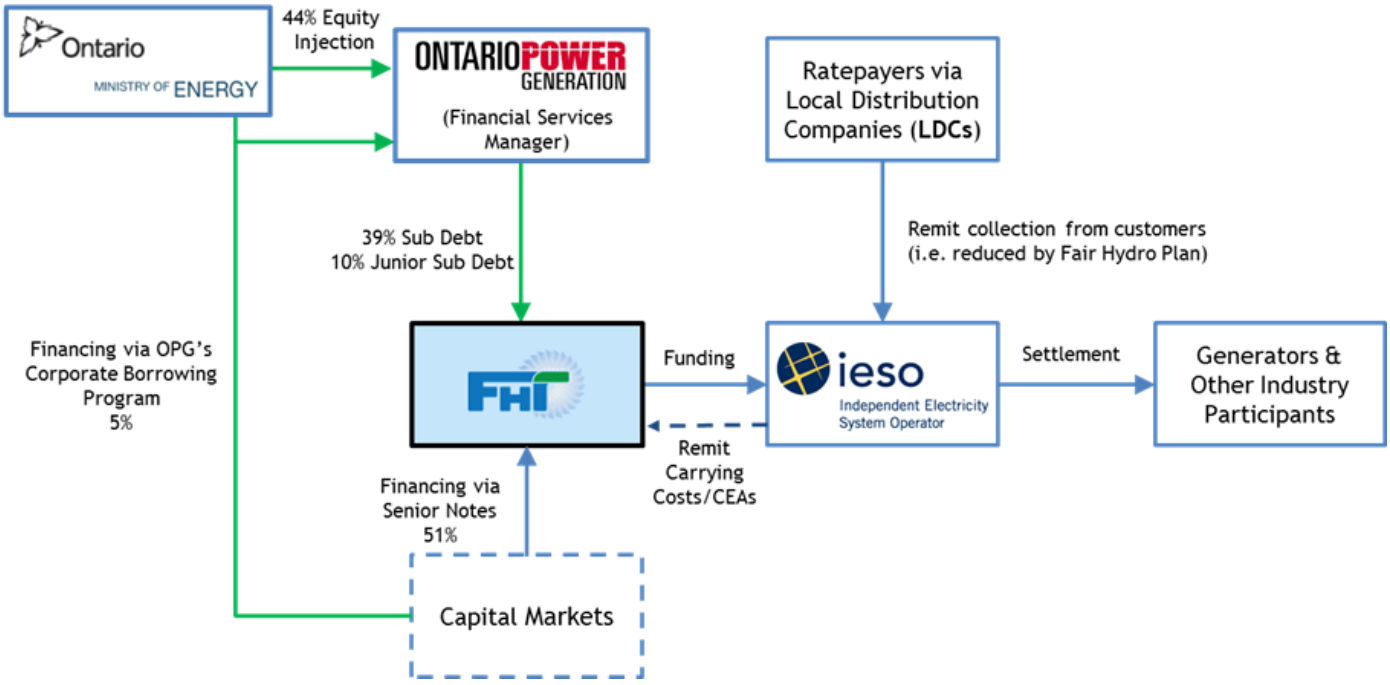
On an ongoing basis, the IESO will sell an investment interest in the regulatory asset to the Issuer pursuant to a sale agreement between the Issuer and the IESO. The IESO will service the investment asset pursuant to a servicing agreement between the Issuer and the IESO.

Structural diagram

Exhibit 12 illustrates the relationships between the transaction parties and noteholders.

Exhibit 12

Securitization structure diagram



Source: Fair Hydro Trust Confidential Shelf Offering Memorandum

1. Each month, the IESO will determine the shortfall resulting from the rate reduction mandated by the FHPA and record the amount as a regulatory asset.
2. The IESO may transfer a specified portion of the regulatory asset to the Issuer pursuant to a master transfer and servicing agreement.

3. Upon such transfer, the Issuer will acquire an investment interest in the investment asset, which is a current and irrevocable property right consisting of the right to impose, invoice, collect and receive the recovery charges from specified consumers in accordance with the FHPA.
4. The purchase of the investment interest by FHT is to be initially funded by senior notes (51%), subordinate notes (39%) and junior subordinate notes (10%), although there is the potential for senior notes to comprise up to 65% of the capital structure.
5. The Issuer has contracted with the IESO as servicer to, among other things, collect recovery charges from LDCs, deposit such amounts promptly into a designated account in trust for FHT, and remitting such amounts to FHT on a monthly basis.
6. LDCs are also required to collect the recovery charge, as agent of the Issuer, deposit such amounts into a segregated account established for the purpose of receiving those amounts, hold such amounts in trust for the benefit of FHT until deposited with the IESO, and remit such amounts to the IESO for the benefit of the Issuer.
7. The FHPA and the related regulations require LDCs to invoice specified consumers for the recovery charge commencing 1 May 2021 and continuing to 30 April 2047, as determined by applying the rate set by the OEB, and to include such charge as a separate line item on each invoice sent to specified consumers.

Detailed description of the structure

Capital structure and subordination

The purchase of the 2018-1 investment interest by FHT is to be funded by senior notes (51%), subordinate notes (39%) and junior subordinate notes (10%).

On an ongoing basis, the senior notes will consist of:

(i) A 2017-1 warehouse senior note

» Issued to fund the monthly purchase of the investment interest by FHT

» Amount is revolving subject to a purchase limit, and will be drawn down to fund new monthly purchases and repaid periodically through the issuance of term notes

(ii) The 2018-1 and subsequent series of senior notes issued to ABS investors

Subordinated notes and junior subordinated notes will be issued to OPG, which in turn will fund the notes through an equity injection by the Province equal to 90% of the total subordinated note balance, and direct funding equal to 10%. Subordinated and junior subordinated notes will consist of:

(i) A 2017-1 warehouse subordinated note and 2017-1 warehouse junior subordinated note

» Amount is revolving subject to a purchase limit, and will be drawn down to fund new monthly purchases and repaid periodically through the issuance of term notes

(ii) The 2018-1 and subsequent series of subordinated and junior subordinated notes

Credit enhancement

Credit enhancement for the notes will be provided by the semi-annual reset of the recovery charge, which incorporates the true-up mechanism, as well as subordination and cash reserves as Exhibit 13 shows.

Exhibit 13

Cash reserve summary

FHT Cash Reserves	
IESO Cash Reserve Amount	• Reserve to provide funds to cover the transition between the the start of the recovery charge collections in May 2021 and the termination of the IESO's obligation to pay all of FHT's debt carrying costs through to July 2021 • Equal to 0.50% of the aggregate outstanding principal amount of all notes outstanding as of April 30, 2021, plus three months of expected interest costs for May, June and July 2021 • After November 30, 2021 equals the positive difference between 0.50% of outstanding notes and the amount on deposit in the Program Cash Reserve Account
Program Cash Reserve Account	• General cash reserve equal to 0.50% of outstanding notes on each monthly payment date, with funding starting in June 2021

Source: Fair Hydro Trust Confidential Shelf Offering Memorandum

Cash commingling

Each LDC is required to immediately deposit all recovery charge collections into a segregated account containing a designation that the deposited amounts are held in trust for the Issuer. The LDCs are required to remit those collections to the IESO on each monthly payment date. Each month, the IESO is required to reconcile the amounts received from each LDC with the amounts shown on the monthly reporting provided by each LDC.

As additional protection for commingling risk on the part of the LDCs, the IESO is required to provide the Issuer with a performance guarantee or letter of credit in an amount equal to 50% of 45 days of estimated recovery charge collections from each LDC that is either unrated by Moody's or is rated less than investment grade. Moody's currently only rates one LDC (Hydro One: A3), which is the largest LDC in Ontario with approximately 25% of the total customers.

Upon receipt of the recovery charges from the LDCs, the IESO is required to deposit those funds in a segregated account containing a designation that the deposited amounts are held in trust for the Issuer, before remitting the funds each month to the Issuer's collections account. If the rating of the IESO drops below Baa2, it must remit funds to the Issuer's collections account within two business days of receipt.

Payment priority

On each monthly payment date prior to an event of default, the indenture trustee will pay all amounts on deposit in the collection account in the following order of priority:

1. Payment of any taxes for which a governmental authority is given priority;
2. Payment to the indenture trustee and issuer trustee in respect of fees, expenses and reimbursement amounts owing, each not to exceed (x) $150,000 multiplied by (y) the number of series of senior funding obligations then outstanding, divided by (z) 12;
3. Transfer of interest then owing on senior notes to the interest accumulation account, and payments to derivative counterparties on a pro rata basis, excluding derivative termination payments
4. Transfer of interest then owing on subordinated notes to the interest accumulation account
5. Transfer of interest then owing on junior subordinated notes to the interest accumulation account
6. Transfer to the principal accumulation account the warehouse debt principal allocation amount
7. Transfer on a pari passu basis (i) to the principal accumulation account the senior debt principal allocation amount for such period, and (ii) to derivative counterparties on a pro rata basis, any termination payment where the derivative counterparty is not the defaulting party or sole affected party
8. To debtholders on a pro rata basis all fees and other amounts (other than principal) then due and payable on the senior notes
9. To the financial services manager all fees, expenses and reimbursement amounts owing
10. To the principal accumulation account the subordinated debt principal accumulation amount for such period

11. To debtholders on a pro rata basis all fees and other amounts (other than principal) then due and payable on the subordinated notes
12. To the principal accumulation account the junior subordinated debt principal allocation amount for such period
13. To the program cash reserve account, the program cash reserve required amount
14. Replenishment of any amounts drawn from any other senior series reserve account
15. Replenishment of any amounts drawn from any other subordinated series reserve account
16. To debtholders on a pro rata basis all fees and other amounts (other than principal) then due and payable on the junior subordinated funding obligations
17. Replenishment of any amounts drawn from any other junior subordinate series reserve account
18. To derivative counterparties, any termination payment where the derivative counterparty is the defaulting party or the sole affected party
19. To the issuer trustee for the account of the beneficiaries of the Issuer
20. To the financial services manager for any indemnity amounts owing
21. Payment on a pari passu basis to (i) the indenture trustee and issuer trustee in respect of fees, expenses and reimbursement amounts owing and not previously paid, (ii) to the payment of all taxes due and not previously paid, and (iii) payments to all other specified creditors of the Issuer not previously referred to
22. Any amounts remaining are to be (a) held in the collection account for distribution in the same order of priority on the next succeeding payment date, or (b) after the final Issuer payment obligation is paid in full, to the Issuer

On each interest payment date the amounts on deposit in the interest accumulation account will be used to pay interest then due to the noteholders in order of priority. On each principal payment date, the amounts on deposit in the principal accumulation account will be used to pay principal amounts then due in order of priority. Principal payments on warehouse obligations will be in priority to payments on note obligations.

Events of default

An event of default with respect to the bonds is defined in the indenture as any one of the following events:

1. A default of more than five days in the payment when due of any senior interest (and when all senior debt is repaid, a default of more than five days in the payment when due of any subordinate interest, and when all subordinate debt is repaid a default of more than five days in the payment when due of any junior subordinate interest)
2. A default in the payment of principal with respect to any senior series by the principal payment default date for that series (and when all senior debt is repaid, a default in the payment of principal with respect to any subordinate series, and when all subordinate debt is repaid a default in the payment of principal with respect to any junior subordinate series)
3. Any representation or warranty made by the Issuer in the indenture proves to be incorrect in any material respect as of the time made, and is not remedied within 60 days, and at least 25% of the affected creditors have provided a notice of default
4. A default in the observance or performance of any covenants or agreements made by the Issuer in the indenture, which continues and is not remedied within 60 days, and at least 25% of the affected creditors have provided a notice of default
5. The Issuer fails to maintain its existence or its status as a financing entity under the legislation, or an insolvency event occurs with respect to the Issuer
6. The Change of Law Protection Agreement ceases to be in full force and effect against the Province, or the validity of the agreement shall be disaffirmed by the Province

7. An acceleration event has occurred under any senior series funding agreement (and when all senior debt is repaid, an acceleration event under any subordinate series payment obligation, and when all subordinate debt is repaid an acceleration event with respect to any junior subordinate series) and at least 25% of the affected creditors have provided a notice of default
8. A default by the Issuer in the performance of its obligations to provide detailed payment instructions in advance of each payment date, and such breach continues for three business days
9. Amounts withdrawn from the program cash reserve account exceed the sum of (a) 0.50% of the largest outstanding principal amount of all senior, subordinated and junior subordinated funding obligations, plus (b) the sum of all amounts previously deposited to the program cash reserve account, plus (c) net earnings in the program cash reserve account
10. A servicer default shall occur

Remedies

If an event of default (other than #5 or #6 above) occurs, the indenture trustee or holders of a majority in principal amount of the senior-most notes then outstanding may declare the unpaid principal of the bonds and all accrued and unpaid interest thereon to be immediately due and payable. However, payment of principal upon an acceleration of the bonds will be made as funds become available. Foreclosure of the indenture trustee's lien on the investment assets might not be practical.

If an event of default as specified in #5 or #6 above has occurred, the Issuer's funding obligations will become immediately due and payable without notice or demand. If an event of default occurs and remains unremedied, and payment has been deemed to be due and payable, the indenture trustee may proceed to realize upon the security interest and to enforce the rights of the indenture trustee and the secured creditors by (i) application to any court for an order of sequestration and payment of amounts in respect of recovery charges collected by the trust (ii) possession of the collateral (iii) an appointment of a receiver with respect to the collateral, (iv) proceedings in a court for the appointment of a receiver or for sale of the collateral or any part thereof, or (v) exercise of any of the rights of the Issuer under any of the program agreements, including the right to replace the financial services manager or servicer, or (vi) any other action or remedy permitted under the trust indenture or by applicable law.

Issuance of additional notes

As authorized by the legislation and the Issuer's program documents, FHT is expected to continue to issue new series of notes to finance the build-up of its investment interest in the regulatory asset. Each new series of notes will share in the aggregate investment interest of the Issuer and the recovery charges for the purpose of paying debt service charges on all series. Any new series of notes could include terms and provisions that would be unique to that particular series of notes. However, the Issuer may not issue additional series of notes unless the rating agency condition for the existing rated notes has been satisfied.

Asset transfer, true sale and bankruptcy remoteness

Under the FHPA, the IESO has the right to recover the full balance of the variance account from specified consumers, which qualifies the balance of the variance account as a regulatory asset. The FHPA expressly permits the transfer of all or a portion of the regulatory asset to a financing entity. Under the FHPA, such transfer:

» Constitutes a valid and enforceable absolute sale of the corresponding investment interest to the financing entity

» Shall be treated for all purposes as an absolute sale of the IESO's right to recover the corresponding amount in the variance account and not merely as a security interest

» Shall be perfected, vested, valid and binding as against the IESO and all other persons who have claims of any kind against the IESO

The FHPA expressly confirms the ability of a financing entity to secure a funding obligation by granting a valid and perfected security interest over its investment interest under the Ontario Personal Property Security Act.

The Declaration of Trust for the creation of FHT does not permit the Issuer to engage in any activities not directly related to purchasing and owning the investment interest in the regulatory asset, pledging such interest to the indenture trustee for the purpose of securing funding obligations, and issuing and redeeming such funding obligations. The list of permitted activities set forth in the Declaration of

Trust may not be altered, amended or repealed without the satisfaction of the rating agency condition, and, if materially adverse to the noteholders, the approval of all noteholders.

Under the Trust Indenture and 2018-1 Supplemental Indenture, creditors acknowledge that they only have rights against the collateral securing their obligations and that all payments are limited by the allocation and payment provisions of those documents. Creditors also agree to a non-petition clause, so it is unlikely that a proceeding would be brought against FHT under Canadian bankruptcy or insolvency law.

Seller and Servicer

The IESO will be the seller of the regulatory asset and will service the Issuer's investment interests on behalf of the Issuer. The IESO is a not-for-profit corporation established in 1998 by the Electricity Act of Ontario, and governed by an independent board whose Chair and Directors are appointed by the Province of Ontario.

The IESO oversees Ontario's electricity system, which has 36,130 MW of installed generation. Responsibilities include direction of the operation of the transmission system including providing transmission-related information to all market participants, maintaining the reliability of the grid, participating in the development of energy policies, establishing and enforcing criteria and standards related to the reliability of the integrated power system, engaging in activities related to electricity supply and capacity procurement and energy conservation, forecasting electricity demand and the adequacy and reliability of electricity resources for Ontario, promoting cleaner energy sources for fuel diversity, assisting the OEB by facilitating stability in rates for certain type of customers, and managing the Ontario Electricity Support Program.

On 1 January 2015, the Ontario Power Authority (OPA) and the IESO amalgamated and continued to operate as the IESO pursuant to an Act of Provincial parliament passed in July 2014. The Act provides that for all intents and purposes the IESO will fulfill all of the same roles and functions as its predecessor organizations. The amended Act stipulates effective separation of functions between the IESO's market operations and its procurement and contract management activities. The pre-amalgamated OPA managed about 22,500 MW of capacity as an off-taker under long term power purchase agreements.

Administrator

The Trust, as a financing entity under the FHPA, was established at the initiative of OPG as Financial Services Manager. OPG has entered into a management agreement with the Issuer under which the Issuer has delegated to OPG all of the powers and duties of managing the Issuer, including determining whether to incur new funding obligations to acquire an investment interest or refinance existing funding obligations, negotiating and entering into program agreements, maintaining accounts and banking records, preparing any offering documents and preparing financial statements and tax filings on behalf of the Issuer. In addition, OPG will be responsible each six months for determining the aggregate amount of the recovery charge for the following six month period, inclusive of any true-up amount, and notifying the OEB of such amount. Subject to OEB approval, OPG is also entitled to charge the Issuer a fee to earn a return and to recover costs and expenditures incurred by OPG in relation to the establishment, management and administration of the Issuer and its investment interest.

OPG is a corporation formed under the Business Corporation Act (Ontario), whose sole shareholder is the Province of Ontario, and is Ontario's largest generator of electricity. OPG currently operates two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power turbine.

Securitization structure analysis

The key structural feature of this transaction is the semi-annual rate setting and true-up mechanism (or more frequent, if needed). Our rating is highly dependent on the extent to which the mechanism adjusts the charges to correct for past shortfalls or forecasted future shortfalls. The effectiveness of those rate changes in raising funds depends, in turn, on how easily customers can escape the charges and how sensitive electricity usage is to increases in the utility charges. Therefore, our analysis of the rate setting and true-up mechanism goes together with our analysis of how bypassable the cost recovery charges are and how easily customers can cut back on electricity usage.

In this transaction, the strong rate setting and true-up mechanism combined with non-bypassable charges mitigates the need for credit enhancement in the form of alternative sources of funds. The required cash reserve accounts provide sufficient funds to offset the

typical variance in collections versus projections in order to meet the projected principal accumulation schedule between the semi-annual rate setting and true-ups.

Methodology and monitoring

The principal methodology used in this rating was Moody's Approach to Rating Securities Backed by Utility Cost Recovery Charges published in June 2015. Please see the Ratings Methodologies page on www.moodys.com for a copy of this methodology.

Other methodologies and factors that may have been considered in the process of rating this issue, including Rating Transactions Based on the Credit Substitution Approach: Letter of Credit-backed, Insured and Guaranteed Debts, can also be found in the Rating Methodologies sub-directory on www.moodys.com.

In monitoring this transaction, we apply the key components of our methodology. More specifically, we analyze whether note balances are in line with the scheduled principal accumulation, which indicates the extent to which payments have been in line with our original expectations.

We review the periodic information received and look at whether there has been a draw on the reserve accounts. This data point provides further clues as to the steadiness of the cash flows and accuracy of true-up adjustments.

In addition, we analyze the factors that determine the future strength of the transaction. For example, we monitor any legal or political developments that could indicate an increased risk of changes in the legislation that could impair future cash flows to the transactions. Such risk may materialize, for example, in case of continued high financial imbalances in the system that may lead the system deficit to be viewed as unsustainable over the long-term.

We also follow the economic health of the Province of Ontario and the potential for changes in the size and composition of the ratepayer base. Furthermore, we monitor the rating of the IESO (as an indicator of its financial condition) to track the risk, typically quite small, that a bankruptcy could lead to disruption in billing and collections and in the remittance of payments to the noteholders.

Thus changes in our expectations and other analytical components could have an impact on the rating of the securities and may result in a reassessment of the rating.

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MOODY'S
INVESTORS SERVICE

From:	Bonnie Lemcke
To:	Gadi Mayman
Cc:	Anna Strathy; Ken Kandeepan; Mike Manning; David Cross
Subject:	RE: Moody"s will be sending their credit opinion shortly
Date:	Monday, January 29, 2018 3:21:09 PM

I just spoke to Michael Yake and he said that they would be sending the report by 3:30 and will give us until the end of day Thursday to provide comments. They expect to publish by the end of day Friday or Monday at the latest.
If we provide comments sooner, they can publish sooner.
Bonnie

From: Bonnie Lemcke
Sent: Monday, January 29, 2018 3:16 PM
To: Gadi Mayman
Cc: Anna Strathy ; Ken Kandeepan ; Mike Manning
Subject: RE: Moody's will be sending their credit opinion shortly
FYI – Here is the rating report for the FHT. I am still waiting for the initial draft of the credit opinion for the province. There will be a small section on the FHT and how Moody's views this debt in their report on the province.

Bonnie

From: Gadi Mayman
Sent: Monday, January 29, 2018 3:01 PM
To: Bonnie Lemcke <Bonnie.Lemcke@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>
Subject: Re: Moody's will be sending their credit opinion shortly
When will this go public? Ken and John from OPG are doing their FHT roadshow this week in advance of launching their first transaction next week.

On Jan 29, 2018, at 2:28 PM, Bonnie Lemcke <Bonnie.Lemcke@ofina.on.ca> wrote:

> They have decided to include the Fair Hydro Trust in the province's debt calculation
> They do not view this as self-supporting because there are no payments from ratepayers until sometime in the future. When the payments from the ratepayers start to pay that debt down they may change their view. This will not affect the province's rating at this time.
> I will send you the report as soon as I get it
> Bonnie Lemcke
> Manager, Credit Analysis and Rating Relations
> Ontario Financing Authority
> 416-325-8170 (w)
> 416-716-4092 (m)

From:	John Kim
To:	Tobias P. Whitfield (MOF); Mike Manning; Ken Kandeepan
Cc:	Ronald Kwan; Malle Hanslep (MOF); Carlos Yep; John Psinas; Shajee Kathirgamanathan
Subject:	RE: OPG Q4 reporting - relevant excerpts for FHP
Date:	Monday, February 26, 2018 5:38:13 PM

Thanks Toby….will send these back.

John

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]

Sent: Monday, February 26, 2018 11:32 AM

To: John Kim ; Mike Manning ; Ken Kandeepan

Cc: Ronald Kwan ; Malle Hanslep (MOF) ; Carlos Yep ; John Psinas ; Shajee Kathirgamanathan

Subject: RE: OPG Q4 reporting - relevant excerpts for FHP

Please find attached comments on the excerpts. Let me know if you have any other questions.

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: John Kim [mailto:John.Kim@ofina.on.ca]
Sent: February 26, 2018 11:04 AM
To: Manning, Mike (OFA); Kandeepan, Ken (OFA)
Cc: Kwan, Ronald (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Yep, Carlos (OFA); John Psinas; Kathirgamanathan,Shajee (OFA)
Subject: OPG Q4 reporting - relevant excerpts for FHP

Hi Mike, Ken,

We have the attached excerpts from OPG's draft Q4. Let me know if you have any comments on the draft wording, as highlighted.

I had shared these with Toby and Malle earlier this morning.

Thanks,

John

Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	Whitfield, Tobias P. (MOF)
To:	John Kim; Mike Manning; Ken Kandeepan
Cc:	Ronald Kwan; Malle Hanslep (MOF); Carlos Yep; John Psinas; Shajee Kathirgamanathan
Subject:	RE: OPG Q4 reporting - relevant excerpts for FHP
Date:	Monday, February 26, 2018 11:32:14 AM
Attachments:	Q4 2017 OPG MDA - DRAFT - Feb 25_230PM_RPT excerpt for Prov (TPW Comments).docx Q4 2017 OPG FS Feb 25_230PM_RPT excerpt for Prov(TPW Comments).docx

Please find attached comments on the excerpts. Let me know if you have any other questions.

Toby

Tobias Whitfield
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tobias.whitfield@ontario.ca
Phone: 416-325-1456

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Sent: February 26, 2018 11:04 AM
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Cc: Kwan, Ronald (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Yep, Carlos (OFA); John Psinas; Kathirgamanathan,Shajee (OFA)
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ONTARIO POWER GENERATION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017

[DRAFT]

RELATED PARTY TRANSACTIONS

Given that the Province owns all of the shares of OPG, related parties include the Province and other entities controlled by the Province.

The related party transactions summarized below include transactions with the Province and the principal successors to the former Ontario Hydro's integrated electricity business, including Hydro One, the IESO and the OEFC. The transactions between OPG and related parties are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. As one of several wholly-owned government business enterprises of the Province, OPG also has transactions in the normal course of business with various government ministries and organizations in Ontario that fall under the purview of the Province.

The related party transactions for the years ended December 31 are summarized below:

	2017		2016	
(millions of dollars)	**Income**	**Expense**	**Income**	**Expense**
Hydro One				
Electricity sales	**8**	**-**	6	-
Services	**1**	**10**	1	5
Dividends	**7**	**-**	6	-
Province of Ontario				
Change in Decommissioning Segregated Fund amount due to Province [1]	**-**	**456**	-	192
Change in Used Fuel Segregated Fund amount due to Province [1]	**-**	**591**	-	235
Hydroelectric gross revenue charge	**-**	**110**	-	120
ONFA guarantee fee	**-**	**8**	-	8
Other	**-**	**2**	-	-
OEFC				
Hydroelectric gross revenue charge	**-**	**216**	-	203
Interest expense on long-term notes	**-**	**158**	-	169
Income taxes, net of investment tax credits	**-**	**246**	-	104
IESO				
Electricity related revenue	**4,802**	**-**	5,082	-
Earnings from Fair Hydro Trust	**1**	**-**	-	-
	4,819	**1,797**	5,095	1,036

[1] The Nuclear Segregated Funds are reported on the consolidated balance sheets net of amounts recognized as due to the Province in respect of excess funding and, for the Used Fuel Segregated Fund, the Province's rate of return guarantee. As at December 31, 2017 and December 31, 2016, the Nuclear Segregated Funds were reported net of amounts due to the Province of $4,462 million and $3,415 million, respectively.

The receivable, AFS securities, payable and long-term debt balances between OPG and its related parties are summarized below:

(millions of dollars)	December 31 2017	December 31 2016
Receivables from related parties		
Hydro One	**1**	1
IESO – Electricity related receivables	**354**	421
IESO – Fair Hydro Trust [1]	**7**	-
OEFC	**-**	1
PEC	**4**	4
Province of Ontario	**3**	2
Financing receivables		
IESO – Fair Hydro Trust	**1,179**	-
Available-for-sale securities		
Hydro One shares	**188**	212
Accounts payable and accrued charges		
Hydro One	**1**	-
OEFC	**52**	61
Province of Ontario	**9**	2
IESO – Electricity-related payables	**5**	2
IESO – Fair Hydro Trust	**3**	-
Long-term debt (including current portion)		
Notes payable to OEFC	**3,195**	3,295

[1] Balance consists of unbilled revenue.

OPG holds interest-bearing Province of Ontario bonds in the Nuclear Segregated Funds and the OPG registered pension fund. As at December 31, 2017, the Nuclear Segregated Funds held $1,503 million of interest-bearing Province of Ontario bonds, while the registered pension fund had no such holdings. As at December 31, 2016, the Nuclear Segregated Funds and the registered pension fund held $1,652 million and $284 million of interest-bearing Province of Ontario bonds, respectively. These bonds are publicly traded securities and are measured at fair value. OPG jointly oversees the investment management of the Nuclear Segregated Funds with the Province.

In December 2017, the Fair Hydro Trust purchased its first tranche of Investment Interest from the IESO for an exchange amount of $1.18 billion, which has been classified as a financing receivable on OPG's consolidated balance sheet. The transaction was settled in cash using proceeds from the Trust's issuance of senior and subordinated debt. Pursuant to the general regulation of the Fair Hydro Act, the IESO is required to pay and remit carrying costs of the Trust, excluding repayment of principal on any debt obligations, up to July 31, 2021. Commencing May 1, 2021, Specified Consumers will be invoiced by their local distribution company for the Clean Energy Adjustment to pay the carrying costs of the Trust. These funds will be remitted to the Trust through the IESO and will be used to settle all funding and other related expenses of the Trust that underlie the financing receivable.

As at December 31, 2017, OPG's consolidated balance sheet included approximately $7 million of unbilled revenue from the IESO, primarily for OPG's general fee for 2017 as the Financial Services Manager under the Act relating to incurred third-party and certain direct labour costs.

~~Under one of the Trust's program agreements,~~ The~~the~~ Province has provided a limited guarantee to specified creditors of the Fair Hydro Trust. The limited guarantee would be triggered in the event that the Trust's ability to receive amounts in respect of its Investment Interest to pay for certain funding obligations is adversely affected due to the occurrence of any one of the following: the Province changes the Fair Hydro Act or any other legislation or

regulation; Ontario's electricity market significantly changes due to actions undertaken by the Province; or a court declares that the Act is ~~declared~~ invalid or unconstitutional.

ONTARIO POWER GENERATION INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

[DRAFT]

19. RELATED PARTY TRANSACTIONS

Given that the Province owns all of the shares of OPG, related parties include the Province and other entities controlled by the Province.

The related party transactions summarized below include transactions with the Province and the principal successors to the former Ontario Hydro's integrated electricity business, including Hydro One, the IESO and the OEFC. The transactions between OPG and related parties are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. As one of several wholly-owned government business enterprises of the Province, OPG also has transactions in the normal course of business with various government ministries and organizations in Ontario that fall under the purview of the Province.

The related party transactions for the years ended December 31 are summarized below:

	2017		2016	
(millions of dollars)	**Income**	**Expense**	**Income**	**Expense**
Hydro One				
Electricity sales	**8**	**-**	6	-
Services	**1**	**10**	1	5
Dividends	**7**	**-**	6	-
Province of Ontario				
Change in Decommissioning Segregated Fund amount due to Province [1]	**-**	**456**	-	192
Change in Used Fuel Segregated Fund amount due to Province [1]	**-**	**591**	-	235
Hydroelectric gross revenue charge	**-**	**110**	-	120
ONFA guarantee fee	**-**	**8**	-	8
Other	**-**	**2**	-	-
OEFC				
Hydroelectric gross revenue charge	**-**	**216**	-	203
Interest expense on long-term notes	**-**	**158**	-	169
Income taxes, net of investment tax credits	**-**	**246**	-	104
IESO				
Electricity related revenue	**4,802**	**-**	5,082	-
Earnings from Fair Hydro Trust	**1**	**-**	-	-
	4,819	**1,797**	5,095	1,036

[1] The Nuclear Segregated Funds are reported on the consolidated balance sheets net of amounts recognized as due to the Province in respect of excess funding and, for the Used Fuel Segregated Fund, the Province's rate of return guarantee. As at December 31, 2017 and December 31, 2016, the Nuclear Segregated Funds were reported net of amounts due to the Province of $4,462 million and $3,415 million, respectively.

The receivable, AFS securities, payable and long-term debt balances between OPG and its related parties are summarized below:

(millions of dollars)	**December 31 2017**	**December 31 2016**
Receivables from related parties		
Hydro One	**1**	1
IESO − Electricity related receivables	**354**	421
IESO − Fair Hydro Trust [1]	**7**	-
OEFC	**-**	1
PEC	**4**	4
Province of Ontario	**3**	2
Financing receivables		
IESO − Fair Hydro Trust	**1,179**	-
Available-for-sale securities		
Hydro One shares	**188**	212
Accounts payable and accrued charges		
Hydro One	**1**	-
OEFC	**52**	61
Province of Ontario	**9**	2
IESO − Electricity-related payables	**5**	2
IESO − Fair Hydro Trust	**3**	-
Long-term debt (including current portion)		
Notes payable to OEFC	**3,195**	3,295

[1] Balance consists of unbilled revenue.

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regulation; Ontario's electricity market significantly changes due to actions undertaken by the Province; or a court declares that the Act is ~~declared~~ invalid or unconstitutional.

From:	John Kim
To:	Ken Kandeepan
Cc:	Tobias P. Whitfield (MOF); Mike Manning; Ronald Kwan; Malle Hanslep (MOF); Carlos Yep; John Psinas; Shajee Kathirgamanathan
Subject:	RE: OPG Q4 reporting - relevant excerpts for FHP
Date:	Tuesday, February 27, 2018 7:19:22 AM

Great, thanks Ken

From: Ken Kandeepan
Sent: Monday, February 26, 2018 6:56 PM
To: John Kim
Cc: Tobias P. Whitfield (MOF) ; Mike Manning ; Ronald Kwan ; Malle Hanslep (MOF) ; Carlos Yep ; John Psinas ; Shajee Kathirgamanathan
Subject: Re: OPG Q4 reporting - relevant excerpts for FHP
Sorry for the delay, agree with Toby's edits, I don't have any to add.
Thanks
Ken k

On Feb 26, 2018, at 5:38 PM, John Kim <John.Kim@ofina.on.ca> wrote:

> Thanks Toby….will send these back.
> John
>
> **From:** Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
> **Sent:** Monday, February 26, 2018 11:32 AM
> **To:** John Kim <John.Kim@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
> **Cc:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>; John Psinas <John.Psinas@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
> **Subject:** RE: OPG Q4 reporting - relevant excerpts for FHP
> Please find attached comments on the excerpts. Let me know if you have any other questions.
> Toby
> Tobias Whitfield
> Counsel, Legal Services Branch
> Ministry of Finance
> tobias.whitfield@ontario.ca
> Phone: 416-325-1456
>
> **From:** John Kim [mailto:John.Kim@ofina.on.ca]
> **Sent:** February 26, 2018 11:04 AM
> **To:** Manning, Mike (OFA); Kandeepan, Ken (OFA)
> **Cc:** Kwan, Ronald (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Yep, Carlos (OFA); John Psinas; Kathirgamanathan,Shajee (OFA)
> **Subject:** OPG Q4 reporting - relevant excerpts for FHP
> Hi Mike, Ken,
> We have the attached excerpts from OPG's draft Q4. Let me know if you have any comments on the draft wording, as highlighted.
> I had shared these with Toby and Malle earlier this morning.

Thanks,
John
Y. John Kim
Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From:	Malhi, Harman
To:	Egberts, Adam; "john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"; "Irma.mahmood@opg.com"
Cc:	Brown, Rob; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject:	RE: OPG Weekly Pricing
Date:	Wednesday, May 30, 2018 5:33:17 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png FHP_RBC_20180530.xlsx

---

Hi All,
Please find this week's Fair Hydro pricing indications
Regards,
Harman

From: Egberts, Adam
Sent: May 28, 18 5:26 PM
To: 'john.s.lee@opg.com'; 'ken.hartwick@opg.com'; 'OPG - Treasury Group,'; 'Sheen.Liu@opg.com'; 'Kevin.Shvarts@ofina.on.ca'; 'Linda.Smith@ofina.on.ca'; 'ken.ryfa@opg.com'; 'brett.kichiy@ofina.on.ca'; 'j.hahnparker@opg.com'; 'matthew.go@opg.com'; 'Ricky.Lai@ofina.on.ca'; 'aiman.el-nahas@opg.com'; 'Irma.mahmood@opg.com'
Cc: Brown, Rob; Egberts, Adam; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, May 28, 2018

Activity in the Canadian corporate primary market picked up last week despite the holiday shortened week with ~C$5.1 billion of new issue supply across 5 transactions, which were primarily comprised of financial issuances. OMERS Realty kicked off the week's activity with a C$800 million dual-tranche offering; RBC acted as joint bookrunner on the deal. The transaction was well received by investors, with oversubscription of ~2.5x allowing the issuer to upsize and price at the tight end of guidance across both tranches. Banks were also active coming out of earnings blackout, with CIBC and TD both issuing deposit notes for a combined C$4 billion or ~80% of total supply last week. Away from financials, TMX Group was also in the market with a C$200 million 10-year offering generating strong momentum which resulted in tight pricing and fills in the 10-15% range. Last week's transactions were well received, garnered strong investor interest and achieved attractive pricing as credit spreads remain near historical lows despite the increase in underlying bonds yields since the beginning of 2018. On the marketing front, RBC announced a fixed income investor roadshow for ENMAX Corporation to be held in Montreal and Toronto on May 29th and 30th in connection with a C$300-350 million offering of senior unsecured debentures. Also this week, RBC will be hosting its annual CMT Fixed Income Conference in Toronto on Tuesday. Looking forward, primary market activity is expected to continue as the roadshow pipeline continues to be strong and market tone is constructive for new issue supply in the near term despite the recent softness in markets globally.

The secondary market experienced another week of active trading as new issue supply and banks earning releases helped fuel the trading activity which was characterized by relatively balanced two-way flow. On the week, deposit notes were most topical while there was good two-way trading in pension, energy, and infrastructure names. On average, corporate credit spreads closed 3 bps wider.

The government primary market had an active week with C$1.55 billion priced across 2 provincials trades and 1 municipal offering. In the municipal space, City of Montreal issued C$250 million of a new 20-year benchmark while provincial issuances were focused in longer tenors, with Saskatchewan completing a C$300 million re-opening of its 30-year benchmark, and Ontario pricing a C$1 billion re-opening of its June 2049 maturity, of which C$400 million was privately placed on behalf of the syndicate. In secondary trading, provincials were better bought due to a few large block trades, while CMBs saw strong two-way flows across the week. Looking ahead, it is anticipated that the issuance pipeline will moderate as Ontario nears election related blackout while other provincial issuers remain in strong funding positions; New Brunswick, Newfoundland and Quebec continue to be potential issuers in the near term.

CANADIAN NEW ISSUES

Corporates

Wed, May 23 – OMERS Realty Corporation (AA(L)/-/-) – C$800 million dual tranche offering consisting of a C$250 million 7-year at GoC+93bps and a C$550 million 12-year at GoC+115bps

Wed, May 23 – TMX Group Ltd. (A(H)/-/-) – C$200 million 10-year offering at GoC+132bps

Wed, May 23 – Canadian Imperial Bank of Commerce (AA/A1/A+) – C$1.75 billion 7-year benchmark deposit note offering at GoC+90bps

Thu, May 24 – Source Energy Services (-/-/B+) – C$50 million re-opening of the 10.5% December 2021 notes at GoC+943bps

Fri, May 25 – Toronto Dominion Bank (AA/Aa2/AA-) – C$2.25 billion 5-year deposit note offering at GoC+80bps

Government

Wed, May 23 – City of Montreal (-/Aa2/AA-) – C$250 million 20-year notes at GoC+99bps

Thu, May 24 – Province of Saskatchewan (Aaa/AA/AA-) – C$300 million 3.3% 30-year notes at GoC+76.5bps

Fri, May 25 – Province of Ontario (AA(L)/Aa2/A+) – C$1 billion 2.90% 30-year notes at GoC+77.5bps

EQUITY MARKET UPDATE

North American equity markets closed the week modestly higher despite a weak finish to the week amid negative geopolitical news amidst trade talks between the U.S. and China, the cancellation of the U.S. summit with North Korea, and political instability in Italy. In the U.S., the S&P 500 and Dow Jones rose 0.3% and 0.2%, respectively, where broad based gains were partially offset by losses in energy. The sector, which had been leading gains in recent weeks, is facing pressure amid statements by Saudi Arabia and Russia that said easing oil production cuts will be discussed at OPEC's next meeting on June 22nd in Vienna. In Canada, the TSX ended the week 0.5% lower amid negative reactions to bank earnings last week and lower oil prices. On that note, crude oil declined $3.40 to close the week at $67.88/bbl, while gold prices rose $9.21 to finish the week at $1,302.25. In currency markets, the Canadian dollar depreciated 0.7% against the greenback to close at 1.2973.

Index	Level		1 Week Δ
S&P/TSX	16,076	▼	0.5%
DJA	24,753	▲	0.2%
S&P 500	2,721	▲	0.3%
NASDAQ	7,434	▲	0.5%
Oil	$67.88	▼	$3.40
Gold	$1,302.25	▲	$9.21
USDCAD	1.2973	▲	0.7%

NORTH AMERICAN RATES UPDATE

North American government bond yields ended the week lower amid the release of the FOMC meeting minutes and heightened geopolitical tensions. In the U.S., the Fed struck a more dovish tone, as it prepared market participants for an inflation overshoot, which coupled with geopolitical

news pushed down Treasury yields by 12-13bps in the 5 and 10-year sectors. However, the market implied probability of an increase at the June 13th meeting still remains mostly priced-in. On Thursday, Trump cancelled the scheduled summit with North Korea leader in Singapore on June 12th, only to take a step back after North Korea stated they are still willing to meet with the U.S.; Trump's most current rhetoric is that the summit with Kim Jong Un may proceed, and "could even be the 12th". In Canada, the economic calendar was light, with the only meaningful data coming from wholesale trade sales which slightly beat the consensus, leading GoC yields to largely mirror their U.S. counterparts as the 5 and 10-year yields were down 11 and 14bps on the week. Ahead of the BoC rate decision on Wednesday, the odds of a hike continued to decline and now stand at ~25%, while the odds of a hike at the July meeting have also fallen and are now at ~60%, from 75% two weeks ago.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.95%	▼ 8
5yr	2.19%	▼ 11
10yr	2.33%	▼ 15
30yr	2.37%	▼ 13

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.48%	▼ 9
5yr	2.77%	▼ 13
10yr	2.93%	▼ 13
30yr	3.09%	▼ 11

MARKET IMPLIED BOC RATES

Meeting	Implied Rate
May 30, 2018	1.2730
July 11, 2018	1.4270
September 5, 2018	1.4985

SWAPS

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	33.50	unch
3yr	40.50	unch
5yr	38.25	▼ 0.25
7yr	37.75	▼ 0.25
10yr	35.00	▲ 0.25
30yr	36.00	unch

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Wed, May 30	Current Account Balance	-$18.20b	-$16.35b
Wed, May 30	Industrial Product Price MoM	--	0.8%
Wed, May 30	Bank of Canada Rate Decision	1.3%	1.3%
Thu, May 31	GDP MoM	0.3%	0.4%
Fri, Jun 1	Markit Canada Manufacturing PMI	--	55.5
US Economic Data			
Tue, May 29	Conf. Board Consumer Confidence	127.9	128.7
Wed, May 30	ADP Employment Change	195k	204k
Wed, May 30	GDP Annualized QoQ	0.0	0.0
Wed, May 30	U.S. Federal Reserve Releases Beige Book	0.0%	0.0%
Thu, May 31	Initial Jobless Claims	--	234k
Thu, May 31	Chicago Purchasing Manager	58.1	57.6
Fri, Jun 1	Change in Nonfarm Payrolls	190k	164k
Fri, Jun 1	Unemployment Rate	3.9%	3.9%
Fri, Jun 1	Markit US Manufacturing PMI	--	56.6
Fri, Jun 1	ISM Manufacturing	58.1	57.3
International Economic Data			
Wed, May 30	France GDP QoQ	0.3%	0.3%
Wed, May 30	China Manufacturing PMI	51.4	51.4
Wed, May 30	Japan Industrial Production MoM	1.4%	1.4%
Thu, May 31	Eurozone CPI Estimate YoY	1.6%	1.2%
Thu, May 31	Eurozone Unemployment Rate	8.4%	8.5%
Fri, Jun 1	UK Markit UK PMI Manufacturing SA	53.6	53.9

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Bank of Montreal, Bank of Nova Scotia, BRP, Canada Goose Holdings, Laurentian Bank of Canada, National Bank of Canada

US

Analog Devices, Costco Wholesale, Dollar General, Dollar Tree, HP, PVH Corp, Salesforce

Regards,

Rob Brown
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Vice President, Debt Capital Markets | RBC Capital Markets
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Index	Level		1 Week Δ
S&P/TSX	16,076	▼	0.5%
DJA	24,753	▲	0.2%
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NASDAQ	7,434	▲	0.5%
Oil	$67.88	▼	$3.40
Gold	$1,302.25	▲	$9.21
USDCAD	1.2973	▲	0.7%

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.95%	▼ 8
5yr	2.19%	▼ 11
10yr	2.33%	▼ 15
30yr	2.37%	▼ 13

UST

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5yr	2.77%	▼ 13
10yr	2.93%	▼ 13
30yr	3.09%	▼ 11

Meeting	Implied Rate
May 30, 2018	1.2730
July 11, 2018	1.4270
[redacted] September 5, 2018	1.4985

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	33.50	unch
3yr	40.50	unch
5yr	38.25	▼ 0.25
7yr	37.75	▼ 0.25
10yr	35.00	▲ 0.25
30yr	36.00	unch

Date	Release	Survey	Prior
Canadian Economic Data			
Wed, May 30	Current Account Balance	-$18.20b	-$16.35b
Wed, May 30	Industrial Product Price MoM	--	0.8%
Wed, May 30	Bank of Canada Rate Decision	1.3%	1.3%
Thu, May 31	GDP MoM	0.3%	0.4%
Fri, Jun 1	Markit Canada Manufacturing PMI	--	55.5
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Wed, May 30	ADP Employment Change	195k	204k
Wed, May 30	GDP Annualized QoQ	0.0	0.0
Wed, May 30	U.S. Federal Reserve Releases Beige Book	0.0%	0.0%
Thu, May 31	Initial Jobless Claims	--	234k
Thu, May 31	Chicago Purchasing Manager	58.1	57.6
Fri, Jun 1	Change in Nonfarm Payrolls	190k	164k
Fri, Jun 1	Unemployment Rate	3.9%	3.9%
Fri, Jun 1	Markit US Manufacturing PMI	--	56.6
Fri, Jun 1	ISM Manufacturing	58.1	57.3
International Economic Data			
Wed, May 30	France GDP QoQ	0.3%	0.3%
Wed, May 30	China Manufacturing PMI	51.4	51.4
Wed, May 30	Japan Industrial Production MoM	1.4%	1.4%
Thu, May 31	Eurozone CPI Estimate YoY	1.6%	1.2%
Thu, May 31	Eurozone Unemployment Rate	8.4%	8.5%
Fri, Jun 1	UK Markit UK PMI Manufacturing SA	53.6	53.9

-- Confidential --

Bank Name	RBC
Date	30-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.31%	2.32%	2.27%	2.25%	2.09%	1.99%	-16.5	-17.8	-19.0	-20.3	-18.8	-13.8
Curve Adjustment (bp)	0.0	0.3	2.3	0.9	1.3	2.7	-	0.2	0.8	0.6	-0.7	0.2
Spread to GoC Curve (bp)	111	103	96	88	67	51	-	-	-	-	-	-
Re-Offered Yield	3.42%	3.35%	3.26%	3.13%	2.77%	2.53%	-16.5	-17.6	-18.2	-19.7	-19.5	-13.6
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	-0.1	-0.1	-0.0	-0.0	-0.0	-0.0
All-in Yield	**3.44%**	**3.38%**	**3.30%**	**3.18%**	**2.85%**	**2.62%**	-16.6	-17.7	-18.2	-19.7	-19.5	-13.6

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	79	80	69	46	28	4.0	5.0	6.0	4.5	5.5	2.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	40	29	18				2.0	-1.0	-1.5
City of Toronto (AA/Aa1/AA)	100	103	98	87	62	43	3.5	5.5	6.0	4.5	5.5	2.0
Hydro One Inc. (A(H)/A3/A)	135	n/a	n/a	99	71	61	-			-	-	-
Ontario Power Generation Inc. (A(low)/-/BBB+)	153	n/a	n/a	115	85	73	3.0			3.0	3.0	3.0
Toronto Hydro Corporation (A/-/A)	128	n/a	n/a	94	64	54	-			-	-	-
Canadian National Railway Co (A/A2/A)	131	n/a	n/a	94	71	61	1.0			1.0	-	-
Greater Toronto Airports Authority (A(high)/Aa3/A+)	110	n/a	n/a	89	62	50	-			2.0	1.0	-1.0
NAV Canada (AA(low)/Aa2/AA-)	101	n/a	n/a	85	60	50	-			-	-	-

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.31%	2.32%	2.27%	2.25%	2.09%	1.99%						
Curve Adjustment (bp)	0.0	0.3	2.3	0.9	1.3	2.7						
Spread to GoC Curve (bp)	141	133	126	118	97	81	-	-	-	-	-	-
Re-Offered Yield	3.72%	3.65%	3.56%	3.43%	3.07%	2.83%	-16.5	-17.6	-18.2	-19.7	-19.5	-13.6
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	-0.06	-0.06	-0.05	-0.05	-0.04	-0.02
All-in Yield	**3.74%**	**3.68%**	**3.60%**	**3.48%**	**3.15%**	**2.92%**	-16.6	-17.7	-18.2	-19.7	-19.5	-13.6

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	79	80	69	46	28	4.0	5.0	6.0	4.5	5.5	2.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	n/a	n/a	n/a	85	62	n/a				3.0	2.0	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.31%	2.32%	2.27%	2.25%	2.09%	1.99%						
Curve Adjustment (bp)	0.0	0.3	2.3	0.9	1.3	2.7						
Spread to GoC Curve (bp)	175	167	160	152	131	115	-	-	-	-	-	-
Re-Offered Yield	4.06%	3.99%	3.90%	3.77%	3.41%	3.17%	-16.5	-17.6	-18.2	-19.7	-19.5	-13.6
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	-0.06	-0.06	-0.05	-0.05	-0.04	-0.02
All-in Yield	**4.08%**	**4.02%**	**3.94%**	**3.82%**	**3.49%**	**3.26%**	-16.6	-17.7	-18.3	-19.7	-19.5	-13.6

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	79	80	69	46	28	4.0	5.0	6.0	4.5	5.5	2.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From:	Laham, Chris
To:	"john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"; MAHMOOD Irma -FINANCE
Cc:	Brown, Rob; Laham, Chris; Khan, Nur; Benaiah, Ian; Taylor, Brent R; Egberts, Adam; Kletinich, Jenny
Subject:	RE: OPG Weekly Pricing
Date:	Monday, February 05, 2018 3:06:26 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png image007.png FHP_RBC_20180205.xlsx

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Please find attached this week's Fair Hydro pricing indications.
Regards,
Chris

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From: Kletinich, Jenny
Sent: February 5, 18 3:00 PM
To: 'john.s.lee@opg.com' ; 'ken.hartwick@opg.com' ; 'OPG - Treasury Group,' ; 'Sheen.Liu@opg.com' ; 'Kevin.Shvarts@ofina.on.ca' ; 'Linda.Smith@ofina.on.ca' ; 'ken.ryfa@opg.com' ; 'brett.kichiy@ofina.on.ca' ; 'j.hahnparker@opg.com' ; 'matthew.go@opg.com' ; 'Ricky.Lai@ofina.on.ca' ; 'aiman.el-nahas@opg.com'
Cc: Brown, Rob ; Egberts, Adam ; Wetmore, Jamie ; Schoroth, Joseph ; Murray, Tim
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, February 5, 2018

The Canadian corporate primary market absorbed C$5.8 billion of supply last week across 9 issuers, with supply diversified across industry and credit rating spectrum. Of note, floating rate notes accounted for ~C$2.2 billion of the week's issuance, compared to C$6.7 billion of FRN issuance in all of 2017. Financials accounted for the lions' share of new issues ($4.7 billion) with Central1 Credit Union as well as 4 of the big 6 Canadian banks all accessing the market. Auto and REIT credits were also topical with BMW Canada pricing a dual-tranche offering while RioCan and Artis REIT both came to market in the shorter end of the curve. Superior Plus rounded out supply with the first high yield deal of the year via a C$220 million long 7-year. All of the week's transactions benefitted from healthy investor reception, allowing issuers to achieve size and pricing targets, with RBC leading 4 of the 5 non-bank offerings. Also notable on the week, Canadian National Railway accessed the US$ market with a $900 million dual-tranche offering consisting of a 2-year and a 30-year, with RBC acting as joint bookrunner on the transaction. On the marketing front, RBC announced non-deal fixed income investor marketing on behalf of

Cameco Corporation to take place on February 12th and 14th in Toronto and Montreal, and will also be hosting its annual Montreal Fixed Income Symposium on February 22nd .
In the secondary market, bank paper was active with deposit notes and NVCC paper garnering healthy two-way flow across the curve on the back of elevated bank supply over the course of the week. Also topical were long-dated utilities and pipeline credits in the belly of the curve, as well as FRNs with paper coming out against the new supply. Spreads ended the week unchanged to ~2bps softer as the market digested the week's new issuance.
The Government market absorbed C$1.1 billion of supply across 2 provincial offerings. The Province of Ontario completed a C$750 million 10-year offering in the middle of the week followed by Manitoba which printed a C$300 million 30-year re-opening. In the secondary market volumes were decent throughout the week with good two-way trading of provincials and activity concentrated in the front end. CMB volumes picked up versus the week prior with the majority of volumes occurring in the 5-year part of the curve. Spreads closed the week 0.5-1.5bps tighter in CMBs and 1-2bps tighter in provincials.

EQUITY MARKET UPDATE

North American stocks made headlines as indices plunged dramatically on both sides of the border, down 3.5% to 4.1% in line with global counterparts as stocks sold off globally amidst a stronger than expected jobs report and wage growth driving concern about inflation and rising rates.. On Friday the Dow experienced its worst daily performance since the Brexit turmoil in June 2016 (down 660+ points). North of the border, the TSX posted its worst week in 2 years with healthcare stocks spearheading losses amidst underperformance in marijuana stocks while energy shares also declined as the WCS/WTI differential widened to its largest level since 2013 ($30.55). Commodities also closed lower on the week, with WTI down 1.0% to $65.45/boe while gold fell 1.2% to $1,333.39/oz. The US dollar outperformed versus CAD, rising 1.0% to 1.2429 USDCAD fueled by strong employment data south of the border.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,606	▼	3.9%
DJA	25,521	▼	4.1%
S&P 500	2,762	▼	3.9%
NASDAQ	7,241	▼	3.5%
Oil	$65.45	▼	$0.69
Gold	$1,333.39	▼	$15.73
USDCAD	1.2429	▲	1.0%

CANADIAN NEW ISSUES

Corporates

Mon, Jan 29 – RioCan Real Estate Investment Trust (BBB(H)/-/BBB) – C$300 million senior unsecured 5.6-year GoC+105bps

Mon, Jan 29 – National Bank of Canada (BBB(H)/Baa3/BBB) – C$750 million NVCC subordinated 10NC5-year GoC+108bps

Mon, Jan 29 – Toronto-Dominion Bank (AA/Aa2/AA-) – C$1 billion 1.5-year FRN at CDOR+5 bps

Tue, Jan 30 – BMW Canada Inc. (-/A1/A+) – C$500 million dual-tranche offering consisting of a $200 million 2-year FRN 3mCDOR+10bps and a C$300 million 2.57% 3.5-year GoC+59bps

Tue, Jan 30 – Superior Plus LP (BB(L)/-/BB) – C$220 million 5.125% senior unsecured 7.6NC3

Wed, Jan 31 – Central 1 Credit Union (A(H)/-/A-) – C$350 million 3-year FRN at CDOR +35bps

Wed, Jan 31 – Bank of Nova Scotia (AA(neg)/A1/A+) – C$2.0 billion senior unsecured deposit notes due February 2028 at GoC+80bps

Thu, Feb 1 – Canadian Imperial Bank (AA/A1/A+) – C$600 million 2-year FRN at 3mCDOR +8bps

Thu, Feb 1 – Canadian National Railway Co (A/A2/A) – US$900 million dual-tranche senior note, comprised of a US$300 2.40% 2-year at T+25 bps and US$600 million 3.65% 30-year fixed

rate note at T+70 bps

Fri, Feb 2 – Artis Real Estate Investment Trust (BBB(L)/-/-) – C$125 million 2-year FRN at 3mCDOR +107bps

Governments

Tue, Jan 30 – Province of Ontario (AA(L)/Aa2/A+) – C$750 million 2.60% 10-year re-opening at a spread of CAN 1.00% 1June27+57bps

Wed, Jan 31 – Province of Manitoba (A(H)/Aa2/A+) – C$300 million 3.40% 30-year re-opening at a spread of CAN 2.75% 1Dec48+77.5bps

NORTH AMERICAN RATES UPDATE

North American bond yields ended the week higher with both the US and Canadian yield curves steepening significantly, with yields up 3-11 bps in Canada and 3-18 bps in the US. The Federal Reserve unanimously opted to leave its target rate unchanged on Wednesday in what was Janet Yellen's last meeting as Fed Chair, although the tone of its release was noticeably more hawkish noting that growth in employment and business investment are "solid" and inflation is expected to move up this year, setting up expectations for a rate hike in March. Nonfarm payrolls rose 200k in January while the US unemployment rate remained at 4.1%, driving Treasury yields up further on Friday. In Canada, the November GDP release marked the week's primary data point, coming in at +0.4% following a flat reading in October, driven by a surge in the mining and manufacturing sectors and consistent with 1.9% annualized pace of growth in Q4. This week's data calendar sees a handful of housing reports as well as unemployment and the first formal speech by a BoC Governing Council member with Senior Deputy Governor Wilkins scheduled to speak on February 8th.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.85%	▲ 3
5yr	2.14%	▲ 8
10yr	2.36%	▲ 10
30yr	2.44%	▲ 11

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.14%	▲ 3
5yr	2.59%	▲ 12
10yr	2.84%	▲ 18
30yr	3.09%	▲ 18

MARKET IMPLIED BOC RATES

Market Implied Rates

Meeting	Implied Rate
March 7, 2018	1.2967
April 18, 2018	1.4316
May 30, 2018	1.5122

SWAPS

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	36.75	unch
3yr	41.75	▲ 0.75
5yr	37.75	▼ 0.25
7yr	36.75	unch
10yr	34.75	▲ 0.75
30yr	37.25	▲ 4.00

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Thu, Feb 8	Housing Starts	--	217.0k
Fri, Feb 9	Net Change in Employment	-9.0k	78.6k
Fri, Feb 9	Unemployment Rate	5.8%	5.7%
US Economic Data			
Tue, Feb 6	Trade Balance	-$52.1b	-$50.5b
Wed, Feb 7	MBA Mortgage Applications	--	-2.6%
Thu, Feb 8	Initial Jobless Claims	--	230k
Fri, Feb 9	Wholesale Inventories MoM	0.2%	0.2%
International Economic Data			
Mon, Feb 5	Australia Trade Balance	A$150m	-A$628m
Mon, Feb 5	Australia RBA Cash Rate Target	1.5%	1.5%
Tue, Feb 6	Germany Factory Orders MoM	0.5%	-0.4%
Wed, Feb 7	Germany Industrial Production SA MoM	-0.6%	3.4%
Thu, Feb 8	UK Bank of England Bank Rate	0.5%	0.5%
Fri, Feb 9	France Industrial Production MoM	--	-0.5%
Fri, Feb 9	UK Industrial Production MoM	-0.9%	0.4%
Fri, Feb 9	UK Manufacturing Production MoM	0.3%	0.4%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Agrium, BCE, Brookfield Infrastructure Partners, Brookfield Renewable Partners, CAE, Cameco, Canada Goose Holdings, Emera, FirstService, Genworth MI Canada, Great-West Lifeco, IGM Financial, Intact Financial, Manulife Financial, Nutrien, Potash Corp of Saskatchewan, Suncor Energy, TELUS, Thomson Reuters, WestJet Airlines

US

Allstate, American International Group, Bristol-Myers Squibb, CVS Health, General Motors, Gilead Sciences, Kellogg, Moody's, Philip Morris International, Prudential Financial, Sysco, Tesla, Twenty-First Century Fox, Twitter, Walt Disney, Yum! Brands

Regards,

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Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,606	▼	3.9%
DJA	25,521	▼	4.1%
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NASDAQ	7,241	▼	3.5%
Oil	$65.45	▼	$0.69
Gold	$1,333.39	▼	$15.73
USDCAD	1.2429	▲	1.0%

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.85%	▲ 3
5yr	2.14%	▲ 8
10yr	2.36%	▲ 10
30yr	2.44%	▲ 11

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.14%	▲ 3
5yr	2.59%	▲ 12
10yr	2.84%	▲ 18
30yr	3.09%	▲ 18

Market Implied Rates

Meeting	Implied Rate
March 7, 2018	1.2967
April 18, 2018	1.4316
[redacted] May 30, 2018	1.5122

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	36.75	unch
3yr	41.75	▲ 0.75
5yr	37.75	▼ 0.25
7yr	36.75	unch
10yr	34.75	▲ 0.75
30yr	37.25	▲ 4.00

Date	Release	Survey	Prior
Canadian Economic Data			
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Mon, Feb 5	Australia RBA Cash Rate Target	1.5%	1.5%
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Wed, Feb 7	Germany Industrial Production SA MoM	-0.6%	3.4%
Thu, Feb 8	UK Bank of England Bank Rate	0.5%	0.5%
Fri, Feb 9	France Industrial Production MoM	--	-0.5%
Fri, Feb 9	UK Industrial Production MoM	-0.9%	0.4%
Fri, Feb 9	UK Manufacturing Production MoM	0.3%	0.4%

-- Confidential --

Bank Name	RBC
Date	05-Feb-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	**2.44%**	**2.44%**	**2.39%**	**2.36%**	**2.13%**	**1.91%**	9.0	9.9	7.1	7.4	5.2	2.0
Curve Adjustment (bp)	**0.0**	**0.2**	**2.9**	**0.9**	**3.2**	**6.4**	-	-0.1	2.0	0.8	0.5	1.0
Spread to GoC Curve (bp)	**94**	**95**	**94**	**83**	**60**	**45**	-6.0	-5.0	-3.0	-4.0	-5.0	-5.0
Re-Offered Yield	3.38%	3.40%	3.35%	3.20%	2.76%	2.42%	3.0	4.8	6.1	4.2	0.7	-2.0
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	-0.0
All-in Yield	**3.40%**	**3.43%**	**3.39%**	**3.25%**	**2.84%**	**2.51%**	3.0	4.8	6.1	4.2	0.7	-2.0

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	**69**	**70**	**69**	**58**	**35**	**20**	-0.5	-0.5	1.5	1.0	0.5	0.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**36**	**28**	**15**				-1.5	-0.5	0.5
City of Toronto (AA/Aa1/AA)	**95**	**95**	**91**	**79**	**56**	**41**	-	0.5	-1.5	0.5	1.5	0.5
Hydro One Inc. (A(H)/A3/A)	**125**	**n/a**	**n/a**	**83**	**58**	**50**	6.0			3.0	2.0	2.0
Ontario Power Generation Inc. (A(low)/-/BBB+)	**148**	**n/a**	**n/a**	**106**	**79**	**70**	2.0			2.0	2.0	2.0
Toronto Hydro Corporation (A/-/A)	**118**	**n/a**	**n/a**	**80**	**55**	**50**	2.0			2.0	1.0	1.0
Canadian National Railway Co (A/A2/A)	**119**	**n/a**	**n/a**	**82**	**60**	**52**	2.0			2.0	1.0	1.0
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**86**	**n/a**	**n/a**	**70**	**49**	**39**	-			-	-	-
NAV Canada (AA(low)/Aa2/AA-)	**86**	**n/a**	**n/a**	**74**	**55**	**46**	1.0			1.0	-	-

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.44%	2.44%	2.39%	2.36%	2.13%	1.91%						
Curve Adjustment (bp)	0.0	0.2	2.9	0.9	3.2	6.4						
Spread to GoC Curve (bp)	**119**	**120**	**119**	**108**	**85**	**70**	-6.0	-5.0	-3.0	-4.0	-5.0	-5.0
Re-Offered Yield	3.63%	3.65%	3.60%	3.45%	3.01%	2.67%	3.0	4.8	6.1	4.2	0.7	-2.0
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.7	0.01	0.02	0.02	0.01	0.00	-0.00
All-in Yield	**3.66%**	**3.68%**	**3.64%**	**3.50%**	**3.09%**	**2.76%**	3.0	4.8	6.1	4.2	0.7	-2.0

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	69	58	35	20	-0.5	-0.5	1.5	1.0	0.5	0.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**51**	**33**	**n/a**				-	-	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.44%	2.44%	2.39%	2.36%	2.13%	1.91%						
Curve Adjustment (bp)	0.0	0.2	2.9	0.9	3.2	6.4						
Spread to GoC Curve (bp)	**134**	**135**	**134**	**123**	**100**	**85**	-6.0	-5.0	-3.0	-4.0	-5.0	-5.0
Re-Offered Yield	3.78%	3.80%	3.75%	3.60%	3.16%	2.82%	3.0	4.8	6.1	4.2	0.7	-2.0
Commission (bp)	2.8	3.6	4.0	4.8	7.6	8.8	0.01	0.02	0.02	0.01	0.00	-0.00
All-in Yield	**3.81%**	**3.83%**	**3.79%**	**3.65%**	**3.24%**	**2.91%**	3.0	4.8	6.1	4.2	0.7	-2.0

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	69	70	69	58	35	20	-0.5	-0.5	1.5	1.0	0.5	0.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From:	Malhi, Harman
To:	Egberts, Adam; "john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"; "Irma.mahmood@opg.com"
Cc:	Brown, Rob; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject:	RE: OPG Weekly Pricing
Date:	Wednesday, May 23, 2018 6:14:48 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png FHP_RBC_20180523.xlsx

Hi All,
Please find this week's Fair Hydro pricing indications
Regards,
Harman

From: Egberts, Adam
Sent: May 22, 18 7:05 PM
To: 'john.s.lee@opg.com'; 'ken.hartwick@opg.com'; 'OPG - Treasury Group,'; 'Sheen.Liu@opg.com'; 'Kevin.Shvarts@ofina.on.ca'; 'Linda.Smith@ofina.on.ca'; 'ken.ryfa@opg.com'; 'brett.kichiy@ofina.on.ca'; 'j.hahnparker@opg.com'; 'matthew.go@opg.com'; 'Ricky.Lai@ofina.on.ca'; 'aiman.el-nahas@opg.com'; 'Irma.mahmood@opg.com'
Cc: Brown, Rob; Egberts, Adam; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Tuesday, May 22, 2018

The Canadian corporate primary market was relatively quiet last week, with Honda Canada Finance being the only corporate issuer to access the C$ market, pricing an upsized C$500 million 7-year transaction with RBC acting as joint bookrunner. The offering was well received by investors, with strong reception and oversubscription north of 3.5x allowing the issuer to upsize and price at the tight end of guidance, with broad distribution to ~60 buyers. South of the border, RBC led a US$800 million dual-tranche trade for Great West Lifeco priced as part of a liability management exercise. Finally, on the marketing front, Nouvelle Autoroute 30 Financement Inc. ("A30") announced a deal-related roadshow scheduled to take place this week in Montreal and Toronto in connection with a planned C$1.2 billion P3 offering, on which RBC will be acting as lead left bookrunner. Looking ahead, investor appetite for corporate product remains healthy albeit market sentiment continues to be headline-driven, and issuers looking to access the market in the near-term are encouraged to adopt a nimble and opportunistic approach and prepare for quick access during windows of stable tone.

In the secondary market, utility and infrastructure credits were among the most actively traded, with the Enbridge complex in particular being very topical on the back of the company's restructuring announcement which would see it purchase back several of its publicly traded subsidiaries, including Enbridge Income Fund, in a response to a recent loss of a US tax allowance for certain interstate pipelines. Auto finance names were also actively traded as bonds came out against the

week's new issuance. Overall, secondary spreads closed the week unchanged to modestly tighter.

The government market was very active with C$2.3 billion pricing in provincials in addition to a C$4.5 billion CMB offering. CMHC completed its third offering of 2018 with a C$4.5 billion dual-tranche offering consisting of a C$2.25 billion 10-year re-opening and C$2.25 new 5-year FRN, bringing total borrowing on the year to C$14 billion. In the provincial space 4 long-dated offerings were completed for C$2.3 billion. Quebec completed a C$500 million Dec 2048 re-opening, Alberta printed a C$900 million Dec 2048 re-opening, Ontario priced a C$600 million June 2049 re-opening and Manitoba printed a C$300 million Sep 2048 re-opening. In the secondary market provincials and CMBs were relatively active with better client selling of front-end provincial product and two-way flows through the CMB curve. Spreads tightened on the week as underlying yields sold-off, with provincials 1bp tighter and CMBs 0.5-1bp tighter.

CANADIAN NEW ISSUES

Corporates

Tuesday, May 15 - Honda Canada Finance Inc (A(H)/A2/-) – C$500 million 3.444% 7-year Senior Unsecured notes at GoC +102 bps

Government

Monday, May 14 - Province of Quebec (A(H)/Aa2/AA-) – C$500 million 3.5% 31-year notes at GoC+71.5bps, 3.157% re-offer yield

Tuesday, May 15 - Province of Alberta (AA/Aa1/A+) – C$900 million reopening of its 30-year 3.05% Dec 1, 2048 at GoC +78.5 bps

Wednesday, May 16 - Province of Ontario (AA(L)/Aa2/A+) – C$600 million reopening of its 30-year 2.90% Jun 1, 2049 at GoC+76bps

Wednesday, May 16 - Canada Housing Trust (AAA/Aaa/AAA) – C$4.5 billion dual-tranche offering composed comprised of a C$2.25 billion re-opening of 2.65% 10-year fixed notes at +37bps and a new C$2.25 billion 5-year FRN at CDOR-6bps

Thursday, May 17 - Province of Manitoba (A(high)/Aa2/A+) – C$300 million reopening of its 30-year 3.40% Sep 5, 2048 at GoC+85.5bps

EQUITY MARKET UPDATE

North American equites ended the week mixed on either side of the border, with US indices closing the week 0.5% to 0.7% lower across the board while the TSX outperformed, rising 1.1% week over week. US-China trade talks continued to dominate headlines as markets contemplated the future of trade relations between the two largest economies in the world. North of the border, Canadian equities rose over the course of the week with energy names driving outperformance on the back of an increase in the price of oil, which rose 0.8% to close the week at $71.28/bbl after hitting a 52-week high mid-week as geopolitical fears and looming US sanctions on Iran caused concerns about potential supply disruptions. Also on the week, gold fell $26.26 to $1,293.04 while the US dollar rose 0.7% against the loonie to close at 1.2885 USDCAD.

Index	Level		1 Week Δ
S&P/TSX	16,162	▲	1.1%
DJA	24,715	▼	0.5%
S&P 500	2,713	▼	0.5%
NASDAQ	7,354	▼	0.7%
Oil	$71.28	▲	$0.58
Gold	$1,293.04	▼	$26.26
USDCAD	1.2885	▲	0.7%

NORTH AMERICAN RATES UPDATE

North American bond yields ended the week sharply higher in both Canada and the US. In the US, the Treasury curve steepened with the 10-year Treasury yield reaching its highest level since 2011 mid-week following economic and retail data that indicated the Fed may raise rates more aggressively in 2018 than previously contemplated. Canadian inflation and retail sales data released on Friday, the last major releases before the BoC's May 30 meeting, reinforced BoC Governor Poloz's statement last month that "inflation is on target and the economy is operating close to potential", with April inflation coming in modestly lower than expectations at 2.2% although the Bank of Canada's core measures generally increased in April, averaging 2% for the third consecutive month. Ahead of the next overnight rate decision on May 30th, the Bank is also

expected to closely monitor NAFTA developments, with the futures market currently pricing in ~30% probability of a rate hike. Of note, the curve between the GoC 10-year and 30-year benchmark yields sits at only 1bp, following a brief window on Thursday which saw the 10-year briefly rising above the 30-year yield for the first time in over a decade.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	2.03%	▲ 6
5yr	2.30%	▲ 9
10yr	2.49%	▲ 11
30yr	2.50%	▲ 9

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.55%	▲ 1
5yr	2.89%	▲ 5
10yr	3.06%	▲ 9
30yr	3.20%	▲ 9

MARKET IMPLIED BOC RATES

Meeting	Implied Rate
May 30, 2018	1.2834
July 11, 2018	1.4455
September 5, 2018	1.5650

SWAPS

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	33.50	▼ 2.75
3yr	40.50	▼ 1.50
5yr	38.50	▼ 0.75
7yr	38.00	▼ 0.50
10yr	34.75	▼ 1.25
30yr	36.00	▼ 0.75

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Tue, May 22	Wholesale Trade Sales MoM	0.9%	-0.8%
US Economic Data			
Wed, May 23	FOMC Meeting minutes	--	--
Wed, May 23	New Home Sales	679k	694k
Wed, May 23	Markit US Manufacturing PMI	56.1	56.5
Thu, May 24	Initial Jobless Claims	--	222k
Fri, May 25	U. of Mich. Sentiment	98.9	98.8
Fri, May 25	Durable Goods Orders	-1.4%	2.6%
International Economic Data			
Wed, May 23	Euro area Markit Eurozone Manufacturing PMI	56.0	56.2
Wed, May 23	United Kingdom CPI YoY	2.5%	2.5%
Wed, May 23	Euro area Consumer Confidence	0.5	0.4
Wed, May 23	Mexico GDP SA QoQ	0.7%	1.1%
Thu, May 24	Germany GDP SA QoQ	0.3%	0.3%
Thu, May 24	Japan Tokyo CPI Ex-Fresh Food YoY	0.6%	0.6%
Thu, May 24	United Kingdom Retail Sales Ex Auto Fuel MoM	0.5%	-0.5%
Fri, May 25	United Kingdom GDP QoQ	0.1%	0.1%
Fri, May 25	Germany IFO Business Climate	102.0	102.1

SELECTED COMPANIES REPORTING THIS WEEK

Canada

CAE, CIBC, Royal Bank of Canada, Toronto-Dominion Bank

US

Advance Auto Parts, Autodesk, AutoZone, Best Buy, DXC Technology, Foot Locker, The Gap, Hewlett Packard, Hormel Foods, Intuit, Kohl's, L Brands, Lowe's, McKesson, NetApp, Ralph Lauren, Ross Stores, Synopsys, Target Corp, Tiffany & Co, TJX

Regards,

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Index	Level		1 Week Δ
S&P/TSX	16,162	▲	1.1%
DJA	24,715	▼	0.5%
S&P 500	2,713	▼	0.5%
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Oil	$71.28	▲	$0.58
Gold	$1,293.04	▼	$26.26
USDCAD	1.2885	▲	0.7%

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	2.03%	▲ 6
5yr	2.30%	▲ 9
10yr	2.49%	▲ 11
30yr	2.50%	▲ 9

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.55%	▲ 1
5yr	2.89%	▲ 5
10yr	3.06%	▲ 9
30yr	3.20%	▲ 9

Meeting	Implied Rate
May 30, 2018	1.2834
July 11, 2018	1.4455
September 5, 2018	1.5650

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	33.50	▼ 2.75
3yr	40.50	▼ 1.50
5yr	38.50	▼ 0.75
7yr	38.00	▼ 0.50
10yr	34.75	▼ 1.25
30yr	36.00	▼ 0.75

Date	Release	Survey	Prior
Canadian Economic Data			
Tue, May 22	Wholesale Trade Sales MoM	0.9%	-0.8%
US Economic Data			
Wed, May 23	FOMC Meeting minutes	--	--
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Thu, May 24	Initial Jobless Claims	--	222k
Fri, May 25	U. of Mich. Sentiment	98.9	98.8
Fri, May 25	Durable Goods Orders	-1.4%	2.6%
International Economic Data			
Wed, May 23	Euro area Markit Eurozone Manufacturing PMI	56.0	56.2
Wed, May 23	United Kingdom CPI YoY	2.5%	2.5%
Wed, May 23	Euro area Consumer Confidence	0.5	0.4
Wed, May 23	Mexico GDP SA QoQ	0.7%	1.1%
Thu, May 24	Germany GDP SA QoQ	0.3%	0.3%
Thu, May 24	Japan Tokyo CPI Ex-Fresh Food YoY	0.6%	0.6%
Thu, May 24	United Kingdom Retail Sales Ex Auto Fuel MoM	0.5%	-0.5%
Fri, May 25	United Kingdom GDP QoQ	0.1%	0.1%
Fri, May 25	Germany IFO Business Climate	102.0	102.1

-- Confidential --

Bank Name	RBC
Date	23-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	**2.47%**	**2.49%**	**2.46%**	**2.45%**	**2.28%**	**2.13%**	-0.9	0.0	-1.0	0.2	-1.6	0.3
Curve Adjustment (bp)	**0.0**	**0.1**	**1.5**	**0.3**	**2.0**	**2.5**	-	-0.1	0.2	-0.6	-	0.2
Spread to GoC Curve (bp)	**111**	**103**	**96**	**88**	**67**	**51**	-	-	-	-	-	-
Re-Offered Yield	3.58%	3.52%	3.44%	3.33%	2.97%	2.67%	-0.9	-0.1	-0.8	-0.4	-1.6	0.5
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	-0.0	-0.0	-0.0	-0.0	-0.0	0.0
All-in Yield	**3.61%**	**3.56%**	**3.48%**	**3.38%**	**3.04%**	**2.75%**	-0.9	-0.1	-0.8	-0.4	-1.6	0.5

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	74	74	65	41	26	-2.5	-1.5	-1.5	-	-0.5	-

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**38**	**30**	**20**				1.0	2.0	3.5
City of Toronto (AA/Aa1/AA)	**97**	**98**	**92**	**82**	**56**	**41**	-3.0	-1.5	-0.5	-	-0.5	-
Hydro One Inc. (A(H)/A3/A)	**135**	**n/a**	**n/a**	**99**	**71**	**61**	-			-	-	-
Ontario Power Generation Inc. (A(low)/-/BBB+)	**150**	**n/a**	**n/a**	**112**	**82**	**70**	-5.0			-5.0	-	-2.0
Toronto Hydro Corporation (A/-/A)	**128**	**n/a**	**n/a**	**94**	**64**	**54**	-2.0			-1.0	-	-
Canadian National Railway Co (A/A2/A)	**130**	**n/a**	**n/a**	**93**	**71**	**61**	-1.0			-	-	-
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**110**	**n/a**	**n/a**	**87**	**61**	**51**	-			-	-2.0	-2.0
NAV Canada (AA(low)/Aa2/AA-)	**101**	**n/a**	**n/a**	**85**	**60**	**50**	-			-	-2.0	-2.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.47%	2.49%	2.46%	2.45%	2.28%	2.13%						
Curve Adjustment (bp)	0.0	0.1	1.5	0.3	2.0	2.5						
Spread to GoC Curve (bp)	**141**	**133**	**126**	**118**	**97**	**81**	-	-	-	-	-	-
Re-Offered Yield	3.88%	3.82%	3.74%	3.63%	3.27%	2.97%	-0.9	-0.1	-0.8	-0.4	-1.6	0.5
Commission (bp)	2.8	3.6	4.0	4.8	7.7	8.8	-0.00	-0.00	-0.00	-0.00	-0.00	0.00
All-in Yield	**3.91%**	**3.86%**	**3.78%**	**3.68%**	**3.34%**	**3.05%**	-0.9	-0.1	-0.8	-0.4	-1.6	0.5

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	74	74	65	41	26	-2.5	-1.5	-1.5	-	-0.5	-

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**82**	**60**	**n/a**				2.0	-	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.47%	2.49%	2.46%	2.45%	2.28%	2.13%						
Curve Adjustment (bp)	0.0	0.1	1.5	0.3	2.0	2.5						
Spread to GoC Curve (bp)	**175**	**167**	**160**	**152**	**131**	**115**	-	-	-	-	-	-
Re-Offered Yield	4.22%	4.16%	4.08%	3.97%	3.61%	3.31%	-0.9	-0.1	-0.8	-0.4	-1.6	0.5
Commission (bp)	3.0	3.7	4.1	4.9	7.7	8.8	-0.00	-0.00	-0.00	-0.00	-0.00	0.00
All-in Yield	**4.25%**	**4.20%**	**4.12%**	**4.02%**	**3.69%**	**3.39%**	-0.9	-0.1	-0.8	-0.4	-1.6	0.5

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	74	74	65	41	26	-2.5	-1.5	-1.5	-	-0.5	-

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From:	Malhi, Harman
To:	Kletinich, Jenny; "john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"; "Irma.mahmood@opg.com"
Cc:	Brown, Rob; Egberts, Adam; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject:	RE: OPG Weekly Pricing
Date:	Tuesday, May 08, 2018 3:45:12 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png FHP_RBC_20180508.xlsx

Hi All,
Please find attached this week's Fair Hydro Pricing indications.
Regards,
Harman

From: Kletinich, Jenny
Sent: May 7, 18 7:29 PM
To: 'john.s.lee@opg.com'; 'ken.hartwick@opg.com'; 'OPG - Treasury Group,'; 'Sheen.Liu@opg.com'; 'Kevin.Shvarts@ofina.on.ca'; 'Linda.Smith@ofina.on.ca'; 'ken.ryfa@opg.com'; 'brett.kichiy@ofina.on.ca'; 'j.hahnparker@opg.com'; 'matthew.go@opg.com'; 'Ricky.Lai@ofina.on.ca'; 'aiman.el-nahas@opg.com'; 'Irma.mahmood@opg.com'
Cc: Brown, Rob; Egberts, Adam; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, May 7, 2018

The Canadian corporate primary market continued to be active last week with C$1.9 billion of new supply priced across 3 transactions primarily comprised of auto finance issuers. Highlighting the supply, BMW Canada Auto Trust started the week's activity with a C$500 million multi-tranche ABS offering which followed a mandate announcement the prior week; RBC acted as structuring lead on the offering. In addition, Ford Credit Canada priced a C$1.25 billion dual-tranche offering; both tranches were upsized and priced at the tight end of guidance. Lastly, the infrastructure space was active with a C$181 million dual-tranche offering from Mosaic Transit Partners, a special purpose entity formed to design, build, finance, maintain and rehabilitate a new light rail transit system in Toronto. Of note, 2018 total corporate volume is off to a strong start with more than C$44 billion of supply since the beginning of the year, a C$5.4 billion increase (+14%) versus the same period in 2017; the increase is largely attributable to the re-emergence of banks and other financials which are up C$4.9 billion YoY (+21%). Looking ahead, primary market activity is expected to continue as market tone remains constructive for new issue supply in the near term.

The secondary market was active last week with activity skewed toward deposit notes and energy names as new supply fueled trading activity. On the week, there was some front-end net buying in deposit notes while there was good two-way trading in energy, auto, P3s and telco names. On average, corporate credit spreads closed 2 bps wider.

The government market remained active with ~C$1.5 billion of supply. Province of Manitoba completed a C$450 million 10-year offering with C$150 million placed privately, and Province of

Ontario printed a C$1 billion 30-year issue with C$400 million placed privately. Recent weeks have seen an increase in carve-out activity, with 7 orders completed year-to-date for C$2.1 billion in aggregate. In the secondary market volumes remained modest through the week with small net selling of 10-year provincial paper and net buying of front end CMBs. Provincial spreads closed the week 0.5bp wider in 10-years and 1.5bps wider in longs, while CMB spreads were 0.5bp tighter.

CANADIAN NEW ISSUES

Corporates

Tue, May 1 – BMW Canada Auto (AAA(sf)/Aaa(sf)/-) - C$500 million multi-tranche auto lease ABS Offering

Tue, May 1 – Ford Credit Canada Company (BBB/Baa2/BBB) – C$400 million re-opening of 1Dec20 FRN at 3-month CDOR+75bps and C$850 million 3.742% 5-year notes at GoC+155bps

Tue, May 1 – Mosaic Transit Partners (-/Baa2/-) – C$181 million dual-tranche offering comprised of senior secured 13.6 year and 27.7 year WAL bonds

Government

Wed, May 2 – Province of Manitoba (A(high)/Aa2/A+) – C$450 million 3% 10-year notes at GoC+75.5bps

Thu, May 3 – Province of Ontario (AA(L)/AA2/A+) – C$1 billion 2.90% 30-year Unsecured notes at GoC+79bps

EQUITY MARKET UPDATE

North American equities ended the week mixed, as a rally on Friday partially offset declines accumulated throughout the week. In the U.S., earnings season continued on a positive note as 75% of companies that reported earnings beat consensus, with the average beat at 7.2%. In addition, the impact of geopolitics was more tempered than in recent weeks, with the highlight being U.S. Treasury Secretary Mnuchin touching down in China on Thursday to discuss trade between the two countries; however, little was achieved in the way of deals. On the week, the S&P500 and the Dow Jones both fell 0.2%. North of the border, the TSX composite rose 0.4% supported by strong performance from all sectors to end the week. Also on the week, oil gained $1.62 to $69.72/bbl while gold fell $9.50 to $1,314.50/oz. In currencies, the Canadian dollar depreciated against the greenback to 1.2846 USDCAD.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,729	▲	0.4%
DJA	24,263	▼	0.2%
S&P 500	2,663	▼	0.2%
NASDAQ	7,210	▲	1.3%
Oil	$69.72	▲	$1.62
Gold	$1,314.50	▼	$9.50
USDCAD	1.2846	▲	0.1%

NORTH AMERICAN RATES UPDATE

North American government bond yields ended the week relatively unchanged in an economic data packed week that saw an FOMC rate decision, U.S. payrolls and Canada's GDP. In the US, as expected, the Fed kept its benchmark rate unchanged and signaled greater confidence on inflation. The initial market reaction was dovish, but Treasury yields and the U.S. dollar quickly rebounded; markets are currently pricing a 100% probability of a rate hike at the June meeting. On the back-end of the week, U.S. payrolls were softer than expected; however, including the upward revision to the prior month, payrolls additions were relatively in-line with expectations. In Canada, GDP rebounded in February helped by strong contributions from oil & gas and manufacturing which was largely expected. On the monetary policy front last week, BOC Governor Poloz reiterated that high levels of household debt increases the downside risks of hiking rates; however he did make a more rare acknowledgment concerning prolonged policy accommodation and the related risks of encouraging more household debt. On the week, government yields were 1bp higher across the curve while the long-end was unchanged.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.91%	▲ 1
5yr	2.15%	▲ 1
10yr	2.33%	▲ 1
30yr	2.41%	unch

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.50%	▲ 1
5yr	2.78%	▼ 2
10yr	2.95%	▼ 1
30yr	3.12%	unch

MARKET IMPLIED BOC RATES

Meeting	Implied Rate
May 30, 2018	1.3343
July 11, 2018	1.4752
September 5, 2018	1.5695

SWAPS

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	36.00	▲ 0.25
3yr	41.75	▼ 0.25
5yr	39.00	▼ 0.50
7yr	38.25	▼ 0.75
10yr	35.75	▼ 1.00
30yr	36.00	▼ 1.25

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic			
Tue, May 8	Housing Starts	220.0k	225.2k
Fri, May 11	Net Change in Employment	20.5k	32.3k
Fri, May 11	Unemployment Rate	5.8%	5.8%
US Economic Data			
Wed, May 9	MBA Mortgage Applications	--	-2.50%
Wed, May 9	PPI Final Demand MoM	0.2%	0.3%
Thur, May 10	CPI MoM	0.3%	-0.1%
Thur, May 10	CPI YoY	2.5k	2.4k
Fri, May 11	U. of Mich. Sentiment	98.4	98.8
International Economic Data			
Mon, May 7	Germany Factory orders MoM	0.5%	0.3%
Wed, May 9	China CPI YoY	1.9%	2.1%
Wed, May 9	France Industrial Production YoY	1.5%	1.6%
Thur, May 10	Bank of England Bank Rate	0.5%	0.5%
Thur, May 10	Industrial Production MoM	0.2%	0.1%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Algonquin Power & Utilities, Brookfield Asset Management, Canadian Apartment REIT, Canadian Tire, CCL Industries, Chartwell Retirement Residence, CI Financial, E-L Financial, Emera, Enbridge, Finning International, First Capital Realty, George Weston, H&R REIT, IAMGOLD, Industrial Alliance Insurance, Intact Financial, Inter Pipeline, Jean Coutu Group PJC, Kinross Gold, Magna

International, Northland Power, Nutrien, Onex, Open Text, Pan American Silver, Power Corp of Canada, Power Financial, Quebecor, RioCan REIT, SmartCentres REIT, Spin Master, Stantec, Thomson Reuters, TMX Group, TransAlta Renewables, WestJet Airlines, WSP Global

US

Andeavor, Broadridge Financial Solutions, CA Inc, Diamondback Energy, Discovery, Electronic Arts, Martin Marietta Materials, Microchip Technology, Occidental Petroleum, Plains All American Pipeline, Realty Income, Sempra Energy, Sysco, Tyson Foods, Walt Disney

Regards,

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Market Highlights

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5yr	2.15%	▲ 1
10yr	2.33%	▲ 1
30yr	2.41%	unch

UST

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2yr	2.50%	▲ 1
5yr	2.78%	▼ 2
10yr	2.95%	▼ 1
30yr	3.12%	unch

Meeting	Implied Rate
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September 5, 2018	1.5695

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	36.00	▲ 0.25
3yr	41.75	▼ 0.25
5yr	39.00	▼ 0.50
7yr	38.25	▼ 0.75
10yr	35.75	▼ 1.00
30yr	36.00	▼ 1.25

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Thur, May 10	Bank of England Bank Rate	0.5%	0.5%
Thur, May 10	Industrial Production MoM	0.2%	0.1%

-- Confidential --

Bank Name	RBC
Date	08-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	**2.41%**	**2.41%**	**2.35%**	**2.32%**	**2.15%**	**2.02%**	1.4	2.3	2.2	3.3	3.0	3.1
Curve Adjustment (bp)	**0.0**	**0.4**	**2.9**	**0.9**	**1.8**	**1.9**	-	-0.1	0.2	-0.5	-	0.1
Spread to GoC Curve (bp)	**111**	**103**	**96**	**88**	**67**	**51**	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0
Re-Offered Yield	3.52%	3.44%	3.33%	3.21%	2.84%	2.55%	-0.6	0.2	0.4	0.8	1.0	1.2
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	-0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.55%**	**3.48%**	**3.37%**	**3.26%**	**2.92%**	**2.64%**	-0.6	0.2	0.4	0.8	1.0	1.2

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	**79**	**79**	**79**	**68**	**46**	**30**	-2.5	-	1.0	-1.5	0.5	1.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**40**	**29**	**18**				2.5	-0.5	1.0
City of Toronto (AA/Aa1/AA)	**102**	**102**	**96**	**85**	**61**	**44**	1.0	1.5	0.5	-	0.5	1.0
Hydro One Inc. (A(H)/A3/A)	**136**	**n/a**	**n/a**	**99**	**71**	**61**	3.0			2.0	2.0	2.0
Ontario Power Generation Inc. (A(low)/-/BBB+)	**152**	**n/a**	**n/a**	**112**	**79**	**69**	2.0			2.0	2.0	-1.0
Toronto Hydro Corporation (A/-/A)	**128**	**n/a**	**n/a**	**95**	**64**	**54**	2.0			2.0	1.0	1.0
Canadian National Railway Co (A/A2/A)	**130**	**n/a**	**n/a**	**93**	**71**	**61**	1.0			1.0	1.0	1.0
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**112**	**n/a**	**n/a**	**87**	**63**	**53**	5.0			2.0	1.0	1.0
NAV Canada (AA(low)/Aa2/AA-)	**100**	**n/a**	**n/a**	**85**	**62**	**52**	5.0			3.0	2.0	2.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.41%	2.41%	2.35%	2.32%	2.15%	2.02%						
Curve Adjustment (bp)	0.0	0.4	2.9	0.9	1.8	1.9						
Spread to GoC Curve (bp)	**141**	**133**	**126**	**118**	**97**	**81**	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0
Re-Offered Yield	3.82%	3.74%	3.63%	3.51%	3.14%	2.85%	-0.6	0.2	0.4	0.8	1.0	1.2
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	-0.00	0.00	0.00	0.00	0.00	0.00
All-in Yield	**3.85%**	**3.78%**	**3.67%**	**3.56%**	**3.22%**	**2.94%**	-0.6	0.2	0.4	0.8	1.0	1.2

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79	79	68	46	30	-2.5	-	1.0	-1.5	0.5	1.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**80**	**62**	**n/a**				-	-1.0	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
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Benchmark Yield	2.41%	2.41%	2.35%	2.32%	2.15%	2.02%						
Curve Adjustment (bp)	0.0	0.4	2.9	0.9	1.8	1.9						
Spread to GoC Curve (bp)	**175**	**167**	**160**	**152**	**131**	**115**	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0
Re-Offered Yield	4.16%	4.08%	3.97%	3.85%	3.48%	3.19%	-0.6	0.2	0.4	0.8	1.0	1.2
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	-0.00	0.00	0.00	0.00	0.00	0.00
All-in Yield	**4.19%**	**4.12%**	**4.01%**	**3.90%**	**3.56%**	**3.28%**	-0.6	0.2	0.4	0.8	1.0	1.2

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79	79	68	46	30	-2.5	-	1.0	-1.5	0.5	1.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From:	Malhi, Harman
To:	Egberts, Adam; "john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"; "Irma.mahmood@opg.com"
Cc:	Brown, Rob; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject:	RE: OPG Weekly Pricing
Date:	Tuesday, May 01, 2018 6:57:25 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png FHP_RBC_20180501.xlsx

Hi All,
Please find attached this week's Fair Hydro Pricing indications.
Regards,
Harman

From: Egberts, Adam
Sent: April 30, 18 6:59 PM
To: 'john.s.lee@opg.com'; 'ken.hartwick@opg.com'; 'OPG - Treasury Group,'; 'Sheen.Liu@opg.com'; 'Kevin.Shvarts@ofina.on.ca'; 'Linda.Smith@ofina.on.ca'; 'ken.ryfa@opg.com'; 'brett.kichiy@ofina.on.ca'; 'j.hahnparker@opg.com'; 'matthew.go@opg.com'; 'Ricky.Lai@ofina.on.ca'; 'aiman.el-nahas@opg.com'; 'Irma.mahmood@opg.com'
Cc: Brown, Rob; Egberts, Adam; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, April 30, 2018

The Canadian corporate primary market was moderately active last week with ~C$2.8 billion of new issue supply priced across 5 transactions, primarily comprised of financial issuances. Among the banks, RBC issued its first deposit note of the year with a C$2 billion 5-year offering, while Canadian Western Bank printed a C$250 million reopening of its September 2021 maturity. Both transactions were well-received with oversubscribed orderbooks and competitive pricing at the tight-end of initial guidance. Coast Capital was also in the market with its inaugural debt offering of C$200 million 10NC5-year subordinated notes, with RBC acting as a bookrunner. The transaction came on the heels of an extensive cross-country roadshow, which allowed the company to generate strong momentum into the trade and upsize on the back of investor demand. On the real estate front, Chartwell Retirement Residences priced a C$150 million 7-year senior offering, representing the issuer's first offering since its inaugural print in June 2017, while in the securitization space, WTH Car Rental ULC priced a C$150 million ABS transaction with RBC acting as a bookrunner. Away from the primary market, RBC hosted non-deal fixed income investor roadshows for German real estate company Aroundtown SA as well as for Medavie, both of which were well-attended by the investor base. Looking ahead, a busy and growing roadshow calendar coupled with a constructive market backdrop should remain conducive for new issue supply in the near term.

The secondary market experienced another week of active trading characterized by relatively balanced flows over the course of the week before experiencing some selling flow on Thursday, particularly in deposit notes on the back of the new issue. Subordinated financials were also well

traded last week on the back of the Coast Capital deal. Among corporate sectors, the CMT space, select long utilities and midstream names were the most active on the week trading two-way in size, while automotive financials saw heavier selling earlier in the week. On average, corporate credit spreads closed 2 bps wider.

The government market remained active with C$800 million priced across 2 provincial transactions from Quebec and New Brunswick. Of note, this April has marked the busiest month on record, with C$10.1 billion of government supply priced in the domestic market. On the whole, secondary volumes remained solid albeit with some chunky flows as large offshore and domestic pension investors accounted for a number of sizeable tickets. Directionally, there was small net selling of provincials and net buying of CMBs with the front end and belly accounting for the majority of flows. Spreads ended the week 1-2bps wider in CMBs and 1.5-2bps wider in Provincials.

CANADIAN NEW ISSUES

Corporates

Mon, Apr 23 – Canadian Western Bank (A(L)/-/-) – C$250 million re-opening of 2.788% senior deposit note due September 2021 at CAN 0.75% 1Sep21 +99bps

Tue, Apr 24 – WTH Car Rental ULC (AAA/-/-) – C$150 million 3.279% 5-year ABS offering at GoC+110bps

Wed, Apr 25 – Chartwell Retirement Residences (BBB(L)/-/-) – C$150 million 4.211% 7-year senior unsecured offering at GoC+190bps

Thu, Apr 26 – Coast Capital Savings Credit Union (BBB/-/-) – C$200 million 5.00% 10NC5 subordinated notes at GoC+282bps

Thu, Apr 26 – Royal Bank of Canada (AA/A1/AA-) – C$2 billion 2.949% 5-year deposit notes at GoC +77bps

Government

Mon, Apr 23 – Province of New Brunswick (A(H)/Aa2/A+) – C$300 million 3.10% 10-year benchmark due August 2028 at CAN 2% 1Jun28 +77bps

Thu, Apr 26 – Province of Quebec (A(H)/Aa2/AA-) – C$500 million 2.75% 10-year benchmark re-opening at CAN 2% 1Jun28 +63bps

EQUITY MARKET UPDATE

North American equities ended the week mixed with Canadian stocks finishing higher, while the ongoing run-up in government yields put a lid on US equity markets over the course of the week. The S&P 500 closed the week flat to the prior week, while the Dow Jones and NASDAQ indices finished 0.4-0.6% lower. Despite a continued, decent string of earnings overall with positive surprises running at ~80% (with a quarter of the S&P 500 having already reported), equity markets remain constrained by a slowing growth outlook in the face of rising borrowing costs and other macroeconomic and political uncertainties that remain at the forefront. In Canada, a strong domestic GDP reading (A: 0.3% vs. E: -0.1%) and improving tone through the NAFTA negotiations last week provided a tailwind to Canadian stocks with the S&P/TSX index closing 1.2% higher. In commodity markets, crude oil fell $0.28 to $68.10/bbl while gold prices ended the week $12.36 lower to finish at $1,324.00/oz. In currency markets, the Canadian dollar depreciated by 0.5% to close at 1.2828 CADUSD.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,669	▲	1.2%
DJA	24,311	▼	0.6%
S&P 500	2,670	▼	0.0%
NASDAQ	7,120	▼	0.4%
Oil	$68.10	▼	$0.28
Gold	$1,324.00	▼	$12.36
USDCAD	1.2828	▲	0.5%

NORTH AMERICAN RATES UPDATE

North American government bond yields ended the week mixed on both sides of the border as BoC dialogue around the pace of monetary policy drove tone in Canada, while broader markets benefited from some positive trade and political headlines, including a historic meeting between leaders on the Korean peninsula. In Canada, GoC yields ended 1-4 bps lower across the curve as BoC Governor Poloz and Senior Deputy Governor Wilkins made their way to Parliament Hill to testify to the House

Finance Committee, where they re-emphasized that current monetary conditions are “roughly where they should be” and that there is essentially no hurry to move in the near term; however they did reinforce the need for higher rates in the medium term. The odds of a near-term 25bps rate hike have continued to drift lower over the last few weeks (~36% for May and ~65% for July) but interestingly the odds for two full rate increases by the end of the year still remain high at 70%+. The US market was fairly muted with the US Treasury curve closing the week slightly flatter with the belly of the curve remaining unchanged week-over-week, while the 2-year benchmark yield closed 3bps higher and 30-years ended 2bps lower.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.90%	▼ 3
5yr	2.13%	▼ 4
10yr	2.32%	▼ 1
30yr	2.41%	▼ 3

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.48%	▲ 3
5yr	2.80%	unch
10yr	2.96%	unch
30yr	3.12%	▼ 2

MARKET IMPLIED BOC RATES

Meeting	Implied Rate
May 30, 2018	1.3050
July 11, 2018	1.4394
September 5, 2018	1.5280

SWAPS

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	35.75	▲ 0.50
3yr	42.00	▲ 1.50
5yr	39.50	▲ 0.75
7yr	39.00	▲ 0.50
10yr	36.75	▼ 0.50
30yr	37.25	▲ 1.00

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic			
Mon, Apr 30	Industrial Product Price MoM	0.7%	0.1%
Tue, May 1	GDP YoY	2.8%	2.7%
US Economic Data			
Mon, Apr 30	Personal Income	0.4%	0.4%
Mon, Apr 30	Personal Spending	0.4%	0.2%
Tue, May 1	Construction Spending MoM	0.5%	0.1%
Wed, May 2	MBA Mortgage Applications	–	-0.2%
Wed, May 2	ADP Employment Changes	195k	241k
Wed, May 2	FOMC Rate Decision	1.75%	1.75%
Thur, May 3	Initial Jobless Claims	220k	209k
Thur, May 3	Continuing Claims	1838k	1837k
Thur, May 3	Trade Balance	-$50.0b	-$57.6b
Thur, May 3	Durable Goods Orders	–	2.6%
Fri, May 4	Change in Nonfarm Payrolls	190k	103k
Fri, May 4	Unemployment Rate	4.0%	4.1%
International Economic Data			
Mon, Apr 30	EUR M3 Money Supply YoY	4.1%	4.2%
Mon, Apr 30	GER CPI YoY	1.5%	1.6%
Tue, May 1	RBA Cash Rate Target	1.5%	1.5%
Wed, May 2	EUR GDP SA YoY	2.5%	2.7%
Thur, May 3	EUR Unemployment Rate	8.5%	8.5%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Air Canada, Capital Power, Encana, FortisBC, Colliers International Group, First National Financial, goeasy, Genworth MI Canada, Pengrowth Energy, Gran Tierra Energy, Russel Metals, Suncor Energy, Kirkland Lake Gold, Maple Leaf Foods, Cineplex, Loblaw Cos, Source Energy Services, Great-West Lifeco, Parkland Fuel, Manulife Financial, Seven Generations Energy, Athabasca Oil, SNC-Lavalin Group, Canadian Natural Resources, Mitel Networks, Crescent Point Energy, BCE, Bombardier, Baytex Energy, Pembina Pipeline, AutoCanada, Painted Pony Energy, Fairfax Financial Holdings, Advantage Oil & Gas, IGM Financial, Obsidian Energy, STEP Energy Services

US

Apple, Berkshire Hathaway, Pfizer, Mastercard, Merck & Co, DowDuPont, McDonald's, Gilead Sciences, CVS Health, Kraft Heinz, Celgene, American Tower, Mondelez International, Allergan PLC, T-Mobile US, Tesla, Activision Blizzard, MetLife, Ecolab, Sprint, PG&E, GGP, CBS, Square, Snap, KKR

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Market Highlights

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10yr	2.96%	unch
30yr	3.12%	▼ 2

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10yr	36.75	▼ 0.50
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Tue, May 1	RBA Cash Rate Target	1.5%	1.5%
Wed, May 2	EUR GDP SA YoY	2.5%	2.7%
Thur, May 3	EUR Unemployment Rate	8.5%	8.5%

-- Confidential --

Bank Name	RBC
Date	01-May-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	**2.40%**	**2.39%**	**2.32%**	**2.29%**	**2.12%**	**1.99%**	-4.8	-4.9	-7.1	-7.0	-5.6	-3.0
Curve Adjustment (bp)	**0.0**	**0.5**	**2.7**	**1.4**	**1.8**	**1.8**	-	-	2.5	1.2	1.6	1.6
Spread to GoC Curve (bp)	**113**	**105**	**98**	**90**	**69**	**53**	-	-2.0	-2.0	-2.0	-	-
Re-Offered Yield	3.53%	3.44%	3.33%	3.20%	2.83%	2.54%	-4.8	-6.9	-6.6	-7.8	-4.0	-1.4
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
All-in Yield	**3.56%**	**3.48%**	**3.37%**	**3.25%**	**2.91%**	**2.63%**	-4.8	-6.9	-6.6	-7.8	-4.0	-1.4

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	**81**	**79**	**78**	**70**	**45**	**29**	3.0	1.5	1.0	3.0	1.5	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**38**	**29**	**17**				2.0	1.5	0.5
City of Toronto (AA/Aa1/AA)	**101**	**101**	**95**	**85**	**61**	**43**	-	1.0	2.0	0.5	-0.5	-0.5
Hydro One Inc. (A(H)/A3/A)	**133**	**n/a**	**n/a**	**97**	**69**	**59**	-4.0			-1.0	1.0	1.0
Ontario Power Generation Inc. (A(low)/-/BBB+)	**150**	**n/a**	**n/a**	**110**	**77**	**70**	-8.0			-7.0	-6.0	-3.0
Toronto Hydro Corporation (A/-/A)	**126**	**n/a**	**n/a**	**93**	**63**	**53**	-1.0			-1.0	1.0	1.0
Canadian National Railway Co (A/A2/A)	**129**	**n/a**	**n/a**	**92**	**70**	**60**	-			-	-	-1.0
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**107**	**n/a**	**n/a**	**85**	**62**	**52**	8.0			4.0	2.0	2.0
NAV Canada (AA(low)/Aa2/AA-)	**95**	**n/a**	**n/a**	**82**	**60**	**50**	-1.0			1.0	-	-

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.40%	2.39%	2.32%	2.29%	2.12%	1.99%						
Curve Adjustment (bp)	0.0	0.5	2.7	1.4	1.8	1.8						
Spread to GoC Curve (bp)	**143**	**135**	**128**	**120**	**99**	**83**	-	-2.0	-2.0	-2.0	-	-
Re-Offered Yield	3.83%	3.74%	3.63%	3.50%	3.13%	2.84%	-4.8	-6.9	-6.6	-7.8	-4.0	-1.4
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	-0.02	-0.02	-0.02	-0.02	-0.01	-0.00
All-in Yield	**3.86%**	**3.78%**	**3.67%**	**3.55%**	**3.21%**	**2.93%**	-4.8	-6.9	-6.6	-7.8	-4.0	-1.4

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	81	79	78	70	45	29	3.0	1.5	1.0	3.0	1.5	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**80**	**63**	**n/a**				-1.0	2.0	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.40%	2.39%	2.32%	2.29%	2.12%	1.99%						
Curve Adjustment (bp)	0.0	0.5	2.7	1.4	1.8	1.8						
Spread to GoC Curve (bp)	**177**	**169**	**162**	**154**	**133**	**117**	-	-2.0	-2.0	-2.0	-	-
Re-Offered Yield	4.17%	4.08%	3.97%	3.84%	3.47%	3.18%	-4.8	-6.9	-6.6	-7.8	-4.0	-1.4
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	-0.02	-0.02	-0.02	-0.02	-0.01	-0.00
All-in Yield	**4.20%**	**4.12%**	**4.01%**	**3.89%**	**3.55%**	**3.27%**	-4.8	-6.9	-6.6	-7.8	-4.0	-1.4

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	81	79	78	70	45	29	3.0	1.5	1.0	3.0	1.5	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From:	Malhi, Harman
To:	Egberts, Adam; "john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"; "Irma.mahmood@opg.com"
Cc:	Brown, Rob; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne; Taylor, Brent R
Subject:	RE: OPG Weekly Pricing
Date:	Tuesday, April 24, 2018 9:36:10 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png FHP_RBC_20180424.xlsx

Hi All,
Please find attached this week's Fair Hydro Pricing indications.
Regards,
Harman

From: Egberts, Adam
Sent: April 23, 18 8:13 PM
To: 'john.s.lee@opg.com'; 'ken.hartwick@opg.com'; 'OPG - Treasury Group,'; 'Sheen.Liu@opg.com'; 'Kevin.Shvarts@ofina.on.ca'; 'Linda.Smith@ofina.on.ca'; 'ken.ryfa@opg.com'; 'brett.kichiy@ofina.on.ca'; 'j.hahnparker@opg.com'; 'matthew.go@opg.com'; 'Ricky.Lai@ofina.on.ca'; 'aiman.el-nahas@opg.com'; 'Irma.mahmood@opg.com'
Cc: Brown, Rob; Egberts, Adam; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, April 23, 2018

The Canadian corporate primary market was active last week with C$3 billion of new issue supply priced across 6 transactions, including a financial Maple, 3 securitization trades and a C$ high yield offering. All of last week's transactions were well-received and featured strong orderbooks, broad investor distribution and healthy aftermarket performance. Bank of America was first to issue on the week with a dual-tranche senior Maple offering of 6NC5-year fixed/floating rate notes and a 4NC3-year FRN with RBC acting as Joint Bookrunner. The transaction represents the 6th Maple of the year and the 4th largest on record; the transaction generated a well oversubscribed orderbook, demonstrating strong ongoing demand for well-branded Maple credits. In the securitization space, CNH Capital Canada Receivables Trust and MBARC Credit Canada together priced just under a C$1 billion of new ABS supply across multiple tranches, while Fair Hydro Trust was also in the market with an upsized C$400 million offering of Utility Cost Recovery notes consisting of senior, subordinated and junior subordinated tranches. RBC acted as a Bookrunner on all three securitization transactions. The Fair Hydro deal, in particular, comes on the heels of the issuer's inaugural trade in February and capitalized on strong investor appetite for well-rated product. The Canadian high yield sector also saw primary flow on the week with Kruger Products LP printing a C$125 million 7NC3 senior unsecured offering to bring total C$ high yield supply to C$715 million for 2018. Away from the primary market, RBC hosted a successful multi-city non-deal investor roadshow for Coast Capital Savings Credit Union and also announced non-deal investor roadshows for German real estate company Aroundtown SA, to take

place in Toronto, Montreal and Vancouver between April 24th and 26th, as well as for Medavie to take place in Toronto on April 26th. Looking ahead, the corporate primary market remains constructive for new issuance and is expected to remain steady as the roadshow calendar grows and as investors look to deploy built-up cash balances.

The secondary market experienced an active week of trading characterized by heavier net buying to start and close the week, while trading through the week was fairly balanced with good two-way flow across corporate sectors. Volumes were skewed to Maples at the start of the week on the back of new issue activity in the space, while autos, utilities and consumer names were mostly active in the short-end of the curve. Deposit notes and subordinated financial paper was also well-traded through the week with a focus in the belly. On the week, corporate credit spreads generally closed the week 2 bps tighter.

The government market remained active last week with C$3.8 billion pricing across 4 domestic issues. Province of Alberta started the week with a C$600 million 10-year tap, while Saskatchewan came to market with a C$300 million long-end print. Ontario accessed the market twice, first with a C$1.35 billion 10-year offering which included a C$600 million carve-out, and followed on with a C$1.5 billion 5-year offering. Of note, domestic issuance in April 2018 has reached C$9.3 billion, the highest issuance level on record for the month of April. In the secondary market, volumes remained active with new supply spurring trading flow. Provincials saw net better buying on the week with activity concentrated in 10-years, while CMBs saw net buying on front-end activity. Spreads closed out the week 2-3bps tighter across the curve in provincials and 1.5-2.5bps tighter in CMBs.

CANADIAN NEW ISSUES

Corporates

Tue, Apr 17 – Kruger Products L.P. (BB(low)/-/-) – C$125 million 6.00% 7NC3-year senior unsecured notes offering

Tue, Apr 17 – Bank of America Corp (-/A3/A-) – C$1.5 billion dual-tranche senior Maple offering consisting of a C$500 million 4NC3-year FRN at CDOR +52bps and a C$1 billion 6NC5-year FXD/FRN notes at GoC+117bps

Tue, Apr 17 – CNH Capital Canada Receivables Trust (AAA/Aaa/-) – C$390 million multi-tranche retail equipment loan ABS offering

Tue, Apr 17 – MBARC Credit Canada Inc. (AAA/Aaa/-) – ~C$523 million multi-tranche auto lease ABS offering

Wed, Apr 18 – University of Saskatchewan (-/Aa2/-) – C$85 million 3.472% 40NC30-year senior unsecured notes offering at GoC+125bps

Thu, Apr 19 – Fair Hydro Trust (AAA/Aa2/-) – C$400 million 3.520% 20-year senior secured notes at GoC+107bps

Government

Mon, Apr 16 – Province of Alberta (AA/Aa1/A+) – C$600 million 2.55% 10-year re-opening at GoC+67.5 bps

Thu, Apr 19 – Province of Ontario (AA(low)/Aa2/A+) – C$1.35 billion 2.90% 10-year re-opening at a spread of CAN 2% 1Jun28+64 bps

Thu, Apr 19 – Province of Saskatchewan (AA/Aaa/AA) – C$300 million 3.30% 30-year re-opening at a spread of CAN 2.75% 1Dec48+79.5 bps

Fri, Apr 20 – Province of Ontario (AA(low)/Aa2/A+) - C$1.5 billion 2.600% 6-year re-opening at GoC +44.0 bps

EQUITY MARKET UPDATE

North American equity markets ended the week higher on both sides of the border despite some weakness heading into the weekend as solid corporate results lifted tone earlier in the week before a slide in technology shares partially reversed gains on Friday. In the US, the S&P 500 and Dow Jones indices ended the week higher by 0.4-0.5% as earnings releases continued their positive trend with many of the banks beating estimates and upside surprises running at nearly 80% so far in the quarter. However, losses steepened to close Friday with the rout in chipmakers and other technology shares precipitating a broader equity selloff. In Canada, the S&P/TSX index outperformed its US counterpart with gains of 1.4% led by strength in the CME, consumer and financial sectors, which largely offset weakness in the energy space. In commodities, crude oil ended higher by about $1.00 to close the week at $68.38/bbl, while gold prices fell $10.21 to

finish at $1,335.99/oz. In currencies, the Canadian dollar depreciated against the US greenback by 1.2% to close at 1.2753 USDCAD.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,484	▲	1.4%
DJA	24,463	▲	0.4%
S&P 500	2,670	▲	0.5%
NASDAQ	7,146	▲	0.6%
Oil	$68.38	▲	$0.99
Gold	$1,335.99	▼	$10.21
USDCAD	1.2753	▲	1.2%

NORTH AMERICAN RATES UPDATE

North American government bond yields rose week-over-week as overall risk tone showed signs of improvement as trade tensions seemed to subside for the near-term and as inflation expectations continued to rise. In Canada, GoC yields rose steadily through the week and ended 6-9 bps higher with a steepening bias as rates in the belly rose to levels not seen since early February. In an unsurprising move, the Bank of Canada left the overnight policy rate unchanged at 1.25% on Wednesday morning, citing potential risks from “trade conflicts” and weaker near-term growth projections. Interestingly, the Bank revealed what seemed to be an apparent tolerance for firmer near-term inflation readings potentially arising from the impact of transitory factors (i.e. higher minimum wages). In particular, BoC Governor Poloz described the inflation trajectory as “rock solid” and expressed that slightly above-target readings would be unlikely to serve as the immediate trigger towards hiking rates, especially given the average rate of inflation in the last few years has been trending below the midpoint of the policy range. The Canadian CPI reading on Friday came out at 2.3% (E: 2.4%). In OIS markets, the probability of a BoC rate hike by the May meeting moderated to ~35% from above 50% earlier in the month. South of the border, the US market experienced a more pronounced shift with the 2-year benchmark yield rising 10bps, while the rest of the curve ended 12-13bps higher, sending the 10-year yield back to February highs of nearly 3.00% during the Friday session. On the data front, a strong US retail sales reading and a solid jobs report on Friday further supported the risk-on trade. Overnight Fed futures markets are currently pricing in a 92% probability of a rate hike by the June meeting, which is up from 73% at the start of April.

GoC

Term	Yield (%)	1 Week Δ (bps)	
2yr	1.93%	▲	6
5yr	2.17%	▲	7
10yr	2.34%	▲	9
30yr	2.44%	▲	9

UST

Term	Yield (%)	1 Week Δ (bps)	
2yr	2.45%	▲	10
5yr	2.80%	▲	12
10yr	2.96%	▲	13
30yr	3.14%	▲	12

MARKET IMPLIED BOC RATES

Market Implied Rates

Meeting	Implied Rate
May 30, 2018	1.3100
July 11, 2018	1.4475
September 5, 2018	1.5475

SWAPS

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	35.25	▼ 2.50
3yr	40.50	▼ 1.50
5yr	38.75	unch
7yr	38.50	▼ 0.50
10yr	37.25	▼ 0.50
30yr	36.25	▲ 0.25

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Mon, Apr 23	Wholesale Trade Sales MoM	--	0.1%
Mon, Apr 23	BoC's Poloz and Wilkins testify at House Committee	--	--
US Economic Data			
Tue, Apr 24	Conf. Board Consumer Confidence	126.0	127.7
Wed, Apr 25	MBA Mortgage Applications	--	4.9%
Thu, Apr 26	Initial Jobless Claims	--	232k
Thu, Apr 26	Wholesale Inventories MoM	--	1.0%
Thu, Apr 26	Durable Goods Orders	1.2%	3.0%
Fri, Apr 27	GDP Annualized QoQ	2.0%	2.9%
Fri, Apr 27	U. of Mich. Sentiment	98.0	97.8
International Economic Data			
Mon, Apr 23	Markit France Manufacturing PMI	53.5	53.7
Mon, Apr 23	Markit/BME Germany Manufacturing PMI	57.5	58.2
Mon, Apr 23	Markit Eurozone Manufacturing PMI	56	56.6
Mon, Apr 23	Australia CPI QoQ	0.5%	0.6%
Tue, Apr 24	Germany IFO Business Climate	102.8	103.2
Thu, Apr 26	ECB Main Refinancing Rate	0.0%	0.0%
Thu, Apr 26	Japan Jobless Rate	2.5%	2.5%
Thu, Apr 26	Japan Industrial Production MoM	0.5%	2.0%
Fri, Apr 27	France GDP QoQ	0.4%	0.7%
Fri, Apr 27	Germany Unemployment Change (000's)	-15k	-19k
Fri, Apr 27	UK GDP QoQ	0.3%	0.4%
Fri, Apr 27	Eurozone Consumer Confidence	--	--

SELECTED COMPANIES REPORTING THIS WEEK

Canada

AltaGas, Atco, Barrick Gold, Cameco, Canadian Utilities, Celestica, Cenovus Energy, Choice Properties, Constellation Software, First Quantum Minerals, FirstService, Husky Energy, Imperial Oil, Jean Coutu Group PJC, Metro, Restaurant Brands International, Teck Resources, Toromont Industries, TransCanada, West Fraser Timber

US

3M, AbbVie, Alphabet, Amazon.com, Amgen, AT&T, Boeing, Caterpillar, Chevron, Coca-Cola, Colgate-Palmolive, Comcast, ConocoPhillips, Exxon Mobil, Facebook, Ford Motor, General Motors, Halliburton, Intel, Lockheed Martin, Microsoft, Moody's, PayPal Holdings, PepsiCo, QUALCOMM, S&P Global, Southwest Airlines, Starbucks, Time Warner, United Technologies, Verizon Communications, Visa

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Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,484	▲	1.4%
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NASDAQ	7,146	▲	0.6%
Oil	$68.38	▲	$0.99
Gold	$1,335.99	▼	$10.21
USDCAD	1.2753	▲	1.2%

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.93%	▲ 6
5yr	2.17%	▲ 7
10yr	2.34%	▲ 9
30yr	2.44%	▲ 9

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.45%	▲ 10
5yr	2.80%	▲ 12
10yr	2.96%	▲ 13
30yr	3.14%	▲ 12

Market Implied Rates

Meeting	Implied Rate
May 30, 2018	1.3100
July 11, 2018	1.4475
September 5, 2018	1.5475

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	35.25	▼ 2.50
3yr	40.50	▼ 1.50
5yr	38.75	unch
7yr	38.50	▼ 0.50
10yr	37.25	▼ 0.50
30yr	36.25	▲ 0.25

Date	Release	Survey	Prior
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Thu, Apr 26	Japan Jobless Rate	2.5%	2.5%
Thu, Apr 26	Japan Industrial Production MoM	0.5%	2.0%
Fri, Apr 27	France GDP QoQ	0.4%	0.7%
Fri, Apr 27	Germany Unemployment Change (000's)	-15k	-19k
Fri, Apr 27	UK GDP QoQ	0.3%	0.4%
Fri, Apr 27	Eurozone Consumer Confidence	--	--

-- Confidential --

Bank Name	RBC
Date	24-Apr-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Change from week of April 10th, 2018**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	**2.45%**	**2.44%**	**2.39%**	**2.36%**	**2.18%**	**2.02%**	14.1	15.7	18.3	20.2	16.5	9.7
Curve Adjustment (bp)	**0.0**	**0.5**	**0.2**	**0.2**	**0.2**	**0.2**	-	-0.2	-2.7	-2.2	-0.4	-0.9
Spread to GoC Curve (bp)	**113**	**107**	**100**	**92**	**69**	**53**	7.0	-	-6.0	-4.0	-5.0	-3.0
Re-Offered Yield	3.58%	3.51%	3.40%	3.28%	2.87%	2.55%	21.1	15.5	9.6	14.0	11.1	5.8
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.1	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.60%**	**3.55%**	**3.43%**	**3.33%**	**2.95%**	**2.64%**	21.2	15.5	9.6	14.0	11.1	5.8

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	**78**	**77**	**77**	**67**	**44**	**28**	-3.0	-4.5	-4.0	-4.0	-5.5	-3.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**36**	**28**	**16**				-5.5	-5.0	-2.0
City of Toronto (AA/Aa1/AA)	**101**	**100**	**93**	**85**	**61**	**44**	-2.0	-3.5	-6.5	-3.0	-3.5	-2.0
Hydro One Inc. (A(H)/A3/A)	**137**	**n/a**	**n/a**	**98**	**68**	**58**	-5.0			-	2.0	2.0
Ontario Power Generation Inc. (A(low)/-/BBB+)	**158**	**n/a**	**n/a**	**117**	**83**	**73**	-4.0			-3.0	-6.0	-4.0
Toronto Hydro Corporation (A/-/A)	**127**	**n/a**	**n/a**	**94**	**62**	**52**	-8.0			-1.0	-	-
Canadian National Railway Co (A/A2/A)	**129**	**n/a**	**n/a**	**92**	**70**	**39**	-6.0			-3.0	-1.0	-23.0
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**99**	**n/a**	**n/a**	**81**	**60**	**50**	-3.0			-	-1.0	-1.0
NAV Canada (AA(low)/Aa2/AA-)	**96**	**n/a**	**n/a**	**81**	**60**	**50**	-5.0			-	-1.0	-1.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.45%	2.44%	2.39%	2.36%	2.18%	2.02%						
Curve Adjustment (bp)	0.0	0.5	0.2	0.2	0.2	0.2						
Spread to GoC Curve (bp)	**143**	**137**	**130**	**122**	**99**	**83**	5.0	-2.0	-8.0	-6.0	-7.0	-5.0
Re-Offered Yield	3.88%	3.81%	3.70%	3.58%	3.17%	2.85%	19.1	13.5	7.6	12.0	9.1	3.8
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	0.07	0.04	0.02	0.03	0.02	0.01
All-in Yield	**3.91%**	**3.85%**	**3.74%**	**3.63%**	**3.25%**	**2.94%**	19.2	13.5	7.6	12.0	9.1	3.8

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	77	67	44	28	-3.0	-4.5	-4.0	-4.0	-5.5	-3.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**81**	**61**	**n/a**				-2.0	-2.0	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.45%	2.44%	2.39%	2.36%	2.18%	2.02%						
Curve Adjustment (bp)	0.0	0.5	0.2	0.2	0.2	0.2						
Spread to GoC Curve (bp)	**177**	**171**	**164**	**156**	**133**	**117**	3.0	-4.0	-10.0	-8.0	-9.0	-7.0
Re-Offered Yield	4.22%	4.15%	4.04%	3.92%	3.51%	3.19%	17.1	11.5	5.6	10.0	7.1	1.8
Commission (bp)	3.0	3.7	4.0	4.9	7.7	8.8	0.06	0.04	0.02	0.02	0.01	0.00
All-in Yield	**4.25%**	**4.19%**	**4.08%**	**3.97%**	**3.59%**	**3.28%**	17.2	11.5	5.6	10.0	7.1	1.8

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	77	67	44	28	-3.0	-4.5	-4.0	-4.0	-5.5	-3.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From:	Malhi, Harman
To:	"john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"
Cc:	Brown, Rob; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne; Taylor, Brent R; Egberts, Adam
Subject:	RE: OPG Weekly Pricing
Date:	Tuesday, April 10, 2018 5:49:43 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png FHP_RBC_20180410.xlsx

Hi All,
Please find attached this week's Fair Hydro Pricing indications.
Regards,
Harman

From: Egberts, Adam
Sent: April 9, 18 7:15 PM
To: 'john.s.lee@opg.com'; 'ken.hartwick@opg.com'; 'OPG - Treasury Group,'; 'Sheen.Liu@opg.com'; 'Kevin.Shvarts@ofina.on.ca'; 'Linda.Smith@ofina.on.ca'; 'ken.ryfa@opg.com'; 'brett.kichiy@ofina.on.ca'; 'j.hahnparker@opg.com'; 'matthew.go@opg.com'; 'Ricky.Lai@ofina.on.ca'; 'aiman.el-nahas@opg.com'
Cc: Brown, Rob; Egberts, Adam; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, April 9, 2018

The Canadian corporate primary market was relatively quiet last week, with John Deere Canada being the only corporate issuer to access the C$ market, pricing a C$200 million 3.5-year transaction with RBC acting as joint bookrunner. Despite elevated volatility in broader markets which has persisted through recent weeks on the back of global trade-related concerns, John Deere was able to capitalize on a window of stable tone in Canada, with the capped deal size and investor support for the credit allowing them to price at the tight end of guidance with a modest new issue concession. South of the border, Enbridge Inc. priced a US$600 million offering (including greenshoe) of retail-targeted 60NC5 hybrid notes, also led by RBC, representing Enbridge's second hybrid priced this year. On the marketing front, RBC will be hosting its annual Canadian Municipal Symposium on Monday as well as its annual Green Bond Conference on Tuesday. Looking ahead, market tone and investor sentiment continue to be headline-driven, and issuers looking to access the market in the near-term are encouraged to adopt a nimble and opportunistic approach and prepare for quick access during windows of stable tone.

In the secondary market, bank paper was active with both deposit notes and NVCC paper active in the belly of the curve. Hybrid paper was also topical on the week with sizable flows on the back of the new supply south of the border, while energy and infrastructure credits were active primarily in the long end of the curve. Credit spreads fluctuated over the course of the week amidst elevated volatility, ending the week unchanged to modestly wider depending on the industry.

Activity in the government market picked up with C$2.1 billion priced across 4 deals, all in the 10-year part of the curve. Quebec accessed the market twice for C$1 billion aggregate with two C$500

million offerings of their new 10-year benchmark offering, while Ontario printed C$750 million of a new 10-year benchmark, and Manitoba tapped their 10-year for C$300 million. In the secondary market better client buying was seen through the week with the majority of volumes occurring in the 10-year part of the curve. Spreads ended the week 0.5-1.5bps wider in CMBs and 3-4bps wider in Provincials.

EQUITY MARKET UPDATE

North American equites ended the week lower on both sides of the border after a dramatic selloff on Friday wiped out modest gains mid-week, with major equity indices closing 0.7% to 2.1% lower on the week. Broad-based fears of a trade war continued to fuel sentiment after President Trump ordered a review of additional tariffs on an estimated $100 billion of Chinese exports, with major US equity indices plunging in response and all 30 members of the DJIA retreating, while the CBOE Volatility Index spiked to above 20, nearly double its level for the past year. Global concerns were exacerbated further after Treasury Secretary Steve Mnuchin indicated that a trade war between the US and China was a real possibility. The NASDAQ experienced the greatest weekly declines of US indices, ending 2.1% lower as technology heavyweight Facebook was hit with uncertainty around the reported data breach and CEO Mark Zuckerberg's Congress testimony in the week ahead. North of the border, Canadian equities declined in sympathy with their US counterparts despite statements from Canada's foreign minister indicating that NAFTA discussions are progressing well and that the tone of discussions with US and Mexican counterparts has been "positive". Also on the week, oil retreated 4.4% to $62.06/bbl while gold rose 0.6% to $1,333.03/oz, while the US dollar fell 0.8% against the loonie to close at 1.2782 USDCAD.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,207	▼	1.0%
DJA	23,933	▼	0.7%
S&P 500	2,604	▼	1.4%
NASDAQ	6,915	▼	2.1%
Oil	$62.06	▼	$2.88
Gold	$1,333.03	▲	$7.53
USDCAD	1.2782	▼	0.8%

CANADIAN NEW ISSUES

Corporates

Thursday, April 5 - John Deere Canada Funding Inc. (A/A2/A) – C$200 million 2.700% 3.5-year note at a spread of GoC +73bps

Friday, April 6 - Laurentian Bank (A(low)/-/BBB) – C$300 million 2.5-year FRN at CDOR+85bps

Government

Tuesday, April 3 - Province of Quebec (A(H)/Aa2/AA-) – C$500 million 2.750% 10-year note at CAN2.00% 1Jun28 + 65.5bps

Wednesday, April 4 - Province of Ontario (AA(L)/Aa2/A+) – C$750 million 2.90% 10-year benchmark due June 2028 at CAN2.00% 1Jun28 + 73.5bps

Thursday, April 5 - Province of Quebec (A(H)/Aa2/AA-) – C$500 million 2.750% 10-year reopening at a spread of GoC +67bps

Thursday, April 5 - Province of Manitoba (A(H)/Aa2/A+) – C$300 million 2.60% 10-year reopening at a spread of GoC +76bps

NORTH AMERICAN RATES UPDATE

North American government bond yields ended the week higher on a week-over-week basis, with both the US and Canadian yield curves steepening despite the flight to quality move on Friday which fueled a bid for government securities in the tail-end of the week in response to trade war concerns. On the economic data front, March employment data releases on both sides of the border diverged, with nonfarm payrolls in the US disappointing markets, coming in at 103k (versus increases of 176k and 326k in January and February, respectively) while the unemployment rate held steady at 4.1%; in Canada the unemployment rate continued to sit at its lowest level since the mid-1970s (5.8%) despite ~40k job losses in Q1 of this year. The futures market is pricing in a ~22% probability of a rate hike at the Bank of Canada's April 18th meeting, with the Bank's Business Outlook survey (set to release on Monday) being the last major indicator ahead of the meeting.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.79%	▲ 2
5yr	2.00%	▲ 3
10yr	2.14%	▲ 5
30yr	2.31%	▲ 8

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.27%	unch
5yr	2.59%	▲ 2
10yr	2.77%	▲ 3
30yr	3.02%	▲ 4

MARKET IMPLIED BOC RATES

Market Implied Rates

Meeting	Implied Rate
April 18, 2018	1.2825
May 30, 2018	1.3471
July 11, 2018	1.4600

SWAPS

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	37.50	▼ 2.25
3yr	42.25	▼ 2.00
5yr	39.50	▼ 1.50
7yr	39.50	▼ 1.25
10yr	39.25	▼ 2.00
30yr	36.75	▼ 1.25

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Mon, Apr 9	Housing Starts	218.0k	229.7k
Mon, Apr 9	BoC Overall Business Outlook Survey	--	--
Tue, Apr 10	Building Permits MoM	--	5.6%
Thu, Apr 12	New Housing Price Index MoM	--	0.0%
US Economic Data			
Tue, Apr 10	PPI Final Demand MoM	0.1%	0.2%
Tue, Apr 10	Wholesale Inventories MoM	0.8%	1.1%
Wed, Apr 11	MBA Mortgage Applications	--	-3.3%
Wed, Apr 11	CPI MoM	0.0%	0.2%
Wed, Apr 11	FOMC Meeting Minutes	--	--
Thu, Apr 12	Initial Jobless Claims	230k	242k
Thu, Apr 12	Continuing Claims	1832k	1808k
Fri, Apr 13	U. of Mich. Sentiment	100.6	101.4
International Economic Data			
Tue, Apr 10	France Industrial Production MoM	1.4%	-2.0%
Wed, Apr 11	UK Industrial Production MoM	0.4%	1.3%
Wed, Apr 11	UK Manufacturing Production MoM	0.2%	0.1%
Thu, Apr 12	France CPI YoY	1.5%	1.5%
Thu, Apr 12	Eurozone Industrial Production SA MoM	0.1%	-1.0%
Fri, Apr 13	Germany CPI MoM	0.4%	0.4%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Aphria, Cogeco, Shaw Communications

US

Altaba, Bed Bath & Beyond, BlackRock, Citigroup, Delta Air Lines, JPMorgan, PNC Financial Services Group, Wells Fargo

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Market Implied Rates

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Swaps

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5yr	39.50	▼ 1.50
7yr	39.50	▼ 1.25
10yr	39.25	▼ 2.00
30yr	36.75	▼ 1.25

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Thu, Apr 12	Eurozone Industrial Production SA MoM	0.1%	-1.0%
Fri, Apr 13	Germany CPI MoM	0.4%	0.4%

-- Confidential --

Bank Name	RBC
Date	10-Apr-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	**2.31%**	**2.28%**	**2.21%**	**2.16%**	**2.01%**	**1.92%**	5.2	5.1	4.5	3.5	2.1	1.7
Curve Adjustment (bp)	**0.0**	**0.7**	**2.9**	**2.4**	**0.6**	**1.1**	-	-0.1	0.1	0.5	0.2	0.3
Spread to GoC Curve (bp)	**106**	**107**	**106**	**96**	**74**	**56**	-	-	-	-	1.0	-1.0
Re-Offered Yield	3.37%	3.36%	3.30%	3.14%	2.76%	2.50%	5.2	5.0	4.6	4.0	3.3	1.0
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.39%**	**3.39%**	**3.34%**	**3.19%**	**2.84%**	**2.58%**	5.2	5.0	4.6	4.0	3.3	1.0

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	**81**	**82**	**81**	**71**	**49**	**31**	0.5	-	-	-0.5	1.5	-0.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**41**	**33**	**18**				1.5	1.0	-
City of Toronto (AA/Aa1/AA)	**103**	**103**	**100**	**88**	**65**	**46**	-	-	1.5	-0.5	2.0	0.5
Hydro One Inc. (A(H)/A3/A)	**142**	**n/a**	**n/a**	**98**	**66**	**56**	1.0			1.0	1.0	1.0
Ontario Power Generation Inc. (A(low)/-/BBB+)	**162**	**n/a**	**n/a**	**120**	**89**	**77**	-			-	-	-
Toronto Hydro Corporation (A/-/A)	**135**	**n/a**	**n/a**	**95**	**62**	**52**	-			-	-	-
Canadian National Railway Co (A/A2/A)	**135**	**n/a**	**n/a**	**95**	**71**	**62**	1.0			2.0	2.0	1.0
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**102**	**n/a**	**n/a**	**81**	**61**	**51**	1.0			1.0	1.0	1.0
NAV Canada (AA(low)/Aa2/AA-)	**101**	**n/a**	**n/a**	**81**	**61**	**51**	1.0			1.0	1.0	1.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.31%	2.28%	2.21%	2.16%	2.01%	1.92%						
Curve Adjustment (bp)	0.0	0.7	2.9	2.4	0.6	1.1						
Spread to GoC Curve (bp)	**138**	**139**	**138**	**128**	**106**	**88**	-	-	-	-	1.0	-1.0
Re-Offered Yield	3.69%	3.68%	3.62%	3.46%	3.08%	2.82%	5.2	5.0	4.6	4.0	3.3	1.0
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	0.02	0.02	0.01	0.01	0.01	0.00
All-in Yield	**3.71%**	**3.71%**	**3.66%**	**3.51%**	**3.16%**	**2.90%**	5.2	5.0	4.6	4.0	3.3	1.0

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	81	82	81	71	49	31	0.5	-	-	-0.5	1.5	-0.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**83**	**63**	**n/a**				15.0	18.0	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
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Benchmark Yield	2.31%	2.28%	2.21%	2.16%	2.01%	1.92%						
Curve Adjustment (bp)	0.0	0.7	2.9	2.4	0.6	1.1						
Spread to GoC Curve (bp)	**174**	**175**	**174**	**164**	**142**	**124**	-	-	-	-	1.0	-1.0
Re-Offered Yield	4.05%	4.04%	3.98%	3.82%	3.44%	3.18%	5.2	5.0	4.6	4.0	3.3	1.0
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	0.02	0.02	0.01	0.01	0.01	0.00
All-in Yield	**4.08%**	**4.07%**	**4.02%**	**3.87%**	**3.52%**	**3.26%**	5.2	5.0	4.6	4.0	3.3	1.0

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	81	82	81	71	49	31	0.5	-	-	-0.5	1.5	-0.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From:	Malhi, Harman
To:	Egberts, Adam; "john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"
Cc:	Brown, Rob; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne; Taylor, Brent R
Subject:	RE: OPG Weekly Pricing
Date:	Tuesday, April 03, 2018 6:00:38 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png FHP_RBC_20180403.xlsx

Hi All,
Please find attached this week's Fair Hydro Pricing indications.
Regards,
Harman

From: Egberts, Adam
Sent: April 2, 18 6:18 PM
To: 'john.s.lee@opg.com'; 'ken.hartwick@opg.com'; 'OPG - Treasury Group,'; 'Sheen.Liu@opg.com'; 'Kevin.Shvarts@ofina.on.ca'; 'Linda.Smith@ofina.on.ca'; 'ken.ryfa@opg.com'; 'brett.kichiy@ofina.on.ca'; 'j.hahnparker@opg.com'; 'matthew.go@opg.com'; 'Ricky.Lai@ofina.on.ca'; 'aiman.el-nahas@opg.com'
Cc: Brown, Rob; Egberts, Adam; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, April 2, 2018

The Canadian corporate primary market was active last week despite the Friday holiday, with five issuers accessing the Canadian dollar market for aggregate proceeds of ~C$3.5 billion. RBC acted as lead left bookrunner on the only Canadian league table eligible offering during the week, a C$500 million 19.2-year offering from Greater Toronto Airports Authority, of which net proceeds were used in part to fund the GTAA's previously announced redemption of its outstanding 2019 maturity. South of the border, Bell Canada priced its first US$ offering in over 20 years, capitalizing on attractive relative pricing dynamics in the US market with a US$750 million 30-year transaction, led by RBC. The remainder of the week's supply was concentrated in the financial space, with CIBC and Bank of Nova Scotia pricing C$2.5 billion in NVCC and deposit note offerings, while in the securitization space Laurentian Bank priced an NHA MBS transaction and MCAP priced an offering of mortgage pass-through securities. From an overall tone perspective, the week's new issuance was well received by investors despite persisting volatility globally, with encouraging levels of oversubscription allowing issuers to achieve target size objectives and tight pricing. Looking ahead to coming weeks, investor appetite for corporate product remains healthy despite ongoing geopolitical uncertainly and recent new issues continue to trade well in the secondary market.

In the secondary market, trading flows were healthy across the curve. Maple bonds were active in the belly, while utility and infrastructure names traded in the long end on the back of the week's new supply while telco names were also active two-way across the curve. Credit spreads fluctuated over the course of the week amidst elevated volatility, with IG spreads ending the week ~4 bps

wider and the 10-year part of the curve outperforming.
The government market was quiet this week with no new issues. Of note, the Provinces of Newfoundland, Quebec, and Ontario released their FY2018/19 budgets this week with Quebec and Ontario noting borrowing needs of C$13.4 billion and C$31.7 billion respectively. With most Provinces having released their budgets, healthy issuance can be expected in the coming weeks as issuers look to have a strong start to the new fiscal year. In the secondary market flows were healthy given it was a shortened week, with good two-way flow in provincals with volumes concentrated in the 10-year sector. CMBs also had a decent week with two-way volumes spread evenly across the curve. Spreads ended 3-4.5bps wider in provincials and 1-1.5bps wider across the curve.

EQUITY MARKET UPDATE

North American equity markets ended the week higher after a series of choppy trading sessions. Trade war concerns remained a driver of market tone globally as Chinese representatives issued a warning to the US not to “open the Pandora’s box” and spark a flurry of protectionist practices across the globe, despite statements by Treasury Secretary Steven Mnuchin indicating optimism that the US and China could avert a trade war. Away from trade, technology shares were topical over the course of the week including Facebook as the company continued to grapple with the aftermath of its involvement in the Cambridge Analytica incident, while Amazon also made headlines after President Trump accused the company, via Twitter, of not paying taxes. Despite volatility throughout the week, equity indices closed higher by 1% to 2.4% on either side of the border. Commodities underperformed, with oil down $0.93 to $64.95/bbl while gold fell $22.03 to $1325.30. Also on the week, the US dollar fell 0.1% against the loonie to 1.2885 USDCAD.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,387	▲	1.1%
DJA	24,103	▲	2.4%
S&P 500	2,645	▲	2.2%
NASDAQ	7,063	▲	1.0%
Oil	$64.95	▼	$0.93
Gold	$1,325.30	▼	$22.03
USDCAD	1.2885	▼	0.1%

CANADIAN NEW ISSUES

Corporates

Monday, March 26 – Bell Canada (BBB(high)/Baa1/BBB+) – US$750 million 4.464% 30-year senior unsecured notes at UST +140bps
Monday, March 26 – Laurentian Bank of Canada (AAA/Aaa/AAA) – ~C$217.5 million 5-year NHA MBS (WAL 3.8 years) at GoC+48 bps
Tuesday, March 27 – Greater Toronto Airport Authority (-/Aa3/A+) – C$500 million 3.260% Series 2018-1 secured notes at GoC +100bps
Tuesday, March 27 – Canadian Imperial Bank of Commerce (A(low)/Baa2/BBB) – C$1.5 billion 3.45% 10NC5 NVCC sub-debt offering at GoC +140bps
Wednesday, March 28 – MCAP RMBS (AAA/Aaa/-) – C$237.6 million dual-tranche RMBS transaction
Wednesday, March 28 – Bank of Nova Scotia (AA/A1/A+) – C$1.0 billion 2-year floating rate deposit note at 3mCDOR +18bps

NORTH AMERICAN RATES UPDATE

North American bond yields ended the week sharply lower on both sides of the border. GoC yields ended the week 8-10 bps lower after a disappointing January GDP reading (-0.1% versus consensus expectation of 0.1% growth) on Thursday dominated an otherwise quiet week from an economic data perspective. Market implied odds of a BoC rate hike at the April 18th meeting declined over the course of the week, from ~32% to approximately 23% heading into the long weekend. In the US, Treasury yields from the 5-year outwards fell 4-9 bps after reaching mid-week levels which were the lowest since early February, on the back of risk-off tone in broader asset markets as selloffs in equities weighed on sentiment, with the market largely ignoring the third reading of Q4 GDP which came in at an annualized pace of 2.9%, ahead of consensus expectations for 2.7%.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.78%	▼ 8
5yr	1.97%	▼ 10
10yr	2.09%	▼ 10
30yr	2.23%	▼ 9

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.27%	▲ 1
5yr	2.56%	▼ 4
10yr	2.74%	▼ 7
30yr	2.97%	▼ 9

MARKET IMPLIED BOC RATES

Market Implied Rates

Meeting	Implied Rate
April 18, 2018	1.2830
May 30, 2018	1.3500
July 11, 2018	1.4550

SWAPS

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	39.75	▲ 0.75
3yr	44.25	▲ 0.50
5yr	41.00	▲ 1.00
7yr	40.75	▲ 1.00
10yr	41.25	▲ 1.25
30yr	38.00	▲ 0.50

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Mon, Apr 2	Markit Canada Manufacturing PMI	--	55.6
Fri, Apr 6	Net Change in Employment	20.0k	15.4k
Fri, Apr 6	Unemployment Rate	5.8%	5.8%
US Economic Data			
Mon, Apr 2	Markit US Manufacturing PMI	55.7	55.7
Mon, Apr 2	ISM Manufacturing	60.0	60.8
Wed, Apr 4	MBA Mortgage Applications	--	4.8%
Wed, Apr 4	ADP Employment Change	205k	235k
Wed, Apr 4	Factory Orders	1.7%	-1.4%
Wed, Apr 4	Durable Goods Orders	--	3.1%
Thu, Apr 5	Initial Jobless Claims	--	--
Thu, Apr 5	Continuing Claims	--	--
Thu, Apr 5	Trade Balance	-$56.5b	-$56.6b
Fri, Apr 6	Change in Nonfarm Payrolls	189k	313k
Fri, Apr 6	Unemployment Rate	4.0%	4.1%
International Economic Data			
Tue, Apr 3	RBA Cash Rate Target	1.5%	1.5%
Tue, Apr 3	Markit Eurozone Manufacturing PMI	56.6	56.6
Wed, Apr 4	Eurozone Unemployment Rate	8.5%	8.6%
Wed, Apr 4	Eurozone CPI Estimate YoY	1.4%	1.2%
Thu, Apr 5	Markit Eurozone Services PMI	55.0	55.0
Thu, Apr 5	Markit Eurozone Composite PMI	55.3	55.3
Thu, Apr 5	Eurozone Retail Sales MoM	0.6%	-0.1%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Arizona Mining, Corus Entertainment, Novagold Resources, Richelieu Hardware

US

Alliance Data Systems, CarMax, Lennar, Monsanto

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Market Implied Rates

Meeting	Implied Rate
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May 30, 2018	1.3500
July 11, 2018	1.4550

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	39.75	▲ 0.75
3yr	44.25	▲ 0.50
5yr	41.00	▲ 1.00
7yr	40.75	▲ 1.00
10yr	41.25	▲ 1.25
30yr	38.00	▲ 0.50

Date	Release	Survey	Prior
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Fri, Apr 6	Unemployment Rate	5.8%	5.8%
US Economic Data			
Mon, Apr 2	Markit US Manufacturing PMI	55.7	55.7
Mon, Apr 2	ISM Manufacturing	60.0	60.8
Wed, Apr 4	MBA Mortgage Applications	--	4.8%
Wed, Apr 4	ADP Employment Change	205k	235k
Wed, Apr 4	Factory Orders	1.7%	-1.4%
Wed, Apr 4	Durable Goods Orders	--	3.1%
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Thu, Apr 5	Continuing Claims	--	--
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Wed, Apr 4	Eurozone CPI Estimate YoY	1.4%	1.2%
Thu, Apr 5	Markit Eurozone Services PMI	55.0	55.0
Thu, Apr 5	Markit Eurozone Composite PMI	55.3	55.3
Thu, Apr 5	Eurozone Retail Sales MoM	0.6%	-0.1%

-- Confidential --

Bank Name	RBC
Date	03-Apr-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	**2.25%**	**2.23%**	**2.17%**	**2.12%**	**1.99%**	**1.91%**	-8.7	-9.8	-10.1	-10.2	-9.6	-9.1
Curve Adjustment (bp)	**0.0**	**0.8**	**2.8**	**1.9**	**0.4**	**0.8**	-	0.1	-0.1	0.1	0.1	0.3
Spread to GoC Curve (bp)	**106**	**107**	**106**	**96**	**73**	**57**	4.0	5.0	6.0	4.0	4.0	4.0
Re-Offered Yield	3.31%	3.31%	3.25%	3.10%	2.73%	2.49%	-4.7	-4.7	-4.2	-6.1	-5.5	-4.8
Commission (bp)	2.7	3.4	3.8	4.7	7.6	8.7	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
All-in Yield	**3.34%**	**3.34%**	**3.29%**	**3.15%**	**2.80%**	**2.57%**	-4.7	-4.7	-4.2	-6.1	-5.5	-4.8

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	**81**	**82**	**81**	**71**	**48**	**32**	4.5	5.0	4.0	4.0	4.0	3.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**40**	**32**	**18**				1.5	2.5	-
City of Toronto (AA/Aa1/AA)	**103**	**103**	**98**	**88**	**63**	**45**	5.0	4.5	4.5	5.5	4.0	3.0
Hydro One Inc. (A(H)/A3/A)	**141**	**n/a**	**n/a**	**97**	**65**	**55**	3.0			1.0	-	-
Ontario Power Generation Inc. (A(low)/-/BBB+)	**162**	**n/a**	**n/a**	**120**	**89**	**77**	2.0			2.0	2.0	1.0
Toronto Hydro Corporation (A/-/A)	**135**	**n/a**	**n/a**	**95**	**62**	**52**	4.0			2.0	-	-
Canadian National Railway Co (A/A2/A)	**134**	**n/a**	**n/a**	**93**	**69**	**61**	2.0			2.0	2.0	2.0
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**101**	**n/a**	**n/a**	**80**	**60**	**50**	1.0			-	-	-
NAV Canada (AA(low)/Aa2/AA-)	**100**	**n/a**	**n/a**	**80**	**60**	**50**	2.0			2.0	2.0	-

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.25%	2.23%	2.17%	2.12%	1.99%	1.91%						
Curve Adjustment (bp)	0.0	0.8	2.8	1.9	0.4	0.8						
Spread to GoC Curve (bp)	**138**	**139**	**138**	**128**	**105**	**89**	6.0	7.0	8.0	6.0	6.0	6.0
Re-Offered Yield	3.63%	3.63%	3.57%	3.42%	3.05%	2.81%	-2.7	-2.7	-2.2	-4.1	-3.5	-2.8
Commission (bp)	2.8	3.5	3.9	4.8	7.6	8.8	-0.01	-0.01	-0.01	-0.01	-0.01	-0.00
All-in Yield	**3.66%**	**3.66%**	**3.61%**	**3.47%**	**3.12%**	**2.89%**	-2.7	-2.7	-2.2	-4.1	-3.5	-2.8

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	81	82	81	71	48	32	4.5	5.0	4.0	4.0	4.0	3.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**68**	**45**	**n/a**				-	-	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.25%	2.23%	2.17%	2.12%	1.99%	1.91%						
Curve Adjustment (bp)	0.0	0.8	2.8	1.9	0.4	0.8						
Spread to GoC Curve (bp)	**174**	**175**	**174**	**164**	**141**	**125**	8.0	9.0	10.0	8.0	8.0	8.0
Re-Offered Yield	3.99%	3.99%	3.93%	3.78%	3.41%	3.17%	-0.7	-0.7	-0.2	-2.1	-1.5	-0.8
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00
All-in Yield	**4.02%**	**4.02%**	**3.97%**	**3.83%**	**3.48%**	**3.25%**	-0.7	-0.7	-0.2	-2.1	-1.5	-0.8

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	81	82	81	71	48	32	4.5	5.0	4.0	4.0	4.0	3.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From:	Malhi, Harman
To:	Brown, Rob; "john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"
Cc:	Egberts, Adam; Schoroth, Joseph; Murray, Tim; Wallace, Daphne; Benaiah, Ian; Taylor, Brent R
Subject:	RE: OPG Weekly Pricing
Date:	Wednesday, March 28, 2018 4:26:55 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png FHP_RBC_20180328.xlsx

Hi All,
Please find attached this week's Fair Hydro Pricing indications.
Regards,
Harman

From: Brown, Rob
Sent: March 26, 18 7:03 PM
To: 'john.s.lee@opg.com'; 'ken.hartwick@opg.com'; 'OPG - Treasury Group,'; 'Sheen.Liu@opg.com'; 'Kevin.Shvarts@ofina.on.ca'; 'Linda.Smith@ofina.on.ca'; 'ken.ryfa@opg.com'; 'brett.kichiy@ofina.on.ca'; 'j.hahnparker@opg.com'; 'matthew.go@opg.com'; 'Ricky.Lai@ofina.on.ca'; 'aiman.el-nahas@opg.com'
Cc: Brown, Rob; Egberts, Adam; Schoroth, Joseph; Murray, Tim; Wallace, Daphne
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, March 26, 2018

The Canadian corporate primary market was very active last week with 7 unique issuers accessing the market for C$5.6 billion despite equity markets sell-off on the back-end of the week brought by the Trump administration's decision to impose tariffs on China's exportations to the U.S. Last week's supply was concentrated in the financial space representing more than C$4.6 billion, or 80%+, of total issuance. Notably, Manulife Bank of Canada priced an innovative and unique short-dated callable C$300 million floating rate note with RBC acting as sole bookrunner. Activity continued in the auto finance space with a C$1.5 billion three-tranche offering from VW Credit Canada Inc., which represented VW's return to the Canadian market since its last trade in June 2015, with RBC acting as bookrunner. Away from financials, NAV CANADA priced a broadly distributed 30-year offering with a new issue spread representing the lowest 30-year spread since the credit crisis by over 23bps, with RBC acting as lead left bookrunner. In addition, Pembina Pipeline, the sole BBB corporate offering of the week, priced a C$700 million dual-tranche offering where both tranches were upsized and priced inside initial guidance. Across all offerings, new issue concessions remained modest despite broader market volatility. On the marketing front, RBC hosted a North American debt investor update call on behalf of Sydney Airport and organized non-deal fixed income marketing in the U.S. for Bell Canada. Looking forward, supply is expected to be front-loaded this week ahead of the Easter break with issuers closely monitoring markets for constructive tone.

The secondary market was moderately active last week with activity skewed toward the financial space as new supply fueled trading activity. On the week, there was some front-end net selling in

deposit notes while there was good two-way trading in infrastructure and telco names.
The Canadian government market saw C$300 million of supply on the week as a number of provincial issuers remained in budget blackout. City of Toronto completed their first offering of 2018 with a C$300 million 10-year re-opening, marking their first issue since August 2017. This week saw both Alberta and Nova Scotia release their provincial budgets for the upcoming fiscal year, with Quebec, Ontario, and Newfoundland expected to release theirs this coming week. While the March break holidays have passed, secondary trading remained relatively light. CMBs experienced better client buying in the 5-year part of the curve while provincials traded two-way with small selling in the 10-year area. Spreads closed 1-3bps wider in provincials and relatively unchanged in CMBs.

EQUITY MARKET UPDATE

North American equity markets ended the week lower following a steady sell off at the back-end of the week. On the political front, escalating trade tensions between the U.S. and China, and returning concerns of a government shutdown at the start of the week accelerated declines caused by a rising interest rate environment and sliding technology shares. The Trump administration's aggressive pursuit to reduce the country's trade deficit and the recent retaliation from China has pressured the Dow and S&P 500 lower by 5.7% and 6.0%, respectively. Also topical last week was mounting political pressures on technology companies following the announcement of the data breach that impacted 50 million Facebook users; the NASDAQ ended the week 6.5% lower. In Canada the TSX also ended the week lower despite concessions made by the US surrounding NAFTA negotiations in the auto sector and a better-than-expected inflation print to end the week. As markets took on a risk-off tone, the commodity sector posted gains with crude oil up $3.40 to $65.74/bbl, and gold rallied $33.09 to $1,347.33/oz. In currencies, the Canadian dollar appreciated against the greenback by 1.5% to 1.2895.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,224	▼	3.1%
DJA	23,533	▼	5.7%
S&P 500	2,588	▼	6.0%
NASDAQ	6,993	▼	6.5%
Oil	$65.74	▲	$3.40
Gold	$1,347.33	▲	$33.09
USDCAD	1.2895	▼	1.5%

CANADIAN NEW ISSUES

Corporates

Mon, Mar 19 – National Bank of Canada (AA(low)/A1/A) – C$500 million re-opening of its 1.957% deposit note due June 2022 at GoC 2.75% 1JUN22 + 74bps

Tues, Mar 20 – NAV CANADA (AA(L)/Aa2/AA-) – C$275 million 3.293% 30-yr note due March 2048 at GoC + 97bps

Tues, Mar 20 – Bank of Montreal (AAA/Aaa/AAA) – C$1.0 billion reopening of its Covered FRN due February 2023 at CDOR + 27bps

Tues, Mar 20 – Bank of Nova Scotia (AA/A1/A+) – C$675 million floating rate note offering due March 2019 at CDOR + 10bps

Thu, Mar 22 – Manulife Bank (A(H)/-/A+) – C$300 million 22NC18-month FRN at CDOR + 23bps

Thu, Mar 22 – Pembina Pipeline (BBB/-/BBB) – C$400 million 4.02% senior unsecured notes due in 2028 at GoC + 180bps and C$300 million 4.75% senior unsecured notes due in 2048 at GoC + 243bps

Thu, Mar 22 – Bank of Montreal (AA/A1/A+) – C$650 million 2-year FRN at CDOR + 17bps

Fri, Mar 23 – VW Credit Canada Inc. (-/A3/BBB+) – C$1.5 billion three-tranche offering comprised of C$500 million 2-year FRN at CDOR + 50bps, C$500 million 2.90% 3-year fixed at GoC + 95bps and C$500 million 3.25% 5-year at GoC + 120bps

Governments

Tues, Mar 20 – City of Toronto (AA/Aa1/AA) – C$300 million reopening of 2.40% June 2027 note at GoC CAN 1% 1Jun27 + 76bps

NORTH AMERICAN RATES UPDATE

North American government bond yields diverged following another politically charged week with new shifts in trade policy across major partnerships. The GoC curve bear flattened as it rose by 3-9 bps while the US Treasuries curve fell by 2-4bps after a swift flight to quality on Thursday following the announcement of trade tariff on China's exports to the U.S.; the Trump administration imposed tariffs on over $60 billion of Chinese imports and restricted investments. On the monetary policy front, the Federal Reserve, as expected, increased its Fed fund rate by 25 bps last Wednesday; the announcement ushered in the first increase in 2018 and is in line with the Fed's target of three hikes this year. In addition, the Fed had a small hawkish tilt as they updated their dot plot to include three rate hikes in 2019 (vs. two from the December meeting). In Canada, the government yield curve ended the week with a bear steepening bias as the short-end was driven higher by a better than expected inflation print; the CPI rose 2.2% on a year-over-year basis, beyond the market expectation of 1.9%.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.85%	▲ 9
5yr	2.07%	▲ 8
10yr	2.19%	▲ 6
30yr	2.31%	▲ 3

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.25%	▼ 4
5yr	2.60%	▼ 4
10yr	2.81%	▼ 3
30yr	3.06%	▼ 2

MARKET IMPLIED BOC RATES

Market Implied Rates

Meeting	Implied Rate
April 18, 2018	1.3100
May 30, 2018	1.4000
July 11, 2018	1.5146

SWAPS

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	39.00	▲ 2.00
3yr	43.75	▲ 1.75
5yr	40.00	▲ 1.50
7yr	39.75	▲ 1.00
10yr	40.00	▲ 1.25
30yr	37.50	▲ 2.75

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Thu, Mar 29	GDP MoM	0.1%	0.1%
US Economic Data			
Tue, Mar 27	Conf. Board Consumer Confidence	131.0	130.8
Wed, Mar 28	MBA Mortgage Applications	--	-1.1%
Wed, Mar 28	GDP Annualized QoQ	2.7%	2.5%
Wed, Mar 28	Personal Consumption	3.8%	3.8%
Thu, Mar 29	Personal Income	0.4%	0.4%
Thu, Mar 29	Initial Jobless Claims	230k	229k
Thu, Mar 29	U. of Mich. Sentiment	102.0	102.0
International Economic Data			
Mon, Mar 26	France GDP QoQ	0.6%	0.6%
Tue, Mar 27	Eurozone Consumer Confidence	0.1	0.1
Thu, Mar 29	Germany CPI MoM	0.5%	0.5%
Fri, Mar 30	France CPI YoY	1.4%	1.2%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

BlackBerry, Dollarama, Hudson's Bay Co, Lassonde Industries, Lululemon Athletica

US

Altaba, Constellation Brands, McCormick & Co, Monsanto, New Pride Corp, Paychex, Red Hat, Walgreens Boots Alliance

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Market Implied Rates

Meeting	Implied Rate
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May 30, 2018	1.4000
July 11, 2018	1.5146

Swaps

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	39.00	▲ 2.00
3yr	43.75	▲ 1.75
5yr	40.00	▲ 1.50
7yr	39.75	▲ 1.00
10yr	40.00	▲ 1.25
30yr	37.50	▲ 2.75

Date	Release	Survey	Prior
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-- Confidential --

Bank Name	RBC
Date	28-Mar-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	**2.34%**	**2.33%**	**2.27%**	**2.22%**	**2.09%**	**2.00%**	3.1	2.8	4.9	5.0	7.6	10.0
Curve Adjustment (bp)	**0.0**	**0.7**	**2.9**	**1.8**	**0.3**	**0.5**	-	0.1	-0.9	-	0.2	0.1
Spread to GoC Curve (bp)	**102**	**102**	**100**	**92**	**69**	**53**	6.0	6.0	6.0	6.0	5.0	3.0
Re-Offered Yield	3.36%	3.35%	3.30%	3.16%	2.78%	2.53%	9.1	8.9	10.0	11.0	12.8	13.1
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.39%**	**3.39%**	**3.33%**	**3.21%**	**2.86%**	**2.62%**	9.1	8.9	10.0	11.0	12.8	13.1

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	**76**	**77**	**77**	**67**	**44**	**28**	3.0	4.0	6.0	4.5	2.5	1.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**38**	**29**	**18**				-1.5	-	-
City of Toronto (AA/Aa1/AA)	**98**	**99**	**94**	**83**	**59**	**42**	2.5	4.0	3.5	3.0	2.0	1.0
Hydro One Inc. (A(H)/A3/A)	**138**	**n/a**	**n/a**	**96**	**65**	**55**	3.0			1.0	-	-
Ontario Power Generation Inc. (A(low)/-/BBB+)	**160**	**n/a**	**n/a**	**118**	**87**	**76**	-			-	-	-
Toronto Hydro Corporation (A/-/A)	**131**	**n/a**	**n/a**	**93**	**62**	**52**	1.0			1.0	-	-
Canadian National Railway Co (A/A2/A)	**132**	**n/a**	**n/a**	**91**	**67**	**59**	-			-	-	-
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**100**	**n/a**	**n/a**	**80**	**60**	**50**	-4.0			-3.0	-	-
NAV Canada (AA(low)/Aa2/AA-)	**98**	**n/a**	**n/a**	**78**	**58**	**50**	-			-	-	-

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.27%	2.22%	2.09%	2.00%						
Curve Adjustment (bp)	0.0	0.7	2.9	1.8	0.3	0.5						
Spread to GoC Curve (bp)	**132**	**132**	**130**	**122**	**99**	**83**	8.0	8.0	8.0	8.0	7.0	5.0
Re-Offered Yield	3.66%	3.65%	3.60%	3.46%	3.08%	2.83%	11.1	10.9	12.0	13.0	14.8	15.1
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	0.04	0.03	0.03	0.03	0.03	0.02
All-in Yield	**3.69%**	**3.69%**	**3.64%**	**3.51%**	**3.16%**	**2.92%**	11.1	10.9	12.0	13.0	14.8	15.1

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	77	77	67	44	28	3.0	4.0	6.0	4.5	2.5	1.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**68**	**45**	**n/a**				1.0	2.0	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Mar-21						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.34%	2.33%	2.27%	2.22%	2.09%	2.00%						
Curve Adjustment (bp)	0.0	0.7	2.9	1.8	0.3	0.5						
Spread to GoC Curve (bp)	**166**	**166**	**164**	**156**	**133**	**117**	10.0	10.0	10.0	10.0	9.0	7.0
Re-Offered Yield	4.00%	3.99%	3.94%	3.80%	3.42%	3.17%	13.1	12.9	14.0	15.0	16.8	17.1
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	0.05	0.04	0.04	0.04	0.03	0.03
All-in Yield	**4.03%**	**4.03%**	**3.98%**	**3.85%**	**3.50%**	**3.26%**	13.1	12.9	14.0	15.0	16.8	17.1

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	77	77	67	44	28	3.0	4.0	6.0	4.5	2.5	1.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From:	Laham, Chris
To:	"john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"; MAHMOOD Irma -FINANCE
Cc:	Brown, Rob; Khan, Nur; Benaiah, Ian; Taylor, Brent R; Egberts, Adam; Laham, Chris; Kletinich, Jenny
Subject:	RE: OPG Weekly Pricing
Date:	Thursday, February 08, 2018 10:47:02 AM
Attachments:	image002.png image003.png image004.png image005.png image006.png image007.png FHP_RBC_20180208.xlsx

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Please find attached refreshed Fair Hydro pricing indications, which we have revised in light of Tuesday's pricing.
Please feel free to contact us if any questions
Regards,
Chris

Chris Laham, CFA
Director, Debt Syndication
RBC Capital Markets
Telephone: (416) 842-6311
Cell: (647) 963-6891
Email: chris.laham@rbccm.com

From: Laham, Chris
Sent: February 5, 18 3:05 PM
To: 'john.s.lee@opg.com' ; 'ken.hartwick@opg.com' ; 'OPG - Treasury Group,' ; 'Sheen.Liu@opg.com' ; 'Kevin.Shvarts@ofina.on.ca' ; 'Linda.Smith@ofina.on.ca' ; 'ken.ryfa@opg.com' ; 'brett.kichiy@ofina.on.ca' ; 'j.hahnparker@opg.com' ; 'matthew.go@opg.com' ; 'Ricky.Lai@ofina.on.ca' ; 'aiman.el-nahas@opg.com' ; MAHMOOD Irma -FINANCE
Cc: Brown, Rob ; Laham, Chris ; Khan, Nur ; Benaiah, Ian ; Taylor, Brent R ; Egberts, Adam ; Kletinich, Jenny
Subject: RE: OPG Weekly Pricing
Please find attached this week's Fair Hydro pricing indications.
Regards,
Chris

Chris Laham, CFA
Director, Debt Syndication
RBC Capital Markets
Telephone: (416) 842-6311
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From: Kletinich, Jenny
Sent: February 5, 18 3:00 PM
To: 'john.s.lee@opg.com' ; 'ken.hartwick@opg.com' ; 'OPG - Treasury Group,' ; 'Sheen.Liu@opg.com' ; 'Kevin.Shvarts@ofina.on.ca' ; 'Linda.Smith@ofina.on.ca' ; 'ken.ryfa@opg.com' ; 'brett.kichiy@ofina.on.ca' ; 'j.hahnparker@opg.com' ; 'matthew.go@opg.com' ; 'Ricky.Lai@ofina.on.ca' ; 'aiman.el-nahas@opg.com'
Cc: Brown, Rob ; Egberts, Adam ; Wetmore, Jamie ; Schoroth, Joseph ; Murray, Tim
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, February 5, 2018

The Canadian corporate primary market absorbed C$5.8 billion of supply last week across 9 issuers, with supply diversified across industry and credit rating spectrum. Of note, floating rate notes accounted for ~C$2.2 billion of the week's issuance, compared to C$6.7 billion of FRN issuance in all of 2017. Financials accounted for the lions' share of new issues ($4.7 billion) with Central1 Credit Union as well as 4 of the big 6 Canadian banks all accessing the market. Auto and REIT credits were also topical with BMW Canada pricing a dual-tranche offering while RioCan and Artis REIT both came to market in the shorter end of the curve. Superior Plus rounded out supply with the first high yield deal of the year via a C$220 million long 7-year. All of the week's transactions benefitted from healthy investor reception, allowing issuers to achieve size and pricing targets, with RBC leading 4 of the 5 non-bank offerings. Also notable on the week, Canadian National Railway accessed the US$ market with a $900 million dual-tranche offering consisting of a 2-year and a 30-year, with RBC acting as joint bookrunner on the transaction. On the marketing front, RBC announced non-deal fixed income investor marketing on behalf of Cameco Corporation to take place on February 12th and 14th in Toronto and Montreal, and will also be hosting its annual Montreal Fixed Income Symposium on February 22nd .

In the secondary market, bank paper was active with deposit notes and NVCC paper garnering healthy two-way flow across the curve on the back of elevated bank supply over the course of the week. Also topical were long-dated utilities and pipeline credits in the belly of the curve, as well as FRNs with paper coming out against the new supply. Spreads ended the week unchanged to ~2bps softer as the market digested the week's new issuance.

The Government market absorbed C$1.1 billion of supply across 2 provincial offerings. The Province of Ontario completed a C$750 million 10-year offering in the middle of the week followed by Manitoba which printed a C$300 million 30-year re-opening. In the secondary market volumes were decent throughout the week with good two-way trading of provincials and activity concentrated in the front end. CMB volumes picked up versus the week prior with the majority of volumes occurring in the 5-year part of the curve. Spreads closed the week 0.5-1.5bps tighter in CMBs and 1-2bps tighter in provincials.

EQUITY MARKET UPDATE

North American stocks made headlines as indices plunged dramatically on both sides of the border, down 3.5% to 4.1% in line with global counterparts as stocks sold off globally amidst a stronger than expected jobs report and wage growth driving concern about inflation and rising rates.. On Friday the Dow experienced its worst daily performance since the Brexit turmoil in June 2016 (down 660+ points). North of the border, the TSX posted its worst week in 2 years with healthcare stocks spearheading losses amidst underperformance in marijuana stocks while energy shares also declined as the WCS/WTI differential widened to its largest level since 2013 ($30.55). Commodities also closed lower on the week, with WTI down 1.0% to $65.45/boe while gold fell 1.2% to $1,333.39/oz. The US dollar outperformed versus CAD, rising 1.0% to 1.2429 USDCAD fueled by strong employment data south of the border.

Market Highlights

Index	Level		1 Week Δ
S&P/TSX	15,606	▼	3.9%
DJA	25,521	▼	4.1%
S&P 500	2,762	▼	3.9%
NASDAQ	7,241	▼	3.5%
Oil	$65.45	▼	$0.69
Gold	$1,333.39	▼	$15.73
USDCAD	1.2429	▲	1.0%

CANADIAN NEW ISSUES

Corporates

Mon, Jan 29 – RioCan Real Estate Investment Trust (BBB(H)/-/BBB) – C$300 million senior unsecured 5.6-year GoC+105bps

Mon, Jan 29 – National Bank of Canada (BBB(H)/Baa3/BBB) – C$750 million NVCC subordinated 10NC5-year GoC+108bps

Mon, Jan 29 – Toronto-Dominion Bank (AA/Aa2/AA-) – C$1 billion 1.5-year FRN at CDOR+5 bps

Tue, Jan 30 – BMW Canada Inc. (-/A1/A+) – C$500 million dual-tranche offering consisting of a $200 million 2-year FRN 3mCDOR+10bps and a C$300 million 2.57% 3.5-year GoC+59bps

Tue, Jan 30 – Superior Plus LP (BB(L)/-/BB) – C$220 million 5.125% senior unsecured 7.6NC3

Wed, Jan 31 – Central 1 Credit Union (A(H)/-/A-) – C$350 million 3-year FRN at CDOR +35bps

Wed, Jan 31 – Bank of Nova Scotia (AA(neg)/A1/A+) – C$2.0 billion senior unsecured deposit notes due February 2028 at GoC+80bps

Thu, Feb 1 – Canadian Imperial Bank (AA/A1/A+) – C$600 million 2-year FRN at 3mCDOR +8bps

Thu, Feb 1 – Canadian National Railway Co (A/A2/A) – US$900 million dual-tranche senior note, comprised of a US$300 2.40% 2-year at T+25 bps and US$600 million 3.65% 30-year fixed rate note at T+70 bps

Fri, Feb 2 – Artis Real Estate Investment Trust (BBB(L)/-/-) – C$125 million 2-year FRN at 3mCDOR +107bps

Governments

Tue, Jan 30 – Province of Ontario (AA(L)/Aa2/A+) – C$750 million 2.60% 10-year re-opening at a spread of CAN 1.00% 1June27+57bps

Wed, Jan 31 – Province of Manitoba (A(H)/Aa2/A+) – C$300 million 3.40% 30-year re-opening at a spread of CAN 2.75% 1Dec48+77.5bps

NORTH AMERICAN RATES UPDATE

North American bond yields ended the week higher with both the US and Canadian yield curves steepening significantly, with yields up 3-11 bps in Canada and 3-18 bps in the US. The Federal Reserve unanimously opted to leave its target rate unchanged on Wednesday in what was Janet Yellen's last meeting as Fed Chair, although the tone of its release was noticeably more hawkish noting that growth in employment and business investment are "solid" and inflation is expected to move up this year, setting up expectations for a rate hike in March. Nonfarm payrolls rose 200k in January while the US unemployment rate remained at 4.1%, driving Treasury yields up further on Friday. In Canada, the November GDP release marked the week's primary data point, coming in at +0.4% following a flat reading in October, driven by a surge in the mining and manufacturing sectors and consistent with 1.9% annualized pace of growth in Q4. This week's data calendar sees a handful of housing reports as well as unemployment and the first formal speech by a BoC Governing Council member with Senior Deputy Governor Wilkins scheduled to speak on February 8th.

GoC		
Term	Yield (%)	1 Week Δ (bps)
2yr	1.85%	▲ 3
5yr	2.14%	▲ 8
10yr	2.36%	▲ 10
30yr	2.44%	▲ 11

UST		
Term	Yield (%)	1 Week Δ (bps)
2yr	2.14%	▲ 3
5yr	2.59%	▲ 12
10yr	2.84%	▲ 18
30yr	3.09%	▲ 18

MARKET IMPLIED BOC RATES

Market Implied Rates	
Meeting	Implied Rate
March 7, 2018	1.2967
April 18, 2018	1.4316
May 30, 2018	1.5122

SWAPS

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	36.75	unch
3yr	41.75	▲ 0.75
5yr	37.75	▼ 0.25
7yr	36.75	unch
10yr	34.75	▲ 0.75
30yr	37.25	▲ 4.00

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Thu, Feb 8	Housing Starts	--	217.0k
Fri, Feb 9	Net Change in Employment	-9.0k	78.6k
Fri, Feb 9	Unemployment Rate	5.8%	5.7%
US Economic Data			
Tue, Feb 6	Trade Balance	-$52.1b	-$50.5b
Wed, Feb 7	MBA Mortgage Applications	--	-2.6%
Thu, Feb 8	Initial Jobless Claims	--	230k
Fri, Feb 9	Wholesale Inventories MoM	0.2%	0.2%
International Economic Data			
Mon, Feb 5	Australia Trade Balance	A$150m	-A$628m
Mon, Feb 5	Australia RBA Cash Rate Target	1.5%	1.5%
Tue, Feb 6	Germany Factory Orders MoM	0.5%	-0.4%
Wed, Feb 7	Germany Industrial Production SA MoM	-0.6%	3.4%
Thu, Feb 8	UK Bank of England Bank Rate	0.5%	0.5%
Fri, Feb 9	France Industrial Production MoM	--	-0.5%
Fri, Feb 9	UK Industrial Production MoM	-0.9%	0.4%
Fri, Feb 9	UK Manufacturing Production MoM	0.3%	0.4%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Agrium, BCE, Brookfield Infrastructure Partners, Brookfield Renewable Partners, CAE, Cameco, Canada Goose Holdings, Emera, FirstService, Genworth MI Canada, Great-West Lifeco, IGM Financial, Intact Financial, Manulife Financial, Nutrien, Potash Corp of Saskatchewan, Suncor Energy, TELUS, Thomson Reuters, WestJet Airlines

US

Allstate, American International Group, Bristol-Myers Squibb, CVS Health, General Motors, Gilead Sciences, Kellogg, Moody's, Philip Morris International, Prudential Financial, Sysco, Tesla, Twenty-First Century Fox, Twitter, Walt Disney, Yum! Brands

Regards,

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[redacted] May 30, 2018	1.5122

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5yr	37.75	▼ 0.25
7yr	36.75	unch
10yr	34.75	▲ 0.75
30yr	37.25	▲ 4.00

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Fri, Feb 9	UK Manufacturing Production MoM	0.3%	0.4%

-- Confidential --

Bank Name	RBC
Date	08-Feb-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.50%	2.50%	2.44%	2.40%	2.14%	1.92%	5.8	5.7	5.0	3.7	0.7	1.3
Curve Adjustment (bp)	0.0	0.2	3.3	1.3	3.5	6.6	-	-	0.4	0.4	0.3	0.2
Spread to GoC Curve (bp)	94	95	92	82	68	45	-	-	-2.0	-1.0	8.0	-
Re-Offered Yield	3.44%	3.45%	3.39%	3.23%	2.85%	2.44%	5.8	5.7	3.4	3.1	9.0	1.5
Commission (bp)	2.7	3.5	3.9	4.7	7.6	8.7	0.0	0.0	0.0	0.0	0.0	0.0
All-in Yield	**3.46%**	**3.49%**	**3.43%**	**3.28%**	**2.93%**	**2.52%**	5.8	5.7	3.4	3.1	9.0	1.5

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	71	68	58	44	21	1.0	1.0	-0.5	0.5	0.5	0.5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	n/a	n/a	n/a	36	28	15				-	-	-
City of Toronto (AA/Aa1/AA)	95	96	94	86	56	41	-0.5	0.5	3.5	7.0	0.5	-
Hydro One Inc. (A(H)/A3/A)	125	n/a	n/a	83	58	50	-			-	-	-
Ontario Power Generation Inc. (A(low)/-/BBB+)	148	n/a	n/a	106	79	70	-			-	-	-
Toronto Hydro Corporation (A/-/A)	118	n/a	n/a	80	55	50	-			-	-	-
Canadian National Railway Co (A/A2/A)	119	n/a	n/a	82	60	52	-			-	-	-
Greater Toronto Airports Authority (A(high)/Aa3/A+)	86	n/a	n/a	70	49	39	-			-	-	-
NAV Canada (AA(low)/Aa2/AA-)	86	n/a	n/a	74	55	46	-			-	-	-

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.50%	2.50%	2.44%	2.40%	2.14%	1.92%						
Curve Adjustment (bp)	0.0	0.2	3.3	1.3	3.5	6.6						
Spread to GoC Curve (bp)	119	120	117	107	93	70	-	-	-2.0	-1.0	8.0	-
Re-Offered Yield	3.69%	3.70%	3.64%	3.48%	3.10%	2.69%	5.8	5.7	3.4	3.1	9.0	1.5
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.7	0.02	0.02	0.01	0.01	0.02	0.00
All-in Yield	**3.71%**	**3.74%**	**3.68%**	**3.53%**	**3.18%**	**2.77%**	5.8	5.7	3.4	3.1	9.0	1.5

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	71	68	58	44	21	1.0	1.0	-0.5	0.5	8.5	0.5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
RBC Sr-Sub.	n/a	n/a	n/a	51	33	n/a				-	-	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%						
Benchmark Yield	2.50%	2.50%	2.44%	2.40%	2.14%	1.92%						
Curve Adjustment (bp)	0.0	0.2	3.3	1.3	3.5	6.6						
Spread to GoC Curve (bp)	139	140	137	127	113	90	5.0	5.0	3.0	4.0	13.0	5.0
Re-Offered Yield	3.89%	3.90%	3.84%	3.68%	3.30%	2.89%	10.8	10.7	8.4	8.1	14.0	6.5
Commission (bp)	2.8	3.6	4.0	4.8	7.7	8.8	0.04	0.03	0.02	0.02	0.03	0.01
All-in Yield	**3.91%**	**3.94%**	**3.88%**	**3.73%**	**3.38%**	**2.97%**	10.8	10.7	8.4	8.1	14.0	6.5

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70	71	68	58	44	21	1.0	1.0	-0.5	0.5	8.5	0.5

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year

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From:	Malhi, Harman
To:	Brown, Rob; "john.s.lee@opg.com"; "ken.hartwick@opg.com"; Mike Manning; "Sheen.Liu@opg.com"; Kevin Shvarts; Linda Smith; "ken.ryfa@opg.com"; Brett Kichiy; "j.hahnparker@opg.com"; "matthew.go@opg.com"; Ricky Lai; "aiman.el-nahas@opg.com"; "Irma.mahmood@opg.com"
Cc:	Egberts, Adam; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject:	RE: OPG Weekly Pricing
Date:	Tuesday, June 05, 2018 5:23:54 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png FHP_RBC_20180605.xlsx

Hi All,
Please find this week's Fair Hydro Pricing indications.
Regards,
Harman

From: Brown, Rob
Sent: June 4, 18 7:39 PM
To: 'john.s.lee@opg.com'; 'ken.hartwick@opg.com'; 'OPG - Treasury Group,'; 'Sheen.Liu@opg.com'; 'Kevin.Shvarts@ofina.on.ca'; 'Linda.Smith@ofina.on.ca'; 'ken.ryfa@opg.com'; 'brett.kichiy@ofina.on.ca'; 'j.hahnparker@opg.com'; 'matthew.go@opg.com'; 'Ricky.Lai@ofina.on.ca'; 'aiman.el-nahas@opg.com'; 'Irma.mahmood@opg.com'
Cc: Brown, Rob; Egberts, Adam; Schoroth, Joseph; Murray, Tim; Benaiah, Ian; Wallace, Daphne
Subject: OPG Weekly Pricing



Canadian Debt Capital Markets

DCM Weekly Market Update

Monday, June 4, 2018

The Canadian corporate primary market was moderately active last week with ~C$1.8 billion of aggregate supply priced across 4 transactions. The highlight of the week was a C$300 million 10-year senior unsecured offering from ENMAX Corp with RBC acting as Joint Bookrunner. The transaction represented the company's first outing since 2014 and capitalized on a successful 2-day fixed income investor roadshow earlier in the week, which helped to generate momentum into the launch, drive a well oversubscribed orderbook and allowed for aggressive pricing at the tight-end of the marketed range. Also on the week, HSBC Bank Canada printed a benchmark C$1.25 billion 5-year offering, which represents the company's return to the Canadian market since it last printed a C$1.5 billion 5-year in November 2017. On the marketing front, RBC hosted select 1x1 investor meetings for Vesta Energy, a fixed income investor update for EPCOR Utilities as well as its 10th Annual Telecommunications & Media Fixed Income Conference in Toronto, which was well-attended by both investors and issuers. This week, RBC will be hosting fixed income marketing for John Deere Canada and Canadian Tire Corporation as well as a two-day C$ high yield roadshow for Millar Western Forest Products Ltd in advance of a contemplated C$150 million 5NC2-year senior secured first lien notes offering. Looking ahead, as the roadshow calendar continues to grow the new issue market remains highly constructive for supply with investors looking to put cash to work in light of the death of new corporate issuance in recent weeks.

The secondary market was fairly muted during the first couple sessions with activity picking-up towards the back-end of the week. Short-dated deposit notes were fairly active with a bias towards selling on the back of new bank supply, while corporate trading was generally concentrated in the insurance space, which saw some large block trades to close the week, and select retail and auto finance names that traded two-way in size through multiple sessions. On average, corporate credit spreads closed 3 bps wider versus the prior week.

The Canadian provincial primary market remained active this week with long-dated issues from Ontario and Quebec for C$750 million and C$500 million, respectively. The 30-year tenor has remained the preferred term of issuance for provincial issuers in May, accounting for 43% of supply as issuers have taken advantage of recent curve flattening and investor demand ahead of the index extension. In municipals, Region of Waterloo completed a C$26.6 million 1-10 year serial with RBC as Lead, representing the issuer's first offering of 2018. In the secondary market trading was active ahead of the June 1 index extension and June 1-2 coupon flows with two way trading throughout the curve and a number of large extension trades in both CMB and provincial names. Spreads ended the week 0.5bp wider in provincials and 1.5-2.5bps wider in CMBs.

CANADIAN NEW ISSUES

Corporates

Wed, May 30 – Plenary Justice Abbotsford LP (-/-/-) – C$76 million 3.981% 32-year senior secured notes

Wed, May 30 – HSBC Bank Canada (A(H)/-/AA-) – C$1.25 billion 3.245% long 5-year deposit note at GoC+108 bps

Thu, May 31 – ENMAX Corporation (A(L)/-/BBB+) – C$300 million 3.836% 10-year senior unsecured notes at GoC+160 bps

Fri, Jun 1 – SNC-Lavalin Group (-/-/-) – C$150 million 1-year FRN at CDOR+37 bps

Government

Wed, May 30 – Province of Québec (A(H)/Aa2/AA-) – C$500 million 3.50% 30-year senior unsecured notes at GoC+75.5bps

Thu, May 31 – Regional Municipality of Waterloo (-/Aaa/-) – C$27 million 2.00-3.10% 1-10 year serial transactions

EQUITY MARKET UPDATE

North American equity markets ended the week mixed as overseas headlines surrounding the political shakeup in Italy dominated market tone through the week causing investors to pull out of risky assets. The week began with a sharp reversal in tone with overnight news coming out that political developments in Italy had taken a turn for the worst, with the Italian populist coalition leaders having planned a day of protest against the government. Local financial markets were hit hard and the reaction spilled over into other peripheries in the earlier part of the week. However, Friday's session brought some relief after overnight news had come out that the political debacle had seen some resolution with the coalition leaders having agreed upon a cabinet and new government officials. US equity markets partially recovered losses to end the week with the Dow Jones rising from a trough to close just 0.5% in the red, while the S&P 500 rose 0.5% to end the week. In Canada, the S&P/TSX finished marginally lower by 0.2% after initially plummeting by 1.2% mid-week. In commodity markets, crude oil finished the week $2.07 lower to close at $65.81/bbl, while gold prices also fell by $8.85 to close at $1,293.40/oz. In currency markets, the Canadian dollar appreciated a modest 0.2% versus the greenback to close at 1.2951 USDCAD.

Index	Level		1 Week Δ
S&P/TSX	16,044	▼	0.2%
DJA	24,635	▼	0.5%
S&P 500	2,735	▲	0.5%
NASDAQ	7,554	▲	1.6%
Oil	$65.81	▼	$2.07
Gold	$1,293.40	▼	$8.85
USDCAD	1.2951	▼	0.2%

NORTH AMERICAN RATES UPDATE

North American government bond yields ended the session lower on both sides of the border last week as political headlines out of Italy, central bank activity and economic data releases sparked a

risk-off trade. In the US, the Treasury curve flattened modestly with the front-end falling 0-2 bps, while the 30-year benchmark yield ended 4bps lower. The move in Canada was more pronounced than its US counterpart with the yield curve flattening as the short-end fell 4-7bps, while the 10 and 30-year benchmark yields ended 10 bps lower. Last week notably featured a Bank of Canada rate announcement, which brought no change to the overnight policy rate, as widely expected, but interestingly there was a shift to a slightly more hawkish tone following several consecutive meetings characterized by reticence. In particular, Governor Poloz admitted that recent developments "further reinforced" that higher interest rates would be warranted – dropping the "over time" modifier. Notwithstanding the Bank's constructive outlook, Thursday's Q1 GDP report fell a little short of consensus (1.3% vs. 1.8%) in the headline measure. The market implied odds of a rate hike by July spiked from ~50% just before the BoC announcement to nearly 75% to close the week.

GoC

Term	Yield (%)	1 Week Δ (bps)
2yr	1.92%	▼ 4
5yr	2.12%	▼ 7
10yr	2.25%	▼ 10
30yr	2.28%	▼ 10

UST

Term	Yield (%)	1 Week Δ (bps)
2yr	2.47%	unch
5yr	2.75%	▼ 2
10yr	2.90%	▼ 3
30yr	3.05%	▼ 4

MARKET IMPLIED BOC RATES

Meeting	Implied Rate
July 11, 2018	1.4521
September 5, 2018	1.5115
October 24, 2018	1.6014

SWAPS

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	34.50	▲ 1.00
3yr	40.50	unch
5yr	39.00	▲ 0.75
7yr	39.00	▲ 1.25
10yr	38.25	▲ 3.25
30yr	38.25	▲ 2.25

LOOKING AHEAD

Date	Release	Survey	Prior
Canadian Economic Data			
Wed, Jun 6	Int'l Merchandise Trade	-3.30b	-4.14b
Fri, Jun 8	Housing Starts	220.0k	214.4k
Fri, Jun 8	Capacity Utilization Rate	86.3%	86.0%
Fri, Jun 8	Net Change in Employment	22.0k	-1.1k
Fri, Jun 8	Unemployment Rate	5.8%	5.8%
US Economic Data			
Mon, Jun 4	Factory Orders	-0.4%	1.6%
Tue, Jun 5	ISM Non-Manf. Composite	57.8	56.8
Wed, Jun 6	Trade Balance	-$51.3b	-$49.0b
Thu, Jun 7	Initial Jobless Claims	225k	221k
Fri, Jun 8	Wholesale Trade Sales MoM	--	0.3%
International Economic Data			
Mon, Jun 4	Eurozone PPI YoY	2.4%	2.1%
Tue, Jun 5	Eurozone Retail Sales MoM	0.6%	0.1%
Tue, Jun 5	Australia GDP SA QoQ	0.7%	0.4%
Tue, Jun 5	Australia RBA Cash Rate Target	1.5%	1.5%
Thu, Jun 7	Eurozone GDP SA QoQ	0.4%	0.4%

SELECTED COMPANIES REPORTING THIS WEEK

Canada

Hudson's Bay, Saputo, Canadian Western Bank, Dollarama

US

Brown-Forman, JM Smucker, Broadcom, Cooper Cos

Regards,

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Co-Head, Debt Capital Markets | RBC Capital Markets
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October 24, 2018	1.6014

Swaps	Spread (bps)	1 Week Δ(bps)
2yr	34.50	▲ 1.00
3yr	40.50	unch
5yr	39.00	▲ 0.75
7yr	39.00	▲ 1.25
10yr	38.25	▲ 3.25
30yr	38.25	▲ 2.25

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Thu, Jun 7	Eurozone GDP SA QoQ	0.4%	0.4%

-- Confidential --

Bank Name	RBC
Date	05-Jun-18

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	Interp	Interp	1-Jun-28	01-Mar-23	Interp						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	**2.30%**	**2.30%**	**2.28%**	**2.25%**	**2.13%**	**2.03%**	-0.9	-1.4	0.8	0.8	3.9	3.4
Curve Adjustment (bp)	**0.0**	**0.3**	**0.0**	**0.0**	**0.1**	**0.0**	-	-	-2.3	-0.9	-1.2	-2.7
Spread to GoC Curve (bp)	**111**	**103**	**96**	**88**	**67**	**51**	-	-	-	-	-	-
Re-Offered Yield	3.41%	3.33%	3.24%	3.13%	2.80%	2.54%	-0.9	-1.4	-1.5	-0.1	2.7	0.7
Commission (bp)	2.7	3.5	3.8	4.7	7.6	8.7	-	-	-	-	-	-
All-in Yield	**3.43%**	**3.37%**	**3.28%**	**3.18%**	**2.88%**	**2.62%**	-0.9	-1.4	-1.5	-0.1	2.7	0.7

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	75	67	45	31	0.5	-2.0	-5.0	-2.5	-1.5	2.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Canada Mortgage & Housing Corp (AAA/Aaa/AAA)	**n/a**	**n/a**	**n/a**	**40**	**33**	**21**				-0.5	4.5	3.0
City of Toronto (AA/Aa1/AA)	**100**	**100**	**94**	**84**	**59**	**43**	-	-3.0	-3.5	-2.5	-2.5	-
Hydro One Inc. (A(H)/A3/A)	**136**	**n/a**	**n/a**	**99**	**71**	**61**	1.0			-	-	-
Ontario Power Generation Inc. (A(low)/-/BBB+)	**154**	**n/a**	**n/a**	**116**	**84**	**73**	1.0			1.0	-1.0	-
Toronto Hydro Corporation (A/-/A)	**128**	**n/a**	**n/a**	**95**	**64**	**54**	-			1.0	-	-
Canadian National Railway Co (A/A2/A)	**131**	**n/a**	**n/a**	**94**	**71**	**61**	-			-	-	-
Greater Toronto Airports Authority (A(high)/Aa3/A+)	**113**	**n/a**	**n/a**	**89**	**62**	**50**	3.0			-	-	-
NAV Canada (AA(low)/Aa2/AA-)	**102**	**n/a**	**n/a**	**85**	**60**	**50**	1.0			-	-	-

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	Interp	Interp	01-Jun-28	01-Mar-23	Interp						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.30%	2.30%	2.28%	2.25%	2.13%	2.03%						
Curve Adjustment (bp)	0.0	0.3	0.0	0.0	0.1	0.0						
Spread to GoC Curve (bp)	**141**	**133**	**126**	**118**	**97**	**81**	-	-	-	-	-	-
Re-Offered Yield	3.71%	3.63%	3.54%	3.43%	3.10%	2.84%	-0.9	-1.4	-1.5	-0.1	2.7	0.7
Commission (bp)	2.8	3.6	3.9	4.8	7.6	8.8	-	-	-	-	-	-
All-in Yield	**3.73%**	**3.67%**	**3.58%**	**3.48%**	**3.18%**	**2.92%**	-0.9	-1.4	-1.5	-0.1	2.7	0.7

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	75	67	45	31	0.5	-2.0	-5.0	-2.5	-1.5	2.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
RBC Sr-Sub.	**n/a**	**n/a**	**n/a**	**92**	**72**	**n/a**				7.0	10.0	

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	Interp	Interp	1-Jun-28	01-Mar-23	Interp						
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%						
Benchmark Yield	2.30%	2.30%	2.28%	2.25%	2.13%	2.03%						
Curve Adjustment (bp)	0.0	0.3	0.0	0.0	0.1	0.0						
Spread to GoC Curve (bp)	**175**	**167**	**160**	**152**	**131**	**115**	-	-	-	-	-	-
Re-Offered Yield	4.05%	3.97%	3.88%	3.77%	3.44%	3.18%	-0.9	-1.4	-1.5	-0.1	2.7	0.7
Commission (bp)	2.9	3.7	4.0	4.9	7.7	8.8	-	-	-	-	-	-
All-in Yield	**4.08%**	**4.01%**	**3.92%**	**3.82%**	**3.52%**	**3.27%**	-0.9	-1.4	-1.5	-0.1	2.7	0.7

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	77	75	67	45	31	0.5	-2.0	-5.0	-2.5	-1.5	2.5

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**

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From:	John Kim
To:	Ronald Kwan; Gadi Mayman
Cc:	Usman Zahid; Anna Strathy; Mike Manning; Ken Kandeepan
Subject:	RE: Rating Agencies views on Fair Hydro
Date:	Thursday, April 19, 2018 1:37:15 PM

For sure. Do we have a sense of the remainder of the debt?

From: Ronald Kwan
Sent: Thursday, April 19, 2018 1:06 PM
To: Gadi Mayman
Cc: Usman Zahid ; Anna Strathy ; Mike Manning ; Ken Kandeepan ; John Kim
Subject: Re: Rating Agencies views on Fair Hydro

Hi Gadi,

John was prepped to anticipate such a request!

Ron

From: Gadi Mayman
Sent: April 19, 2018 12:31 PM
To: Ronald Kwan
Cc: Usman Zahid; Anna Strathy; Mike Manning; Ken Kandeepan
Subject: FW: Rating Agencies views on Fair Hydro

Hi Ron. The deal ended up coming at 107, which is 32 back of us. We should update our interest calculation based on this.

Thanks,

Gadi

From: Caridia, Alex [mailto:alex.caridia@rbccm.com]
Sent: Thursday, April 19, 2018 9:35 AM
To: Gadi Mayman <Gadi.Mayman@ofina.on.ca>
Subject: RE: Rating Agencies views on Fair Hydro

Hi Gadi – jus called you for an update on this. As you will have seen books are open at 110 +/-3bps
See that as Ont +35 and Toronto +13bps
Happy to chat more at your convenience
Alex

From: Caridia, Alex
Sent: April 19, 18 7:59 AM
To: Gadi Mayman
Subject: Re: Rating Agencies views on Fair Hydro

Hi Gadi
In short, that's true. Moody's action on Ontario will have no immediate effect on the ratings of FHT. Moody's rates FHT in line with the Province's rating, and has stated that any move on Ontario will also move their ratings on the FH program. However, under securitization methodology, rating directions are not used, so there is no current change on FHT, but if the Province is downgraded, FHT will also be downgraded.

On: 18 April 2018 21:59,

"Gadi Mayman" <Gadi.Mayman@ofina.on.ca> wrote:
Thanks, Alex. I was told that structured finance ratings don't have negative outlooks; the rating is simply the rating, so Moody's putting us on negative outlook doesn't immediately affect their rating of the FHT. It's only if we were to get downgraded that they would also downgrade FHT. Seems weird to me, but that's what I was told, and given that you've proceeded with the FHT transaction, I assume it's true?

From: Caridia, Alex <alex.caridia@rbccm.com>
Sent: Wednesday, April 18, 2018 5:30:32 PM
To: Gadi Mayman
Subject: Fwd: Rating Agencies views on Fair Hydro

Hi Gadi - FYI

Begin Forwarded Message:
From: "Laham, Chris" <chris.laham@rbccm.com>>
Subject: Rating Agencies views on Fair Hydro
Date: 18 April 2018 15:51
To: "+DS-GM-Bond Sales Desk" <DS-GM-BondSalesDesk@rbc.com>>

Here are some bullet points outlining how each agency views Fair Hydro Trust in the context of the ratings of the Province.
The key point being, Moody's assumes at some point over the horizon of the program the Province will step in, thus linking the ratings. As a reminder, if this were to happen, the Province will assume the debt.

Here is Ian's outline for those that want a deeper dive:

DBRS

* Look at the transaction through a structured finance lens
* Change of law that could invoke a Protection Event is mitigated by the risk the FHT platform would become a liability of the Province, legislation took a long time to draft and pass, adverse change of law could bring into question other Provincial guarantee arrangements
* Significant enhancement (almost 100%) supports the senior notes, as does true-up mechanism, non-bypassability of recovery charge
* Amount of recovery charge is small as a percentage of the overall electricity user bill

Moody's

* The program as structured and under current law and regulations is considered to be of similar credit quality to US utility cost recovery programs rated by Moody's
* However, the FHT program's 30-year term, combined with the pervasive role of the Province and its related entities in many aspects of this transaction, increase the risk that the Province could make future changes to the law or related regulations that could adversely affect the outstanding obligations under the FHT program
* The Provincial guarantee is a mitigant to this risk, but it is not as robust as the constitutional protection found in similar US programs. Accordingly, Moody's has linked the provisional ratings of the notes to the Aa2 rating of the Province
* Future changes to the Province's rating will result in similar changes to the ratings of the notes.

Ian Benaiah | Director, Securitization Finance | RBC Capital Markets | TEL: 416.842.3820 | FAX: 416.842.3888 | ian.benaiah@rbccm.com>

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This message may have been altered without your or our knowledge and the sender does not accept any liability for any errors or omissions in the message.

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From:	Gadi Mayman
To:	John Kim; Ronald Kwan
Cc:	Usman Zahid; Anna Strathy; Mike Manning; Ken Kandeepan
Subject:	RE: Rating Agencies views on Fair Hydro
Date:	Thursday, April 19, 2018 1:53:31 PM

Not that I'm aware of, but OPG is supposed to price the subordinated debt at the same time, so they should have those rates

Gadi

From: John Kim
Sent: Thursday, April 19, 2018 1:37 PM
To: Ronald Kwan ; Gadi Mayman
Cc: Usman Zahid ; Anna Strathy ; Mike Manning ; Ken Kandeepan
Subject: RE: Rating Agencies views on Fair Hydro

For sure. Do we have a sense of the remainder of the debt?

From: Ronald Kwan
Sent: Thursday, April 19, 2018 1:06 PM
To: Gadi Mayman <Gadi.Mayman@ofina.on.ca>
Cc: Usman Zahid <Usman.Zahid@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; John Kim <John.Kim@ofina.on.ca>
Subject: Re: Rating Agencies views on Fair Hydro

Hi Gadi,

John was prepped to anticipate such a request!

Ron

From: Gadi Mayman
Sent: April 19, 2018 12:31 PM
To: Ronald Kwan
Cc: Usman Zahid; Anna Strathy; Mike Manning; Ken Kandeepan
Subject: FW: Rating Agencies views on Fair Hydro

Hi Ron. The deal ended up coming at 107, which is 32 back of us. We should update our interest calculation based on this.

Thanks,

Gadi

From: Caridia, Alex [mailto:alex.caridia@rbccm.com]
Sent: Thursday, April 19, 2018 9:35 AM
To: Gadi Mayman <Gadi.Mayman@ofina.on.ca>
Subject: RE: Rating Agencies views on Fair Hydro

Hi Gadi – jus called you for an update on this. As you will have seen books are open at 110 +/-3bps

See that as Ont +35 and Toronto +13bps

Happy to chat more at your convenience

Alex

From: Caridia, Alex
Sent: April 19, 18 7:59 AM
To: Gadi Mayman
Subject: Re: Rating Agencies views on Fair Hydro

Hi Gadi
In short, that's true. Moody's action on Ontario will have no immediate effect on the ratings of FHT. Moody's rates FHT in line with the Province's rating, and has stated that any move on Ontario will also move their ratings on the FH program. However, under securitization methodology, rating directions are not used, so there is no current change on FHT, but if the Province is downgraded, FHT will also be downgraded.

On: 18 April 2018 21:59,
"Gadi Mayman" <Gadi.Mayman@ofina.on.ca> wrote:
Thanks, Alex. I was told that structured finance ratings don't have negative outlooks; the rating is simply the rating, so Moody's putting us on negative outlook doesn't immediately affect their rating of the FHT. It's only if we were to get downgraded that they would also downgrade FHT. Seems weird to me, but that's what I was told, and given that you've proceeded with the FHT transaction, I assume it's true?

From: Caridia, Alex <alex.caridia@rbccm.com>
Sent: Wednesday, April 18, 2018 5:30:32 PM
To: Gadi Mayman
Subject: Fwd: Rating Agencies views on Fair Hydro

Hi Gadi - FYI

Begin Forwarded Message:
From: "Laham, Chris" <chris.laham@rbccm.com>>
Subject: Rating Agencies views on Fair Hydro
Date: 18 April 2018 15:51
To: "+DS-GM-Bond Sales Desk" <DS-GM-BondSalesDesk@rbc.com>>

Here are some bullet points outlining how each agency views Fair Hydro Trust in the context of the ratings of the Province.
The key point being, Moody's assumes at some point over the horizon of the program the Province will step in, thus linking the ratings. As a reminder, if this were to happen, the Province will assume the debt.

Here is Ian's outline for those that want a deeper dive:

DBRS

* Look at the transaction through a structured finance lens
* Change of law that could invoke a Protection Event is mitigated by the risk the FHT platform would become a liability of the Province, legislation took a long time to draft and pass, adverse change of law could bring into question other Provincial guarantee arrangements
* Significant enhancement (almost 100%) supports the senior notes, as does true-up mechanism, non-bypassability of recovery charge
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From:	Ronald Kwan
To:	Mike Manning; Ken Kandeepan
Cc:	Anna Strathy
Subject:	RE: SCOPA QA Fact Check Request
Date:	Wednesday, February 07, 2018 5:19:57 PM

Hi,
I haven't seen material recently on what OPG is doing on the rate on the sub-debt. Would one of you have an update on the current thinking on that?
Thanks,
Ron

From: Mike Manning
Sent: February-07-18 12:36
To: Ken Kandeepan ; Ronald Kwan
Cc: Anna Strathy
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If you have the original spread assumption, it may be relatively easy to do a back of the envelope estimation.
Regards, Mike

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Thanks
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> **Cc:** John Kim <John.Kim@ofina.on.ca>, Bruno Amara

<Bruno.Amara@ofina.on.ca>, Gavin He <Gavin.He@ofina.on.ca>, Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
Subject: RE: SCOPA QA Fact Check Request

Hi,
Suggested response as attached.
Ron

From: Usman Zahid
Sent: February-06-18 3:47 PM
To: Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Cc: John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
Subject: FW: SCOPA QA Fact Check Request
Hi Ron,
EFB have reviewed the "long-form answers" for SCOPA. Please see attached.
Regards,
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From: Usman Zahid
Sent: Tuesday, February 06, 2018 2:00 PM
To: John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Cc: Ronald Kwan <Ronald.Kwan@ofina.on.ca>
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Could I ask for your edits **by noon tomorrow**?
Usman - I assume CEFD is looking at the Fair Hydro answer as well? Let's

coordinate our input.

Thanks, Anna

From: Sohn, Michael (MOF) [mailto:Michael.Sohn@ontario.ca]
Sent: Monday, February 05, 2018 1:13 PM
To: Birks, Ryan (MOF) <Ryan.Birks@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ghufran Tarin (MOF) <Ghufran.Tarin@ontario.ca>; David Goodwin (MOI) <David.S.Goodwin@ontario.ca>
Cc: Matthew Sylvain (MOF) <Matthew.Sylvain@ontario.ca>
Subject: SCOPA QA Fact Check Request

Ryan, Anna, Ghufran and David:

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Thank you, in advance, for your work, and please let me know if you have any questions.

Michael Sohn
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Strategic Communications Unit (Toronto)
Communications Services Branch
Ontario Ministry of Finance
416-325-1309

From:	Mike Manning
To:	Ken Kandeepan; Ronald Kwan
Cc:	Anna Strathy
Subject:	RE: SCOPA QA Fact Check Request
Date:	Wednesday, February 07, 2018 12:36:07 PM

If you have the original spread assumption, it may be relatively easy to do a back of the envelope estimation.
Regards, Mike

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To: Ronald Kwan <Ronald.Kwan@ofina.on.ca>
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<SCOPA_MOF_long form QA_Fair Hydro_v13_Markup.docx>

From:	Mike Manning
To:	Ronald Kwan; Ken Kandeepan
Cc:	Anna Strathy
Subject:	RE: SCOPA QA Fact Check Request
Date:	Thursday, February 08, 2018 8:36:48 AM

Will have more info. shortly. Just talked to John Lee and they will be using the survey to determine the spreads. Will pass on the info as I get it.
Mike

From: Ronald Kwan
Sent: Wednesday, February 07, 2018 5:20 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
Cc: Anna Strathy <Anna.Strathy@ofina.on.ca>
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<SCOPA_MOF_long form QA_Fair Hydro_v13_Markup.docx>

From:	Mike Manning
To:	"LADAK Lubna -TREASURY"
Subject:	RE: Subdebt Pricing - Goldman Sachs
Date:	Friday, February 09, 2018 2:49:42 PM

Thanks Lubna:
Do you know if there is a contact person at Goldman we can reach out to for future spread runs?

Thanks, Mike

From: LADAK Lubna -TREASURY [mailto:lubna.ladak@opg.com]
Sent: Thursday, February 08, 2018 4:52 PM
To: Mike Manning <Mike.Manning@ofina.on.ca>
Cc: LIU Sheen -TREASURY <sheen.liu@opg.com>
Subject: Subdebt Pricing - Goldman Sachs

Mike,
Please find attached pricing spreads from Goldman Sachs.

Lubna Ladak | VP Treasury - FHP| Ontario Power Generation
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

From:	Ken Kandeepan
To:	LEE John -TREASURY
Cc:	WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Mike Manning; Tobias P. Whitfield (MOF); Anna Strathy; Thouin, Alena (ENERGY); Malle Hanslep (MOF); David McLean (MOF); Anna Strathy; Jonathan Tekle (CAB); Ronald Kwan; Steen Hume (CAB); Tim Christie (ENERGY)
Subject:	RE: Waiver Process
Date:	Thursday, January 04, 2018 9:36:09 AM

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks

Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From: Hanslep, Malle (MOF)
To: Jonathan Tekle (CAB)
Cc: Tobias P. Whitfield (MOF); Thouin, Alena (ENERGY); Mike Manning; Ken Kandeepan
Subject: Re: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Date: Friday, January 05, 2018 5:27:33 PM

Yes I think she will resend as separate documents now.

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Tekle, Jonathan (MOF)
Sent: Friday, January 5, 2018 17:24
To: Hanslep, Malle (MOF)
Cc: Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY); Manning, Mike (OFA); Kandeepan, Ken (OFA)
Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

I only received the email which was sent at 5:04 pm, highlighted below. I have not received any electronic attachments but appears Nina is working to resend them in separate emails.

From: Hanslep, Malle (MOF)
Sent: January 5, 2018 5:19 PM
To: Tekle, Jonathan (MOF)
Cc: Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY); Manning, Mike (OFA); Kandeepan, Ken (OFA)
Subject: FW: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Hi Jonathan,

Did you receive the earlier email below with the time on it 4:55? I have not received it and it has been sent to many others. Have other received and been able to open the attachments?

Thanks

Malle

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: January-05-18 5:04 PM
To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: 'John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>)'; 'Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>)'; 'WONG Leslie -LAWDIV'; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka
Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

All – just to clarify - we appreciate the Province will be reviewing the draft OM and may have comments on the disclosure which we would be happy to discuss once you have had a chance to review. Thanks,

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
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>

From: Mansoori, Nina
Sent: January-05-18 4:55 PM
To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>; 'Scott.Thompson@ontario.ca' <Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>>; 'Anna.Strathy@ofina.on.ca' <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; 'David.McLean@ontario.ca' <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; 'Jonathan.Tekle@ontario.ca' <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; 'Hanslep, Malle (MOF)'

<Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Thouin, Alena (ENERGY)
<Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Whitfield, Tobias P. (MOF)
<Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; 'Ken.Kandeepan@ofina.on.ca'
<Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Steen Hume (CAB)
<Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; 'tim.christine@ontario.ca'
<tim.christine@ontario.ca<mailto:tim.christine@ontario.ca>>
Cc: 'John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>)' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; 'Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>)' <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; Dost, Mitchell <mdost@torys.com<mailto:mdost@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>
Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Importance: High

All,

Reference is made to the Change of Law Process Agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the Province") and Ontario Power Generation Inc. ("OPG") to be dated as of December 21, 2017 (the "Change of Law Process Agreement"). All capitalized terms used and not defined in this email shall have their respective meanings in the Change of Law Process Agreement.

On behalf of OPG, we have hand-delivered today to the Ministers and the Deputy Ministers the forms of Transaction Documents set out in the attached cover letter. For ease of reference, we also attach these documents here and attach blacklines to the last versions of the term supplemental indentures circulated to you. If you would like a blackline of any other Transaction Document, please send us the version you reviewed last.

We consider these forms settled other than:

- There is one change that has been proposed by the dealers, and which is under discussion, that will impact the term supplemental indentures and will necessitate some additional disclosure to the term sheet. The dealers have advised that following a Principal Payment Date (i.e. the date on which all amounts owing under the notes are expected to be repaid in full), it would be typical for the interest payment dates to accelerate to monthly (instead of semi-annually). Once the dealers and OPG have an opportunity to discuss and come to an agreement on this point next week, the necessary changes to reflect this will be made to the term supplemental indentures and the term sheet

- there are still some bullets in these documents which will be addressed closer to closing (including dates, pricing information and the names of all of the Agents)

- we expect there will be some minor clean up to the OM (including making sure all of our cross-references are correct and that the glossary picks up all defined terms).

Please let us know if you have any questions.

Best Regards,
Nina
P. 416.865.7332

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From:	Mansoori, Nina
To:	Malle Hanslep (MOF)
Cc:	Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); Tim Christie (ENERGY); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka
Subject:	Re: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Date:	Friday, January 05, 2018 5:19:37 PM

Hi Malle - no problem. I didn't receive any bounce-backs so glad you wrote! We'll resend in separate emails and then confirm you received all of them. Thanks

On Jan 5, 2018, at 3:13 PM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Nina

I am having trouble receiving the email with the attachments because the attachments are large. Is it possible for you to resend the attachments in separate emails? Sorry about that and would appreciate it so I can review.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Mansoori, Nina
Sent: Friday, January 5, 2018 17:04
To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: 'John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>)'; 'Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>)'; 'WONG Leslie -LAWDIV'; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka
Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

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79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIFaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=GmtSohhihlvZd9nHKswD_W0uKzuP10NHY3Z2oNYlWNQ&s=9oBzOr8E_70UwZ-44JgGE1-jY4fj7iVg_FT0pwaRIY4&e= ><https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIFaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=GmtSohhihlvZd9nHKswD_W0uKzuP10NHY3Z2oNYlWNQ&s=9oBzOr8E_70UwZ-44JgGE1-jY4fj7iVg_FT0pwaRIY4&e= >
[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIFaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=GmtSohhihlvZd9nHKswD_W0uKzuP10NHY3Z2oNYlWNQ&s=9oBzOr8E_70UwZ-44JgGE1-jY4fj7iVg_FT0pwaRIY4&e= >

From: Mansoori, Nina
Sent: January-05-18 4:55 PM
To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>;
'Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>'
<Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>>;
'Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>'
<Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>;
'Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>'
<Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>;
'David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>'
<David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>;
'Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>'
<Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; 'Hanslep, Malle (MOF)'
<Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Thouin, Alena (ENERGY)
<Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Whitfield, Tobias P. (MOF)
<Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>;
'Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>'
<Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Steen Hume (CAB)
<Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>;
'tim.christine@ontario.ca<mailto:tim.christine@ontario.ca>'
<tim.christine@ontario.ca<mailto:tim.christine@ontario.ca>>
Cc: 'John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>)'
<john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; 'Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>)'
<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; 'WONG Leslie -LAWDIV'
<leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY
<lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; Ramchandani, Rima
<rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael
<mfeldman@torys.com<mailto:mfeldman@torys.com>>; Saulnier, Brett
<bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; Dost, Mitchell
<mdost@torys.com<mailto:mdost@torys.com>>; Mansoori, Nina
<nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka
<yolusoga@torys.com<mailto:yolusoga@torys.com>>
Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Importance: High

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Nina
P. 416.865.7332

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From:	Hanslep, Malle (MOF)
To:	Mansoori, Nina; Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); Tim Christie (ENERGY)
Cc:	"John Lee (john.s.lee@opg.com)"; "Ken Ryfa (ken.ryfa@opg.com)"; "WONG Leslie -LAWDIV"; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka
Subject:	Re: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Date:	Friday, January 05, 2018 5:13:18 PM

Hi Nina

I am having trouble receiving the email with the attachments because the attachments are large. Is it possible for you to resend the attachments in separate emails? Sorry about that and would appreciate it so I can review.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Mansoori, Nina
Sent: Friday, January 5, 2018 17:04
To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: 'John Lee (john.s.lee@opg.com)'; 'Ken Ryfa (ken.ryfa@opg.com)'; 'WONG Leslie -LAWDIV'; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka
Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

All – just to clarify - we appreciate the Province will be reviewing the draft OM and may have comments on the disclosure which we would be happy to discuss once you have had a chance to review. Thanks,

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=pUKS2UZWTckVJNmTjusVeHG4EiEWHvb7sZpsCorAbl4&s=V30QPt94tdgqRbiSO_ChkvVeSD2D8EWLQCuOl5uOHbY&e=>
[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=pUKS2UZWTckVJNmTjusVeHG4EiEWHvb7sZpsCorAbl4&s=V30QPt94tdgqRbiSO_ChkvVeSD2D8EWLQCuOl5uOHbY&e=>

From: Mansoori, Nina
Sent: January-05-18 4:55 PM
To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; 'Scott.Thompson@ontario.ca' <Scott.Thompson@ontario.ca>; 'Anna.Strathy@ofina.on.ca' <Anna.Strathy@ofina.on.ca>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; 'David.McLean@ontario.ca' <David.McLean@ontario.ca>; 'Jonathan.Tekle@ontario.ca' <Jonathan.Tekle@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; 'Ken.Kandeepan@ofina.on.ca' <Ken.Kandeepan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; 'tim.christine@ontario.ca' <tim.christine@ontario.ca>
Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>
Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Importance: High

All,

Reference is made to the Change of Law Process Agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the Province") and Ontario Power Generation Inc. ("OPG") to be dated as of December 21, 2017 (the "Change of Law Process Agreement"). All capitalized terms used and not defined in this email shall have their respective meanings in the Change of Law Process Agreement.

On behalf of OPG, we have hand-delivered today to the Ministers and the Deputy Ministers the forms of Transaction Documents set out in the attached cover letter. For ease of reference, we also attach these documents here and attach blacklines to the last versions of the term supplemental indentures circulated to you. If you would like a blackline of any other Transaction Document, please send us the version you reviewed last.

We consider these forms settled other than:

· There is one change that has been proposed by the dealers, and which is under discussion, that will impact the term supplemental indentures and will necessitate some additional disclosure to the term sheet. The dealers have advised that following a Principal Payment Date (i.e. the date on which all amounts owing under the notes are expected to be repaid in full), it would be typical for the interest payment dates to accelerate to monthly (instead of semi-annually). Once the dealers and OPG have an opportunity to discuss and come to an agreement on this point next week, the necessary changes to reflect this will be made to the term supplemental indentures and the term sheet

· there are still some bullets in these documents which will be addressed closer to closing (including dates, pricing information and the names of all of the Agents)

· we expect there will be some minor clean up to the OM (including making sure all of our cross-references are correct and that the glossary picks up all defined terms).

Please let us know if you have any questions.

Best Regards,
Nina
P. 416.865.7332

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From:	Hanslep, Malle (MOF)
To:	Saulnier, Brett; Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); Tim Christie (ENERGY); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; "ASHBOURNE, STEPHEN"; Tim Christie (ENERGY)
Cc:	Mansoori, Nina
Subject:	Re: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries (EMAIL 6/6)
Date:	Friday, January 05, 2018 5:57:29 PM

Thank you. I have received 6 of 6.

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Saulnier, Brett
Sent: Friday, January 5, 2018 17:44
To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; 'ASHBOURNE, STEPHEN'; Christie, Tim (ENERGY); Hanslep, Malle (MOF)
Cc: Mansoori, Nina
Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries (EMAIL 6/6)

Email 6/6: Junior Subordinated Supplemental Indenture.

Brett Saulnier

P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: January-05-18 5:13 PM
To: Mansoori, Nina <nmansoori@torys.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Thompson, Scott (MOF) <Scott.Thompson@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>
Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Olusoga, Yinka <yolusoga@torys.com>
Subject: Re: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

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Malle

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Sent: Friday, January 5, 2018 17:04

To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: 'John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>)'; 'Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>)'; 'WONG Leslie -LAWDIV'; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka

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[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=6tsBMd-ONB3rlJgt1i_jJnVKS17APD-p7WG6wXQkIuo&s=oJvEh6Yy0xR7XesoNTXFf4quEyggP_JqVrW7IiUNm4Y&e= >

From: Mansoori, Nina

Sent: January-05-18 4:55 PM

To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>;
'Scott.Thompson@ontario.ca' <Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>>;
'Anna.Strathy@ofina.on.ca' <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>;
'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>;
'David.McLean@ontario.ca' <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>;
'Jonathan.Tekle@ontario.ca' <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; 'Hanslep, Malle
(MOF)' <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Thouin, Alena (ENERGY)
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<Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Steen Hume (CAB)
<Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; 'tim.christine@ontario.ca'
<tim.christine@ontario.ca<mailto:tim.christine@ontario.ca>>

Cc: 'John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>)'
<john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; 'Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>)'
<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; 'WONG Leslie -LAWDIV'
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<mfeldman@torys.com<mailto:mfeldman@torys.com>>; Saulnier, Brett
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<mdost@torys.com<mailto:mdost@torys.com>>; Mansoori, Nina
<nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka
<yolusoga@torys.com<mailto:yolusoga@torys.com>>

Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Importance: High

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Best Regards,

Nina

P. 416.865.7332

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From: Gadi Mayman
To: Anna Strathy
Cc: Mike Manning; John Psinas; Ronald Kwan; Usman Zahid
Subject: Re: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
Date: Thursday, May 03, 2018 1:20:38 PM

Other than the 55 School Board Trust, which I think was 15 or so years ago, and has since been wound up (or at least we've taken on the debt), I can't think of any special purpose entities that raise debt. Maybe I'm missing something.

Having said that, it isn't the Province that is using a trust to raise debt in his case, it is OPG. Maybe the question should be asked of them as to why they're using this structure instead of borrowing directly as OPG?

On May 3, 2018, at 1:14 PM, Anna Strathy <Anna.Strathy@ofina.on.ca> wrote:

> Hi Mike, John,
> The Globe and Mail has two follow-up questions; OPCD has asked that the OFA draft a response to the first. Could either/both of your teams prepare a response re: special purpose entities? OPCD has also suggested a call this afternoon to discuss the responses. I'll keep you posted on the timing of a potential call.
> Anna
>
> **From:** Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
> **Sent:** Thursday, May 03, 2018 1:09 PM
> **To:** Anna Strathy <Anna.Strathy@ofina.on.ca>
> **Subject:** FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
> Hi Anna,
> The reporter has come back with further questions. We'll start drafting the second question, and can your team work on the first?
> Cindy thinks a call would be helpful to quickly touch base. Does Gadi and/or team have time for a quick call between 2:45-3:45 or after 4:45pm?
> Let me know
> Thanks
> Sarah
>
> **From:** Tharani, Alisha (TBS) <Alisha.Tharani@ontario.ca>
> **Sent:** Thursday, May 3, 2018 12:22 PM
> **To:** Skoberne, Vivienne (TBS); Ue, Allison (TBS); Nelson, Dane (TBS); Hosick, Sarah (TBS)
> **Cc:** Laughton, Patrick (TBS); Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
> **Subject:** RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
> Hi all,
> We have received follow-up questions from Matt McClearn (G&M):
> - I'm still not clear on when the government began using special purpose entities to raise debt. And I'd still like a list of all special purpose entities

that have borrowed on behalf of the province.

- Also, if the Fair Hydro Trust borrows $1 billion, by what amount will the gross debt figure on the Province's consolidated financial statements increase by?

We will work with OPCD to develop responses and will share for DMO approval as soon as possible.
Best,

Alisha

From: Tharani, Alisha (TBS)
Sent: May 2, 2018 9:33 PM
To: Skoberne, Vivienne (TBS); Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS); Hosick, Sarah (TBS); Laughton, Patrick (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
Hi all,

Confirming the response has been shared with the reporter.

Best,

Alisha

From: Skoberne, Vivienne (TBS)
Sent: May 2, 2018 9:20 PM
To: Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS); Tharani, Alisha (TBS); Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
Great, thank you everyone!! Again!

From: Sullivan, Bryant (TBS) <Bryant.J.Sullivan@ontario.ca>
Date: Wednesday, May 02, 2018, 8:34 PM
To: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>, DiMuzio, Sofie (TBS) <Sofie.DiMuzio@ontario.ca>, Vrancart, Kate (TBS) <Kate.Vrancart@ontario.ca>, Miller, Amanda (TBS) <Amanda.Miller@ontario.ca>
Cc: Ue, Allison (TBS) <Allison.Ue@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>, Tharani, Alisha (TBS) <Alisha.Tharani@ontario.ca>, Hosick, Sarah (TBS) <Sarah.Hosick@ontario.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
Hi all, confirming that Lawvin has also reviewed the response and didn't flag any

concerns.
Alisha will be responding to the reporter when she gets back to her computer around 9pm tonight.
Copying Sarah H for awareness.
Thanks
Bryant

From: Sullivan, Bryant (TBS)
Sent: May 2, 2018 6:28 PM
To: Skoberne, Vivienne (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

For sure.
Re timing, I believe Helen had asked that this go to the reporter today. Alisha can send after 9pm if that's essential. If not we can do it first thing. Do you have a preference?

Sent with BlackBerry Work
(www.blackberry.com)

From: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>
Date: Wednesday, May 02, 2018, 5:57 PM
To: DiMuzio, Sofie (TBS) <Sofie.DiMuzio@ontario.ca>, Sullivan, Bryant (TBS) <Bryant.J.Sullivan@ontario.ca>, Vrancart, Kate (TBS) <Kate.Vrancart@ontario.ca>, Miller, Amanda (TBS) <Amanda.Miller@ontario.ca>
Cc: Ue, Allison (TBS) <Allison.Ue@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Jason has reviewed. He did not flag any concerns. Do you mind confirming with Lawvin?

From: Pichelli, Jason (TBS) <Jason.Pichelli@ontario.ca>
Date: Wednesday, May 02, 2018, 5:52 PM
To: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>
Cc: Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

I have reviewed, thanks

_____

Jason Pichelli
Chief of Staff

Office of the Hon. Eleanor McMahon
President of the Treasury Board
(416) 327-6619

From: Skoberne, Vivienne (TBS)
Sent: May 2, 2018 4:15 PM
To: Pichelli, Jason (TBS) <Jason.Pichelli@ontario.ca>
Cc: Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca>; Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi Jason,

Attached is the proposed response to the follow-up questions from the G&M reporter.

The responses have been fact checked by OTB/OPCD, OFA, and OPG.

Is your office able to review these responses in a short time frame so that we can respond to the G&M reporter soon?

Thanks.

Vivienne Skoberne
T: 416-325-9084 | C: 647-287-3429

From: Hanslep, Malle (MOF)
To: Anna Strathy
Cc: Ronald Kwan; John Psinas; Mike Manning; Usman Zahid; Tobias P. Whitfield (MOF)
Subject: Re: Corrections re: April 21st Article: "Bad books"
Date: Wednesday, May 02, 2018 9:07:03 AM

Hi Anna

I agree with the approach to refer to the description of the guarantee contained in OPGS financial statements.
Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Strathy, Anna (OFA)
Sent: Wednesday, May 2, 2018 08:57
To: Hanslep, Malle (MOF)
Cc: Kwan, Ronald (OFA); John Psinas; Manning, Mike (OFA); Zahid, Usman (OFA); Whitfield, Tobias P. (MOF)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi Malle,

OPCD has received a few follow-up questions from the Globe and Mail journalist that authored the April 21st article, "Bad Books". One of the questions below requires the OFA's review as it relates to the protection agreement. We don't have any concerns with the language OPCD has provided below (as taken from OPG's financial statements)– could you let us know whether you have any concerns? I understand that OPCD is hoping to respond to the G&M by 10am this morning.

5. The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.

[What is our standard response that is used for these types of requests?]

Note 19 of OPG's consolidated financial statements (available on OPG's website at: https://urldefense.proofpoint.com/v2/url?u=https-3A__www.opg.com_about_finance_Documents_20180308CombinedNewsReleaseMDAOPGQ42017FINAL.pdf&d=DwIF_g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FitQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=87elAgqZcw5s8lI32m0w6vi8siAubB6gHVQrHZkqDaA&s=UuonVcT1SfzEYNm-vJc7X6Su5oYrKMp2NjI7DV4bmFw&e=<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Fwww.opg.com-252Fabout-252Ffinance-252FDocuments-252F20180308CombinedNewsReleaseMDAOPGQ42017FINAL.pdf-26data-3D02-257C01-257CMalle.Hanslep-2540ontario.ca-257C36e100ddce7b4aa6271d08d5b02c1624-257Cddc1229ac2a4b97b78a0e5cacb5865c-257C0-257C1-257C636608626548654859-26sdata-3DYyccPYLsGJZYWPj6X1ZIDY5W8NlX-252B7mCIwMX2hm68E8-253D-26reserved-3D0&d=DwIF_g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FitQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=87elAgqZcw5s8lI32m0w6vi8siAubB6gHVQrHZkqDaA&s=XbUroMo8itfCFtYT_o8g5cFK2wGrOtpPD8zEZ4msJIg&e=>) includes the following disclosure of the guarantee provided by the Province.

The Province has provided a limited guarantee to specified creditors of the Fair Hydro Trust. The limited guarantee would be triggered in the event that the Trust's ability to receive amounts in respect of its Investment Interest to pay for certain funding obligations is adversely affected due to one or more of the following: the Province changes the Fair Hydro Act or any other legislation or regulation; a significant change in Ontario's electricity market undertaken by the Province; or a court declares that the Act is invalid or unconstitutional.

Disclosure of the guarantee will also be included in the consolidated financial statements of the Province for the year-ended March 31, 2018, which will be released as part of the Public

From: John Psinas
Sent: Tuesday, May 01, 2018 9:30 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Cc: Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>
Subject: Fwd: Corrections re: April 21st Article: "Bad books"

Anna,

I was pondering how to respond to the Special Purpose Trust question, but OPCD came back and did a fair response on it. "Trust" is used loosely by people and it could mean many things.

OPCD's response for #1 and #3 may be too technical and convoluted for non-accountants to understand to be honest, but I don't see how to avoid it.

Our only action item appears to be highlighted in yellow in #5 about what is our standard response on guarantees to investors wrt the FH. I'll have to check with Mike first thing tomorrow morning if there is a prior blurb given to the public or a standard Q&A about guarantees in general.

Thanks.

John

Sent from my iPhone

Begin forwarded message:
From: Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>
Date: May 1, 2018 at 9:05:05 PM EDT
To: John Psinas <John.Psinas@ofina.on.ca<mailto:John.Psinas@ofina.on.ca>>, George Sakura <George.Sakura@ofina.on.ca<mailto:George.Sakura@ofina.on.ca>>, Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>
Cc: Usman Zahid <Usman.Zahid@ofina.on.ca<mailto:Usman.Zahid@ofina.on.ca>>
Subject: Fwd: Corrections re: April 21st Article: "Bad books"
As per my previous email.
--
Anna Strathy
Special Policy Advisor to the CEO
Ontario Financing Authority
416.325.8032

Begin forwarded message:
From: "Hosick, Sarah (TBS)" <Sarah.Hosick@ontario.ca<mailto:Sarah.Hosick@ontario.ca>>
Date: May 1, 2018 at 5:28:49 PM EDT
To: "Strathy, Anna (OFA)" <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>
Subject: RE: Corrections re: April 21st Article: "Bad books"
Here is the document with a draft response for Q.6 per Cindy and Gadi's conversation.
As stated below, if we could get this back asap in the morning would be appreciated!

Thanks
Sarah

From: Hosick, Sarah (TBS)
Sent: May 1, 2018 5:01 PM
To: 'Anna Strathy'
Subject: RE: Corrections re: April 21st Article: "Bad books"

Hi Anna

Lots of moving pieces on this –thanks for your patience! Gadi and Cindy just spoke at a meeting they were both at about the question that is currently blank. Cindy is drafting a response and I'll send a revised version shortly.

At the meeting, the deputy mentioned that they want to get back to the reporter tomorrow now so if possible can we expedite and say 10am tomorrow latest (earlier if possible) for responses.

Will send you updated version shortly.

From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: May 1, 2018 4:18 PM
To: Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books"

Thanks Sarah. Will do.

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Tuesday, May 01, 2018 4:14 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>
Subject: RE: Corrections re: April 21st Article: "Bad books"

Darn, just missed him!

Attached is a very rough draft of how the answers are shaping. Can you please have his team review and provide edits/comments by noon tomorrow?

Mark Donaldson is also still adding comment/edits as well, so feel free to have your team reach out to him if they want to discuss anything

Thanks
Sarah

From: Anna Strathy [mailto:Anna.Strathy@ofina.on.ca]
Sent: May 1, 2018 4:00 PM
To: Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books"

Thanks Sarah. Unfortunately, I think Ken is already headed to the airport, but thank you for the head's up. His team will be able to review and provide input in his absence.

Anna

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Tuesday, May 01, 2018 3:47 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi Anna,

The reporter from the Globe and Mail has some follow-up technical questions in response to our request that clarifications and corrections were needed on some pieces of his April 21 article. [na01.safelinks.protection.outlook.com]<https://na01.safelinks.protection.outlook.com/?

url=https%3A%2F%2Furldefense.proofpoint.com%2Fv2%2Furl%3Fu%3Dhttps-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttps-253A-252F-252Fwww.theglobeandmail.com-252Fcanada-252Finvestigations-252Farticle-2Dbad-2Dbooks-2Dhow-2Dontarios-2Dnew-2Dhydro-2Daccounting-2Dcould-2Dcost-2Dtaxpayers-252F-26data-3D02-257C01-257CSarah.Hosick-2540ontario.ca-257Cec3eaeba8b4443bfa4dd08d5af9e2de2-257Ccddc1229ac2a4b97b78a0e5cacb5865c-257C0-257C0-257C636608016270141624-26sdata-3DcMr4qZpEw1aTQ4ezd5MVmUTRWf2XACipieJyrsfzZEw-253D-26reserved-3D0%26d%3DDwMF-g%26c%3DqG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtQ%26r%3DE55YDgQdC8HbBuqOnlsuMRVMfI8a3rKXrCOxHVUCzpQ%26m%3DXNbh6d44eGwwf_GaYhI-M-KO2gPAv4M4mppBm8xJhgw%26s%3D1jEpclyOOEr-xO5S3q4prJ7hF0VCaSDdp8X6pnPsWfs%26e%3D&data=02%7C01%7CSarah.Hosick%40ontario.ca%7C03ea30e3d836409f82a408d5afa09e9a%7Ccddc1229ac2a4b97b78a0e5cacb5865c%7C0%7C0%7C636608026746417969&sdata=wxV2ImYtNp0Zg4BKnLo%2B9gBC9Oxxbr8OuTNC4ywxKzQ%3D&reserved=0>

See below – for several questions we'll need OFA input. We're taking a first cut at the responses and will send your way for review/input likely this evening.

I understand Ken Kandeepan is on vacation starting tomorrow, so I'm sending this as a heads up in case he wants to weigh in with any points to consider before we are ready to send the draft responses.

Happy to discuss

Thanks
Sarah

From: Tharani, Alisha (TBS)
Sent: May 1, 2018 12:40 PM
To: Ue, Allison (TBS); Nelson, Dane (TBS); Skoberne, Vivienne (TBS); Hosick, Sarah (TBS)
Cc: Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS); Laughton, Patrick (TBS)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi DMO & OPCD colleagues,

I have received follow-up questions from Matt McClearn in follow-up to the table of corrections that was shared with him last week. See below:

"Just working through your document. Some of the issues you raise are quite technical in nature. I have a few questions and requests arising from them:

- Where does the borrowing of the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
- How does the borrowing of the Fair Hydro Trust affect the Province of Ontario's reported net debt?
- How does OPG's borrowing related to the Fair Hydro Trust appear on the Government of Ontario's Consolidated Statement of Financial Position?
- How does OPG's borrowing related to the Fair Hydro Plan affect the Province of Ontario's reported net debt?
- The Auditor General has said that the Province on Ontario provides capital markets with a guarantee on debt instruments issued by the Fair Hydro Trust. Please provide a copy of that guarantee.
- When did the government begin using special purpose trusts to issue debt? Please provide a list of all special purpose trusts controlled by the government, the date they were created, and how much debt they had outstanding at Mar. 31, 2018.
- When you refer to "gross debt," what are you referring to? Where is that item reported on the Public Accounts?"

We will work with OPCD to develop responses to the above.

Best,

Alisha

From: Tharani, Alisha (TBS)
Sent: April 25, 2018 1:25 PM
To: Skoberne, Vivienne (TBS); Ue, Allison (TBS); Nelson, Dane (TBS); Veinot, Cindy (TBS); Hosick, Sarah (TBS); Laughton, Patrick (TBS); Hadisi, Lawvin (TBS); Rubin, Jack (TBS)
Cc: Sullivan, Bryant (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Subject: FW: Corrections re: April 21st Article: "Bad books"

Hi all,

Please see below for Matt McClearn's response.

Best,

Alisha

From: McClearn, Matthew [mailto:MMcClearn@globeandmail.com]
Sent: April 25, 2018 1:18 PM
To: Tharani, Alisha (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books"

Alisha:

Thanks for these. We'll review this document and involve our public editor as necessary. Regards,

Matt.

_____

This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.

From: Gadi Mayman
To: Anna Strathy
Cc: Mike Manning; John Psinas; Ronald Kwan; Usman Zahid
Subject: Re: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
Date: Thursday, May 03, 2018 1:32:47 PM

Yes, I'm fine with that.

On May 3, 2018, at 1:31 PM, Anna Strathy <Anna.Strathy@ofina.on.ca> wrote:

> Hi Gadi,
> John was just in my office and he agrees that the School Board Trust is likely the only example. There's an explanation of it on p. 67 of Public Accounts, but the rationale for why it was set up would be known by OPCD.
>
> ## School Board Trust Debt
>
> A School Board Trust was created in June 2003 to permanently refinance debt incurred by 55 school boards. The Trust issued 30-year sinking fund debentures amounting to $891 million, and provided $882 million of the proceeds to the 55 school boards in exchange for the irrevocable right to receive future transfer payments from the Province related to this debt. An annual transfer payment is made by the Ministry of Education to the Trust's sinking fund under the School Board Operating Grant program to retire the debt over 30 years. This debt, recorded net of the sinking fund of $239 million (2015–16, $217 million), is reflected in the Province's debt.
> Are you comfortable with me sending this info back to OPCD and suggesting that they may wish to draft the response to the first question, perhaps with input from OPG?
> Anna
>
> ---
>
> **From:** Gadi Mayman
> **Sent:** Thursday, May 03, 2018 1:21 PM
> **To:** Anna Strathy <Anna.Strathy@ofina.on.ca>
> **Cc:** Mike Manning <Mike.Manning@ofina.on.ca>; John Psinas <John.Psinas@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
> **Subject:** Re: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions
> Other than the 55 School Board Trust, which I think was 15 or so years ago, and has since been wound up (or at least we've taken on the debt), I can't think of any special purpose entities that raise debt. Maybe I'm missing something.
> Having said that, it isn't the Province that is using a trust to raise debt in his case, it is OPG. Maybe the question should be asked of them as to why they're using this structure instead of borrowing directly as OPG?
>
> On May 3, 2018, at 1:14 PM, Anna Strathy <Anna.Strathy@ofina.on.ca> wrote:
>
> > Hi Mike, John,
> > The Globe and Mail has two follow-up questions; OPCD has asked that the

OFA draft a response to the first. Could either/both of your teams prepare a response re: special purpose entities? OPCD has also suggested a call this afternoon to discuss the responses. I'll keep you posted on the timing of a potential call.

Anna

From: Hosick, Sarah (TBS) [mailto:Sarah.Hosick@ontario.ca]
Sent: Thursday, May 03, 2018 1:09 PM
To: Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi Anna,

The reporter has come back with further questions. We'll start drafting the second question, and can your team work on the first? Cindy thinks a call would be helpful to quickly touch base. Does Gadi and/or team have time for a quick call between 2:45-3:45 or after 4:45pm?

Let me know

Thanks

Sarah

From: Tharani, Alisha (TBS) <Alisha.Tharani@ontario.ca>
Sent: Thursday, May 3, 2018 12:22 PM
To: Skoberne, Vivienne (TBS); Ue, Allison (TBS); Nelson, Dane (TBS); Hosick, Sarah (TBS)
Cc: Laughton, Patrick (TBS); Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi all,

We have received follow-up questions from Matt McClearn (G&M):

- I'm still not clear on when the government began using special purpose entities to raise debt. And I'd still like a list of all special purpose entities that have borrowed on behalf of the province.
- Also, if the Fair Hydro Trust borrows $1 billion, by what amount will the gross debt figure on the Province's consolidated financial statements increase by?

We will work with OPCD to develop responses and will share for DMO approval as soon as possible.

Best,

Alisha

From: Tharani, Alisha (TBS)
Sent: May 2, 2018 9:33 PM

To: Skoberne, Vivienne (TBS); Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS); Hosick, Sarah (TBS); Laughton, Patrick (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi all,

Confirming the response has been shared with the reporter.

Best,

Alisha

From: Skoberne, Vivienne (TBS)
Sent: May 2, 2018 9:20 PM
To: Sullivan, Bryant (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS); Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS); Tharani, Alisha (TBS); Hosick, Sarah (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Great, thank you everyone!! Again!

From: Sullivan, Bryant (TBS) <Bryant.J.Sullivan@ontario.ca>
Date: Wednesday, May 02, 2018, 8:34 PM
To: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>, DiMuzio, Sofie (TBS) <Sofie.DiMuzio@ontario.ca>, Vrancart, Kate (TBS) <Kate.Vrancart@ontario.ca>, Miller, Amanda (TBS) <Amanda.Miller@ontario.ca>
Cc: Ue, Allison (TBS) <Allison.Ue@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>, Tharani, Alisha (TBS) <Alisha.Tharani@ontario.ca>, Hosick, Sarah (TBS) <Sarah.Hosick@ontario.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Hi all, confirming that Lawvin has also reviewed the response and didn't flag any concerns.
Alisha will be responding to the reporter when she gets back to her computer around 9pm tonight.
Copying Sarah H for awareness.
Thanks
Bryant

From: Sullivan, Bryant (TBS)
Sent: May 2, 2018 6:28 PM
To: Skoberne, Vivienne (TBS); DiMuzio, Sofie (TBS); Vrancart, Kate (TBS);

Miller, Amanda (TBS)
Cc: Ue, Allison (TBS); Nelson, Dane (TBS)
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

For sure.

Re timing, I believe Helen had asked that this go to the reporter today. Alisha can send after 9pm if that's essential. If not we can do it first thing. Do you have a preference?

Sent with BlackBerry Work
(www.blackberry.com)

From: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>
Date: Wednesday, May 02, 2018, 5:57 PM
To: DiMuzio, Sofie (TBS) <Sofie.DiMuzio@ontario.ca>, Sullivan, Bryant (TBS) <Bryant.J.Sullivan@ontario.ca>, Vrancart, Kate (TBS) <Kate.Vrancart@ontario.ca>, Miller, Amanda (TBS) <Amanda.Miller@ontario.ca>
Cc: Ue, Allison (TBS) <Allison.Ue@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: FW: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

Jason has reviewed. He did not flag any concerns. Do you mind confirming with Lawvin?

From: Pichelli, Jason (TBS) <Jason.Pichelli@ontario.ca>
Date: Wednesday, May 02, 2018, 5:52 PM
To: Skoberne, Vivienne (TBS) <Vivienne.Skoberne@ontario.ca>
Cc: Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca>, Nelson, Dane (TBS) <Dane.Nelson@ontario.ca>
Subject: RE: Corrections re: April 21st Article: "Bad books" - response to reporter f/u questions

I have reviewed, thanks

_____

Jason Pichelli
Chief of Staff
Office of the Hon. Eleanor McMahon
President of the Treasury Board
(416) 327-6619

From: Skoberne, Vivienne (TBS)
Sent: May 2, 2018 4:15 PM
To: Pichelli, Jason (TBS) <Jason.Pichelli@ontario.ca>
Cc: Hadisi, Lawvin (TBS) <Lawvin.Hadisi@ontario.ca>; Nelson, Dane (TBS)

<Dane.Nelson@ontario.ca>

Subject: Corrections re: April 21st Article: “Bad books” - response to reporter f/u questions

Hi Jason,

Attached is the proposed response to the follow-up questions from the G&M reporter.

The responses have been fact checked by OTB/OPCD, OFA, and OPG.

Is your office able to review these responses in a short time frame so that we can respond to the G&M reporter soon?

Thanks.

Vivienne Skoberne

T: 416-325-9084 | C: 647-287-3429

From: Ronald Kwan
To: Ken Kandeepan
Cc: Mike Manning
Subject: Re: Draft Fair Hydro Investor Presentation.
Date: Tuesday, January 02, 2018 5:55:45 PM

Thanks All.

Ron

On Jan 2, 2018, at 5:25 PM, Ken Kandeepan <Ken.Kandeepan@ofina.on.ca> wrote:

> Will do first thing tomorrow AM
>
> On Jan 2, 2018, at 5:07 PM, Mike Manning <Mike.Manning@ofina.on.ca> wrote:
>
> > Likewise, Mike
> >
> > On Jan 2, 2018, at 4:37 PM, Ronald Kwan <Ronald.Kwan@ofina.on.ca> wrote:
> >
> > > Hi Mike, Ken,
> > >
> > > Do you have any comments? I'll take a look at it tonight.
> > >
> > > Ron
> > >
> > > Begin forwarded message:
> > >
> > > **From:** "Christie, Tim (ENERGY)" <Tim.Christie@ontario.ca>
> > > **Date:** January 2, 2018 at 3:39:26 PM EST
> > > **To:** "Kwan, Ronald (OFA)" <Ronald.Kwan@ofina.on.ca>
> > > **Subject: FW: Draft Fair Hydro Investor Presentation.**
> > >
> > > Ron, here are the comments we have sent on the presentation. Do you know when/if Finance will be sending theirs? OPG was asking.
> > > Tim
> > >
> > > **From:** Christie, Tim (ENERGY)
> > > **Sent:** January-02-18 3:39 PM
> > > **To:** 'LEE John -TREASURY'

Cc: Cayley, Daniel (ENERGY); 'LAURETA LAPIRA May -TREASURY'
Subject: RE: Draft Fair Hydro Investor Presentation.

With the attachment.

From: Christie, Tim (ENERGY)
Sent: January-02-18 3:38 PM
To: 'LEE John -TREASURY'
Cc: Cayley, Daniel (ENERGY); LAURETA LAPIRA May -TREASURY
Subject: RE: Draft Fair Hydro Investor Presentation.

John, here are the comments on the investor presentation.
Tim

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: December-21-17 5:33 PM
To: Christie, Tim (ENERGY)
Cc: Manning, Mike (OFA); Kandeepan, Ken (OFA); LAURETA LAPIRA May -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Talwar, Shruti (ENERGY); HAHN PARKER Janet -TREASURY
Subject: Draft Fair Hydro Investor Presentation.

Tim:
As discussed attached is the most current draft of the Investor Presentation. If you or the MOE or OFA have any comments please let us know. The plan is to have another turn of the document in the 1st week in January. May will have the “pen” from our side.
Have a Merry Christmas.
John

John Lee | Vice President Treasurer |
Ontario Power Generation | 700 University Avenue, H18 A6, Toronto, Ontario M5G 1X6 |
416.592.6392 | john.s.lee@opg.com

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Ontario Power Generation Inc.

From: Ken Kandeepan
To: Mike Manning
Cc: Ronald Kwan
Subject: Re: Draft Fair Hydro Investor Presentation.
Date: Tuesday, January 02, 2018 5:25:16 PM

Will do first thing tomorrow AM

On Jan 2, 2018, at 5:07 PM, Mike Manning <Mike.Manning@ofina.on.ca> wrote:

> Likewise, Mike
>
> On Jan 2, 2018, at 4:37 PM, Ronald Kwan <Ronald.Kwan@ofina.on.ca> wrote:
>
> > Hi Mike, Ken,
> >
> > Do you have any comments? I'll take a look at it tonight.
> >
> > Ron
> >
> > Begin forwarded message:
> >
> > **From:** "Christie, Tim (ENERGY)" <Tim.Christie@ontario.ca>
> > **Date:** January 2, 2018 at 3:39:26 PM EST
> > **To:** "Kwan, Ronald (OFA)" <Ronald.Kwan@ofina.on.ca>
> > **Subject: FW: Draft Fair Hydro Investor Presentation.**
> >
> > Ron, here are the comments we have sent on the presentation. Do you know when/if Finance will be sending theirs? OPG was asking.
> > Tim
> >
> > **From:** Christie, Tim (ENERGY)
> > **Sent:** January-02-18 3:39 PM
> > **To:** 'LEE John -TREASURY'
> > **Cc:** Cayley, Daniel (ENERGY); 'LAURETA LAPIRA May - TREASURY'
> > **Subject:** RE: Draft Fair Hydro Investor Presentation.
> > With the attachment.
> >
> > **From:** Christie, Tim (ENERGY)
> > **Sent:** January-02-18 3:38 PM
> > **To:** 'LEE John -TREASURY'
> > **Cc:** Cayley, Daniel (ENERGY); LAURETA LAPIRA May - TREASURY
> > **Subject:** RE: Draft Fair Hydro Investor Presentation.

John, here are the comments on the investor presentation.
Tim

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: December-21-17 5:33 PM
To: Christie, Tim (ENERGY)
Cc: Manning, Mike (OFA); Kandeepan, Ken (OFA); LAURETA LAPIRA May -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Talwar, Shruti (ENERGY); HAHN PARKER Janet -TREASURY
Subject: Draft Fair Hydro Investor Presentation.

Tim:

As discussed attached is the most current draft of the Investor Presentation. If you or the MOE or OFA have any comments please let us know.

The plan is to have another turn of the document in the 1st week in January. May will have the "pen" from our side.

Have a Merry Christmas.

John

John Lee | Vice President Treasurer |
Ontario Power Generation | 700 University Avenue, H18 A6, Toronto, Ontario M5G 1X6 |
416.592.6392 | john.s.lee@opg.com

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From: Mike Manning
To: Ronald Kwan
Cc: Ken Kandeepan
Subject: Re: Draft Fair Hydro Investor Presentation.
Date: Tuesday, January 02, 2018 5:07:41 PM

Likewise, Mike

On Jan 2, 2018, at 4:37 PM, Ronald Kwan <Ronald.Kwan@ofina.on.ca> wrote:

> Hi Mike, Ken,
>
> Do you have any comments? I'll take a look at it tonight.
>
> Ron
>
> Begin forwarded message:
>
> **From:** "Christie, Tim (ENERGY)" <Tim.Christie@ontario.ca>
> **Date:** January 2, 2018 at 3:39:26 PM EST
> **To:** "Kwan, Ronald (OFA)" <Ronald.Kwan@ofina.on.ca>
> **Subject: FW: Draft Fair Hydro Investor Presentation.**
>
> Ron, here are the comments we have sent on the presentation. Do you know when/if Finance will be sending theirs? OPG was asking.
>
> Tim
>
> ---
>
> **From:** Christie, Tim (ENERGY)
> **Sent:** January-02-18 3:39 PM
> **To:** 'LEE John -TREASURY'
> **Cc:** Cayley, Daniel (ENERGY); 'LAURETA LAPIRA May -TREASURY'
> **Subject:** RE: Draft Fair Hydro Investor Presentation.
>
> With the attachment.
>
> ---
>
> **From:** Christie, Tim (ENERGY)
> **Sent:** January-02-18 3:38 PM
> **To:** 'LEE John -TREASURY'
> **Cc:** Cayley, Daniel (ENERGY); LAURETA LAPIRA May -TREASURY
> **Subject:** RE: Draft Fair Hydro Investor Presentation.
>
> John, here are the comments on the investor presentation.
>
> Tim
>
> ---

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: December-21-17 5:33 PM
To: Christie, Tim (ENERGY)
Cc: Manning, Mike (OFA); Kandeepan, Ken (OFA); LAURETA LAPIRA May -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Talwar, Shruti (ENERGY); HAHN PARKER Janet -TREASURY
Subject: Draft Fair Hydro Investor Presentation.

Tim:

As discussed attached is the most current draft of the Investor Presentation. If you or the MOE or OFA have any comments please let us know.

The plan is to have another turn of the document in the 1st week in January. May will have the "pen" from our side.

Have a Merry Christmas.

John

John Lee | Vice President Treasurer |
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<Fair Hydro Investor Presentation Comments - ENERGY - 20171229.docx>

From:	Ronald Kwan
To:	John LEE
Cc:	Ken Kandeepan; LAURETA LAPIRA May -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY; Tim Christie (ENERGY); Mike Manning
Subject:	Re: Draft Fair Hydro Investor Presentation.
Date:	Wednesday, January 03, 2018 10:25:22 AM

Hi,

And we'll have a couple comments as well, and we looped in MOF Legal to take a quick look too.

Thanks,
Ron

On Jan 3, 2018, at 10:15 AM, Mike Manning <Mike.Manning@ofina.on.ca> wrote:

> Hi John:
> I think Ken caught the main issues on my side as well.
> Mike
>
> **From:** Ken Kandeepan
> **Sent:** Wednesday, January 03, 2018 10:00 AM
> **To:** 'LEE John -TREASURY' <john.s.lee@opg.com>
> **Cc:** Mike Manning <Mike.Manning@ofina.on.ca>; LAURETA LAPIRA May - TREASURY <may.lapira@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Subject:** RE: Draft Fair Hydro Investor Presentation.
> Hi John
> Happy new year, hope you had a few days off. Pls see some minor comments, I have limited my review to the Province's role in the OFHP. Mike may have others.
>
> - <!--[if !supportLists]--><!--[endif]-->Page 15 – last bullet; the $2 billion credit facility has been extended from the OFA, not the OEFC
> - <!--[if !supportLists]--><!--[endif]-->Page 25 - Change of law Process Agreement; I would add that the PAM is set and updated by the Financing Plan.
>
> Thanks
> Ken k
>
> **From:** LEE John -TREASURY [mailto:john.s.lee@opg.com]
> **Sent:** Thursday, December 21, 2017 5:33 PM
> **To:** Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
> **Cc:** Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Shruti.Talwar@ontario.ca; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>
> **Subject:** Draft Fair Hydro Investor Presentation.
> Tim:
> As discussed attached is the most current draft of the Investor Presentation. If you or

the MOE or OFA have any comments please let us know.
The plan is to have another turn of the document in the 1st week in January. May will have the “pen” from our side.
Have a Merry Christmas.
John

John Lee | Vice President Treasurer |
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From: Hanslep, Malle (MOF)
To: Ken Kandeepan; Thouin, Alena (ENERGY); Anna Strathy; Mike Manning; Ronald Kwan
Cc: Tobias P. Whitfield (MOF); Tim Christie (ENERGY); Veinot, Cindy (TBS)
Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province
Date: Friday, January 05, 2018 12:08:49 PM

I am just going to ask for information and not suggest anything to Rima and then get back to the group.

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Hanslep, Malle (MOF)
Sent: Friday, January 5, 2018 11:55
To: Kandeepan, Ken (OFA); Thouin, Alena (ENERGY); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)
Cc: Whitfield, Tobias P. (MOF); Christie, Tim (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Yes I understand that, but they requested it nevertheless which would have resulted in the Province having very little time to review these documents.

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January-05-18 11:54 AM
To: Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)
Cc: Whitfield, Tobias P. (MOF); Christie, Tim (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

To clarify Malle, the waiver requested related to an issue date of Jan 15th, given that as per the attached email the date is now the 22nd no waiver is required.

Thanks

Ken k

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Friday, January 05, 2018 11:50 AM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Yes this would be my understanding based on the emails so far. They want to meet the 10 business day deadline for sending reference documents to the Province before their proposed transaction date. They have even requested that this time period be waived which would result in the Province having less time to these documents. As you know we haven't received a draft of the OM since November.

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: January-05-18 11:44 AM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)
Cc: Whitfield, Tobias P. (MOF); Christie, Tim (ENERGY); Veinot, Cindy (TBS)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

I am little concerned that with a proposed date of Jan 22nd for the term deal, delivery today will ensure that the 10 business day expire on Jan 19th, whereas delivery on Monday means that the expiry is on the day of the deal itself. Cutting it too close.

Thanks

Ken k

-----Original Message-----
From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
Sent: Friday, January 05, 2018 11:34 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Cc: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle

Perhaps it's worthwhile for you to place a call to Rima and ask what is driving today vs. Monday? Maybe she will be more forthcoming over a call?

Alena Thouin

Deputy Director, Legal Services

Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility

56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7

Tel: 416-325-1834 Email: alena.thouin@ontario.ca

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-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January 5, 2018 11:27 AM

To: Kandeepan, Ken (OFA); Strathy, Anna (OFA); Manning, Mike (OFA); Kwan, Ronald (OFA)

Cc: Whitfield, Tobias P. (MOF); Thouin, Alena (ENERGY); Christie, Tim (ENERGY); Veinot, Cindy (TBS)

Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province

I don't know exactly what the content of our conversation at 3pm will be so maybe we should consider whether today is the appropriate time for OPG to deliver these final documents, including the OM?

-----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-05-18 11:22 AM

To: 'Ramchandani, Rima'

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

I realize that there are other discussions taking place, but I would like to speak to Provincial staff about the plan to deliver final documents to the Ministers/DM's today since our internal call is not taking place until 3pm.

Thanks,

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 11:18 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

OK. I expect to be in the office until 5 pm - if you think it will slip past that, please let me know. FYI, we are also planning on hand delivering the documents to the Ministers and Deputy Ministers as soon as possible this afternoon (hopefully that will happen before 3 pm).

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 11:10 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 10:50 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: January-05-18 10:11 AM

To: Ramchandani, Rima <rramchandani@torys.com>

Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: January-05-18 8:57 AM

To: Hanslep, Malle (MOF)

Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----

From: Hanslep, Malle (MOF)

Sent: January-04-18 4:11 PM

To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17

To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)

Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima

Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes

(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes

(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes

(4) Agency Agreement

(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)

(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP

79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=sDTjf9tVmfT9K92u269doOHn6NwIN5Soa0mhVrZmimM&m=_E2eatPNZaQkHAKbaMe8etZ0qgkVUCNY_YO4TmEPvfQ&s=-Puz-FGasEGh2DanzowvhV5OQzCvvQ-OtdGNYS-gFb8&e= >

-----Original Message-----

From: LEE John -TREASURY

Sent: Thursday, January 04, 2018 12:18 PM

To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:

We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----

From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]

Sent: Thursday, January 04, 2018 9:36 AM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]

Sent: Wednesday, January 03, 2018 8:45 PM

To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>

Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>

Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. ?Also is there a plan for distributing to the Province the documents from the warehouse closing?

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Ken Kandeepan

Sent: Wednesday, January 3, 2018 20:04

To: LEE John -TREASURY

Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)

Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, January 03, 2018 5:38 PM

To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima

Sent: January-03-18 5:32 PM

To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]

Sent: January-03-18 5:24 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com><mailto:rramchandani@torys.com>>

Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Ronald Kwan
To:	Mike Manning
Cc:	Malle Hanslep (MOF); Ken Kandeepan; Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); ASHBOURNE, STEPHEN; Anna Strathy; Tim Christie (ENERGY); Shannon Jack (MTO); Veinot, Cindy (TBS)
Subject:	Re: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 10:59:15 AM

Hi,

I'm out of the office, but I can get a debrief later.

Ron

> On Jan 5, 2018, at 10:33 AM, Mike Manning <Mike.Manning@ofina.on.ca> wrote:
>
> Fine for me.
> Mike
>
> -----Original Message-----
> From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
> Sent: Friday, January 05, 2018 10:28 AM
> To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
> Cc: Shannon Jack (MTO) <Shannon.Jack@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>
> Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
>
> Hi,
>
> 3 pm is good for me.
>
> -----Original Message-----
> From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
> Sent: January-05-18 10:18 AM
> To: Manning, Mike (OFA); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Strathy, Anna (OFA); Kwan, Ronald (OFA); Christie, Tim (ENERGY)
> Cc: Jack, Shannon (TBS); Veinot, Cindy (TBS)
> Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
>
> As I discussed with Malle, Cindy's participation on this call will be quite value-added, she is available at 3PM if that works for everyone else. If so can someone pls send out a tele conference invite.
>
> Thanks
>
> Ken k
>
> -----Original Message-----
> From: Mike Manning
> Sent: Friday, January 05, 2018 10:08 AM
> To: 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
> Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
>
> Around as well.
> Mike
>
> -----Original Message-----
> From: Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
> Sent: Friday, January 05, 2018 10:03 AM
> To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
> Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
>
> I am available as well.
>
> After 11:30
>
> Adding our Energy policy counterparts.
>
>
>
>
>
> Alena Thouin
>

> Deputy Director, Legal Services Branch
>
> Ministries of Energy / Infrastructure / Economic Development & Growth /
>
> Research, Innovation & Science / Accessibility
>
> 56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
>
> Tel: 416-325-1834 Email: alena.thouin@ontario.ca
>
>
>
> This communication may be Solicitor/Client privileged and contain confidential information intended only for the individual or entity named in the message. If the reader of this message is not the intended recipient, or the agent responsible to deliver it to the intended recipient, you are hereby notified that any review, dissemination, distribution or copying of this communication is prohibited. If this communication was received in error, please notify us by reply e-mail and delete the original message. Thank you.
>
>
>
>
>
>
>
>
>
> -----Original Message-----
>
> From: Whitfield, Tobias P. (MOF)
>
> Sent: January 5, 2018 9:35 AM
>
> To: Hanslep, Malle (MOF); ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
>
> Cc: Thouin, Alena (ENERGY)
>
> Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
>
>
>
> I am available any time this morning.
>
>
>
> Tobias Whitfield
>
> Counsel, Legal Services Branch
>
> Ministry of Finance
>
> tobias.whitfield@ontario.ca
>
> Phone: 416-325-1456
>
>
>
>
>
> -----Original Message-----
>
> From: Hanslep, Malle (MOF)
>
> Sent: January 5, 2018 9:32 AM
>
> To: ASHBOURNE, STEPHEN; Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
>
> Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)
>
> Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
>
>
>
> All, Should we have a call to discuss the approach here? I am also available this morning. Maybe someone from Energy policy on it as well. Perhaps Alena can advise.
>
>
>
> -----Original Message-----
>

> From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
>
> Sent: January-05-18 9:29 AM
>
> To: Hanslep, Malle (MOF); Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
>
> Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF)
>
> Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
>
>
>
> Thanks for the update, Malle.
>
>
>
> I'm not sure how this materiality discussion will relate to the Province commenting on the OM. The base form of the OM was not envisioned as of December 20th, and so it is unclear to me that the material effect discussion is relevant for that purpose.
>
>
>
> I have been expecting that the Province would be quite involved in the production of the OM, and not just for information purposes.
>
>
>
> To illustrate the sorts of items I would anticipate being relevant to the Province in reviewing the OM, I attach a partial mark-up of the Nov 17th OM (the only one we ever saw) to show how (among other things) the narratives included at that time were not aligned with the legislation. The partial mark-up is a comparison to the version circulated by Alena that included James Rehob's comments. Also, as you know, the Change of Law terms were substantially settled after November 17th, and so those portions of the OM will also be quite different.
>
>
>
> Generally, the sorts of things I think the Province may be concerned about in reviewing the OM will include:
>
>
>
> (a) ensuring that the description of the Protection Agreement is accurate and does not overstate the Province's obligations,
>
> (b) ensuring that the limitations contemplated in s. 40 of OFHPA and s.19 of the General Regulation have been observed,
>
> (c) eliminating any implied/moral undertakings by the Province to bondholders,
>
> (d) scrutinizing any "risk factors", particularly as they might relate to the context in which Protection Events may arise,
>
> (e) confirming any disclosures regarding the Province's (Ministers') roles, including in setting the "fair allocation amount", accepting the "Financing Plan" provided to the Minister of Energy, etc.,
>
> (f) ensuring that any description of the Crown, Crown immunity, the OFHPA, the regulations made under it, the OIC, the authority of the LGIC, the provisions of the Electricity Act and related regulations and processes, the Financing Plan, the electricity market regulatory infrastructure and other relevant legal principles and contexts are all properly and accurately described (recognizing the risk that any statement may be attributed to the Province based on its close proximity to the program, and could become consequential in any future legal process that seeks to interpret the statute),
>
> (g) scrutinizing disclosures that could later become evidence in any legal proceeding that would challenge the validity of the OFHPA and related laws,
>
> (h) confirming any "electricity market" disclosures that could impact on underlying considerations, such as the potential for and impact of off-grid migration and by-pass risks, and
>
> (i) the propriety of disclosures regarding matters that could impact on the pricing or rating of the issued bonds.
>
> (This list was previously included in my November 22nd due diligence note to the Province's lawyer team.)
>
>
>
> In addition, the Province will need to confirm how James Rehob's earlier comments have been reflected in the OM.
>
>
>
> Given all this and the offering timing described by Torys, I think it makes sense to insist on getting the OM now and confirming with OPG that the Province will be taking a careful look at the document, which will take some time (at least 5 business days), and so that could impact the overall timing.
>
>
>
> I will be tied up from 930 to 1030, but then free until 1145.
>
>
>
> Regards, Steve
>

>
>
> Stephen R. Ashbourne
>
> Partner
>
> stephen.ashbourne@blakes.com
>
> Dir: 416-863-3086
>
>
>
>
>
>
>
> Blake, Cassels & Graydon LLP
>
> 199 Bay Street, Suite 4000, Toronto ON M5L 1A9
>
> Tel: 416-863-2400 Fax: 416-863-2653
>
> https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=A4FRvIHct8h_iA1PKpb1pLHhMNORZ6vRN15XI6hpI5k&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=bI-GH3geYz8H122_42BR_aDcMYYJQKnH8lGgqenva50&e= | https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=-QrGCWjnt9dPZPev23OfdA9HRBBXC1iSHeMNNCjt5RM&s=ko9V22NeKbnEMcpBFuzSVtWwSSvVOZxxjYVBohQiPhk&e=
>
>
>
> Blake, Cassels & Graydon LLP | Barristers & Solicitors | Patent & Trade-mark Agents This email communication is CONFIDENTIAL AND LEGALLY PRIVILEGED. If you are not the intended recipient, please notify me at the telephone number shown above or by return email and delete this communication and any copy immediately. Thank you.
>
>
>
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>
>
>
> -----Original Message-----
>
> From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
>
> Sent: Friday, January 05, 2018 8:49 AM
>
> To: Manning, Mike (OFA); Kandeepan, Ken (OFA); Strathy, Anna (OFA); Kwan, Ronald (OFA)
>
> Cc: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN
>
> Subject: FW: EXTERNAL – Delivery of Reference Documentation to Province
>
>
>
> As you know prior to the warehouse closing we were sent informally drafts of the reference documents as they developed. Since Dec 20th we have received no further drafts of these documents. I don't understand whether it is OPG's plan that they send final transactions documents today (10 days before) and then the Province has the right to object based on the parameters of "material effect" as defined in the Process Agreement. A draft of the investor presentation was circulated to the Province and some comments were being collected yesterday by Energy and the OFA.
>
>
>
> ""Material Effect" means a material adverse effect on the obligations or the rights of the Province under the Limited Guarantee, the Change of Law Protection Agreement or this Agreement that relates to, and in each case, differs in any material respect from the terms or conditions applicable to any other Transaction Document that forms part of the Reference Documentation at the relevant time, the following: (i) the timing of or circumstances under which related payments would or may become due or accrue (including as a result of any default, acceleration, termination, wind-up, liquidation or realization) that, in each case, is inconsistent with the Fair Allocation Amount; (ii) the appointment, obligations or duties of OPG as the Manager; (iii) the existence, powers or authority of the Financing Entity or the Financing Entity Trustee; (iv) the obligations of the Indenture Trustee to or in respect of the Province as a Specified Creditor; (v) the payment provisions and associated priorities set forth in the Trust Indenture; (vi) compliance by the FSM with the then applicable Financing Plan; (vii) compliance by the FSM or the Financing Entity with the Act or the General Regulation; or (viii) the Province's rights of subrogation or assignment (including pursuant to Sections 1.05, 2.01 or 5.01 of the Change of Law Protection Agreement) or its interests as a subrogee or an assignee, that would arise as a result of performing the Limited Guarantee in respect of the applicable Primary Obligation."
>

>
>
> Thanks,
>
>
>
> Malle
>
> -----Original Message-----
>
> From: Hanslep, Malle (MOF)
>
> Sent: January-05-18 8:40 AM
>
> To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
>
> Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May - TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
>
> Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
>
>
>
> Hi Rima,
>
>
>
> I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?
>
>
>
> Thanks,
>
>
>
> Malle
>
>
>
> -----Original Message-----
>
> From: Hanslep, Malle (MOF)
>
> Sent: January-04-18 4:11 PM
>
> To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
>
> Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May - TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
>
> Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province
>
>
>
> Hi Rima
>
>
>
> Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.
>
>
>
> Thanks
>
>
>
> Malle
>
>
>
> Sent from my BlackBerry 10 smartphone on the Rogers network.
>
> Original Message
>

> From: Ramchandani, Rima
>
> Sent: Thursday, January 4, 2018 15:17
>
> To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
>
> Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
>
> Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province
>
>
>
>
>
> Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.
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> We are planning on delivering the following additional reference documentation to the Province tomorrow:
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> (1) Supplemental Indenture for the Series 2018-1 Term Notes
>
> (2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes
>
> (3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes
>
> (4) Agency Agreement
>
> (5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)
>
> (6) Term Sheet supplementing the Offering Memorandum
>
>
>
> As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.
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>
> Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.
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>
> Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.
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> Thanks,
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> Rima
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> Rima Ramchandani
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>
> P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
>
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>
> Torys LLP

>
> 79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com
>
>
>
>
>
> -----Original Message-----
>
> From: LEE John -TREASURY
>
> Sent: Thursday, January 04, 2018 12:18 PM
>
> To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>
>
> Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
>
> Subject: RE: EXTERNAL – RE: Waiver Process
>
>
>
> Ken/Steen:
>
> We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.
>
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>
> Please advise and we will adjust the work plan accordingly.
>
>
>
>
>
> John
>
>
>
>
>
> -----Original Message-----
>
> From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
>
> Sent: Thursday, January 04, 2018 9:36 AM
>
> To: LEE John -TREASURY <john.s.lee@opg.com>
>
> Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
>
> Subject: EXTERNAL – RE: Waiver Process
>
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>
> *** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***
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>
> Hi John
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>
> I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

>
>
>
> Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.
>
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>
> Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.
>
>
>
> With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.
>
>
>
> Thanks
>
>
>
> Ken k
>
>
>
>
>
> -----Original Message-----
>
> From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
>
> Sent: Wednesday, January 03, 2018 8:45 PM
>
> To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
>
> Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
>
> Subject: Re: Waiver Process
>
>
>
> It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
>
> Thanks
>
>
>
> Malle
>
> Sent from my BlackBerry 10 smartphone on the Rogers network.
>
> From: Ken Kandeepan
>
> Sent: Wednesday, January 3, 2018 20:04
>
> To: LEE John -TREASURY
>
> Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
>
> Subject: Re: Waiver Process
>
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>
> Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.
>
>
>
> I am cc’ing our legal counsel to see if they have any suggestions.
>
>

>
> Ken k
>
>
>
> On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:
>
>
>
> Ken:
>
>
>
> Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.
>
>
>
> Please advise.
>
>
>
> John
>
>
>
>
>
>
>
> From: Ramchandani, Rima [mailto:rramchandani@torys.com]
>
> Sent: Wednesday, January 03, 2018 5:38 PM
>
> To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
>
> Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
>
> Subject: RE: EXTERNAL – RE: Diligence Questions
>
>
>
> I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!
>
>
>
> Rima
>
>
>
> Rima Ramchandani
>
>
>
> P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
>
> From: Ramchandani, Rima
>
> Sent: January-03-18 5:32 PM
>
> To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
>
> Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
>
> Subject: RE: EXTERNAL – RE: Diligence Questions
>

>
>
> OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.
>
>
>
> Rima
>
>
>
> Rima Ramchandani
>
>
>
> P. 416.865.7666
>
>
>
> From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
>
> Sent: January-03-18 5:24 PM
>
> To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
>
> Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
>
> Subject: RE: EXTERNAL – RE: Diligence Questions
>
>
>
> I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.
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> John
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>

From:	Ramchandani, Rima
To:	Malle Hanslep (MOF)
Cc:	Mike Manning; Tobias P. Whitfield (MOF); Anna Strathy; Thouin, Alena (ENERGY); David McLean (MOF); Jonathan Tekle (CAB); Ronald Kwan; Steen Hume (CAB); Tim Christie (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett
Subject:	Re: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 8:57:20 AM

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF)
<Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-04-18 4:11 PM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Ramchandani, Rima

Sent: Thursday, January 4, 2018 15:17
To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

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(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes
(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes
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(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)
(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,
Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP
79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIFaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=4rYAszcbAN5jqW8JmFzv5nACWrJkORqsaFJfiIWGqkY&s=Rp8gfRsSSkn9-Z0OIxg-eQM_Q2l_vhRCkKJFrd3ilwY&e= >

-----Original Message-----
From: LEE John -TREASURY
Sent: Thursday, January 04, 2018 12:18 PM
To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>
Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:
We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

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Sent: Thursday, January 04, 2018 9:36 AM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB) <Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>
Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>
Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks

Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com> <mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com> <mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com> <mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>
<mailto:rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>
<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY
<lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>
<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Hanslep, Malle (MOF)
To:	Ramchandani, Rima; Mike Manning; Tobias P. Whitfield (MOF); Anna Strathy; Thouin, Alena (ENERGY); David McLean (MOF); Anna Strathy; Jonathan Tekle (CAB); Ronald Kwan; Steen Hume (CAB); Tim Christie (ENERGY)
Cc:	LEE John -TREASURY; "WONG Leslie -LAWDIV"; "RYFA Ken -TREASURY"; "LADAK Lubna -TREASURY"; "LAURETA LAPIRA May -TREASURY"; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject:	Re: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Thursday, January 04, 2018 4:11:46 PM

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Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com

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Sent: Thursday, January 04, 2018 9:36 AM
To: LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>

Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks

Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process

Thanks, didn’t realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Hanslep, Malle (MOF)
To:	Jonathan Tekle (CAB)
Cc:	Tobias P. Whitfield (MOF); Anna Strathy; Ronald Kwan; David McLean (MOF); Mike Manning; David McLean (MOF)
Subject:	Re: EXTERNAL – Delivery of Reference Documentation to Province
Date:	Friday, January 05, 2018 5:11:11 PM

Hi Jonathan

I believe that they were sent by email about 15 minutes ago but sometimes if there is a big attachment it doesn't come through to me. Perhaps others on this email stream can let you know if they received the attachments

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Tekle, Jonathan (MOF)
Sent: Friday, January 5, 2018 17:07
To: Hanslep, Malle (MOF)
Cc: Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Kwan, Ronald (OFA); McLean, David (MOF); Manning, Mike (OFA); McLean, David (MOF)
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle,

Just confirming that Tory's hand delivered the transaction documents this afternoon to the DMO.

Did you receive electronic copies of the package as well?

Cheers,
Jonathan

-----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January 5, 2018 11:38 AM
To: Ramchandani, Rima
Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

Actually, if you don’t mind I can give you a call now? Thanks.

Malle

-----Original Message-----
From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: January-05-18 11:18 AM
To: Hanslep, Malle (MOF)
Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

OK. I expect to be in the office until 5 pm - if you think it will slip past that, please let me know. FYI, we are also planning on hand delivering the documents to the Ministers and Deputy Ministers as soon as possible this afternoon (hopefully that will

happen before 3 pm).

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: January-05-18 11:10 AM
To: Ramchandani, Rima <rramchandani@torys.com>
Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are not having our internal call to discuss the issues related to the process agreement and delivery of these additional transaction documents until 3pm so it would be after that.

Thanks.

Malle

-----Original Message-----
From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: January-05-18 10:50 AM
To: Hanslep, Malle (MOF)
Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Sure Malle, I'm available today so just let me know if you would like to chat live.

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: January-05-18 10:11 AM
To: Ramchandani, Rima <rramchandani@torys.com>
Cc: Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; Mansoori, Nina <nmansoori@torys.com>; Saulnier, Brett <bsaulnier@torys.com>
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima,

We are going to be discussing internally here today and might like to have a call later. Thanks.

Malle

-----Original Message-----
From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: January-05-18 8:57 AM
To: Hanslep, Malle (MOF)
Cc: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); LEE John -TREASURY; WONG Leslie -LAWDIV; RYFA Ken -TREASURY; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; Mansoori, Nina; Saulnier, Brett
Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, we expect the documents being delivered today will be “Substantially in the Form” (as defined in the change of law process agreement) of the final documents — we will need to fill in some bullets such as dates, pricing information, the names of all of the Agents and I expect there will be some minor clean up to the OM (for instance, making sure all of our cross-references are correct and that the glossary picks up all defined terms) but otherwise we are not anticipating any material changes to the forms of the documents being delivered.

Rima

Sent from my iPhone

On Jan 5, 2018, at 8:41 AM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>> wrote:

Hi Rima,

I have a further question for clarification and perhaps it would make sense to have a call this morning. As you know we have not seen any further drafts of these documents since before the warehouse closing. Have all of these transaction documents now been done in final form? What is their status?

Thanks,

Malle

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679 -----Original Message-----
From: Hanslep, Malle (MOF)
Sent: January-04-18 4:11 PM
To: Ramchandani, Rima; Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: Re: EXTERNAL – Delivery of Reference Documentation to Province

Hi Rima

Thanks for the update. I think it would be helpful if you included Toby, Alena and myself on the email where you attach the documents in order to save time. Also it would be helpful if you include track changes versions as you suggest.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Ramchandani, Rima
Sent: Thursday, January 4, 2018 15:17
To: Manning, Mike (OFA); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA); Thouin, Alena (ENERGY); Hanslep, Malle (MOF); McLean, David (MOF); Strathy, Anna (OFA); Tekle, Jonathan (MOF); Kwan, Ronald (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: LEE John -TREASURY; 'WONG Leslie -LAWDIV'; 'RYFA Ken -TREASURY'; 'LADAK Lubna -TREASURY'; 'LAURETA LAPIRA May -TREASURY'; Mansoori, Nina; Saulnier, Brett; Ramchandani, Rima
Subject: RE: EXTERNAL – Delivery of Reference Documentation to Province

Hi Malle, Alena and Toby, Happy New Year to all of you. John forwarded the email below and attached and asked that I connect with you and provide an update. I have included the business folks on this email to make sure we are all on the same page. As John notes below, we had been working towards being in a position to commence marketing for the term deal on January 15th but if marketing is pushed to January 22 or later, then a waiver of the 10 business day requirement should not be necessary. I will let our respective clients advise us on that point and we can come back to the logistics/process for obtaining a waiver should we need one.

We are planning on delivering the following additional reference documentation to the Province tomorrow:

(1) Supplemental Indenture for the Series 2018-1 Term Notes
(2) Supplemental Indenture for the Series 2018-1 Subordinated Term Notes
(3) Supplemental Indenture for the Series 2018-1 Junior Subordinated Term Notes
(4) Agency Agreement
(5) Offering Memorandum (including the investor presentation attached as an exhibit to the OM)
(6) Term Sheet supplementing the Offering Memorandum

As you may recall, under the change of law process agreement, all deliveries are required to be made by mail, fax or delivered by hand to each of the Ministers and Deputy Ministers of the MOF and the MOE. To comply with the agreement, we plan on hand delivering the above documents to each of the Ministers and Deputy Ministers tomorrow. We can also email all of these documents to all of you and anyone else you would like us to send these to (in addition to Scott Thompson, Gadi Mayman, Anna Strathy, David McLean, Jonathan Tekle, Mike Manning and Ken Kandeepan -- as requested in Ken's email below). I believe that earlier drafts of all of the term supplemental indentures and the agency agreement were previously circulated to you -- for ease of reference, please let us know if it would be helpful for us to include blacklines to the last versions we sent to you in the email.

Let us know if you agree with the above approach, and feel free to reach out if you have any questions or would like to discuss.

Malle, you had also asked about delivery of the documents from the warehouse closing -- closing books are in progress and we expect to have those ready for circulation next week. Again, in order to comply with the change of law process agreement, the electronic closing books will be delivered to the Ministers and Deputy Ministers of each of the MOF and MOE, but we are happy to also send a copy to others on your instruction.

Thanks,
Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

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79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2 Canada |
www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF_g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=1WCFaAewIqIPtgc2UgQfRCk_JzGqd0SWBy1jaAh8eYo&s=MXGBqB4JnK1HjkHfSa8yeTaiflqqzKa_3ns5yvLE4QM&e=>

-----Original Message-----
From: LEE John -TREASURY
Sent: Thursday, January 04, 2018 12:18 PM
To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF) <David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB)

<Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan
<Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB)
<Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY)
<Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>
Subject: RE: EXTERNAL – RE: Waiver Process

Ken/Steen:
We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.

Please advise and we will adjust the work plan accordingly.

John

-----Original Message-----
From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
Sent: Thursday, January 04, 2018 9:36 AM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY
<lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY
<may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY
<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning
<Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF)
<Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy
<Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY)
<Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Malle Hanslep (MOF)
<Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; David McLean (MOF)
<David.McLean@ontario.ca<mailto:David.McLean@ontario.ca>>; Anna Strathy
<Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Jonathan Tekle (CAB)
<Jonathan.Tekle@ontario.ca<mailto:Jonathan.Tekle@ontario.ca>>; Ronald Kwan
<Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Steen Hume (CAB)
<Steen.Hume@ontario.ca<mailto:Steen.Hume@ontario.ca>>; Tim Christie (ENERGY)
<Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>
Subject: EXTERNAL – RE: Waiver Process

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____

Hi John

I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca<mailto:Scott.Thompson@ontario.ca>, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:

Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.

Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.

With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.

Thanks

Ken k

-----Original Message-----

From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: Wednesday, January 03, 2018 8:45 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>
Subject: Re: Waiver Process

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks

Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com> <mailto:john.s.lee@opg.com>> wrote:

Ken:

Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com><mailto:john.s.lee@opg.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie - LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken - TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani

P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com><mailto:rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com><mailto:mfeldman@torys.com>>; WONG Leslie - LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com><mailto:leslie.wong@opg.com>>; LADAK Lubna - TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com><mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com><mailto:may.lapira@opg.com>>; RYFA Ken - TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com><mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com><mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com><mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

_____

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From:	Benaiah, Ian
To:	Persad, Nicole; "YAO Anthea -FUNDMGMT"; "Mansoori, Nina"; dup-john.s.lee@opg.com; "WONG Leslie -LAWDIV"; Gadi Mayman; "Hunter, Rosalind"; Malle Hanslep (MOF); "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Ronald Kwan; "Thouin, Alena (ENERGY)"; Tom McKinlay (MAG); "VINER, JON"; "PRESTAGE, JA"; Daniel Cayley (ENERGY); "LIU Sheen -TREASURY"; "MCAULEY Tyler -LAWDIV"; "GRECO Clara -LAWDIV"; "GO Matthew -TREASURY"; "JORDA Jenny -FIN & C CTRL"; "PRESTON Stuart -TREASURY"; "DREWNIAK John -TREASURY"; "HAHN PARKER Janet -TREASURY"; Alvi, Shariq; "Innes, Michael"; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; "mfitzpatrick@hunton.com"; "aobrian@hunton.com"; "Smith, Elliot"; "King, Richard"; "Royer, Kate"; "Hughes, Timothy"; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; "Sebastiano, Rocco"; Maciel, Andrew; Khan, Nur; ""Niehaus, Katrina" (Katrina.Niehaus@gs.com)"; "Delaney, Brian (Brian.Delaney@gs.com)"; "Conner, Robbin"; "Milligan, Peter"; "Sebastiano, Rocco"; "Fullerton, Rick"; "Lively, Pamela"; "Adam, Ahmad"; "Krowles, Geralyn"; "Morris, Eleonore"; "Peter Hamilton"; "Michael Boll"; dup-anthony.martinello@ieso.ca; "Jeannette Briggs (jeannette.briggs@ieso.ca)"; "kim.marshall@ieso.ca"; "RYFA Ken -TREASURY"; Malhi, Harman; Taylor, Brent R
Cc:	"Feldman, Michael"; "Ramchandani, Rima"; "Emes, Aaron"; "Olusoga, Yinka"; "Saulnier, Brett"; "Prado, Melissa"; "Dost, Mitchell"
Subject:	Re: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Date:	Thursday, December 21, 2017 10:05:44 AM

Anthea,

RBC wire reference number for Lakeshore Trust is:

Lakeshore Trust - $244,274,062.50 - LVTS 65GXL6VDCTR2
Please let us know if you have any questions. Thanks. Ian

From: Persad, Nicole
Sent: Thursday, December 21, 2017 9:29 AM
To: 'YAO Anthea -FUNDMGMT'; 'Mansoori, Nina'; dup-john.s.lee@opg.com; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Benaiah, Ian; Khan, Nur; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; 'RYFA Ken -TREASURY'
Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea,
CIBC wire reference numbers are as follows:
SOUND Trust - $200,000,000.00 - LVTS65GXJ078QTR2
SURE Trust - $44,274,062.50 - LVTS65GXJAPDOTR2
Thanks,
Nicole

Nicole Persad | Associate, Securitization | CIBC Capital Markets | CIBC World Markets Inc.
161 Bay Street 5th Floor, Toronto ON M5J 2S8 | Tel: 416 594-7576 | nicole.persad@cibc.com

From: YAO Anthea -FUNDMGMT [mailto:anthea.yao@opg.com]
Sent: Thursday, December 21, 2017 9:07 AM
To: Mansoori, Nina; dup-john.s.lee@opg.com; WONG Leslie -LAWDIV; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; GRECO Clara -LAWDIV; GO Matthew -TREASURY; JORDA Jenny -FIN & C CTRL; PRESTON Stuart -TREASURY; DREWNIAK John -TREASURY; HAHN PARKER Janet -TREASURY; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; Persad, Nicole; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; 'Benaiah, Ian'; 'Khan, Nur'; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; RYFA Ken -TREASURY
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Saulnier, Brett; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Just to clarify that the wires below were sent.

From: YAO Anthea -FUNDMGMT
Sent: Thursday, December 21, 2017 9:03 AM
To: 'Mansoori, Nina' <nmansoori@torys.com>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick'

<RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

Please see the LVTS numbers for the two wire payments below.

OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GXAOJ7ITR2

OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GX5P4FNTR2

Thanks,

Anthea

Anthea Yao | Ontario Power Generation
700 University Avenue, Suite H18 C2, Toronto, Ontario, M5G 1X6 | T416.592.5542 | F 416.592.4189 | E anthea.yao@opg.com

---

From: Mansoori, Nina [mailto:nmansoori@torys.com]
Sent: Wednesday, December 20, 2017 10:42 PM
To: LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; YAO Anthea -FUNDMGMT <anthea.yao@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco'

<RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Importance: High
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Dear all – all parties have now confirmed that they are signed off on all applicable transaction documentation and that their respective opinions and signature pages will be automatically released tomorrow. On that basis, we are dispensing with the scheduled 9 am closing call. The necessary wires have been set up this evening and will be initiated as soon as possible in the morning in accordance with my email below. We look forward to tomorrow's closing and receiving the confirmations requested below. Thanks,

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[na01.safelinks.protection.outlook.com]

[na01.safelinks.protection.outlook.com]

From: Mansoori, Nina
Sent: December-19-17 4:52 PM
To: 'dup-john.s.lee@opg.com' <john.s.lee@opg.com>; 'leslie.wong@opg.com' <leslie.wong@opg.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Hunter, Rosalind <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; VINER, JON <JON.VINER@blakes.com>; PRESTAGE, JA <JA.PRESTAGE@blakes.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; 'sheen.liu@opg.com' <sheen.liu@opg.com>;

'tyler.mcauley@opg.com' <tyler.mcauley@opg.com>; 'clara.greco@opg.com' <clara.greco@opg.com>; 'matthew.go@opg.com' <matthew.go@opg.com>; 'anthea.yao@opg.com' <anthea.yao@opg.com>; 'jenny.jorda@opg.com' <jenny.jorda@opg.com>; 'stuart.preston@opg.com' <stuart.preston@opg.com>; 'john.drewniak@opg.com' <john.drewniak@opg.com>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; Innes, Michael <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; Smith, Elliot <ESmith@osler.com>; King, Richard <rking@osler.com>; Royer, Kate <KRoyer@osler.com>; Hughes, Timothy <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; Sebastiano, Rocco <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; Sebastiano, Rocco <RSebastiano@osler.com>; Fullerton, Rick <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; Adam, Ahmad <Ahmad.Adam@bnymellon.com>; Krowles, Geralyn <Geralyn.Krowles@BNYMellon.com>; Morris, Eleonore <Eleonore.Morris@bnymellon.com>; Peter Hamilton <PHamilton@stikeman.com>; Michael Boll <Michael.Boll@ieso.ca>; Anthony Martinello (Anthony.Martinello@ieso.ca) <Anthony.Martinello@ieso.ca>; Jeannette Briggs (jeannette.briggs@ieso.ca) <jeannette.briggs@ieso.ca>; kim.marshall@ieso.ca

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>

Subject: Closing Mechanics - Fair Hydro

Importance: High

Dear all,

As you know we are closing the warehouse financing this coming Thursday, December 21 at 9 am. We have set out below the pre-closing and closing mechanics to ensure all parties know what to expect. Please let us know as soon as possible if you have any questions. Thank you.

Wednesday, December 20, 2017

- **by 10 am**, all legal counsel to deliver their client's signature pages and all signed legal opinions in escrow to Torys
- **by 10 am**, the Trust will be formed and Torys will provide the IESO with the necessary documentation to wire the carrying costs
- **by noon**, IESO will wire C$6,000,000 representing the carrying costs to the Collection Account and circulate a wire confirmation to this group
- Oslers, Stikemans and Blakes are welcome to attend the closing room at Torys from 1 pm onwards to review applicable documentation (or request that documentation by email)

- by close of business, Oslers, Stikemans, Blakes and Torys to confirm to their respective clients that the applicable documents are in satisfactory form and Oslers to confirm to lenders that all CPs to closing are satisfied (subject to OPG's funding of the subordinated debt and payment of lender fees)

Thursday, December 21, 2017

- this group will hold a call at 9 am so that each counsel can confirm release of their clients' signature pages from escrow (Torys to send a calendar invite with call-in details)
- OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to CIBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to RBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$300,000 (for fees) to Goldman per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- Upon receipt of the tracking numbers for the two OPG wires and three BNY wires above:
    - CIBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - RBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - Goldman will transfer C$112,741,875.00 to IESO per the wire details on Schedule A of the attached global direction
- IESO to confirm to this group receipt of all wires sent to them above
- CIBC, RBC and Goldman to confirm to this group receipt of all fees wired above
- Oslers to circulate email to this group confirming closing of warehouse financing

Nina Mansoori
P. 416.865.7332

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Si vous recevez ce courriel par erreur, veuillez m'en aviser immédiatement, par retour de courriel ou par un autre moyen.

From:	Benaiah, Ian
To:	Saulnier, Brett; Delaney, Brian; Persad, Nicole; "YAO Anthea -FUNDMGMT"; Mansoori, Nina; dup-john.s.lee@opg.com; "WONG Leslie -LAWDIV"; Gadi Mayman; "Hunter, Rosalind"; Malle Hanslep (MOF); "ASHBOURNE, STEPHEN"; Tobias P. Whitfield (MOF); Ken Kandeepan; Mike Manning; Ronald Kwan; "Thouin, Alena (ENERGY)"; Tom McKinlay (MAG); "VINER, JON"; "PRESTAGE, JA"; Daniel Cayley (ENERGY); "LIU Sheen -TREASURY"; "MCAULEY Tyler -LAWDIV"; "GRECO Clara -LAWDIV"; "GO Matthew -TREASURY"; "JORDA Jenny -FIN & C CTRL"; "PRESTON Stuart -TREASURY"; "DREWNIAK John -TREASURY"; "HAHN PARKER Janet -TREASURY"; Alvi, Shariq; "Innes, Michael"; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; "mfitzpatrick@hunton.com"; "aobrian@hunton.com"; "Smith, Elliot"; "King, Richard"; "Royer, Kate"; "Hughes, Timothy"; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; "Sebastiano, Rocco"; Maciel, Andrew; Khan, Nur; Niehaus, Katrina; Conner, Robbin; "Milligan, Peter"; "Sebastiano, Rocco"; "Fullerton, Rick"; "Lively, Pamela"; "Adam, Ahmad"; "Krowles, Geralyn"; "Morris, Eleonore"; "Peter Hamilton"; "Michael Boll"; dup-anthony.martinello@ieso.ca; "Jeannette Briggs (jeannette.briggs@ieso.ca)"; "kim.marshall@ieso.ca"; "RYFA Ken -TREASURY"; Malhi, Harman; Taylor, Brent R
Cc:	Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Prado, Melissa; Dost, Mitchell
Subject:	Re: EXTERNAL – RE: Closing Mechanics - Fair Hydro
Date:	Thursday, December 21, 2017 11:50:08 AM

RBC confirms receipt of fees. Thanks. Ian

From: Saulnier, Brett
Sent: Thursday, December 21, 2017 11:05 AM
To: Delaney, Brian; Benaiah, Ian; Persad, Nicole; 'YAO Anthea -FUNDMGMT'; Mansoori, Nina; dup-john.s.lee@opg.com; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Khan, Nur; Niehaus, Katrina; Conner, Robbin; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; 'RYFA Ken -TREASURY'; Malhi, Harman; Taylor, Brent R
Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Prado, Melissa; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,
IESO has confirmed that they have received the total amount of $1,179,000,000 in the attached email. Could each of the dealers please confirm whether they have received the wires representing their fees? Once confirmed, we will be officially closed.
Thanks,
Brett
Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679

From: Delaney, Brian [mailto:Brian.Delaney@gs.com]
Sent: December-21-17 10:26 AM
To: 'Benaiah, Ian' ; Persad, Nicole ; 'YAO Anthea -FUNDMGMT' ; Mansoori, Nina ; dup-john.s.lee@opg.com ; 'WONG Leslie -LAWDIV' ; 'Mayman, Gadi (OFA)' ; 'Hunter, Rosalind' ; 'Hanslep, Malle (MOF)' ; 'ASHBOURNE, STEPHEN' ; 'Whitfield, Tobias P. (MOF)' ; 'Kandeepan, Ken (OFA)' ; 'Manning, Mike (OFA)' ; 'Kwan, Ronald (OFA)' ; 'Thouin, Alena (ENERGY)' ; 'McKinlay, Tom (MAG)' ; 'VINER, JON' ; 'PRESTAGE, JA' ; 'Cayley, Daniel (ENERGY)' ; 'LIU Sheen -TREASURY' ; 'MCAULEY Tyler -

LAWDIV' ; 'GRECO Clara -LAWDIV' ; 'GO Matthew -TREASURY' ; 'JORDA Jenny -FIN & C CTRL' ; 'PRESTON Stuart -TREASURY' ; 'DREWNIAK John -TREASURY' ; 'HAHN PARKER Janet -TREASURY' ; Alvi, Shariq ; 'Innes, Michael' ; Stoddart, Jesse - Debt Capital Markets ; Rix, Lindsey - Legal ; Hume, Tyler ; Daou, Hadi ; 'mfitzpatrick@hunton.com' ; 'aobrian@hunton.com' ; 'Smith, Elliot' ; 'King, Richard' ; 'Royer, Kate' ; 'Hughes, Timothy' ; Adalja, Sunil ; Persaud, Donnie - Debt Capital Markets ; 'Sebastiano, Rocco' ; Maciel, Andrew ; Khan, Nur ; Niehaus, Katrina ; Conner, Robbin ; 'Milligan, Peter' ; 'Sebastiano, Rocco' ; 'Fullerton, Rick' ; 'Lively, Pamela' ; 'Adam, Ahmad' ; 'Krowles, Geralyn' ; 'Morris, Eleonore' ; 'Peter Hamilton' ; 'Michael Boll' ; dup-anthony.martinello@ieso.ca ; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' ; 'kim.marshall@ieso.ca' ; 'RYFA Ken -TREASURY' ; Malhi, Harman ; Taylor, Brent R
Cc: Feldman, Michael ; Ramchandani, Rima ; Emes, Aaron ; Olusoga, Yinka ; Saulnier, Brett ; Prado, Melissa ; Dost, Mitchell
Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea—

GS reference number below.

Thanks,

Brian

Ref: CA171221220339

From: Benaiah, Ian [mailto:ian.benaiah@rbccm.com]
Sent: Thursday, December 21, 2017 10:05 AM
Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa'; 'Dost, Mitchell'
Subject: Re: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea,

RBC wire reference number for Lakeshore Trust is:

Lakeshore Trust - $244,274,062.50 - LVTS 65GXL6VDCTR2

Please let us know if you have any questions. Thanks. Ian

From: Persad, Nicole
Sent: Thursday, December 21, 2017 9:29 AM
To: 'YAO Anthea -FUNDMGMT'; 'Mansoori, Nina'; dup-john.s.lee@opg.com; 'WONG Leslie -LAWDIV'; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; 'LIU Sheen -TREASURY'; 'MCAULEY Tyler -LAWDIV'; 'GRECO Clara -LAWDIV'; 'GO Matthew -TREASURY'; 'JORDA Jenny -FIN & C CTRL'; 'PRESTON Stuart -TREASURY'; 'DREWNIAK John -TREASURY'; 'HAHN PARKER Janet -TREASURY'; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; Benaiah, Ian; Khan, Nur; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; 'RYFA Ken -TREASURY'
Cc: 'Feldman, Michael'; 'Ramchandani, Rima'; 'Emes, Aaron'; 'Olusoga, Yinka'; 'Saulnier, Brett'; 'Prado, Melissa';

'Dost, Mitchell'

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Anthea,

CIBC wire reference numbers are as follows:

SOUND Trust - $200,000,000.00 - LVTS65GXJ078QTR2

SURE Trust - $44,274,062.50 - LVTS65GXJAPDOTR2

Thanks,

Nicole

Nicole Persad | Associate, Securitization | CIBC Capital Markets | CIBC World Markets Inc.

161 Bay Street 5th Floor, Toronto ON M5J 2S8 | Tel: 416 594-7576 | nicole.persad@cibc.com

---

From: YAO Anthea -FUNDMGMT [mailto:anthea.yao@opg.com]

Sent: Thursday, December 21, 2017 9:07 AM

To: Mansoori, Nina; dup-john.s.lee@opg.com; WONG Leslie -LAWDIV; 'Mayman, Gadi (OFA)'; 'Hunter, Rosalind'; 'Hanslep, Malle (MOF)'; 'ASHBOURNE, STEPHEN'; 'Whitfield, Tobias P. (MOF)'; 'Kandeepan, Ken (OFA)'; 'Manning, Mike (OFA)'; 'Kwan, Ronald (OFA)'; 'Thouin, Alena (ENERGY)'; 'McKinlay, Tom (MAG)'; 'VINER, JON'; 'PRESTAGE, JA'; 'Cayley, Daniel (ENERGY)'; LIU Sheen -TREASURY; MCAULEY Tyler -LAWDIV; GRECO Clara -LAWDIV; GO Matthew -TREASURY; JORDA Jenny -FIN & C CTRL; PRESTON Stuart -TREASURY; DREWNIAK John -TREASURY; HAHN PARKER Janet -TREASURY; Alvi, Shariq; 'Innes, Michael'; Stoddart, Jesse - Debt Capital Markets; Rix, Lindsey - Legal; Hume, Tyler; Daou, Hadi; Persad, Nicole; 'mfitzpatrick@hunton.com'; 'aobrian@hunton.com'; 'Smith, Elliot'; 'King, Richard'; 'Royer, Kate'; 'Hughes, Timothy'; Adalja, Sunil; Persaud, Donnie - Debt Capital Markets; 'Sebastiano, Rocco'; Maciel, Andrew; 'Benaiah, Ian'; 'Khan, Nur'; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)'; 'Delaney, Brian (Brian.Delaney@gs.com)'; 'Conner, Robbin'; 'Milligan, Peter'; 'Sebastiano, Rocco'; 'Fullerton, Rick'; 'Lively, Pamela'; 'Adam, Ahmad'; 'Krowles, Geralyn'; 'Morris, Eleonore'; 'Peter Hamilton'; 'Michael Boll'; dup-anthony.martinello@ieso.ca; 'Jeannette Briggs (jeannette.briggs@ieso.ca)'; 'kim.marshall@ieso.ca'; RYFA Ken -TREASURY

Cc: Feldman, Michael; Ramchandani, Rima; Emes, Aaron; Olusoga, Yinka; Saulnier, Brett; Prado, Melissa; Dost, Mitchell

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Just to clarify that the wires below were sent.

From: YAO Anthea -FUNDMGMT

Sent: Thursday, December 21, 2017 9:03 AM

To: 'Mansoori, Nina' <nmansoori@torys.com>; LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi'

<Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>

Subject: RE: EXTERNAL – RE: Closing Mechanics - Fair Hydro

All,

Please see the LVTS numbers for the two wire payments below.

OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GXAOJ7ITR2

OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group - LVTS65GX5P4FNTR2

Thanks,

Anthea

Anthea Yao | Ontario Power Generation

700 University Avenue, Suite H18 C2, Toronto, Ontario, M5G 1X6 | T416.592.5542 | F 416.592.4189 | E anthea.yao@opg.com

---

From: Mansoori, Nina [mailto:nmansoori@torys.com]

Sent: Wednesday, December 20, 2017 10:42 PM

To: LEE John -TREASURY <john.s.lee@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; 'Mayman, Gadi (OFA)' <Gadi.Mayman@ofina.on.ca>; 'Hunter, Rosalind' <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; 'Whitfield, Tobias P. (MOF)' <Tobias.Whitfield@ontario.ca>; 'Kandeepan, Ken (OFA)' <Ken.Kandeepan@ofina.on.ca>; 'Manning, Mike (OFA)' <Mike.Manning@ofina.on.ca>; 'Kwan, Ronald (OFA)' <Ronald.Kwan@ofina.on.ca>; 'Thouin, Alena (ENERGY)' <Alena.Thouin@ontario.ca>; 'McKinlay, Tom (MAG)' <Tom.McKinlay@ontario.ca>; 'VINER, JON' <JON.VINER@blakes.com>; 'PRESTAGE, JA' <JA.PRESTAGE@blakes.com>; 'Cayley, Daniel (ENERGY)' <Daniel.Cayley@ontario.ca>; LIU Sheen -TREASURY <sheen.liu@opg.com>; MCAULEY Tyler -LAWDIV <tyler.mcauley@opg.com>; GRECO Clara -LAWDIV <clara.greco@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; YAO Anthea -FUNDMGMT <anthea.yao@opg.com>;

JORDA Jenny -FIN & C CTRL <jenny.jorda@opg.com>; PRESTON Stuart -TREASURY <stuart.preston@opg.com>; DREWNIAK John -TREASURY <john.drewniak@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; 'Innes, Michael' <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; 'Smith, Elliot' <ESmith@osler.com>; 'King, Richard' <rking@osler.com>; 'Royer, Kate' <KRoyer@osler.com>; 'Hughes, Timothy' <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; 'Sebastiano, Rocco' <RSebastiano@osler.com>; 'Fullerton, Rick' <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; 'Adam, Ahmad' <Ahmad.Adam@bnymellon.com>; 'Krowles, Geralyn' <Geralyn.Krowles@BNYMellon.com>; 'Morris, Eleonore' <Eleonore.Morris@bnymellon.com>; 'Peter Hamilton' <PHamilton@stikeman.com>; 'Michael Boll' <Michael.Boll@ieso.ca>; 'Anthony Martinello (Anthony.Martinello@ieso.ca)' <Anthony.Martinello@ieso.ca>; 'Jeannette Briggs (jeannette.briggs@ieso.ca)' <jeannette.briggs@ieso.ca>; 'kim.marshall@ieso.ca' <kim.marshall@ieso.ca>; RYFA Ken -TREASURY <ken.ryfa@opg.com>

Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>

Subject: EXTERNAL – RE: Closing Mechanics - Fair Hydro

Importance: High

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Dear all – all parties have now confirmed that they are signed off on all applicable transaction documentation and that their respective opinions and signature pages will be automatically released tomorrow. On that basis, we are dispensing with the scheduled 9 am closing call. The necessary wires have been set up this evening and will be initiated as soon as possible in the morning in accordance with my email below. We look forward to tomorrow's closing and receiving the confirmations requested below. Thanks,

Nina Mansoori
P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com

From: Mansoori, Nina

Sent: December-19-17 4:52 PM
To: 'dup-john.s.lee@opg.com' <john.s.lee@opg.com>; 'leslie.wong@opg.com' <leslie.wong@opg.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Hunter, Rosalind <RHunter@osler.com>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Kwan, Ronald (OFA) <Ronald.Kwan@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; McKinlay, Tom (MAG) <Tom.McKinlay@ontario.ca>; VINER, JON <JON.VINER@blakes.com>; PRESTAGE, JA <JA.PRESTAGE@blakes.com>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca>; 'sheen.liu@opg.com' <sheen.liu@opg.com>; 'tyler.mcauley@opg.com' <tyler.mcauley@opg.com>; 'clara.greco@opg.com' <clara.greco@opg.com>; 'matthew.go@opg.com' <matthew.go@opg.com>; 'anthea.yao@opg.com' <anthea.yao@opg.com>; 'jenny.jorda@opg.com' <jenny.jorda@opg.com>; 'stuart.preston@opg.com' <stuart.preston@opg.com>; 'john.drewniak@opg.com' <john.drewniak@opg.com>; 'j.hahnparker@opg.com' <j.hahnparker@opg.com>; 'Alvi, Shariq' <Shariq.Alvi@cibc.com>; Innes, Michael <MInnes@osler.com>; 'Stoddart, Jesse - Debt Capital Markets' <Jesse.Stoddart@cibc.com>; 'Rix, Lindsey - Legal' <Lindsey.Rix@cibc.com>; 'Hume, Tyler' <Tyler.Hume@cibc.com>; 'Daou, Hadi' <Hadi.Daou@cibc.com>; 'Persad, Nicole' <Nicole.Persad@cibc.com>; 'mfitzpatrick@hunton.com' <mfitzpatrick@hunton.com>; 'aobrian@hunton.com' <aobrian@hunton.com>; Smith, Elliot <ESmith@osler.com>; King, Richard <rking@osler.com>; Royer, Kate <KRoyer@osler.com>; Hughes, Timothy <THughes@osler.com>; 'Adalja, Sunil' <Sunil.Adalja@cibc.com>; 'Persaud, Donnie - Debt Capital Markets' <Donnie.Persaud@cibc.com>; Sebastiano, Rocco <RSebastiano@osler.com>; 'Maciel, Andrew' <Andrew.Maciel@cibc.com>; 'Benaiah, Ian' <ian.benaiah@rbccm.com>; 'Khan, Nur' <nur.khan@rbccm.com>; ''Niehaus, Katrina' (Katrina.Niehaus@gs.com)' <Katrina.Niehaus@gs.com>; 'Delaney, Brian (Brian.Delaney@gs.com)' <Brian.Delaney@gs.com>; 'Conner, Robbin' <Robbin.Conner@gs.com>; 'Milligan, Peter' <PMilligan@osler.com>; Sebastiano, Rocco <RSebastiano@osler.com>; Fullerton, Rick <RFullerton@osler.com>; 'Lively, Pamela' <Pamela.Lively@bnymellon.com>; Adam, Ahmad <Ahmad.Adam@bnymellon.com>; Krowles, Geralyn <Geralyn.Krowles@BNYMellon.com>; Morris, Eleonore <Eleonore.Morris@bnymellon.com>; Peter Hamilton <PHamilton@stikeman.com>; Michael Boll <Michael.Boll@ieso.ca>; Anthony Martinello (Anthony.Martinello@ieso.ca) <Anthony.Martinello@ieso.ca>; Jeannette Briggs (jeannette.briggs@ieso.ca) <jeannette.briggs@ieso.ca>; kim.marshall@ieso.ca
Cc: Feldman, Michael <mfeldman@torys.com>; Ramchandani, Rima <rramchandani@torys.com>; Emes, Aaron <aemes@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Prado, Melissa <mprado@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>
Subject: Closing Mechanics - Fair Hydro
Importance: High

Dear all,

As you know we are closing the warehouse financing this coming Thursday, December 21 at 9 am. We have set out below the pre-closing and closing mechanics to ensure all parties know what to expect. Please let us know as soon as possible if you have any questions. Thank you.

Wednesday, December 20, 2017

- **by 10 am**, all legal counsel to deliver their client's signature pages and all signed legal opinions in escrow to Torys
- **by 10 am**, the Trust will be formed and Torys will provide the IESO with the necessary documentation to wire the carrying costs
- **by noon**, IESO will wire C$6,000,000 representing the carrying costs to the Collection Account and circulate a wire confirmation to this group
- Oslers, Stikemans and Blakes are welcome to attend the closing room at Torys from 1 pm onwards to review applicable documentation (or request that documentation by email)
- by close of business, Oslers, Stikemans, Blakes and Torys to confirm to their respective clients that the applicable documents are in satisfactory form and Oslers to confirm to lenders that all CPs to closing are satisfied (subject to OPG's funding of the subordinated debt and payment of lender fees)

Thursday, December 21, 2017

- this group will hold a call at 9 am so that each counsel can confirm release of their clients' signature pages from escrow (Torys to send a calendar invite with call-in details)
- OPG will wire C$117,900,000 representing the Junior Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- OPG will wire C$459,810,000 representing the Subordinated Debt proceeds to the IESO and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to CIBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$650,000 (for fees) to RBC per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- BNY will wire C$300,000 (for fees) to Goldman per the wire details on Schedule B of the attached global direction and circulate a wire confirmation to this group
- Upon receipt of the tracking numbers for the two OPG wires and three BNY wires above:
    - CIBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - RBC will transfer C$244,274,062.50 to IESO per the wire details on Schedule A of the attached global direction
    - Goldman will transfer C$112,741,875.00 to IESO per the wire details on Schedule A of the attached global direction
- IESO to confirm to this group receipt of all wires sent to them above
- CIBC, RBC and Goldman to confirm to this group receipt of all fees wired above
- Oslers to circulate email to this group confirming closing of warehouse financing

Nina Mansoori
P. 416.865.7332

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From: Ken Kandeepan
To: LEE John -TREASURY
Cc: Steen Hume (CAB); Tim Christie (ENERGY); John Kim; Ronald Kwan; Mike Manning
Subject: Re: EXTERNAL – RE: Waiver Process
Date: Thursday, January 04, 2018 8:01:08 PM

Thanks John, I guess the waiver is no longer an issue,

Ken k

> On Jan 4, 2018, at 4:07 PM, LEE John -TREASURY <john.s.lee@opg.com> wrote:
>
> Ken/Steen:
>
> Just a bit of an update, it appears that DBRS is unlikely to hit the earlier 15th date.
> It is looking more likely that the marketing launch will fall back to the original target date of the 22nd.
>
>
> John
>
> -----Original Message-----
> From: LEE John -TREASURY
> Sent: Thursday, January 04, 2018 12:18 PM
> To: 'Ken Kandeepan' <Ken.Kandeepan@ofina.on.ca>
> Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB) <Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
> Subject: RE: EXTERNAL – RE: Waiver Process
>
> Ken/Steen:
> We are operating under the assumption that it was the Province desire to execute the term deal as early as possible in 2018 which would involve a launch on the 15th. If the preference is now to adhere to the 10 business day requirement and not waive it we are happy to do so and commence marketing later in the month on the 22nd.
>
> Please advise and we will adjust the work plan accordingly.
>
>
> John
>
>
> -----Original Message-----
> From: Ken Kandeepan [mailto:Ken.Kandeepan@ofina.on.ca]
> Sent: Thursday, January 04, 2018 9:36 AM
> To: LEE John -TREASURY <john.s.lee@opg.com>
> Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Jonathan Tekle (CAB)

<Jonathan.Tekle@ontario.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>
> Subject: EXTERNAL – RE: Waiver Process
>
> *** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *** _____
>
>
> Hi John
>
> I spoke to our DM's office and Scott's email is Scott.Thompson@ontario.ca, As required by the Process Agreement between the Province and OPG, pls forward the documents pertaining to the upcoming term deal by email to Scott with a cc to the following:
>
> Gadi Mayman, Anna Strathy, David McLean (cc'ed above), Jonathan Tekle (also cc'ed above), Mike and myself.
>
> Given that the Process Agreement requires OPG to also provide the same documents to MOE, I am cc'ing Steen and Tim so that they can inform their DM's Office as well.
>
> With regard to the waiver, pls see Malle's comments below, it would also be useful if OPG were to provide a rationale as to why waiving the 10 business days requirement which may allow for term debt issuance in mid-January by the Trust is more beneficial than issuance either later in the same month or early February.
>
> Thanks
>
> Ken k
>
>
> -----Original Message-----
> From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
> Sent: Wednesday, January 03, 2018 8:45 PM
> To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; LEE John -TREASURY <john.s.lee@opg.com>
> Cc: WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; Mike Manning <Mike.Manning@ofina.on.ca>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>
> Subject: Re: Waiver Process
>
> It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
> Thanks
>
> Malle
> Sent from my BlackBerry 10 smartphone on the Rogers network.
> From: Ken Kandeepan
> Sent: Wednesday, January 3, 2018 20:04
> To: LEE John -TREASURY
> Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
> Subject: Re: Waiver Process
>
>

> Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.
>
> I am cc'ing our legal counsel to see if they have any suggestions.
>
> Ken k
>
> On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:
>
> Ken:
>
> Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.
>
> Please advise.
>
> John
>
>
>
> From: Ramchandani, Rima [mailto:rramchandani@torys.com]
> Sent: Wednesday, January 03, 2018 5:38 PM
> To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
> Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
> Subject: RE: EXTERNAL – RE: Diligence Questions
>
> I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!
>
> Rima
>
> Rima Ramchandani
>
> P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
> From: Ramchandani, Rima
> Sent: January-03-18 5:32 PM
> To: 'LEE John -TREASURY' <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>
> Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
> Subject: RE: EXTERNAL – RE: Diligence Questions
>
> OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of

Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.
>
> Rima
>
> Rima Ramchandani
>
> P. 416.865.7666
>
> From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
> Sent: January-03-18 5:24 PM
> To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
> Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
> Subject: RE: EXTERNAL – RE: Diligence Questions
>
> I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.
>
>
> John
>
>
> _____
>
> THIS MESSAGE IS ONLY INTENDED FOR THE USE OF THE INTENDED RECIPIENT(S) AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, PROPRIETARY AND/OR CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any review, retransmission, dissemination, distribution, copying, conversion to hard copy or other use of this communication is strictly prohibited. If you are not the intended recipient and have received this message in error, please notify me by return e-mail and delete this message from your system. Ontario Power Generation Inc.
>
> _____
>
> This message, including any attachments, is meant only for the use of the individual(s) to whom it is intended and may contain information that is privileged/confidential. Any unauthorized use, copying or disclosure is strictly prohibited. If you are not the intended recipient or have received this message in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading them, and destroy all copies. Thank you.
> _____
>
> THIS MESSAGE IS ONLY INTENDED FOR THE USE OF THE INTENDED RECIPIENT(S) AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, PROPRIETARY AND/OR CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any review, retransmission, dissemination, distribution, copying, conversion to hard copy or other use of this communication is strictly prohibited. If you are not the intended recipient and have received this message in error, please notify me by return e-mail and delete this message from your system. Ontario Power Generation Inc.

From: Gadi Mayman
To: Ronald Kwan
Cc: Ken Kandeepan; Mike Manning; Anna Strathy
Subject: Re: FHP Debt Issuance
Date: Tuesday, February 06, 2018 6:51:19 PM

---

92 over Canada bonds, and 23 over Ontario.

Gadi

On Feb 6, 2018, at 6:17 PM, Ronald Kwan <Ronald.Kwan@ofina.on.ca> wrote:

> Hi,
> What was the spread on the FHP debt issuance?
> Ron

Debt markets show approval for Fair Hydro Plan financing

06.02.2018 David Hains Environment and Energy,

Investors gave Ontario Power Generation a boost as they piled into bonds sold for the province's Fair Hydro Plan.

OPG issued $500 million worth of debt on Tuesday, earning a low interest rate of 3.357 per cent from markets hungry for a safe investment.

Ratings agency DBRS gave the debt security a triple-A rating, while Moody's gave slightly less than its top grade, declaring it to be Aa2.

The debt issuance came amid a roller coaster market that saw the Dow Jones fall by more than 1,000 points yesterday, its largest one-day decline in six years. But OPG, which pitched the investment to investors last week on a road show that took them to Montreal, Toronto, Winnipeg and Vancouver, decided to pull the trigger to send the debt to market.

The funds will help pay for the province's Fair Hydro Plan, which was passed by the majority Liberal government in June 2017. A large part of the plan effectively reduced short-term hydro bills by deferring some costs to future bills. A complicated security was created to finance the plan, and it came in for criticism from Ontario's auditor general for, in her analysis, adding $4 billion in costs in order to keep the proposal off

of the government budget. Officials from the Treasury Board and Ministry of Energy said at the time that it was not the case, and they were being diligent about following proper procedure.

Energy Minister **Glenn Thibeault** praised the debt issuance and the government's hydro plan in a statement.

"Today's announcement by Ontario Power Generation (OPG) regarding the successful issuance of secured debt in relation to Ontario's Fair Hydro Plan is a positive sign that our plan is working."

The 3.357 per cent effective interest rate is a strong one for OPG, and bodes well for keeping the borrowing costs for the Fair Hydro Plan low. The rate is 15 basis points lower than Toronto Hydro, OPG noted, and more competitive than industry peers.

In a conference call, OPG said that the final interest rate was slightly better than expectations. The ministry of energy previously stated that they expect a 4.5 per cent average interest rate over the lifetime of the debt issuance for the security.

OPG plans to issue debt tranches two to three times a year to secure $300 million to $500 million worth of debt each time. Bond durations will vary, but the first issuance is 15.25 years.

A second round of financing is anticipated in the second quarter of 2018.

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From:	Whitfield, Tobias P. (MOF)
To:	Ramchandani, Rima; Mansoori, Nina; "ASHBOURNE, STEPHEN"; Ken Kandeepan; Mike Manning; Gadi Mayman
Cc:	Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY); Malle Hanslep (MOF); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; Feldman, Michael; PALMER, AARON; Ramchandani, Rima
Subject:	Re: Fair Hydro -- Trust Indenture drafting clean-ups and questions
Date:	Wednesday, December 20, 2017 10:35:32 PM

Rima - you should hear from the Ministry of Energy shortly.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca
Phone: 416-325-1456
Original Message
From: Ramchandani, Rima
Sent: Wednesday, December 20, 2017 10:33 PM
To: Whitfield, Tobias P. (MOF); Mansoori, Nina; 'ASHBOURNE, STEPHEN'; Kandeepan, Ken (OFA); Manning, Mike (OFA); Mayman, Gadi (OFA)
Cc: Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY); Hanslep, Malle (MOF); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; Feldman, Michael; PALMER, AARON; Ramchandani, Rima
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Toby, can you please confirm we should expect someone from the Ministry of Energy to sign off this evening?

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----
From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: December-20-17 10:29 PM
To: Mansoori, Nina <nmansoori@torys.com>; 'ASHBOURNE, STEPHEN' <STEPHEN.ASHBOURNE@blakes.com>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>
Cc: Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; John Lee (john.s.lee@opg.com) <john.s.lee@opg.com>; Ken Ryfa (ken.ryfa@opg.com) <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; PALMER, AARON <AARON.PALMER@blakes.com>
Subject: Re: Fair Hydro -- Trust Indenture drafting clean-ups and questions

I confirm on behalf of the Ministry of Finance that the Minister of Finance's signature pages can be released from escrow as per the proposal and that we confirm receipt of the Reference Documents.

The Ministry of Energy will confirm their sign off separately.

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca
Phone: 416-325-1456
From: Mansoori, Nina
Sent: Wednesday, December 20, 2017 7:00 PM
To: 'ASHBOURNE, STEPHEN'
Cc: Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY); Hanslep, Malle (MOF); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; Ramchandani, Rima; Feldman, Michael; PALMER, AARON; Whitfield, Tobias P. (MOF)
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Hi Steve – we have now sent you the reference documentation. Once you have had a chance to review, we'd appreciate if you could confirm tonight that the Blakes' opinion and the Ministers' signature pages to the Change of Law Agreements are automatically released from escrow tomorrow. Thanks,

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: December-20-17 4:51 PM
To: Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; PALMER, AARON <AARON.PALMER@blakes.com>
Cc: Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca) <Alena.Thouin@ontario.ca>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca) <Malle.Hanslep@ontario.ca>; John Lee (john.s.lee@opg.com) <john.s.lee@opg.com>; Ken Ryfa (ken.ryfa@opg.com) <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

I think the only thing left is the Torys email that attaches the "Reference Documentation" contemplated by the Process Agreement. Assuming there are no differences in those from the ones we have previously received from Torys, I think we will be able to sign off today. Steve

Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com<mailto:stephen.ashbourne@blakes.com>
Dir: 416-863-3086

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, December 20, 2017 4:43 PM
To: ASHBOURNE, STEPHEN; Feldman, Michael; PALMER, AARON
Cc: Mansoori, Nina; Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>); Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>); John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>); Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>); WONG Leslie -LAWDIV
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

OK. OPG has been having email issues today so they may not be able to reply to this email chain quickly – however, we understand that there is an interest protocol agreement that has been settled with the Province that sets out how the interest on the sub debt is supposed to be calculated. Steve, can you also please confirm that Blakes will

be able to sign off today instead of at 9 am tomorrow (the dealers are asking)?

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: December-20-17 4:25 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; PALMER, AARON <AARON.PALMER@blakes.com<mailto:AARON.PALMER@blakes.com>>
Cc: Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>) <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>) <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Rima, I think we have provided all of our comments and have seen responses on all but the new Base Rate definition, which Aaron just exchanged with Michael on. We are following up with the Province on Michael's response, which anticipated that some more background on the point will be provided. I think that's where this stands. Regards, Steve

Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com<mailto:stephen.ashbourne@blakes.com>
Dir: 416-863-3086

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, December 20, 2017 4:18 PM
To: Feldman, Michael; PALMER, AARON
Cc: Mansoori, Nina; Olusoga, Yinka; Saulnier, Brett; ASHBOURNE, STEPHEN; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>); Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>); John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>); Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>); WONG Leslie -LAWDIV; Ramchandani, Rima
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Hi Aaron, can you please advise whether we should expect additional comments from Blakes on the documents? Since we are closing in the morning and the rating agencies have already signed off on everything, we are going to have trouble managing any additional changes. Also, FYI, in order to avoid any delays in the wires tomorrow morning, the dealers have asked that all counsel sign off on the closing documents as soon as possible today, with all parties to agree that everything is to be automatically released from escrow first this in the morning (i.e. without the need for having a 9 am closing call). Please let us know if you will be in a position to do that today – we will obviously send you any final signed docs by email that you need to sign off.

Thanks,
Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=MRy4r_Cq6PqSs6_UbIyaj-fGapsrgBMOK9xTPeNOzQ0&s=67jgtZQkEpSYG95D5w8bAZc5z0g_EFDQU0HOsj5-rfk&e= >

[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=MRy4r_Cq6PqSs6_UbIyaj-fGapsrgBMOK9xTPeNOzQ0&s=67jgtZQkEpSYG95D5w8bAZc5z0g_EFDQU0HOsj5-rfk&e= >

From: Feldman, Michael
Sent: December-20-17 4:00 PM
To: PALMER, AARON <AARON.PALMER@blakes.com<mailto:AARON.PALMER@blakes.com>>
Cc: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>) <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>) <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Aaron,

It was intended. OPG has a certain protocol for calculating the interest rate it should charge on its subordinated and junior subordinated notes. Until such time as these classes of notes obtain a rating, the pricing of these notes is to be measured off the “all-in funding costs” of the senior notes.

I am looping in OPG as they are in a better position to explain why its protocol is what it is.

Michael K. Feldman

P. 416.865.7513

From: PALMER, AARON [mailto:AARON.PALMER@blakes.com]
Sent: December-20-17 3:53 PM
To: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>
Cc: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions
Importance: High

Hi Michael,

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[cid:image002.png@01D379C4.A8DEF010]

Would this addition of "and fees" catch Commitment Fees or any other fees?

That would of course be a significant change to the deal documents.

I am copying Alena and Malle as well in the interests of timing here.

Best regards, Aaron

Aaron Palmer
aaron.palmer@blakes.com<mailto:aaron.palmer@blakes.com>
Dir: 416.863.4227

_____

[cid:image003.gif@01D379C4.A8DEF010]

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199 Bay Street, Suite 4000, Toronto ON M5L 1A9
Tel: 416-863-2400 Fax: 416-863-2653
blakes.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=MRy4r_Cq6PqSs6_UbIyaj-fGapsrgBMOK9xTPeNOzQ0&s=iO0J9sm0Ns7ytaOWUEM6a7UULaFJtlWsWPWF8k9JOoQ&e= > | Twitter<https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw_&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=MRy4r_Cq6PqSs6_UbIyaj-fGapsrgBMOK9xTPeNOzQ0&s=UeVzeP4xbosCB6T3BLu1nfQ2CHYWW-eSjT-YYxT6y5A&e= > | Unsubscribe<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=MRy4r_Cq6PqSs6_UbIyaj-fGapsrgBMOK9xTPeNOzQ0&s=BrxUHN0r7UM2I5L5WvUkjyqcY22fkymI_J102lswj-k&e= >

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From:	Whitfield, Tobias P. (MOF)
To:	Mansoori, Nina; "ASHBOURNE, STEPHEN"; Ken Kandeepan; Mike Manning; Gadi Mayman
Cc:	Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY); Malle Hanslep (MOF); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie - LAWDIV; Ramchandani, Rima; Feldman, Michael; PALMER, AARON
Subject:	Re: Fair Hydro -- Trust Indenture drafting clean-ups and questions
Date:	Wednesday, December 20, 2017 10:29:41 PM
Attachments:	image002.png

I confirm on behalf of the Ministry of Finance that the Minister of Finance's signature pages can be released from escrow as per the proposal and that we confirm receipt of the Reference Documents.

The Ministry of Energy will confirm their sign off separately.

Toby

Tobias Whitfield

Counsel, Legal Services Branch

Ministry of Finance

777 Bay Street, 11th Floor

Toronto, ON, M5G 2C8

tobias.whitfield@ontario.ca

Phone: 416-325-1456

From: Mansoori, Nina

Sent: Wednesday, December 20, 2017 7:00 PM

To: 'ASHBOURNE, STEPHEN'

Cc: Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY); Hanslep, Malle (MOF); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; Ramchandani, Rima; Feldman, Michael; PALMER, AARON; Whitfield, Tobias P. (MOF)

Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Hi Steve – we have now sent you the reference documentation. Once you have had a chance to review, we'd appreciate if you could confirm tonight that the Blakes' opinion and the Ministers' signature pages to the Change of Law Agreements are automatically released from escrow tomorrow. Thanks,

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679

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

Sent: December-20-17 4:51 PM

To: Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; PALMER, AARON <AARON.PALMER@blakes.com>

Cc: Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca) <Alena.Thouin@ontario.ca>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca) <Malle.Hanslep@ontario.ca>; John Lee (john.s.lee@opg.com) <john.s.lee@opg.com>; Ken Ryfa (ken.ryfa@opg.com) <ken.ryfa@opg.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>

Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

I think the only thing left is the Torys email that attaches the "Reference Documentation" contemplated by the Process Agreement. Assuming there are no differences in those from the ones we have previously received from Torys, I think we will be able to sign off today. Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com<mailto:stephen.ashbourne@blakes.com>

Dir: 416-863-3086

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, December 20, 2017 4:43 PM

To: ASHBOURNE, STEPHEN; Feldman, Michael; PALMER, AARON

Cc: Mansoori, Nina; Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>); Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>); John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>); Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>); WONG Leslie -LAWDIV

Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

OK. OPG has been having email issues today so they may not be able to reply to this email chain quickly – however, we understand that there is an interest protocol agreement that has been settled with the Province that sets out how the interest on the sub debt is supposed to be calculated. Steve, can you also please confirm that Blakes will be able to sign off today instead of at 9 am tomorrow (the dealers are asking)?

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

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

Sent: December-20-17 4:25 PM

To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; PALMER, AARON <AARON.PALMER@blakes.com<mailto:AARON.PALMER@blakes.com>>

Cc: Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>) <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>) <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>

Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Rima, I think we have provided all of our comments and have seen responses on all but the new Base Rate definition, which Aaron just exchanged with Michael on. We are following up with the Province on Michael's response, which anticipated that some more background on the point will be provided. I think that's where this stands. Regards, Steve

Stephen R. Ashbourne

Partner

stephen.ashbourne@blakes.com<mailto:stephen.ashbourne@blakes.com>

Dir: 416-863-3086

From: Ramchandani, Rima [mailto:rramchandani@torys.com]

Sent: Wednesday, December 20, 2017 4:18 PM

To: Feldman, Michael; PALMER, AARON

Cc: Mansoori, Nina; Olusoga, Yinka; Saulnier, Brett; ASHBOURNE, STEPHEN; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>); Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>); John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>); Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>); WONG Leslie -LAWDIV; Ramchandani, Rima

Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Hi Aaron, can you please advise whether we should expect additional comments from Blakes on the documents? Since we are closing in the morning and the rating agencies have already signed off on everything, we are going to have trouble managing any additional changes. Also, FYI, in order to avoid any delays in the wires tomorrow morning, the dealers have asked that all counsel sign off on the closing documents as soon as possible today, with all parties to agree that everything is to be automatically released from escrow first this in the morning (i.e. without the need for having a 9 am closing call). Please let us know if you will be in a position to do that today – we will obviously send you any final signed docs by email that you need to sign off.

Thanks,

Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

79 Wellington St. W., 30th Floor, Box 270, TD South Tower

Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIGaQ&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=xiUJviu_3owiUVFugiAhQT4oO6Iox4xsAQHIQREr1p0&s=62kBru1HaLLRTqedzPd-EBggVqWXlbeq3llubuI0lG4&e= >

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From: Feldman, Michael

Sent: December-20-17 4:00 PM

To: PALMER, AARON <AARON.PALMER@blakes.com<mailto:AARON.PALMER@blakes.com>>

Cc: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>) <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>) <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>

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P. 416.865.7513

From: PALMER, AARON [mailto:AARON.PALMER@blakes.com]

Sent: December-20-17 3:53 PM

To: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>

Cc: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>

Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Importance: High

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I am copying Alena and Malle as well in the interests of timing here.

Best regards, Aaron

Aaron Palmer

aaron.palmer@blakes.com<mailto:aaron.palmer@blakes.com>

Dir: 416.863.4227

_____

[cid:image003.gif@01D379C4.A8DEF010]

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Tel: 416-863-2400 Fax: 416-863-2653

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"**Base Rate**" means ~~the weighted average interest rate applicable to the~~ for any Payment Date, the amount of interest and fees payable to the holders of Series 2017-1 Senior Notes on such Payment Date, expressed as a rate per annum on the weighted average outstanding principal amount of Series 2017-1 Senior Notes from the preceding Payment Date to such Payment Date.

From:	ASHBOURNE, STEPHEN
To:	Thouin, Alena (ENERGY)
Cc:	Tobias P. Whitfield (MOF); Mansoori, Nina; Ken Kandeepan; Mike Manning; Gadi Mayman; Olusoga, Yinka; Saulnier, Brett; Malle Hanslep (MOF); John Lee (john.s.lee@opg.com); Ken Ryfa (ken.ryfa@opg.com); WONG Leslie -LAWDIV; Ramchandani, Rima; Feldman, Michael; PALMER, AARON; Tim Christie (ENERGY); Daniel Cayley (ENERGY); Sawwaf, Khareem (ENERGY); Huang, Jackson (MEDG/MRIS)
Subject:	Re: Fair Hydro -- Trust Indenture drafting clean-ups and questions
Date:	Wednesday, December 20, 2017 10:38:46 PM
Attachments:	image002.png

I can now confirm that the Blakes opinion can be delivered from escrow concurrently with the other closing documents tomorrow morning. Steve

Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com<mailto:stephen.ashbourne@blakes.com>
Dir: 416-863-3086<tel:416-863-3086>

On Dec 20, 2017, at 10:35 PM, Thouin, Alena (ENERGY)
<Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>> wrote:

I confirm on behalf of the Ministry of Energy that the Minister of Energy signature pages can be released from escrow and we confirm the receipt of the Reference Documents.

Alena

Alena Thouin
Deputy Director, Legal Services Branch
Ministries of Energy / Infrastructure / Economic Development & Growth /
Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 Email: alena.thouin@ontario.ca<mailto:alena.thouin@ontario.ca>

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From: Whitfield, Tobias P. (MOF)
Sent: December 20, 2017 10:29 PM
To: Mansoori, Nina; 'ASHBOURNE, STEPHEN'; Kandeepan, Ken (OFA); Manning, Mike (OFA); Mayman, Gadi (OFA)
Cc: Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY); Hanslep, Malle (MOF); John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>); Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>); WONG Leslie -LAWDIV; Ramchandani, Rima; Feldman, Michael; PALMER, AARON
Subject: Re: Fair Hydro -- Trust Indenture drafting clean-ups and questions

I confirm on behalf of the Ministry of Finance that the Minister of Finance's signature pages can be released from escrow as per the proposal and that we confirm receipt of the Reference Documents.

The Ministry of Energy will confirm their sign off separately.

Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca<mailto:tobias.whitfield@ontario.ca>
Phone: 416-325-1456
From: Mansoori, Nina
Sent: Wednesday, December 20, 2017 7:00 PM
To: 'ASHBOURNE, STEPHEN'
Cc: Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY); Hanslep, Malle (MOF); John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>); Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>); WONG Leslie -LAWDIV; Ramchandani, Rima; Feldman, Michael; PALMER, AARON; Whitfield, Tobias P. (MOF)
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Hi Steve – we have now sent you the reference documentation. Once you have had a chance to review, we'd appreciate if you could confirm tonight that the Blakes' opinion and the Ministers' signature pages to the Change of Law Agreements are automatically released from escrow tomorrow. Thanks,

Nina Mansoori

P. 416.865.7332 | F. 416.865.7380 | 1.800.505.8679
From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: December-20-17 4:51 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; PALMER, AARON <AARON.PALMER@blakes.com<mailto:AARON.PALMER@blakes.com>>
Cc: Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>) <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>) <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

I think the only thing left is the Torys email that attaches the "Reference Documentation" contemplated by the Process Agreement. Assuming there are no differences in those from the ones we have previously received from Torys, I think we will be able to sign off today. Steve

Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com<mailto:stephen.ashbourne@blakes.com>
Dir: 416-863-3086

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, December 20, 2017 4:43 PM
To: ASHBOURNE, STEPHEN; Feldman, Michael; PALMER, AARON
Cc: Mansoori, Nina; Olusoga, Yinka; Saulnier, Brett; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>); Hanslep, Malle (MOF)

(Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>); John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>); Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>); WONG Leslie -LAWDIV
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

OK. OPG has been having email issues today so they may not be able to reply to this email chain quickly – however, we understand that there is an interest protocol agreement that has been settled with the Province that sets out how the interest on the sub debt is supposed to be calculated. Steve, can you also please confirm that Blakes will be able to sign off today instead of at 9 am tomorrow (the dealers are asking)?

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
From: ASHBOURNE, STEPHEN [mailto:STEPHEN.ASHBOURNE@blakes.com]
Sent: December-20-17 4:25 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; PALMER, AARON <AARON.PALMER@blakes.com<mailto:AARON.PALMER@blakes.com>>
Cc: Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>) <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>) <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Rima, I think we have provided all of our comments and have seen responses on all but the new Base Rate definition, which Aaron just exchanged with Michael on. We are following up with the Province on Michael's response, which anticipated that some more background on the point will be provided. I think that's where this stands. Regards, Steve

Stephen R. Ashbourne
Partner
stephen.ashbourne@blakes.com<mailto:stephen.ashbourne@blakes.com>
Dir: 416-863-3086

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, December 20, 2017 4:18 PM
To: Feldman, Michael; PALMER, AARON
Cc: Mansoori, Nina; Olusoga, Yinka; Saulnier, Brett; ASHBOURNE, STEPHEN; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>); Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>); John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>); Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>); WONG Leslie -LAWDIV; Ramchandani, Rima
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Hi Aaron, can you please advise whether we should expect additional comments from Blakes on the documents? Since we are closing in the morning and the rating agencies have already signed off on everything, we are going to have trouble managing any additional changes. Also, FYI, in order to avoid any delays in the wires tomorrow morning, the dealers have asked that all counsel sign off on the closing documents as soon as possible today, with all parties to agree that everything is to be automatically released from escrow first this in the morning (i.e. without the need for having a 9 am closing call). Please let us know if you will be in a position to do that today – we will obviously send you any final signed docs by email that you need to sign off.

Thanks,
Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=Gi3OGawK9tiw-SRRyJqog5yPjAIexxJaPeU8osgcors&s=i5p3OLXJF2Jsz15ElVJ779p6WkRT3GkD0kdcjXKyPgI&e= >

From: Feldman, Michael
Sent: December-20-17 4:00 PM
To: PALMER, AARON <AARON.PALMER@blakes.com<mailto:AARON.PALMER@blakes.com>>
Cc: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; John Lee (john.s.lee@opg.com<mailto:john.s.lee@opg.com>) <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; Ken Ryfa (ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>) <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions

Aaron,

It was intended. OPG has a certain protocol for calculating the interest rate it should charge on its subordinated and junior subordinated notes. Until such time as these classes of notes obtain a rating, the pricing of these notes is to be measured off the “all-in funding costs” of the senior notes.

I am looping in OPG as they are in a better position to explain why its protocol is what it is.

Michael K. Feldman

P. 416.865.7513

From: PALMER, AARON [mailto:AARON.PALMER@blakes.com]
Sent: December-20-17 3:53 PM
To: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>
Cc: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>; Mansoori, Nina <nmansoori@torys.com<mailto:nmansoori@torys.com>>; Olusoga, Yinka <yolusoga@torys.com<mailto:yolusoga@torys.com>>; Saulnier, Brett <bsaulnier@torys.com<mailto:bsaulnier@torys.com>>; ASHBOURNE, STEPHEN

<STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Thouin, Alena (ENERGY) (Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Hanslep, Malle (MOF) (Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>
Subject: RE: Fair Hydro -- Trust Indenture drafting clean-ups and questions
Importance: High

Hi Michael,

The Sub Note supplements include a change to the Base Rate definition that is surprising and I'm not sure if it was intended:

<image002.png>

Would this addition of "and fees" catch Commitment Fees or any other fees?

That would of course be a significant change to the deal documents.

I am copying Alena and Malle as well in the interests of timing here.

Best regards, Aaron

Aaron Palmer
aaron.palmer@blakes.com<mailto:aaron.palmer@blakes.com>
Dir: 416.863.4227

_____

<image003.gif>

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
Tel: 416-863-2400 Fax: 416-863-2653
blakes.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=Gi3OGawK9tiw-SRRyJqog5yPjAIexxJaPeU8osgcors&s=ioyeU23UekGAeurW2wCdykshyl5MwoVP_I05cqgucpo&e= > | Twitter<https://urldefense.proofpoint.com/v2/url?u=http-3A__twitter.com_BlakesLaw_&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=Gi3OGawK9tiw-SRRyJqog5yPjAIexxJaPeU8osgcors&s=AzMaSCZhAk9jZFPQZa4PYO51oUPUtjCrkp2nr55QA5A&e= > | Unsubscribe<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.blakes.com_English_Resources_Bulletins_Pages_unsubscribe.aspx&d=DwIF-g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=Gi3OGawK9tiw-SRRyJqog5yPjAIexxJaPeU8osgcors&s=RU3bbyhZ9l6EO6-rP_ewmMWvwc6fWSgYUv0RZW-qmmY&e= >

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"**Base Rate**" means ~~the weighted average interest rate applicable to the~~ for any Payment Date, the amount of interest and fees payable to the holders of Series 2017-1 Senior Notes on such Payment Date, expressed as a rate per annum on the weighted average outstanding principal amount of Series 2017-1 Senior Notes from the preceding Payment Date to such Payment Date.

From:	Hanslep, Malle (MOF)
To:	Ramchandani, Rima; Mansoori, Nina; Gadi Mayman; Scott Thompson (CAB); Anna Strathy; Mike Manning; David McLean (MOF); Jonathan Tekle (CAB); Thouin, Alena (ENERGY); Tobias P. Whitfield (MOF); Ken Kandeepan; Steen Hume (CAB); Tim Christie (ENERGY); "ASHBOURNE, STEPHEN"
Cc:	"John Lee (john.s.lee@opg.com)"; "Ken Ryfa (ken.ryfa@opg.com)"; "WONG Leslie -LAWDIV"; LADAK Lubna -TREASURY; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka; Ramchandani, Rima
Subject:	Re: Fair Hydro OM -- Revised Risk Factor
Date:	Wednesday, January 10, 2018 3:48:53 PM

Thanks Rima. We will endeavour to do so

Sent from my BlackBerry 10 smartphone on the Rogers network.
Original Message
From: Ramchandani, Rima
Sent: Wednesday, January 10, 2018 15:46
To: Hanslep, Malle (MOF); Mansoori, Nina; Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY); 'ASHBOURNE, STEPHEN'
Cc: 'John Lee (john.s.lee@opg.com)'; 'Ken Ryfa (ken.ryfa@opg.com)'; 'WONG Leslie -LAWDIV'; LADAK Lubna -TREASURY; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka; Ramchandani, Rima
Subject: Fair Hydro OM -- Revised Risk Factor

Hi Malle, we are proposing a change to one of the risk factors in the OM to address a comment raised by Osler (to disclose the risk related to the fact that OPG is a subsidiary of the Province and that this relationship may impact the performance of its duties as FSM and Manager). Attached is a revised draft of the relevant risk factor showing the changes we are proposing. Before sharing this with Osler, we wanted to run it by your team for review to ensure you are comfortable with the disclosure from the Province's perspective.

I understand we should be receiving comments on the OM, term sheet and investor deck from the Province tomorrow. If you're able to provide your feedback on the attached at the same time, that would be much appreciated.

Thanks,
Rima

Rima Ramchandani

P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

Torys LLP
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com

-----Original Message-----
From: Hanslep, Malle (MOF) [mailto:Malle.Hanslep@ontario.ca]
Sent: January-05-18 5:13 PM
To: Mansoori, Nina <nmansoori@torys.com>; Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; Thompson, Scott (MOF) <Scott.Thompson@ontario.ca>; Strathy, Anna (OFA) <Anna.Strathy@ofina.on.ca>; Manning, Mike (OFA) <Mike.Manning@ofina.on.ca>; McLean, David (MOF) <David.McLean@ontario.ca>; Tekle, Jonathan (MOF) <Jonathan.Tekle@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca>; Hume, Steen (ENERGY) <Steen.Hume@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>
Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Olusoga, Yinka <yolusoga@torys.com>
Subject: Re: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

Hi Nina

I am having trouble receiving the email with the attachments because the attachments are large. Is it possible for you to resend the attachments in separate emails? Sorry about that and would appreciate it so I can review.

Thanks

Malle

Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Mansoori, Nina
Sent: Friday, January 5, 2018 17:04
To: Mayman, Gadi (OFA); Thompson, Scott (MOF); Strathy, Anna (OFA); Manning, Mike (OFA); McLean, David (MOF); Tekle, Jonathan (MOF); Hanslep, Malle (MOF); Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Kandeepan, Ken (OFA); Hume, Steen (ENERGY); Christie, Tim (ENERGY)
Cc: 'John Lee (john.s.lee@opg.com)'; 'Ken Ryfa (ken.ryfa@opg.com)'; 'WONG Leslie -LAWDIV'; LADAK Lubna -TREASURY; Ramchandani, Rima; Feldman, Michael; Saulnier, Brett; Dost, Mitchell; Olusoga, Yinka
Subject: RE: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries

All – just to clarify - we appreciate the Province will be reviewing the draft OM and may have comments on the disclosure which we would be happy to discuss once you have had a chance to review. Thanks,

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Toronto, Ontario M5K 1N2 Canada | www.torys.com<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF_g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=LpP0Vou_bBcQeOlk4LQ77fLl1s5G5ByCWHkyR8rBC20&s=rK5S_PUnmD_1yLKqLdXmuIEDc2ixZ7auxFIl6GMX7vU&e=>
[Torys LLP]<https://urldefense.proofpoint.com/v2/url?u=http-3A__www.torys.com&d=DwIF_g&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=LpP0Vou_bBcQeOlk4LQ77fLl1s5G5ByCWHkyR8rBC20&s=rK5S_PUnmD_1yLKqLdXmuIEDc2ixZ7auxFIl6GMX7vU&e=>

From: Mansoori, Nina
Sent: January-05-18 4:55 PM
To: Mayman, Gadi (OFA) <Gadi.Mayman@ofina.on.ca>; 'Scott.Thompson@ontario.ca' <Scott.Thompson@ontario.ca>; 'Anna.Strathy@ofina.on.ca' <Anna.Strathy@ofina.on.ca>; 'Mike.Manning@ofina.on.ca' <Mike.Manning@ofina.on.ca>; 'David.McLean@ontario.ca' <David.McLean@ontario.ca>; 'Jonathan.Tekle@ontario.ca' <Jonathan.Tekle@ontario.ca>; 'Hanslep, Malle (MOF)' <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; 'Ken.Kandeepan@ofina.on.ca' <Ken.Kandeepan@ofina.on.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; 'tim.christine@ontario.ca' <tim.christine@ontario.ca>
Cc: 'John Lee (john.s.lee@opg.com)' <john.s.lee@opg.com>; 'Ken Ryfa (ken.ryfa@opg.com)' <ken.ryfa@opg.com>; 'WONG Leslie -LAWDIV' <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; Ramchandani, Rima <rramchandani@torys.com>; Feldman, Michael <mfeldman@torys.com>; Saulnier, Brett <bsaulnier@torys.com>; Dost, Mitchell <mdost@torys.com>; Mansoori, Nina <nmansoori@torys.com>; Olusoga, Yinka <yolusoga@torys.com>
Subject: Change of Law Process Agreement - Section 2.1(b)(ii) Document Deliveries
Importance: High

All,

Reference is made to the Change of Law Process Agreement between Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy and the Minister of Finance (the Province") and Ontario Power Generation Inc. ("OPG") to be dated as of December 21, 2017 (the "Change of Law Process Agreement"). All capitalized terms used and not defined in this email shall have their respective meanings in the Change of Law Process Agreement.

On behalf of OPG, we have hand-delivered today to the Ministers and the Deputy Ministers the forms of Transaction Documents set out in the attached cover letter. For ease of reference, we also attach these documents here and attach blacklines to the last versions of the term supplemental indentures circulated to you. If you would like a blackline of any other Transaction Document, please send us the version you reviewed last.

We consider these forms settled other than:

· There is one change that has been proposed by the dealers, and which is under discussion, that will impact the term supplemental indentures and will necessitate some additional disclosure to the term sheet. The dealers have advised that following a Principal Payment Date (i.e. the date on which all amounts owing under the notes are expected to be repaid in full), it would be

typical for the interest payment dates to accelerate to monthly (instead of semi-annually). Once the dealers and OPG have an opportunity to discuss and come to an agreement on this point next week, the necessary changes to reflect this will be made to the term supplemental indentures and the term sheet

· there are still some bullets in these documents which will be addressed closer to closing (including dates, pricing information and the names of all of the Agents)

· we expect there will be some minor clean up to the OM (including making sure all of our cross-references are correct and that the glossary picks up all defined terms).

Please let us know if you have any questions.

Best Regards,
Nina
P. 416.865.7332

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From: Christie, Tim (ENERGY)
To: Ken Kandeepan
Cc: Steen Hume (CAB); Mike Manning
Subject: Re: Fair Hydro Trust - Disclosure Documents
Date: Wednesday, January 17, 2018 11:43:17 AM

Ken, I'll give you a call shortly.

On Wed, Jan 17, 2018 at 11:35 AM -0500, "Ken Kandeepan" <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>> wrote:

Tim

Unfortunately Mike or I will most likely be not available for this call, wonder if you have a few minutes to call me between now and 1 PM so that I can give you my take on this issue.

Thanks

Ken k

416-325-9814

From: Mike Manning
Sent: Wednesday, January 17, 2018 11:20 AM
To: Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca>; ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com) <STEPHEN.ASHBOURNE@blakes.com>
Cc: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>
Subject: RE: Fair Hydro Trust - Disclosure Documents

Unfortunately not around after 2:30.

Mike

From: Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
Sent: Wednesday, January 17, 2018 11:08 AM
To: Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>) <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>
Cc: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Tim Christie (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>
Subject: RE: Fair Hydro Trust - Disclosure Documents

I am available at any time today.

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance

tobias.whitfield@ontario.ca<mailto:tobias.whitfield@ontario.ca>
Phone: 416-325-1456

From: Hanslep, Malle (MOF)
Sent: January 17, 2018 10:30 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY); Strathy, Anna (OFA)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Hi – Adding Anna Strathy to the email group.

From: Hanslep, Malle (MOF)
Sent: January-17-18 10:27 AM
To: Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Sure.

From: Thouin, Alena (ENERGY)
Sent: January-17-18 10:26 AM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>)
Cc: Kandeepan, Ken (OFA); Manning, Mike (OFA); Christie, Tim (ENERGY)
Subject: RE: Fair Hydro Trust - Disclosure Documents

Thanks Malle. Can we set up a call to discuss?
Thank you

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From: Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>
Date: Wednesday, Jan 17, 2018, 10:21 AM
To: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>, Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>, ASHBOURNE, STEPHEN (STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>) <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>
Cc: Kandeepan, Ken (OFA) <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>, Manning, Mike (OFA) <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>, Christie, Tim (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>
Subject: FW: Fair Hydro Trust - Disclosure Documents

Should we discuss this approach? It may have implications for future documents and transactions. I have not had the opportunity to review the changes that were accepted but if we think they are important it would be best to be able to preserve those as the version of the "OM" as a reference document under the Process Agreement for future transactions rather than the initial version they sent us. I realize there is a problem with the 10 days but if we could figure out a way to make the final version (or close to final) become the reference document that would be best. So I'm not sure that we want to write back and just agree with Les that we don't take a contrary view without considering carefully. Technically if the 10 days expire without the Province objecting the document becomes a reference document. I know Toby has drafted a delegation of the powers under the process agreement for MOF/OFA. Not sure what the timing of the deal is right now.

Thanks,

Malle

From: WONG Leslie -LAWDIV [mailto:leslie.wong@opg.com]
Sent: January-17-18 9:45 AM
To: Thouin, Alena (ENERGY); Hanslep, Malle (MOF)
Cc: LEE John -TREASURY; LADAK Lubna -TREASURY; RYFA Ken -TREASURY; Saulnier, Brett; Ramchandani, Rima; Feldman, Michael; Mansoori, Nina
Subject: RE: Fair Hydro Trust - Disclosure Documents

Dear Alena and Malle,

You will have seen the revised draft of the OM and term sheet circulated by Torys (attached again for reference). A revised draft of the Investor Presentation is also in progress and will be circulated once available. We do not view the changes made to the OM, term sheet or the IP as material (in form or substance) and we would appreciate it if you could confirm that the Province does not take a contrary view. As you know, under the change of law process agreement, OPG is required to certify that these documents are substantially in the form as previously provided to the Province, which we believe is the case. Therefore, there is no reason for us to restart the 10 Business Day clock running following delivery of the revised documents. If you have any concerns with our interpretation or approach please let us know.

Regards,

Les

Leslie Wong
Senior Counsel
Ontario Power Generation Inc.
700 University Avenue, H18 G26.1, Toronto, ON M5G 1X6
T: (416) 592-3110 | E: leslie.wong@opg.com<mailto:leslie.wong@opg.com>

From: Saulnier, Brett [mailto:bsaulnier@torys.com]
Sent: Wednesday, January 17, 2018 1:31 AM
To: VINER, JON <JON.VINER@blakes.com<mailto:JON.VINER@blakes.com>>; Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca<mailto:Daniel.Cayley@ontario.ca>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca<mailto:Cindy.Veinot@ontario.ca>>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca<mailto:Mark.Donaldson@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca<mailto:Jackson.Huang@ontario.ca>>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca<mailto:Khareem.Sawwaf@ontario.ca>>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca<mailto:Ava.Lightbody@ontario.ca>>; James Rehob (ENERGY) <James.Rehob@ontario.ca<mailto:James.Rehob@ontario.ca>>; Gadi Mayman (Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>
Cc: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; RYFA Ken -TREASURY

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<mfeldman@torys.com<mailto:mfeldman@torys.com>>
Subject: EXTERNAL – RE: Fair Hydro Trust - Disclosure Documents

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All,

Please find attached revised versions of the Offering Memorandum and Term Sheet. We have accepted the majority of the Province's comments where appropriate and I have included blacklines of each document against the version circulated by Jon below. The attached also reflect comments received from the IESO and some additional clean-up changes made since the documents were provided to the Province on January 5.

In the interest of time, we are circulating these drafts to all parties concurrently. Accordingly, they remain subject to review and comment by OPG, IESO, the dealers and their respective counsel.

Thanks,
Brett

Brett Saulnier

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<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttp-253A-252F-252Fwww.torys.com-26data-3D02-257C01-257Cleslie.wong-2540opg.com-257Cdad1536ab18f4905427508d55d7443b4-257C962f21cf93ea449f99bf402e2b2987b2-257C0-257C0-257C636517677030236931-26sdata-3DYU16o4Azh-252B78d4axRjwt-252BuPc5Jv7HtXhEoXh51IZ1gA-253D-26reserved-3D0&d=DwMFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=qAu7uPTgP4g0cKbUubT-lAGWz0fa9YsUUB66jTaYQPQ&s=BKoFwwCj9cWeydT4kMPMQHYkS4DV2r1xreSb5W8n0vM&e=>

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From: VINER, JON [mailto:JON.VINER@blakes.com]
Sent: January-16-18 10:48 AM
To: LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>>; 'ken.ryfa@opg.com'
<ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; WONG Leslie -LAWDIV
<leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY
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<nmansoori@torys.com<mailto:nmansoori@torys.com>>; Saulnier, Brett
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<rramchandani@torys.com<mailto:rramchandani@torys.com>>
Cc: Thouin, Alena (ENERGY) <Alena.Thouin@ontario.ca<mailto:Alena.Thouin@ontario.ca>>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca<mailto:Tim.Christie@ontario.ca>>; Cayley, Daniel (ENERGY) <Daniel.Cayley@ontario.ca<mailto:Daniel.Cayley@ontario.ca>>; Mike Manning <Mike.Manning@ofina.on.ca<mailto:Mike.Manning@ofina.on.ca>>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca<mailto:Ken.Kandeepan@ofina.on.ca>>; Anna Strathy <Anna.Strathy@ofina.on.ca<mailto:Anna.Strathy@ofina.on.ca>>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca<mailto:Cindy.Veinot@ontario.ca>>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca<mailto:Mark.Donaldson@ontario.ca>>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca<mailto:Malle.Hanslep@ontario.ca>>; Tobias P. Whitfield (MOF) <Tobias.Whitfield@ontario.ca<mailto:Tobias.Whitfield@ontario.ca>>; ASHBOURNE, STEPHEN <STEPHEN.ASHBOURNE@blakes.com<mailto:STEPHEN.ASHBOURNE@blakes.com>>; Ronald Kwan <Ronald.Kwan@ofina.on.ca<mailto:Ronald.Kwan@ofina.on.ca>>; Huang, Jackson (MEDG/MRIS) <Jackson.Huang@ontario.ca<mailto:Jackson.Huang@ontario.ca>>; Sawwaf, Khareem (ENERGY) <Khareem.Sawwaf@ontario.ca<mailto:Khareem.Sawwaf@ontario.ca>>; Lightbody, Ava (ENERGY) <Ava.Lightbody@ontario.ca<mailto:Ava.Lightbody@ontario.ca>>; James Rehob (ENERGY) <James.Rehob@ontario.ca<mailto:James.Rehob@ontario.ca>>; Gadi Mayman (Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>) <Gadi.Mayman@ofina.on.ca<mailto:Gadi.Mayman@ofina.on.ca>>
Subject: Fair Hydro Trust - Disclosure Documents

All,

Please find attached the Province's comments on the offering memorandum, investor presentation and term sheet. We do not have comments on the additional documents circulated on January 5th.

Please let us know if you would like to discuss.

Kind regards,
Jon

Jon Viner
Associate
jon.viner@blakes.com<mailto:jon.viner@blakes.com>
Dir: 416-863-2499

_____

[cid:image002.gif@01D38F85.100D5D50]

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257C962f21cf93ea449f99bf402e2b2987b2-257C0-257C0-257C636517677030236931-26sdata-3DO7QsK-252FYrQoFDudti2xmnBwHBfPmgDHBneNRm4rBritw-253D-26reserved-3D0&d=DwMFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=qAu7uPTgP4g0cKbUubT-lAGWz0fa9YsUUB66jTaYQPQ&s=CWuaJyRNne0OatvdXKn1cjoNktYLvvxHeVVmf3fma_c&e=> | Unsubscribe[na01.safelinks.protection.outlook.com]<https://urldefense.proofpoint.com/v2/url?u=https-3A__na01.safelinks.protection.outlook.com_-3Furl-3Dhttp-253A-252F-252Fwww.blakes.com-252FEnglish-252FResources-252FBulletins-252FPages-252Funsubscribe.aspx-26data-3D02-257C01-257Cleslie.wong-2540opg.com-257Cdad1536ab18f4905427508d55d7443b4-257C962f21cf93ea449f99bf402e2b2987b2-257C0-257C0-257C636517677030236931-26sdata-3DDt-252Bfbk5DtGa69aUQsXmLYo5VdDvZFoStBYtxcrE2CmU-253D-26reserved-3D0&d=DwMFAw&c=qG_YucLTZOaBAapRaQkKEgrMWFFI0Cr1_eykjn9FtiQ&r=gV-xgZHI0tggSwOPXBdMOr4DyITzOyaIKJLqH9Oy-40&m=qAu7uPTgP4g0cKbUubT-lAGWz0fa9YsUUB66jTaYQPQ&s=NG7yjaCk706Zu6jRMXs7mnaFLeoUcOtzwNiDBlk8qGw&e=>

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From: Anna Strathy
To: Malle Hanslep (MOF)
Cc: Ken Kandeepan; Tobias P. Whitfield (MOF); Ronald Kwan; Mike Manning
Subject: Re: Fair Hydro Trust - Term Debt Issuance Closing Books
Date: Tuesday, March 20, 2018 12:45:53 PM

Thanks Malle.

--
Anna Strathy
Special Policy Advisor to the CEO
Ontario Financing Authority
416.325.8032

On Mar 20, 2018, at 12:41 PM, Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca> wrote:

> Hi – We received the USB key with the closing documents for the term loan. I will send it to Anna like I did for the warehouse facility and I think that you decided that Documentation might be a good area to take care of saving the documents. We have a USB key here too.
> Thanks,
> Malle
>
> ---
>
> **From:** Saulnier, Brett [mailto:bsaulnier@torys.com]
> **Sent:** March 1, 2018 4:02 PM
> **To:** Thouin, Alena (ENERGY); Whitfield, Tobias P. (MOF); Hanslep, Malle (MOF); Kobrinsky, Liza (MOF); Christie, Tim (ENERGY)
> **Cc:** Ramchandani, Rima; Mansoori, Nina
> **Subject:** RE: Fair Hydro Trust - Term Debt Issuance Closing Books
> Thanks, all. I'll confirm tomorrow morning the approximate time the courier will make the delivery.
> Brett Saulnier
> P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
>
> ---
>
> **From:** Thouin, Alena (ENERGY) [mailto:Alena.Thouin@ontario.ca]
> **Sent:** March-01-18 3:59 PM
> **To:** Whitfield, Tobias P. (MOF) <Tobias.Whitfield@ontario.ca>; Saulnier, Brett <bsaulnier@torys.com>; Hanslep, Malle (MOF) <Malle.Hanslep@ontario.ca>; Kobrinsky, Liza (MOF) <Liza.Kobrinsky@ontario.ca>; Christie, Tim (ENERGY) <Tim.Christie@ontario.ca>
> **Cc:** Ramchandani, Rima <rramchandani@torys.com>; Mansoori, Nina <nmansoori@torys.com>
> **Subject:** RE: Fair Hydro Trust - Term Debt Issuance Closing Books
> Thanks. Agreed.
> The recipients are fine, but would be helpful to have timing.
> **Alena Thouin**
> Deputy Director, Legal Services Branch
> Ministries of Energy / Infrastructure / Economic Development & Growth /

Research, Innovation & Science / Accessibility
56 Wellesley St. W. 18th Floor, Toronto, ON M7A 2E7
Tel: 416-325-1834 **Email:** alena.thouin@ontario.ca
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From: Whitfield, Tobias P. (MOF)
Sent: March 1, 2018 2:11 PM
To: Saulnier, Brett; Hanslep, Malle (MOF); Kobrinsky, Liza (MOF); Thouin, Alena (ENERGY); Christie, Tim (ENERGY)
Cc: Ramchandani, Rima; Mansoori, Nina
Subject: Re: Fair Hydro Trust - Term Debt Issuance Closing Books

Brett,
Those recipients are fine for MOF.
Can you please let us know approximately when to expect the package?
Thanks
Toby

Tobias Whitfield
Counsel, Legal Services Branch
Ministry of Finance
777 Bay Street, 11th Floor
Toronto, ON, M5G 2C8
tobias.whitfield@ontario.ca
Phone: 416-325-1456

From: Saulnier, Brett
Sent: Thursday, March 1, 2018 12:40 PM
To: Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Kobrinsky, Liza (MOF); Tekle, Jonathan (MOF); Thouin, Alena (ENERGY); Christie, Tim (ENERGY)
Cc: Ramchandani, Rima; Mansoori, Nina
Subject: Fair Hydro Trust - Term Debt Issuance Closing Books

Hi all,

We will be couriering two USB copies of the closing books for the term debt financing, which closed on February 9, 2018, to each of the Ministry of Finance and Ministry of Energy tomorrow.

As for the last closing book delivery, we will give the following instructions to the courier:

- Ministry of Finance: Package will be to the attention of Liza Kobrinsky and Lejla Avdic. The courier will call Lejla Avdic at 416-325-0400 on arrival.
- Ministry of Energy: The courier will call Hillary at 416-832-0338 on arrival.

Please let us know if we should change these delivery instructions. If you also could please confirm once each package has been received, it would be much

appreciated.
Thanks,
Brett
Brett Saulnier
P. 416.865.8148 | F. 416.865.7380 | 1.800.505.8679
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada | www.torys.com[torys.com]

[torys.com]

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From: Ronald Kwan
To: Anna Strathy
Cc: John Psinas; Mike Manning; Usman Zahid
Subject: Re: Joint Meeting | AG Update
Date: Wednesday, May 02, 2018 8:50:11 AM

Hi Anna,

I thought that the response OPCD already put in looked okay. Did you want to run it by MOF Legal?

Ron

On May 2, 2018, at 8:29 AM, Anna Strathy <Anna.Strathy@ofina.on.ca> wrote:

> Just spoke to Comms and they don't have anything either. I think we can provide a very succinct response here. One line describing the protection agreement and one line that explains why it cannot be released (I assume it's privileged?)
>
> **From:** Anna Strathy
> **Sent:** Wednesday, May 02, 2018 8:14 AM
> **To:** John Psinas <John.Psinas@ofina.on.ca>
> **Cc:** Mike Manning <Mike.Manning@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Usman Zahid <Usman.Zahid@ofina.on.ca>
> **Subject:** FW: Joint Meeting | AG Update
> Hi John, attached are the materials that were prepared for the technical briefing, although I don't see anything here on the protection agreement.
> I've got a call into my MOF Comms contact to see if he has any other public messaging that's been used.
>
> **From:** Schlaepfer, Martin (ENERGY) [mailto:Martin.Schlaepfer@ontario.ca]
> **Sent:** Sunday, October 15, 2017 4:19 PM
> **To:** Serge Imbrogno (ENERGY) <Serge.Imbrogno@ontario.ca>; Francesca Bungaro-Yemec (ENERGY) <Francesca.Bungaro-Yemec@ontario.ca>; Andrew Teliszewsky (ENERGY) <Andrew.Teliszewsky@ontario.ca>; Baker, Carys (ENERGY) <Carys.Baker@ontario.ca>; Matt Whittington (ENERGY) <Matt.Whittington@ontario.ca>; Steen Hume (CAB) <Steen.Hume@ontario.ca>; Hilary Cox (ENE) <Hilary.Cox@ontario.ca>; Scott Nelms (ENERGY) <Scott.Nelms@ontario.ca>; Cengarle, John (MOF) <John.Cengarle@ontario.ca>; Carolyn Calwell (MCSS) <Carolyn.Calwell@ontario.ca>; Murray, Maud (ENERGY) <Maud.Murray3@ontario.ca>; Kyle MacIntyre (MOF) <Kyle.MacIntyre@ontario.ca>; Allison Ue (MCSS) <Allison.Ue@ontario.ca>; David McLean (MOF) <David.McLean@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Patrick Laughton (MOF) <Patrick.Laughton@ontario.ca>; Hosick, Sarah (TBS) <Sarah.Hosick@ontario.ca>; 'Jordan Penic' <jordan.penic@ieso.ca>; 'Kim Marshall' <Kim.Marshall@ieso.ca>; 'HARTWICK Ken -FINANCE' <ken.hartwick@opg.com>; 'KING Catriona -OFFCORPSEC' <catriona.king@opg.com>
> **Cc:** Tim Christie (ENERGY) <Tim.Christie@ontario.ca>; Ridd, Carl (ENERGY) <Carl.Ridd@ontario.ca>; Helen Angus (MOHLTC) <Helen.Angus@ontario.ca>; Veinot, Cindy (TBS) <Cindy.Veinot@ontario.ca>; Jason Pichelli (MOF) <Jason.Pichelli@ontario.ca>; Gabrielle Gallant (OMAF) <Gabrielle.Gallant@ontario.ca>; Christine Poopalapillai (MRI) <Christine.Poopalapillai@ontario.ca>; Karen Hughes (MGS)

<Karen.Hughes@ontario.ca>; Scott Thompson (CAB) <Scott.Thompson@ontario.ca>; Ghiassi, Ali (MOF) <Ali.Ghiassi@ontario.ca>; Giroux Namian, Orli (MOF) <Orli.GirouxNamian@ontario.ca>; Marianne Nguyen (MCYS) <Marianne.Nguyen@ontario.ca>; Mark Donaldson (MOF) <Mark.Donaldson@ontario.ca>; Gadi Mayman <Gadi.Mayman@ofina.on.ca>
Subject: Joint Meeting | AG Update
Hi everyone,
Attached are the materials for tomorrow morning's meeting:

- Technical Briefing Deck
- Agenda
- Consolidated QAs

Thanks,
Martin

From: Gadi Mayman
To: Bonnie Lemcke
Cc: Anna Strathy; Ken Kandeepan; Mike Manning
Subject: Re: Moody"s will be sending their credit opinion shortly
Date: Monday, January 29, 2018 3:01:06 PM

When will this go public? Ken and John from OPG are doing their FHT roadshow this week in advance of launching their first transaction next week.

On Jan 29, 2018, at 2:28 PM, Bonnie Lemcke <Bonnie.Lemcke@ofina.on.ca> wrote:

> They have decided to include the Fair Hydro Trust in the province's debt calculation
> They do not view this as self-supporting because there are no payments from ratepayers until sometime in the future. When the payments from the ratepayers start to pay that debt down they may change their view. This will not affect the province's rating at this time.
> I will send you the report as soon as I get it
> Bonnie Lemcke
> Manager, Credit Analysis and Rating Relations
> Ontario Financing Authority
> 416-325-8170 (w)
> 416-716-4092 (m)

From:	Ken Kandeepan
To:	John Kim
Cc:	Tobias P. Whitfield (MOF); Mike Manning; Ronald Kwan; Malle Hanslep (MOF); Carlos Yep; John Psinas; Shajee Kathirgamanathan
Subject:	Re: OPG Q4 reporting - relevant excerpts for FHP
Date:	Monday, February 26, 2018 6:55:52 PM

Sorry for the delay, agree with Toby's edits, I don't have any to add.

Thanks

Ken k

On Feb 26, 2018, at 5:38 PM, John Kim <John.Kim@ofina.on.ca> wrote:

> Thanks Toby….will send these back.
> John
>
> **From:** Whitfield, Tobias P. (MOF) [mailto:Tobias.Whitfield@ontario.ca]
> **Sent:** Monday, February 26, 2018 11:32 AM
> **To:** John Kim <John.Kim@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
> **Cc:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>; Malle Hanslep (MOF) <Malle.Hanslep@ontario.ca>; Carlos Yep <Carlos.Yep@ofina.on.ca>; John Psinas <John.Psinas@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
> **Subject:** RE: OPG Q4 reporting - relevant excerpts for FHP
> Please find attached comments on the excerpts. Let me know if you have any other questions.
> Toby
> Tobias Whitfield
> Counsel, Legal Services Branch
> Ministry of Finance
> tobias.whitfield@ontario.ca
> Phone: 416-325-1456
>
> **From:** John Kim [mailto:John.Kim@ofina.on.ca]
> **Sent:** February 26, 2018 11:04 AM
> **To:** Manning, Mike (OFA); Kandeepan, Ken (OFA)
> **Cc:** Kwan, Ronald (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Yep, Carlos (OFA); John Psinas; Kathirgamanathan,Shajee (OFA)
> **Subject:** OPG Q4 reporting - relevant excerpts for FHP
> Hi Mike, Ken,
> We have the attached excerpts from OPG's draft Q4. Let me know if you have any comments on the draft wording, as highlighted.
> I had shared these with Toby and Malle earlier this morning.
> Thanks,
> John
> Y. John Kim

Director, Electricity Finance Branch
Ontario Financing Authority
e-mail: john.kim@ofina.on.ca
Ph: 416-212-6996

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From: Ronald Kwan
To: Gadi Mayman
Cc: Usman Zahid; Anna Strathy; Mike Manning; Ken Kandeepan; John Kim
Subject: Re: Rating Agencies views on Fair Hydro
Date: Thursday, April 19, 2018 1:05:56 PM

Hi Gadi,

John was prepped to anticipate such a request!

Ron

From: Gadi Mayman
Sent: April 19, 2018 12:31 PM
To: Ronald Kwan
Cc: Usman Zahid; Anna Strathy; Mike Manning; Ken Kandeepan
Subject: FW: Rating Agencies views on Fair Hydro

Hi Ron. The deal ended up coming at 107, which is 32 back of us. We should update our interest calculation based on this.
Thanks,
Gadi

From: Caridia, Alex [mailto:alex.caridia@rbccm.com]
Sent: Thursday, April 19, 2018 9:35 AM
To: Gadi Mayman
Subject: RE: Rating Agencies views on Fair Hydro

Hi Gadi – jus called you for an update on this. As you will have seen books are open at 110 +/-3bps
See that as Ont +35 and Toronto +13bps
Happy to chat more at your convenience
Alex

From: Caridia, Alex
Sent: April 19, 18 7:59 AM
To: Gadi Mayman
Subject: Re: Rating Agencies views on Fair Hydro

Hi Gadi
In short, that's true. Moody's action on Ontario will have no immediate effect on the ratings of FHT. Moody's rates FHT in line with the Province's rating, and has stated that any move on Ontario will also move their ratings on the FH program. However, under securitization methodology, rating directions are not used, so there is no current change on FHT, but if the Province is downgraded, FHT will also be downgraded.

On: 18 April 2018 21:59,
"Gadi Mayman" <Gadi.Mayman@ofina.on.ca> wrote:
Thanks, Alex. I was told that structured finance ratings don't have negative outlooks; the rating is simply the rating, so Moody's putting us on negative outlook doesn't immediately affect their rating of the FHT. It's only if we were to get downgraded that they would also downgrade FHT. Seems weird to me, but that's what I was told, and given that you've proceeded with the FHT transaction, I assume it's true?

_____
From: Caridia, Alex <alex.caridia@rbccm.com>
Sent: Wednesday, April 18, 2018 5:30:32 PM
To: Gadi Mayman
Subject: Fwd: Rating Agencies views on Fair Hydro

Hi Gadi - FYI

Begin Forwarded Message:
From: "Laham, Chris" <chris.laham@rbccm.com>>
Subject: Rating Agencies views on Fair Hydro
Date: 18 April 2018 15:51
To: "+DS-GM-Bond Sales Desk" <DS-GM-BondSalesDesk@rbc.com>>

Here are some bullet points outlining how each agency views Fair Hydro Trust in the context of the ratings of the Province.
The key point being, Moody's assumes at some point over the horizon of the program the Province will step in, thus linking the ratings. As a reminder, if this were to happen, the Province will assume the debt.

Here is Ian's outline for those that want a deeper dive:

DBRS

* Look at the transaction through a structured finance lens
* Change of law that could invoke a Protection Event is mitigated by the risk the FHT platform would become a liability of the Province, legislation took a long time to draft and pass, adverse change of law could bring into question other Provincial guarantee arrangements
* Significant enhancement (almost 100%) supports the senior notes, as does true-up mechanism, non-bypassability of recovery charge
* Amount of recovery charge is small as a percentage of the overall electricity user bill

Moody's

* The program as structured and under current law and regulations is considered to be of similar credit quality to US utility cost recovery programs rated by Moody's
* However, the FHT program's 30-year term, combined with the pervasive role of the Province and its related entities in many aspects of this transaction, increase the risk that the Province could make future changes to the law or related regulations that could adversely affect the outstanding obligations under the FHT program
* The Provincial guarantee is a mitigant to this risk, but it is not as robust as the constitutional protection found in similar US programs. Accordingly, Moody's has linked the provisional ratings of the notes to the Aa2 rating of the

Province
* Future changes to the Province's rating will result in similar changes to the ratings of the notes.

Ian Benaiah | Director, Securitization Finance | RBC Capital Markets | TEL: 416.842.3820 | FAX: 416.842.3888 | ian.benaiah@rbccm.com>

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From: Ken Kandeepan
To: Ronald Kwan
Cc: Anna Strathy; Mike Manning
Subject: Re: SCOPA QA Fact Check Request
Date: Wednesday, February 07, 2018 12:27:23 PM

Thanks will review shortly, not sure if you saw Gadi's email on the impact of OPG borrowing on the OFHP.

Given that MOE has the debt and repayment forecasts on an annual basis they may want to take a crack at the impact using the 23 bps as a start.

Cc'ing Mike since he may have something to add.

Thanks

Ken k

On Feb 7, 2018, at 12:14 PM, Ronald Kwan <Ronald.Kwan@ofina.on.ca> wrote:

> Hi Ken,
>
> FYI on a markup we had done.
>
> Anna, staff will send a clean copy shortly.
>
> Ron
>
> Begin forwarded message:
>
> **From:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Date:** February 7, 2018 at 3:29:20 AM EST
> **To:** Usman Zahid <Usman.Zahid@ofina.on.ca>
> **Cc:** John Kim <John.Kim@ofina.on.ca>, Bruno Amara <Bruno.Amara@ofina.on.ca>, Gavin He <Gavin.He@ofina.on.ca>, Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
> **Subject: RE: SCOPA QA Fact Check Request**
>
> Hi,
> Suggested response as attached.
> Ron
>
> ---
>
> **From:** Usman Zahid
> **Sent:** February-06-18 3:47 PM
> **To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Shajee

Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
Subject: FW: SCOPA QA Fact Check Request
Hi Ron,
EFB have reviewed the "long-form answers" for SCOPA. Please see attached.
Regards,
Usman

From: Usman Zahid
Sent: Tuesday, February 06, 2018 2:00 PM
To: John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
Cc: Ronald Kwan <Ronald.Kwan@ofina.on.ca>
Subject: FW: SCOPA QA Fact Check Request
Hi John and Bruno,
Can you review the attached "long-form answers" for SCOPA. We have been asked to review the fair hydro answer (attached). Can you get something for EOD today? We need to get it to Gadi for noon tomorrow.
Regards,
Usman

From: Anna Strathy
Sent: Tuesday, February 06, 2018 12:32 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
Cc: Usman Zahid <Usman.Zahid@ofina.on.ca>
Subject: FW: SCOPA QA Fact Check Request
Hi Ken,
We've been asked to review and provide input to the attached "long-form answers" for SCOPA. As you heard in the meeting today, Gadi feels they need quite a bit of work, so please let your team know to edit/delete/add as they see fit. There's not much for us in the "Balanced Budget" answer (more an OB/OEP lead), but the debt and Fair Hydro answers will require our review.
Could I ask for your edits **by noon tomorrow**?
Usman - I assume CEFD is looking at the Fair Hydro answer as well? Let's coordinate our input.
Thanks, Anna

From: Sohn, Michael (MOF) [mailto:Michael.Sohn@ontario.ca]
Sent: Monday, February 05, 2018 1:13 PM
To: Birks, Ryan (MOF) <Ryan.Birks@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ghufran Tarin (MOF) <Ghufran.Tarin@ontario.ca>; David Goodwin (MOI) <David.S.Goodwin@ontario.ca>
Cc: Matthew Sylvain (MOF) <Matthew.Sylvain@ontario.ca>
Subject: SCOPA QA Fact Check Request
Ryan, Anna, Ghufran and David:

I am the MOF's communications lead on the Q & As for the Standing Committee on Public Accounts (SCOPA). I have attached my most recent drafts for four QAs, which have been approved by my management team in communications. Can I have your policy teams fact check the documents and return them to me by this Wednesday February 7 at noon?

Thank you, in advance, for your work, and please let me know if you have any questions.

Michael Sohn
Senior Communications Advisor (A)
Strategic Communications Unit (Toronto)
Communications Services Branch
Ontario Ministry of Finance
416-325-1309

From: Ronald Kwan
To: Mike Manning
Cc: Ken Kandeepan; Anna Strathy
Subject: Re: SCOPA QA Fact Check Request
Date: Thursday, February 08, 2018 8:41:00 AM

Thanks Mike.

Ron

On Feb 8, 2018, at 8:36 AM, Mike Manning <Mike.Manning@ofina.on.ca> wrote:

> Will have more info. shortly. Just talked to John Lee and they will be using the survey to determine the spreads. Will pass on the info as I get it.
> Mike
>
> **From:** Ronald Kwan
> **Sent:** Wednesday, February 07, 2018 5:20 PM
> **To:** Mike Manning <Mike.Manning@ofina.on.ca>; Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
> **Cc:** Anna Strathy <Anna.Strathy@ofina.on.ca>
> **Subject:** RE: SCOPA QA Fact Check Request
> Hi,
> I haven't seen material recently on what OPG is doing on the rate on the sub-debt. Would one of you have an update on the current thinking on that?
> Thanks,
> Ron
>
> **From:** Mike Manning
> **Sent:** February-07-18 12:36
> **To:** Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>; Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Cc:** Anna Strathy <Anna.Strathy@ofina.on.ca>
> **Subject:** RE: SCOPA QA Fact Check Request
> If you have the original spread assumption, it may be relatively easy to do a back of the envelope estimation.
> Regards, Mike
>
> **From:** Ken Kandeepan
> **Sent:** Wednesday, February 07, 2018 12:27 PM
> **To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Cc:** Anna Strathy <Anna.Strathy@ofina.on.ca>; Mike Manning <Mike.Manning@ofina.on.ca>
> **Subject:** Re: SCOPA QA Fact Check Request
> Thanks will review shortly, not sure if you saw Gadi's email on the impact of OPG borrowing on the OFHP.
> Given that MOE has the debt and repayment forecasts on an annual basis they may want to take a crack at the impact using the 23 bps as a start.

Cc'ing Mike since he may have something to add.
Thanks
Ken k

On Feb 7, 2018, at 12:14 PM, Ronald Kwan <Ronald.Kwan@ofina.on.ca> wrote:

> Hi Ken,
> FYI on a markup we had done.
> Anna, staff will send a clean copy shortly.
> Ron
>
> Begin forwarded message:
>
> **From:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Date:** February 7, 2018 at 3:29:20 AM EST
> **To:** Usman Zahid <Usman.Zahid@ofina.on.ca>
> **Cc:** John Kim <John.Kim@ofina.on.ca>, Bruno Amara <Bruno.Amara@ofina.on.ca>, Gavin He <Gavin.He@ofina.on.ca>, Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
> **Subject: RE: SCOPA QA Fact Check Request**
>
> Hi,
> Suggested response as attached.
> Ron
>
> ---
>
> **From:** Usman Zahid
> **Sent:** February-06-18 3:47 PM
> **To:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Cc:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>; Gavin He <Gavin.He@ofina.on.ca>; Shajee Kathirgamanathan <Shajee.Kathirgamanathan@ofina.on.ca>
> **Subject:** FW: SCOPA QA Fact Check Request
> Hi Ron,
> EFB have reviewed the "long-form answers" for SCOPA.
> Please see attached.
> Regards,
> Usman
>
> ---
>
> **From:** Usman Zahid
> **Sent:** Tuesday, February 06, 2018 2:00 PM
> **To:** John Kim <John.Kim@ofina.on.ca>; Bruno Amara <Bruno.Amara@ofina.on.ca>
> **Cc:** Ronald Kwan <Ronald.Kwan@ofina.on.ca>
> **Subject:** FW: SCOPA QA Fact Check Request

Hi John and Bruno,
Can you review the attached "long-form answers" for SCOPA. We have been asked to review the fair hydro answer (attached). Can you get something for EOD today? We need to get it to Gadi for noon tomorrow.
Regards,
Usman

From: Anna Strathy
Sent: Tuesday, February 06, 2018 12:32 PM
To: Ken Kandeepan <Ken.Kandeepan@ofina.on.ca>
Cc: Usman Zahid <Usman.Zahid@ofina.on.ca>
Subject: FW: SCOPA QA Fact Check Request

Hi Ken,
We've been asked to review and provide input to the attached "long-form answers" for SCOPA. As you heard in the meeting today, Gadi feels they need quite a bit of work, so please let your team know to edit/delete/add as they see fit. There's not much for us in the "Balanced Budget" answer (more an OB/OEP lead), but the debt and Fair Hydro answers will require our review.
Could I ask for your edits **by noon tomorrow**?
Usman - I assume CEFD is looking at the Fair Hydro answer as well? Let's coordinate our input.
Thanks, Anna

From: Sohn, Michael (MOF) [mailto:Michael.Sohn@ontario.ca]
Sent: Monday, February 05, 2018 1:13 PM
To: Birks, Ryan (MOF) <Ryan.Birks@ontario.ca>; Anna Strathy <Anna.Strathy@ofina.on.ca>; Ghufran Tarin (MOF) <Ghufran.Tarin@ontario.ca>; David Goodwin (MOI) <David.S.Goodwin@ontario.ca>
Cc: Matthew Sylvain (MOF) <Matthew.Sylvain@ontario.ca>
Subject: SCOPA QA Fact Check Request

Ryan, Anna, Ghufran and David:
I am the MOF's communications lead on the Q & As for the Standing Committee on Public Accounts (SCOPA). I have attached my most recent drafts for four QAs, which have been approved by my management team in communications. Can I have your policy teams fact check the documents and return them to me by this Wednesday February 7 at noon?
Thank you, in advance, for your work, and please let me know if you have any questions.
Michael Sohn

Senior Communications Advisor (A)
Strategic Communications Unit (Toronto)
Communications Services Branch
Ontario Ministry of Finance
416-325-1309

From:	Ken Kandeepan
To:	LEE John -TREASURY
Cc:	WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Mike Manning; Malle Hanslep (MOF); Tobias P. Whitfield (MOF); Anna Strathy
Subject:	Re: Waiver Process
Date:	Wednesday, January 03, 2018 8:04:01 PM

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com> wrote:

> Ken:
> Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.
> Please advise.
> John
>
> **From:** Ramchandani, Rima [mailto:rramchandani@torys.com]
> **Sent:** Wednesday, January 03, 2018 5:38 PM
> **To:** LEE John -TREASURY <john.s.lee@opg.com>
> **Cc:** Feldman, Michael <mfeldman@torys.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>
> **Subject:** RE: EXTERNAL – RE: Diligence Questions
> I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!
> Rima
> Rima Ramchandani
> P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679
>
> **From:** Ramchandani, Rima
> **Sent:** January-03-18 5:32 PM
> **To:** 'LEE John -TREASURY' <john.s.lee@opg.com>

Cc: Feldman, Michael <mfeldman@torys.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani
P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com>
Cc: Feldman, Michael <mfeldman@torys.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	Hanslep, Malle (MOF)
To:	Ken Kandeepan; LEE John -TREASURY
Cc:	WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Mike Manning; Tobias P. Whitfield (MOF); Anna Strathy; Thouin, Alena (ENERGY)
Subject:	Re: Waiver Process
Date:	Wednesday, January 03, 2018 8:44:57 PM

It would be very helpful if OPG and Torys could provide to us a timetable and schedule for delivery of reference documents that are being prepared and when do we expect to get them and when is the proposed issuance. On that basis we can review the timing and determine whether a waiver will be necessary and if it is how it might be processed. Unfortunately we haven't received any updates or draft documents since the closing of the warehouse deal. Also is there a plan for distributing to the Province the documents from the warehouse closing?
Thanks

Malle
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Ken Kandeepan
Sent: Wednesday, January 3, 2018 20:04
To: LEE John -TREASURY
Cc: WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Manning, Mike (OFA); Hanslep, Malle (MOF); Whitfield, Tobias P. (MOF); Strathy, Anna (OFA)
Subject: Re: Waiver Process

Thanks, didn't realize that all waivers have to be signed by the respective ministers, which as you know is difficult on an operational basis.

I am cc'ing our legal counsel to see if they have any suggestions.

Ken k

On Jan 3, 2018, at 5:57 PM, LEE John -TREASURY <john.s.lee@opg.com<mailto:john.s.lee@opg.com>> wrote:

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Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.

Please advise.

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Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>

Subject: RE: EXTERNAL – RE: Diligence Questions

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Rima Ramchandani

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Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

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Rima Ramchandani

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Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com<mailto:rramchandani@torys.com>>
Cc: Feldman, Michael <mfeldman@torys.com<mailto:mfeldman@torys.com>>; WONG Leslie -LAWDIV <leslie.wong@opg.com<mailto:leslie.wong@opg.com>>; LADAK Lubna -TREASURY <lubna.ladak@opg.com<mailto:lubna.ladak@opg.com>>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com<mailto:may.lapira@opg.com>>; RYFA Ken -TREASURY <ken.ryfa@opg.com<mailto:ken.ryfa@opg.com>>; GO Matthew -TREASURY <matthew.go@opg.com<mailto:matthew.go@opg.com>>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com<mailto:j.hahnparker@opg.com>>
Subject: RE: EXTERNAL – RE: Diligence Questions

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John

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From: Mike Manning
To: ASHBOURNE, STEPHEN
Subject: Sinking Funds
Date: Tuesday, January 09, 2018 12:31:33 PM

Hi Stephen:
I'm free anytime tomorrow morning to discuss, so let me know if there is still time in your schedule tomorrow morning to discuss?

Regards, Mike

From:	LAURETA LAPIRA May -TREASURY
To:	Mike Manning
Cc:	LEE John -TREASURY; LADAK Lubna -TREASURY
Subject:	Sub/Jr Sub LT debt for FHT
Date:	Friday, February 09, 2018 9:24:05 AM

Good morning Mike,

John was running to a meeting and he asked me to send you the amounts of LT debt for the sub and jr sub portions that settled this AM. Please find below.

Long-term Subordinated debt: $382,353,000

Long-term Jr Subordinated debt: $ 98,040,000

To complete the information, we have the following amounts drawn from the ST warehouse:

ST Subordinated debt: $77,457,000

ST Jr Subordinated debt: $19,860,000

May

May Laureta Lapira, CPA, CA | Senior Manager, Treasury | Ontario Power Generation

700 University Avenue, Toronto ON M5G 1X6 | Tel: (416) 592-3721| Fax: (416) 592-7758 |E-mail: may.lapira@opg.com

From:	LADAK Lubna -TREASURY
To:	Mike Manning
Cc:	LIU Sheen -TREASURY
Subject:	Subdebt Pricing - Goldman Sachs
Date:	Thursday, February 08, 2018 4:52:22 PM
Attachments:	Pricing Request_2.7.18.xlsx

Mike,

Please find attached pricing spreads from Goldman Sachs.

Lubna Ladak | VP Treasury - FHP| Ontario Power Generation
700 University Avenue, Toronto, Ontario M5G 1X6 | 416-592-5984 | Cell 416-578-0219 | Fax 416-592-4189
lubna.ladak@opg.com

Disclaimer

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Bank Name	GS
Date	

	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity			1JUN29 and 1JUN33									
Benchmark Canada Bond Coupon			5.750%									
Benchmark Yield			2.438%									
Curve Adjustment (bp)			0.049%									
Spread to GoC Curve (bp)			**0.919%**									
Re-Offered Yield			3.357%									
Commission (bp)			0.500%									
All-in Yield			**3.36%**									

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))			**0.690%**									

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to Relevant Benchmark (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
AAA CMBS (USD Swaps)				65 bps area								
AAA Taxable Municipal Bonds (US Treasuries)	+80 AREA	+65-70 AREA (vs 30y UST)	+90-95 AREA (vs 10y UST)	+60-65 AREA	+40-45 AREA	+30-35 AREA						

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity			1JUN29 and 1JUN33									
Benchmark Canada Bond Coupon			5.750%									
Benchmark Yield			2.438%									
Curve Adjustment (bp)			0.049%									
Spread to GoC Curve (bp)			**1.21900%**									
Re-Offered Yield			3.657%									
Commission (bp)			0.500%									
All-in Yield			**3.66%**									

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))			**0.690%**									

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to Relevant Benchmark (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
AA CMBS (USD Swaps)				100 - 110 bps								
AA Taxable Municipal Bonds (US Treasuries)	+90-95 AREA	+75-80 AREA (vs 30y UST)	+100-105 AREA (vs 10y UST)	+75-80 AREA	+50-55 AREA	+40-45 AREA						

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity			1JUN29 and 1JUN33									
Benchmark Canada Bond Coupon			5.750%									
Benchmark Yield			2.438%									
Curve Adjustment (bp)			0.049%									
Spread to GoC Curve (bp)			**1.819%**									
Re-Offered Yield			4.257%									
Commission (bp)			0.500%									
All-in Yield			**4.26%**									

Primary Comparable (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(l))			**0.690%**									

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to Relevant Benchmark (bp)	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
10-year A CMBS (USD Swaps)				150 bps								
A Taxable Municipal Bonds (US Treasuries)	+115-120 AREA	+100-105 AREA (vs 30y UST)	+125-130 AREA (vs 10y UST)	+95-100 AREA	+70-75 AREA	+60-65 AREA						

From:	HAHN PARKER Janet -TREASURY
To:	Mike Manning
Cc:	LADAK Lubna -TREASURY; LIU Sheen -TREASURY
Subject:	Subordinated Debt
Date:	Thursday, February 08, 2018 1:28:06 PM
Attachments:	FHT OFA Mike Manning re Submordinated Debt Pricing Protocol 2018 02 08.pdf

---

Mike,

Please see attached correspondence from Lubna Ladak regarding the Subordinated Debt Pricing Protocol.

Kindly confirm receipt.

Thank you,

Janet Hahn Parker

ONTARIO POWER GENERATION

700 University Avenue, Toronto, Ontario M5G 1X6

February 8, 2018

The Ontario Financing Authority
1 Dundas Street West, 12th Floor
Toronto, ON M5G 1Z3

Attention: Mike Manning, Executive Director & Chief Investment Officer, Capital Markets

Re: Subordinated Debt Pricing Protocol

Dear Mr. Manning:

We refer to the Subordinated Debt Pricing Protocol (the Protocol), between Ontario Power Generation Inc. (OPG), solely in its capacity as financial services manager (the "FSM") of the Fair Hydro Trust (the "Issuer"), and the Ontario Financing Authority (OFA), made as of December 21, 2017.

Pursuant to Section 2.04 Applicable Spread, OPG is providing OFA with the Indicative Spreads as defined in the Protocol, based on the most recent indicative pricing provided by investment dealers. As the senior debt was priced on February 6 and to be settled on February 9, please let us know if you have any concerns regarding Indicative Spreads by the end of the day today.

Should you require any further information, please do not hesitate to contact me at 416-592-5984.

Sincerely,

Lubna Ladak
VP Fair Hydro Plan

FHP 15 Yr Issuance Rates

New Issue Spreads - Senior Notes (AAA/Aa2)	Senior	Sub Indicative	Jr. Sub Indicative
*Benchmark Canada Bond Maturity	01-Jun-33	01-Jun-33	01-Jun-33
Benchmark Yield	2.438%	2.438%	2.438%
Curve Adjustment (bp)	-0.1	-0.1	-0.1
Spread to GoC Curve (bp)	92.0	119.5	153.4
Re-Offered Yield	3.357%	3.632%	3.971%
Commission (bp)	3.3	3.3	3.4
All-in Spread to GoC Curve (bp)	**95.3**	**122.8**	**156.8**
Spread difference vs Senior (bp)		**28**	**60**

Notes:

*Benchmark bond has a maturity date of June 1, 2033 and coupon of 5.75%

1. Senior debt priced on Feb 6, 2018
2. For Sub and Jr. Sub Debt, benchmark yield & curve adjustment are based on senior debt pricing on Feb 6, 2018
3. For Sub and Jr. Sub Debt, spread and commission are calculated as the average of dealers quotes, excluding high and low
4. For Jr. Sub Debt, spread is adjusted 1bp down for senior debt term sheet disclosure

Dealers Indicative Spreads (bps)	BNS	NB	CIBC	RBC	BMO	TD	GS	average excl high/low
Sub Spread vs Senior	30	24	25	25	39	28	30	**28**
Jr. Sub Spread vs Senior	60	52	50	45	107	55	90	**61**

From:	LEE John -TREASURY
To:	Ken Kandeepan
Cc:	WONG Leslie -LAWDIV; LADAK Lubna -TREASURY; LAURETA LAPIRA May -TREASURY; RYFA Ken -TREASURY; Mike Manning
Subject:	Waiver Process
Date:	Wednesday, January 03, 2018 5:57:04 PM

Ken:
Given the importance of the Protection agreement and the desire to follow it to the "letter" ……see Torys comments below. Have you made provisions on the Province side to operationalize the delegation of waivers and amendments to facilitate the request. If not then the debt issuance date will get pushed out by the full 10 days.
Please advise.
John

From: Ramchandani, Rima [mailto:rramchandani@torys.com]
Sent: Wednesday, January 03, 2018 5:38 PM
To: LEE John -TREASURY
Cc: Feldman, Michael ; WONG Leslie -LAWDIV ; LADAK Lubna -TREASURY ; LAURETA LAPIRA May -TREASURY ; RYFA Ken -TREASURY ; GO Matthew -TREASURY ; HAHN PARKER Janet -TREASURY
Subject: RE: EXTERNAL – RE: Diligence Questions

I should add that the waiver of the 10 BD requirement needs to be executed in writing by the Province (which means we will need signatures from each Minister). Will that be achievable? If not, perhaps we can proceed on the basis of an email waiver with the waiver signed by the Ministers to follow as soon as possible. Sorry but it is going to be a pain in the butt navigating through this agreement … hopefully the Province will realize that and agree to make some amendments!

Rima

Rima Ramchandani
P. 416.865.7666 | F. 416.865.7380 | 1.800.505.8679

From: Ramchandani, Rima
Sent: January-03-18 5:32 PM
To: 'LEE John -TREASURY' <john.s.lee@opg.com>
Cc: Feldman, Michael <mfeldman@torys.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>
Subject: RE: EXTERNAL – RE: Diligence Questions

OK. I assume the DM of Finance will sign off on behalf of the Minister of Finance. But what about the Minister of Energy? The agreement requires notices to both Ministers on behalf of the Province and I recall on the warehouse closing, we had to wait for a representative from each Ministry to sign off.

Rima

Rima Ramchandani
P. 416.865.7666

From: LEE John -TREASURY [mailto:john.s.lee@opg.com]
Sent: January-03-18 5:24 PM
To: Ramchandani, Rima <rramchandani@torys.com>
Cc: Feldman, Michael <mfeldman@torys.com>; WONG Leslie -LAWDIV <leslie.wong@opg.com>; LADAK Lubna -TREASURY <lubna.ladak@opg.com>; LAURETA LAPIRA May -TREASURY <may.lapira@opg.com>; RYFA Ken -TREASURY <ken.ryfa@opg.com>; GO Matthew -TREASURY <matthew.go@opg.com>; HAHN PARKER Janet -TREASURY <j.hahnparker@opg.com>
Subject: RE: EXTERNAL – RE: Diligence Questions

I was speaking to Ken Kandeepan on the process this afternoon and he indicated to me that we should send the documents and the waiver request to the Deputy Minister of Finance with a cc. Gadi. Ken was going to send along the contact info for the DM of Finance and also alert their Office of the inbound email so they would not be surprised.

John

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From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai
Cc:	Scace, Patrick; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian; Laing, Mark
Subject:	Weekly Canadian Indicative New Issue Pricing | Ontario Power Generation (06.04.18)
Date:	Monday, June 04, 2018 2:49:55 PM
Attachments:	OPG 06.04.18.pdf OPG 06.04.18.xlsx

Please find attached updated new issue indications.

Theresa Mosley | Associate | Debt Capital Markets | **TD Securities Inc.**

Ernst & Young Tower 7th Floor, 222 Bay Street, Toronto, ON M5K 1A2

T: 416 944 5321 | theresa.mosley@tdsecurities.com

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Bank Name	TD
Date	6/4/2018

Indicative OPG New Issue Spreads	Current						
	30-year	10-year	5-year	2-year			
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-28	1-Jun-23	1-Jun-20			
Benchmark Canada Bond Coupon	2.75%	2.00%	1.50%	3.50%			
Benchmark Yield	2.32%	2.28%	2.15%	1.95%			
Curve Adjustment (bp)	0	0.0	0.1	0.1			
Spread to GoC Curve (bp)	160	120	88	58			
Re-Offered Yield	3.92%	3.48%	3.03%	2.53%			
Commission (bp)	2.3	4.5	7.4	10.3			
All-in Yield	**3.94%**	**3.52%**	**3.10%**	**2.63%**			

Primary Comparable (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Hydro One (A/A)	138.0	98.0	74.0	54.0			

Other Comparables (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Nova Scotia Power (BBB+ / A(low))	147.0	97.0	80.0	53.0			
EPCOR Utilities (BBB+ / A(low))	136.0	90.0	71.0	54.5			

Bank Name	TD
Date	6/4/2018

Indicative OPG New Issue Spreads	Current				Week over Week							
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year				
Benchmark Canada Bond Maturity	30-Nov-44	31-May-23	28-Feb-19	29-Feb-16	30-Nov-44	31-May-23	28-Feb-19	29-Feb-16	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%
Benchmark Yield	2.32%	2.28%	2.15%	1.95%	-0.03%	-0.02%	0.00%	0.03%	2.34%	2.29%	2.15%	1.91%
Curve Adjustment (bp)	0	0.0	0.1	0.1	0.0	-0.9	-1.7	-3.1	0	0.9	1.8	3.2
Spread to GoC Curve (bp)	160	120	88	58	5	5	4	4	155	115	84	54
Re-Offered Yield	3.92%	3.48%	3.03%	2.53%	0.02%	0.02%	0.02%	0.04%	3.89%	3.45%	3.01%	2.49%
Commission (bp)	2.3	4.5	7.4	10.3	0.0	0.0	0.0	0.0	2.3	4.5	7.4	10.3
All-in Yield	**3.94%**	**3.52%**	**3.10%**	**2.63%**	**0.02%**	**0.02%**	**0.02%**	**0.04%**	**3.92%**	**3.50%**	**3.08%**	**2.59%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A)	138.0	98.0	74.0	54.0	3.0	3.0	2.0	1.0	135.0	95.0	72.0	53.0

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+ / A(low))	147.0	97.0	80.0	53.0	2.0	2.0	2.0	2.0	145.0	95.0	78.0	51.0
EPCOR Utilities (BBB+ / A(low))	136.0	90.0	71.0	54.5	1.0	1.0	1.0	1.0	135.0	89.0	70.0	53.5

Patrick Scace | Greg McDonald | Andrew Becker | Tennyson Cho | Emma Hyatt
(416) 308-2172 | (416) 308-3027 | (416) 308-4135 | (416) 944-5321 | (416) 307-0131

From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai; irma.mahmood@opg.com
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (04.30.18)
Date:	Monday, April 30, 2018 5:57:38 PM
Attachments:	FHP_TDB_20180430.xlsx FHP_TDB_20180430.pdf

Please find attached updated new issue indications.

Theresa Mosley | Associate | Debt Capital Markets | **TD Securities Inc.**

Ernst & Young Tower 7th Floor, 222 Bay Street, Toronto, ON M5K 1A2

T: 416 944 5321 | theresa.mosley@tdsecurities.com

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Bank Name	TD Securities
Date	4/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.40%	2.39%	2.32%	2.29%	2.14%	1.99%	-0.051%	-0.051%	-0.065%	-0.065%	-0.062%	-0.033%
Curve Adjustment (bp)	0.0	0.5	2.7	1.6	0.0	2.0	-	-	-	-	-	-
Spread to GoC Curve (bp)	**115**	**107**	**97**	**90**	**60**	**45**	0	0	0	0	0	0
Re-Offered Yield	3.55%	3.46%	3.32%	3.20%	2.74%	2.46%	-0.05%	-0.05%	-0.06%	-0.06%	-0.06%	-0.03%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.57%**	**3.50%**	**3.36%**	**3.25%**	**2.82%**	**2.55%**	**-0.05%**	**-0.05%**	**-0.06%**	**-0.06%**	**-0.06%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79	73.5	68	47	31	1.0	1.0	0.5	0.0	2.0	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPB Finance Trust (AA+/-/AA(H))	113	103	98	88	65	46	6	6	6	-	-	2
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	83	66	50	N/A	N/A	N/A	1	2	1
Hydro One Inc. (A/A3/AH)	134	124	102	94	73	60	1	1	2	2	1	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.40%	2.39%	2.32%	2.29%	2.14%	1.99%	-0.051%	-0.051%	-0.065%	-0.065%	-0.062%	-0.033%
Curve Adjustment (bp)	0.0	0.5	2.7	1.6	0.0	2.0	-	-	-	-	-	-
Spread to GoC Curve (bp)	**145**	**137**	**127**	**120**	**90**	**75**	0	0	0	0	0	0
Re-Offered Yield	3.85%	3.76%	3.62%	3.50%	3.04%	2.76%	-0.05%	-0.05%	-0.06%	-0.06%	-0.06%	-0.03%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.87%**	**3.80%**	**3.66%**	**3.55%**	**3.12%**	**2.85%**	**-0.05%**	**-0.05%**	**-0.06%**	**-0.06%**	**-0.06%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79	74	68	47	31	1.0	1.0	0.5	0.0	2.0	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.40%	2.39%	2.32%	2.29%	2.14%	1.99%	-0.051%	-0.051%	-0.065%	-0.065%	-0.062%	-0.033%
Curve Adjustment (bp)	0.0	0.5	2.7	1.6	0.0	2.0	-	-	-	-	-	-
Spread to GoC Curve (bp)	**175**	**167**	**157**	**150**	**120**	**105**	0	0	0	0	0	0
Re-Offered Yield	4.15%	4.06%	3.92%	3.80%	3.34%	3.06%	-0.05%	-0.05%	-0.06%	-0.06%	-0.06%	-0.03%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**4.17%**	**4.10%**	**3.96%**	**3.85%**	**3.42%**	**3.15%**	**-0.05%**	**-0.05%**	**-0.06%**	**-0.06%**	**-0.06%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79	74	68	47	31	1.0	1.0	0.5	0.0	2.0	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Bank Name	TD
Date	4/30/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.40%	2.39%	2.32%	2.29%	2.14%	1.99%
Curve Adjustment (bp)	0	0.5	2.7	1.6	0.0	2.0
Spread to GoC Curve (bp)	**115.0**	**107.0**	**97.0**	**90.0**	**60.0**	**45.0**
Re-Offered Yield	3.55%	3.46%	3.32%	3.20%	2.74%	2.46%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.57%**	**3.50%**	**3.36%**	**3.25%**	**2.82%**	**2.55%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79.0	79.0	73.5	68.0	47.0	31.0

Other Comparables (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
OPB Finance Trust (AA+/-/AA(H))	113.0	103.0	98.0	88.0	65.0	46.0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	83.0	66.0	50.0
Hydro One Inc. (A/A3/AH)	134.0	124.0	102.0	94.0	73.0	60.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.40%	2.39%	2.32%	2.29%	2.14%	1.99%
Curve Adjustment (bp)	0	0.5	2.7	1.6	0.0	2.0
Spread to GoC Curve (bp)	**145.0**	**137.0**	**127.0**	**120.0**	**90.0**	**75.0**
Re-Offered Yield	3.85%	3.76%	3.62%	3.50%	3.04%	2.76%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.87%**	**3.80%**	**3.66%**	**3.55%**	**3.12%**	**2.85%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79.0	79.0	73.5	68.0	47.0	31.0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.40%	2.39%	2.32%	2.29%	2.14%	1.99%
Curve Adjustment (bp)	0	0.5	2.7	1.6	0.0	2.0
Spread to GoC Curve (bp)	**175.0**	**167.0**	**157.0**	**150.0**	**120.0**	**105.0**
Re-Offered Yield	4.15%	4.06%	3.92%	3.80%	3.34%	3.06%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.17%**	**4.10%**	**3.96%**	**3.85%**	**3.42%**	**3.15%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79.0	79.0	73.5	68.0	47.0	31.0

From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai
Cc:	Scace, Patrick; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian; Laing, Mark
Subject:	Weekly Canadian Indicative New Issue Pricing | Ontario Power Generation (04.30.18)
Date:	Monday, April 30, 2018 2:36:23 PM
Attachments:	OPG 04.30.18.pdf OPG 04.30.18.xlsx

Please find attached updated new issue indications.

Theresa Mosley | Associate | Debt Capital Markets | **TD Securities Inc.**

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Bank Name	TD
Date	4/30/2018

Indicative OPG New Issue Spreads	Current							
	30-year	10-year	5-year	2-year				
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%				
Benchmark Yield	2.39%	2.28%	2.12%	1.87%				
Curve Adjustment (bp)	0	1.6	1.9	2.3				
Spread to GoC Curve (bp)	151	114	85	52				
Re-Offered Yield	3.90%	3.44%	2.98%	2.41%				
Commission (bp)	2.4	4.5	7.4	10.3				
All-in Yield	**3.92%**	**3.48%**	**3.06%**	**2.52%**				

Primary Comparable (S&P/Moody's/ DBRS)	Current							
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year				
Hydro One (A/A)	134.0	94.0	73.0	53.0				

Other Comparables (S&P/Moody's/ DBRS)	Current							
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year				
Nova Scotia Power (BBB+ / A(low))	140.0	95.0	78.0	51.0				
EPCOR Utilities (BBB+ / A(low))	132.0	89.0	70.0	50.5				

Bank Name	TD
Date	4/30/2018

Indicative OPG New Issue Spreads	Current				Week over Week							
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year				
Benchmark Canada Bond Maturity	30-Nov-44	31-May-23	28-Feb-19	29-Feb-16	30-Nov-44	31-May-23	28-Feb-19	29-Feb-16	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%
Benchmark Yield	2.39%	2.28%	2.12%	1.87%	-0.05%	-0.07%	-0.06%	-0.04%	2.44%	2.36%	2.18%	1.91%
Curve Adjustment (bp)	0	1.6	1.9	2.3	0.0	0.0	0.1	0.3	0	1.5	1.8	2.1
Spread to GoC Curve (bp)	151	114	85	52	1	2	1	0	150	112	84	52
Re-Offered Yield	3.90%	3.44%	2.98%	2.41%	-0.04%	-0.05%	-0.05%	-0.03%	3.94%	3.49%	3.03%	2.45%
Commission (bp)	2.4	4.5	7.4	10.3	0.0	0.0	0.0	0.0	2.4	4.5	7.4	10.3
All-in Yield	**3.92%**	**3.48%**	**3.06%**	**2.52%**	**-0.04%**	**-0.05%**	**-0.05%**	**-0.03%**	**3.97%**	**3.54%**	**3.11%**	**2.55%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A)	134.0	94.0	73.0	53.0	1.0	2.0	1.0	-	133.0	92.0	72.0	53.0

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+ / A(low))	140.0	95.0	78.0	51.0	-	-	-	-	140.0	95.0	78.0	51.0
EPCOR Utilities (BBB+ / A(low))	132.0	89.0	70.0	50.5	2.0	2.0	2.0	2.0	130.0	87.0	68.0	48.5

`

Patrick Scace | Greg McDonald | Andrew Becker | Tennyson Cho | Emma Hyatt
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From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai; irma.mahmood@opg.com
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (04.24.18)
Date:	Tuesday, April 24, 2018 5:17:04 PM
Attachments:	FHP_TDB_20180424.xlsx FHP_TDB_20180424.pdf

Please find attached updated new issue indications.

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Bank Name	TD Securities
Date	4/24/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.45%	2.44%	2.39%	2.35%	2.21%	2.02%	-0.001%	0.000%	0.008%	0.004%	-0.005%	-0.027%
Curve Adjustment (bp)	0.0	0.5	2.3	1.5	0.0	1.8	-	-	-	-	-	-
Spread to GoC Curve (bp)	**115**	**107**	**97**	**90**	**60**	**45**	0	0	0	0	0	0
Re-Offered Yield	3.60%	3.51%	3.38%	3.27%	2.81%	2.49%	0.00%	-0.01%	0.00%	0.01%	-0.01%	-0.03%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.62%**	**3.55%**	**3.42%**	**3.31%**	**2.88%**	**2.58%**	**0.00%**	**0.00%**	**0.01%**	**0.00%**	**0.00%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	73	68	45	30	0.0	0.0	0.0	0.0	0.0	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPB Finance Trust (AA+/-/AA(H))	107	97	92	88	65	44	-	-	0	-	-	0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	82	64	49	N/A	N/A	N/A	(3)	(2)	-4
Hydro One Inc. (A/A3/AH)	133	123	100	92	72	60	(1)	(1)	-	-	-	2

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.45%	2.44%	2.39%	2.35%	2.21%	2.02%	-0.001%	0.000%	0.008%	0.004%	-0.005%	-0.027%
Curve Adjustment (bp)	0.0	0.5	2.3	1.5	0.0	1.8	-	-	-	-	-	-
Spread to GoC Curve (bp)	**145**	**137**	**127**	**120**	**90**	**75**	0	0	0	0	0	0
Re-Offered Yield	3.90%	3.81%	3.68%	3.57%	3.11%	2.79%	0.00%	-0.01%	0.00%	0.01%	0.00%	-0.03%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.92%**	**3.85%**	**3.72%**	**3.61%**	**3.18%**	**2.88%**	**0.00%**	**0.00%**	**0.01%**	**0.00%**	**0.00%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	73	68	45	30	0.0	0.0	0.0	0.0	0.0	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.45%	2.44%	2.39%	2.35%	2.21%	2.02%	-0.001%	0.000%	0.008%	0.004%	-0.005%	-0.027%
Curve Adjustment (bp)	0.0	0.5	2.3	1.5	0.0	1.8	-	-	-	-	-	-
Spread to GoC Curve (bp)	**175**	**167**	**157**	**150**	**120**	**105**	0	0	0	0	0	0
Re-Offered Yield	4.20%	4.11%	3.98%	3.87%	3.41%	3.09%	0.00%	-0.01%	0.00%	0.01%	-0.01%	-0.03%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**4.22%**	**4.15%**	**4.02%**	**3.91%**	**3.48%**	**3.18%**	**0.00%**	**0.00%**	**0.01%**	**0.00%**	**0.00%**	**-0.03%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	78	78	73	68	45	30	0.0	0.0	0.0	0.0	0.0	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Bank Name	TD
Date	4/24/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.45%	2.44%	2.39%	2.35%	2.21%	2.02%
Curve Adjustment (bp)	0	0.5	2.3	1.5	0.0	1.8
Spread to GoC Curve (bp)	**115.0**	**107.0**	**97.0**	**90.0**	**60.0**	**45.0**
Re-Offered Yield	3.60%	3.51%	3.38%	3.27%	2.81%	2.49%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.62%**	**3.55%**	**3.42%**	**3.31%**	**2.88%**	**2.58%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78.0	78.0	73.0	68.0	45.0	30.0

Other Comparables (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
OPB Finance Trust (AA+/-/AA(H))	107.0	97.0	92.0	88.0	65.0	44.0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	82.0	64.0	49.0
Hydro One Inc. (A/A3/AH)	133.0	123.0	100.0	92.0	72.0	60.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.45%	2.44%	2.39%	2.35%	2.21%	2.02%
Curve Adjustment (bp)	0	0.5	2.3	1.5	0.0	1.8
Spread to GoC Curve (bp)	**145.0**	**137.0**	**127.0**	**120.0**	**90.0**	**75.0**
Re-Offered Yield	3.90%	3.81%	3.68%	3.57%	3.11%	2.79%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.92%**	**3.85%**	**3.72%**	**3.61%**	**3.18%**	**2.88%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78.0	78.0	73.0	68.0	45.0	30.0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.45%	2.44%	2.39%	2.35%	2.21%	2.02%
Curve Adjustment (bp)	0	0.5	2.3	1.5	0.0	1.8
Spread to GoC Curve (bp)	**175.0**	**167.0**	**157.0**	**150.0**	**120.0**	**105.0**
Re-Offered Yield	4.20%	4.11%	3.98%	3.87%	3.41%	3.09%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.22%**	**4.15%**	**4.02%**	**3.91%**	**3.48%**	**3.18%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78.0	78.0	73.0	68.0	45.0	30.0

From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai; irma.mahmood@opg.com
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (04.19.18)
Date:	Thursday, April 19, 2018 11:40:27 AM
Attachments:	FHP_TDB_20180419.pdf

Following pricing of Fair Hydro Trust's new 20 year offering, please find attached updated new issue indications.

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Bank Name	TD
Date	4/19/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
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Benchmark Yield	2.45%	2.44%	2.38%	2.35%	2.21%	2.05%
Curve Adjustment (bp)	0	0.6	2.5	1.6	0.0	1.6
Spread to GoC Curve (bp)	**115.0**	**107.0**	**97.0**	**90.0**	**60.0**	**45.0**
Re-Offered Yield	3.60%	3.52%	3.38%	3.26%	2.81%	2.52%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7
All-in Yield	**3.62%**	**3.55%**	**3.42%**	**3.31%**	**2.89%**	**2.61%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78.0	78.0	73.0	68.0	45.0	29.0

Other Comparables (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
OPB Finance Trust (AA+/-/AA(H))	107.0	97.0	92.0	88.0	65.0	44.0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	80.0	62.0	52.0
Hydro One Inc. (A/A3/AH)	134.0	124.0	100.0	92.0	72.0	58.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
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Curve Adjustment (bp)	0	0.6	2.5	1.6	0.0	1.6
Spread to GoC Curve (bp)	**145.0**	**137.0**	**127.0**	**120.0**	**90.0**	**75.0**
Re-Offered Yield	3.90%	3.82%	3.68%	3.56%	3.11%	2.82%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7
All-in Yield	**3.92%**	**3.85%**	**3.72%**	**3.61%**	**3.19%**	**2.91%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78.0	78.0	73.0	68.0	45.0	29.0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.45%	2.44%	2.38%	2.35%	2.21%	2.05%
Curve Adjustment (bp)	0	0.6	2.5	1.6	0.0	1.6
Spread to GoC Curve (bp)	**175.0**	**167.0**	**157.0**	**150.0**	**120.0**	**105.0**
Re-Offered Yield	4.20%	4.12%	3.98%	3.86%	3.41%	3.12%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.7
All-in Yield	**4.22%**	**4.15%**	**4.02%**	**3.91%**	**3.49%**	**3.21%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78.0	78.0	73.0	68.0	45.0	29.0

From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai
Cc:	Scace, Patrick; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian; Laing, Mark
Subject:	Weekly Canadian Indicative New Issue Pricing | Ontario Power Generation (04.16.18)
Date:	Monday, April 16, 2018 12:14:56 PM
Attachments:	OPG 04.16.18.pdf OPG 04.16.18.xlsx

Please find attached updated new issue indications.

Theresa Mosley | Associate | Debt Capital Markets | **TD Securities Inc.**

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Bank Name	TD
Date	4/16/2018

Indicative OPG New Issue Spreads	Current						
	30-year	10-year	5-year	2-year			
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20			
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%			
Benchmark Yield	2.38%	2.28%	2.12%	1.90%			
Curve Adjustment (bp)	0	1.8	1.2	2.1			
Spread to GoC Curve (bp)	152	115	84	50			
Re-Offered Yield	3.90%	3.45%	2.97%	2.42%			
Commission (bp)	2.3	4.5	7.4	10.3			
All-in Yield	**3.92%**	**3.49%**	**3.05%**	**2.52%**			

Primary Comparable (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Hydro One (A/A)	134.0	92.0	72.0	50.0			

Other Comparables (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Nova Scotia Power (BBB+ / A(low))	144.0	95.0	78.0	51.0			
EPCOR Utilities (BBB+ / A(low))	131.0	87.0	68.0	48.5			

Bank Name	TD
Date	4/16/2018

Indicative OPG New Issue Spreads	Current				Week over Week							
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year				
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%
Benchmark Yield	2.38%	2.28%	2.12%	1.90%	0.05%	0.11%	0.10%	0.07%	2.33%	2.17%	2.02%	1.83%
Curve Adjustment (bp)	0	1.8	1.3	2.1	0.0	-0.4	0.6	0.4	0	2.2	0.6	1.7
Spread to GoC Curve (bp)	152	115	84	50	-4	0	2	1	156	115	82	49
Re-Offered Yield	3.90%	3.45%	2.97%	2.42%	0.01%	0.10%	0.12%	0.09%	3.89%	3.35%	2.85%	2.34%
Commission (bp)	2.3	4.5	7.4	10.3	0.0	0.0	0.0	0.0	2.3	4.5	7.4	10.2
All-in Yield	**3.92%**	**3.49%**	**3.05%**	**2.52%**	**0.01%**	**0.10%**	**0.12%**	**0.09%**	**3.91%**	**3.39%**	**2.92%**	**2.44%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A)	134.0	92.0	72.0	50.0	(4.0)	-	2.0	2.0	138.0	92.0	70.0	48.0

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+ / A(low))	144.0	95.0	78.0	51.0	(6.0)	-	-	-	150.0	95.0	78.0	51.0
EPCOR Utilities (BBB+ / A(low))	131.0	87.0	68.0	48.5	(4.0)	(1.0)	-	-	135.0	88.0	68.0	48.5

Patrick Scace | Greg McDonald | Andrew Becker | Tennyson Cho | Emma Hyatt
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From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai; irma.mahmood@opg.com
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (04.09.18)
Date:	Monday, April 09, 2018 4:44:23 PM
Attachments:	FHP_TDB_20180409.xlsx FHP_TDB_20180409.pdf

Please find attached updated new issue indications.

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Bank Name	TD Securities
Date	4/9/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.29%	2.27%	2.20%	2.14%	2.01%	1.92%	0.053%	0.055%	0.058%	0.050%	0.031%	0.041%
Curve Adjustment (bp)	0.0	0.7	3.5	2.3	0.0	1.0	-	-	-	-	-	-
Spread to GoC Curve (bp)	**117**	**109**	**99**	**92**	**62**	**47**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.46%	3.37%	3.22%	3.08%	2.63%	2.40%	0.02%	0.02%	0.03%	0.02%	0.00%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.49%**	**3.40%**	**3.26%**	**3.13%**	**2.71%**	**2.49%**	**0.02%**	**0.02%**	**0.03%**	**0.02%**	**0.00%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	83	79	75	51	33	7.0	7.0	8.0	9.0	8.0	5.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPB Finance Trust (AA+/-/AA(H))	116	106	101	92	64	46	-	-	0	-	-	0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	86	66	51	N/A	N/A	N/A	(1)	(4)	-2
Hydro One Inc. (A/A3/AH)	138	128	100	92	70	57	-	-	-	-	-	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.29%	2.27%	2.20%	2.14%	2.01%	1.92%	0.053%	0.055%	0.058%	0.050%	0.031%	0.041%
Curve Adjustment (bp)	0.0	0.7	3.5	2.3	0.0	1.0	-	-	-	-	-	-
Spread to GoC Curve (bp)	**147**	**139**	**129**	**122**	**92**	**77**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	3.76%	3.67%	3.52%	3.38%	2.93%	2.70%	0.02%	0.02%	0.03%	0.02%	0.00%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.79%**	**3.70%**	**3.56%**	**3.43%**	**3.01%**	**2.79%**	**0.02%**	**0.02%**	**0.03%**	**0.02%**	**0.00%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	83	79	75	51	33	7.0	7.0	8.0	9.0	8.0	5.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.29%	2.27%	2.20%	2.14%	2.01%	1.92%	0.053%	0.055%	0.058%	0.050%	0.031%	0.041%
Curve Adjustment (bp)	0.0	0.7	3.5	2.3	0.0	1.0	-	-	-	-	-	-
Spread to GoC Curve (bp)	**177**	**169**	**159**	**152**	**122**	**107**	-3	-3	-3	-3	-3	-3
Re-Offered Yield	4.06%	3.97%	3.82%	3.68%	3.23%	3.00%	0.02%	0.02%	0.03%	0.02%	0.00%	0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**4.09%**	**4.00%**	**3.86%**	**3.73%**	**3.31%**	**3.09%**	**0.02%**	**0.02%**	**0.03%**	**0.02%**	**0.00%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	83	83	79	75	51	33	7.0	7.0	8.0	9.0	8.0	5.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Bank Name	TD
Date	4/9/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.29%	2.27%	2.20%	2.14%	2.01%	1.92%
Curve Adjustment (bp)	0	0.7	3.5	2.3	0.0	1.0
Spread to GoC Curve (bp)	**117.0**	**109.0**	**99.0**	**92.0**	**62.0**	**47.0**
Re-Offered Yield	3.46%	3.37%	3.22%	3.08%	2.63%	2.40%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**3.49%**	**3.40%**	**3.26%**	**3.13%**	**2.71%**	**2.49%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83.0	83.0	79.0	75.0	51.0	33.0

Other Comparables (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
OPB Finance Trust (AA+/-/AA(H))	116.0	106.0	101.0	92.0	64.0	46.0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	86.0	66.0	51.0
Hydro One Inc. (A/A3/AH)	138.0	128.0	100.0	92.0	70.0	57.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.29%	2.27%	2.20%	2.14%	2.01%	1.92%
Curve Adjustment (bp)	0	0.7	3.5	2.3	0.0	1.0
Spread to GoC Curve (bp)	**147.0**	**139.0**	**129.0**	**122.0**	**92.0**	**77.0**
Re-Offered Yield	3.76%	3.67%	3.52%	3.38%	2.93%	2.70%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**3.79%**	**3.70%**	**3.56%**	**3.43%**	**3.01%**	**2.79%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83.0	83.0	79.0	75.0	51.0	33.0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.29%	2.27%	2.20%	2.14%	2.01%	1.92%
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Re-Offered Yield	4.06%	3.97%	3.82%	3.68%	3.23%	3.00%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**4.09%**	**4.00%**	**3.86%**	**3.73%**	**3.31%**	**3.09%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	83.0	83.0	79.0	75.0	51.0	33.0

From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai
Cc:	Scace, Patrick; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian; Laing, Mark
Subject:	Weekly Canadian Indicative New Issue Pricing | Ontario Power Generation (04.09.18)
Date:	Monday, April 09, 2018 12:37:55 PM
Attachments:	OPG 04.09.18.pdf OPG 04.09.18.xlsx

Please find attached updated new issue indications.

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Bank Name	TD
Date	4/9/2018

Indicative OPG New Issue Spreads	Current						
	30-year	10-year	5-year	2-year			
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20			
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%			
Benchmark Yield	2.33%	2.17%	2.02%	1.83%			
Curve Adjustment (bp)	0	2.2	0.6	1.7			
Spread to GoC Curve (bp)	156	115	82	49			
Re-Offered Yield	3.89%	3.35%	2.85%	2.34%			
Commission (bp)	2.3	4.5	7.4	10.2			
All-in Yield	**3.91%**	**3.39%**	**2.92%**	**2.44%**			

Primary Comparable (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	**30-year**	**10-year**	**5-year**	**2-year**			
Hydro One (A/A)	138.0	92.0	70.0	48.0			

Other Comparables (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	**30-year**	**10-year**	**5-year**	**2-year**			
Nova Scotia Power (BBB+ / A(low))	150.0	95.0	78.0	51.0			
EPCOR Utilities (BBB+ / A(low))	135.0	88.0	68.0	48.5			

Bank Name	TD
Date	4/9/2018

Indicative OPG New Issue Spreads	Current				Week over Week							
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year				
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%
Benchmark Yield	2.33%	2.17%	2.02%	1.83%	-0.02%	-0.05%	-0.06%	-0.06%	2.34%	2.22%	2.08%	1.89%
Curve Adjustment (bp)	0	2.2	0.6	1.7	0.0	0.3	0.2	0.5	0	1.9	0.5	1.2
Spread to GoC Curve (bp)	156	115	82	49	0	0	0	0	156	115	82	49
Re-Offered Yield	3.89%	3.35%	2.85%	2.34%	0.08%	0.06%	0.04%	0.04%	3.81%	3.28%	2.81%	2.30%
Commission (bp)	2.3	4.5	7.4	10.2	0.0	0.0	0.0	0.0	2.3	4.5	7.4	10.2
All-in Yield	**3.91%**	**3.39%**	**2.92%**	**2.44%**	**0.08%**	**0.06%**	**0.04%**	**0.04%**	**3.83%**	**3.33%**	**2.88%**	**2.40%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A)	138.0	92.0	70.0	48.0	-	-	-	-	138.0	92.0	70.0	48.0

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+ / A(low))	150.0	95.0	78.0	51.0	2.0	-	-	-	148.0	95.0	78.0	51.0
EPCOR Utilities (BBB+ / A(low))	135.0	88.0	68.0	48.5	2.0	-	-	-	133.0	88.0	68.0	48.5

Patrick Scace | Greg McDonald | Andrew Becker | Tennyson Cho | Emma Hyatt
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From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai; irma.mahmood@opg.com
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (04.02.18)
Date:	Monday, April 02, 2018 2:50:59 PM
Attachments:	FHP_TDB_20180402.xlsx FHP_TDB_20180402.pdf

Please find attached updated new issue indications.

Emma Brennan | Vice President | Debt Capital Markets | **TD Securities**
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Bank Name	TD Securities
Date	4/2/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.24%	2.22%	2.14%	2.09%	1.98%	1.88%	-0.109%	-0.121%	-0.143%	-0.144%	-0.125%	-0.119%
Curve Adjustment (bp)	0.0	0.8	3.2	1.9	0.0	0.9	-	-	-	-	-	-
Spread to GoC Curve (bp)	**120**	**112**	**102**	**95**	**65**	**50**	-2	0	0	-2	-2	-2
Re-Offered Yield	3.44%	3.34%	3.19%	3.06%	2.63%	2.39%	-0.13%	-0.12%	-0.14%	-0.16%	-0.15%	-0.14%
Commission (bp)	2.3	3.1	3.5	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.46%**	**3.37%**	**3.22%**	**3.11%**	**2.71%**	**2.48%**	**-0.13%**	**-0.12%**	**-0.14%**	**-0.16%**	**-0.15%**	**-0.14%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	71	66	43	28	0.0	0.0	0.0	0.0	0.0	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPB Finance Trust (AA+/-/AA(H))	116	106	101	92	64	46	-	-	0	-	-	0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	87	70	53	N/A	N/A	N/A	1	4	-2
Hydro One Inc. (A/A3/AH)	138	128	100	92	70	57	3	3	-	-	-	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.24%	2.22%	2.14%	2.09%	1.98%	1.88%	-0.109%	-0.121%	-0.143%	-0.144%	-0.125%	-0.119%
Curve Adjustment (bp)	0.0	0.8	3.2	1.9	0.0	0.9	-	-	-	-	-	-
Spread to GoC Curve (bp)	**150**	**142**	**132**	**125**	**95**	**80**	-2	0	0	-2	-2	-2
Re-Offered Yield	3.74%	3.64%	3.49%	3.36%	2.93%	2.69%	-0.13%	-0.12%	-0.14%	-0.16%	-0.15%	-0.14%
Commission (bp)	2.3	3.1	3.5	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.76%**	**3.67%**	**3.52%**	**3.41%**	**3.01%**	**2.78%**	**-0.13%**	**-0.12%**	**-0.14%**	**-0.16%**	**-0.15%**	**-0.14%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	71	66	43	28	0.0	0.0	0.0	0.0	0.0	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.24%	2.22%	2.14%	2.09%	1.98%	1.88%	-0.109%	-0.121%	-0.143%	-0.144%	-0.125%	-0.119%
Curve Adjustment (bp)	0.0	0.8	3.2	1.9	0.0	0.9	-	-	-	-	-	-
Spread to GoC Curve (bp)	**180**	**172**	**162**	**155**	**125**	**110**	-2	0	0	-2	-2	-2
Re-Offered Yield	4.04%	3.94%	3.79%	3.66%	3.23%	2.99%	-0.13%	-0.12%	-0.14%	-0.16%	-0.15%	-0.14%
Commission (bp)	2.3	3.1	3.5	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**4.06%**	**3.97%**	**3.82%**	**3.71%**	**3.31%**	**3.08%**	**-0.13%**	**-0.12%**	**-0.14%**	**-0.16%**	**-0.15%**	**-0.14%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	71	66	43	28	0.0	0.0	0.0	0.0	0.0	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Bank Name	TD Securuties
Date	4/2/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.24%	2.22%	2.14%	2.09%	1.98%	1.88%	-0.109%	-0.121%	-0.143%	-0.144%	-0.125%	-0.119%
Curve Adjustment (bp)	0.0	0.8	3.2	1.9	0.0	0.9	-	-	-	-	-	-
Spread to GoC Curve (bp	**120**	**112**	**102**	**95**	**65**	**50**	-2	0	0	-2	-2	-2
Re-Offered Yield	3.44%	3.34%	3.19%	3.06%	2.63%	2.39%	-0.13%	-0.12%	-0.14%	-0.16%	-0.15%	-0.14%
Commission (bp)	2.3	3.1	3.5	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.46%**	**3.37%**	**3.22%**	**3.11%**	**2.71%**	**2.48%**	**-0.13%**	**-0.12%**	**-0.14%**	**-0.16%**	**-0.15%**	**-0.14%**

Primary Comparable (S&P/Moody's/ DBRS)	Current											
Spread to GoC Curve (bp	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L)	76	76	71	66	43	28	0.0	0.0	0.0	0.0	0.0	0.0

Other Comparables (S&P/Moody's/ DBRS)	Current											
Spread to GoC Curve (bp	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
OPB Finance Trust (AA+/-/AA(H)	116	106	101	92	64	46	-	-	0	-	-	0
Covered Bond - Bank (AAA/Aaa/AAA	N/A	N/A	N/A	87	70	53	N/A	N/A	N/A	1	4	-2
Hydro One Inc. (A/A3/AH)	138	128	100	92	70	57	3	3	-	-	-	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.24%	2.22%	2.14%	2.09%	1.98%	1.88%	-0.109%	-0.121%	-0.143%	-0.144%	-0.125%	-0.119%
Curve Adjustment (bp)	0.0	0.8	3.2	1.9	0.0	0.9	-	-	-	-	-	-
Spread to GoC Curve (bp	**150**	**142**	**132**	**125**	**95**	**80**	-2	0	0	-2	-2	-2
Re-Offered Yield	3.74%	3.64%	3.49%	3.36%	2.93%	2.69%	-0.13%	-0.12%	-0.14%	-0.16%	-0.15%	-0.14%
Commission (bp)	2.3	3.1	3.5	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.76%**	**3.67%**	**3.52%**	**3.41%**	**3.01%**	**2.78%**	**-0.13%**	**-0.12%**	**-0.14%**	**-0.16%**	**-0.15%**	**-0.14%**

Primary Comparable (S&P/Moody's/ DBRS)	Current											
Spread to GoC Curve (bp	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L)	76	76	71	66	43	28	0.0	0.0	0.0	0.0	0.0	0.0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
MBS												
ABS												

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current						Week over Week					
	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.24%	2.22%	2.14%	2.09%	1.98%	1.88%	-0.109%	-0.121%	-0.143%	-0.144%	-0.125%	-0.119%
Curve Adjustment (bp)	0.0	0.8	3.2	1.9	0.0	0.9	-	-	-	-	-	-
Spread to GoC Curve (bp	**180**	**172**	**162**	**155**	**125**	**110**	-2	0	0	-2	-2	-2
Re-Offered Yield	4.04%	3.94%	3.79%	3.66%	3.23%	2.99%	-0.13%	-0.12%	-0.14%	-0.16%	-0.15%	-0.14%
Commission (bp)	2.3	3.1	3.5	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**4.06%**	**3.97%**	**3.82%**	**3.71%**	**3.31%**	**3.08%**	**-0.13%**	**-0.12%**	**-0.14%**	**-0.16%**	**-0.15%**	**-0.14%**

Primary Comparable (S&P/Moody's/ DBRS)	Current											
Spread to GoC Curve (bp	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L)	76	76	71	66	43	28	0.0	0.0	0.0	0.0	0.0	0.0

Other Comparables (S&P/Moody's/ DBRS)	Current						Week over Week					
Spread to GoC Curve (bp	30-year	20-year	15-year	10-year	5-year	3-year	30-year	20-year	15-year	10-year	5-year	3-year
MBS												
ABS												

From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai
Cc:	Scace, Patrick; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Hynes, Gordon; Pong, Brian; Laing, Mark
Subject:	Weekly Canadian Indicative New Issue Pricing | Ontario Power Generation (04.02.18)
Date:	Monday, April 02, 2018 1:15:15 PM
Attachments:	OPG 04.02.18.pdf OPG 04.02.18.xlsx

Please find attached updated new issue indications.

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Bank Name	TD
Date	4/2/2018

Indicative OPG New Issue Spreads	Current							
	30-year	10-year	5-year	2-year				
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%				
Benchmark Yield	2.25%	2.11%	1.98%	1.80%				
Curve Adjustment (bp)	0	1.9	0.5	1.2				
Spread to GoC Curve (bp)	156	115	82	49				
Re-Offered Yield	3.81%	3.28%	2.81%	2.30%				
Commission (bp)	2.3	4.5	7.4	10.2				
All-in Yield	**3.83%**	**3.33%**	**2.88%**	**2.40%**				

Primary Comparable (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Hydro One (A/A)	138.0	92.0	70.0	48.0			

Other Comparables (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Nova Scotia Power (BBB+ / A(low))	148.0	95.0	78.0	51.0			
EPCOR Utilities (BBB+ / A(low))	133.0	88.0	68.0	48.5			

Bank Name	TD
Date	4/2/2018

Indicative OPG New Issue Spreads	Current				Week over Week							
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year				
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%
Benchmark Yield	2.34%	2.22%	2.08%	1.89%	0.04%	0.06%	0.08%	0.09%	2.30%	2.17%	2.00%	1.79%
Curve Adjustment (bp)	0	1.9	0.5	1.2	0.0	0.0	0.2	0.1	0	1.9	0.3	1.1
Spread to GoC Curve (bp)	156	115	82	49	0	0	0	0	156	115	82	49
Re-Offered Yield	3.81%	3.28%	2.81%	2.30%	-0.10%	-0.11%	-0.10%	-0.09%	3.90%	3.39%	2.91%	2.39%
Commission (bp)	2.3	4.5	7.4	10.2	0.0	0.0	0.0	0.0	2.3	4.5	7.4	10.3
All-in Yield	**3.83%**	**3.33%**	**2.88%**	**2.40%**	**-0.10%**	**-0.11%**	**-0.10%**	**-0.09%**	**3.93%**	**3.43%**	**2.98%**	**2.49%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A)	138.0	92.0	70.0	48.0	3.0	-	-	-	135.0	92.0	70.0	48.0

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+ / A(low))	148.0	95.0	78.0	51.0	3.0	-	-	-	145.0	95.0	78.0	51.0
EPCOR Utilities (BBB+ / A(low))	133.0	88.0	68.0	48.5	-	-	-	-	133.0	88.0	68.0	48.5

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From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai; irma.mahmood@opg.com
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (03.26.18)
Date:	Monday, March 26, 2018 4:50:21 PM
Attachments:	FHP_TDB_20180326.xlsx FHP_TDB_20180326.pdf

Please find attached updated new issue indications.

Theresa Mosley | Associate | Debt Capital Markets | **TD Securities Inc.**

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Bank Name	TD Securities
Date	3/26/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.35%	2.34%	2.28%	2.24%	2.11%	2.00%	0.045%	0.046%	0.068%	0.067%	0.096%	0.104%
Curve Adjustment (bp)	0.0	0.7	3.1	1.9	0.0	0.7	-	-	-	-	-	-
Spread to GoC Curve (bp)	**122**	**112**	**102**	**97**	**67**	**52**	4	4	4	4	4	4
Re-Offered Yield	3.57%	3.46%	3.33%	3.22%	2.78%	2.53%	0.09%	0.09%	0.09%	0.11%	0.14%	0.15%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.59%**	**3.49%**	**3.37%**	**3.27%**	**2.85%**	**2.61%**	**0.09%**	**0.09%**	**0.09%**	**0.11%**	**0.14%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	71	66	43	28	3.0	3.0	2.5	2.0	2.0	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPB Finance Trust (AA+/-/AA(H))	116	106	101	92	64	46	3	3	3	3	2	1
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	86	66	55	N/A	N/A	N/A	4	3	5
Hydro One Inc. (A/A3/AH)	135	125	100	92	70	57	1	1	2	2	5	5

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.35%	2.34%	2.28%	2.24%	2.11%	2.00%	0.045%	0.046%	0.068%	0.067%	0.096%	0.104%
Curve Adjustment (bp)	0.0	0.7	3.1	1.9	0.0	0.7	-	-	-	-	-	-
Spread to GoC Curve (bp)	**152**	**142**	**132**	**127**	**97**	**82**	4	4	4	4	4	4
Re-Offered Yield	3.87%	3.76%	3.63%	3.52%	3.08%	2.83%	0.08%	0.09%	0.09%	0.11%	0.14%	0.15%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.89%**	**3.79%**	**3.67%**	**3.57%**	**3.15%**	**2.91%**	**0.09%**	**0.09%**	**0.09%**	**0.11%**	**0.14%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	71	66	43	28	3.0	3.0	2.5	2.0	2.0	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.35%	2.34%	2.28%	2.24%	2.11%	2.00%	0.045%	0.046%	0.068%	0.067%	0.096%	0.104%
Curve Adjustment (bp)	0.0	0.7	3.1	1.9	0.0	0.7	-	-	-	-	-	-
Spread to GoC Curve (bp)	**182**	**172**	**162**	**157**	**127**	**112**	4	4	4	4	4	4
Re-Offered Yield	4.17%	4.06%	3.93%	3.82%	3.38%	3.13%	0.09%	0.09%	0.09%	0.11%	0.14%	0.15%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**4.19%**	**4.09%**	**3.97%**	**3.87%**	**3.45%**	**3.21%**	**0.09%**	**0.09%**	**0.09%**	**0.11%**	**0.14%**	**0.15%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	71	66	43	28	3.0	3.0	2.5	2.0	2.0	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Bank Name	TD
Date	3/26/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.35%	2.34%	2.28%	2.24%	2.11%	2.00%
Curve Adjustment (bp)	0	0.7	3.1	1.9	0.0	0.7
Spread to GoC Curve (bp)	**122.0**	**112.0**	**102.0**	**97.0**	**67.0**	**52.0**
Re-Offered Yield	3.57%	3.46%	3.33%	3.22%	2.78%	2.53%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.59%**	**3.49%**	**3.37%**	**3.27%**	**2.85%**	**2.61%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76.0	76.0	71.0	66.0	43.0	28.0

Other Comparables (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
OPB Finance Trust (AA+/-/AA(H))	116.0	106.0	101.0	92.0	64.0	46.0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	86.0	66.0	55.0
Hydro One Inc. (A/A3/AH)	135.0	125.0	100.0	92.0	70.0	57.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.35%	2.34%	2.28%	2.24%	2.11%	2.00%
Curve Adjustment (bp)	0	0.7	3.1	1.9	0.0	0.7
Spread to GoC Curve (bp)	**152.0**	**142.0**	**132.0**	**127.0**	**97.0**	**82.0**
Re-Offered Yield	3.87%	3.76%	3.63%	3.52%	3.08%	2.83%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.89%**	**3.79%**	**3.67%**	**3.57%**	**3.15%**	**2.91%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76.0	76.0	71.0	66.0	43.0	28.0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.35%	2.34%	2.28%	2.24%	2.11%	2.00%
Curve Adjustment (bp)	0	0.7	3.1	1.9	0.0	0.7
Spread to GoC Curve (bp)	**182.0**	**172.0**	**162.0**	**157.0**	**127.0**	**112.0**
Re-Offered Yield	4.17%	4.06%	3.93%	3.82%	3.38%	3.13%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.19%**	**4.09%**	**3.97%**	**3.87%**	**3.45%**	**3.21%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76.0	76.0	71.0	66.0	43.0	28.0

From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai; irma.mahmood@opg.com
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (05.28.18)
Date:	Monday, May 28, 2018 4:05:34 PM
Attachments:	FHP_TDB_20180528.xlsx FHP_TDB_20180528.pdf

Please find attached updated new issue indications.

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Bank Name	TD Securities
Date	5/28/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%	0.050%	0.064%	0.076%	0.082%	0.061%	0.060%
Curve Adjustment (bp)	0.0	0.1	1.3	0.2	0.0	2.4	-	-	-	-	-	-
Spread to GoC Curve (bp)	**109**	**101**	**91**	**84**	**54**	**39**	-2	-2	-2	-2	-2	-2
Re-Offered Yield	3.59%	3.54%	3.43%	3.33%	2.87%	2.57%	0.03%	0.04%	0.05%	0.05%	0.04%	0.04%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	-	-	-	-	-	-
All-in Yield	**3.62%**	**3.58%**	**3.46%**	**3.38%**	**2.95%**	**2.65%**	**0.03%**	**0.04%**	**0.05%**	**0.05%**	**0.04%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	76	69.5	63	43	28	(1.0)	0.0	(0.5)	(1.0)	(1.0)	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPB Finance Trust (AA+/-/AA(H))	110	100	95	85	63	45	2	2	2	1	2	2
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	86	66	54	N/A	N/A	N/A	4	(1)	0
Hydro One Inc. (A/A3/AH)	133	123	101	93	70	60	(3)	(3)	(2)	(2)	(3)	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%	0.050%	0.064%	0.076%	0.082%	0.061%	0.060%
Curve Adjustment (bp)	0.0	0.1	1.3	0.2	0.0	2.4	-	-	-	-	-	-
Spread to GoC Curve (bp)	**139**	**131**	**121**	**114**	**84**	**69**	-2	-2	-2	-2	-2	-2
Re-Offered Yield	3.89%	3.84%	3.73%	3.63%	3.17%	2.87%	0.03%	0.04%	0.05%	0.05%	0.04%	0.04%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	-	-	-	-	-	-
All-in Yield	**3.92%**	**3.88%**	**3.76%**	**3.68%**	**3.25%**	**2.95%**	**0.03%**	**0.04%**	**0.05%**	**0.05%**	**0.04%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	76	70	63	43	28	(1.0)	0.0	(0.5)	(1.0)	(1.0)	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%	0.050%	0.064%	0.076%	0.082%	0.061%	0.060%
Curve Adjustment (bp)	0.0	0.1	1.3	0.2	0.0	2.4	-	-	-	-	-	-
Spread to GoC Curve (bp)	**169**	**161**	**151**	**144**	**114**	**99**	-2	-2	-2	-2	-2	-2
Re-Offered Yield	4.19%	4.14%	4.03%	3.93%	3.47%	3.17%	0.03%	0.04%	0.05%	0.05%	0.04%	0.04%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	-	-	-	-	-	-
All-in Yield	**4.22%**	**4.18%**	**4.06%**	**3.98%**	**3.55%**	**3.25%**	**0.03%**	**0.04%**	**0.05%**	**0.05%**	**0.04%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	76	70	63	43	28	(1.0)	0.0	(0.5)	(1.0)	(1.0)	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Bank Name	TD
Date	5/28/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.34%	2.36%	2.31%	2.29%	2.17%	2.03%
Curve Adjustment (bp)	0	0.3	1.8	0.9	0.0	2.6
Spread to GoC Curve (bp)	**111.0**	**103.0**	**93.0**	**86.0**	**56.0**	**41.0**
Re-Offered Yield	3.45%	3.39%	3.26%	3.16%	2.73%	2.47%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.47%**	**3.42%**	**3.30%**	**3.20%**	**2.80%**	**2.56%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78.0	79.0	73.5	68.0	46.0	30.0

Other Comparables (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
OPB Finance Trust (AA+/-/AA(H))	113.0	103.0	98.0	89.0	66.0	47.0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	89.0	69.0	58.0
Hydro One Inc. (A/A3/AH)	135.0	125.0	103.0	95.0	72.0	62.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.34%	2.36%	2.31%	2.29%	2.17%	2.03%
Curve Adjustment (bp)	0	0.3	1.8	0.9	0.0	2.6
Spread to GoC Curve (bp)	**141.0**	**133.0**	**123.0**	**116.0**	**86.0**	**71.0**
Re-Offered Yield	3.75%	3.69%	3.56%	3.46%	3.03%	2.77%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.77%**	**3.72%**	**3.60%**	**3.50%**	**3.10%**	**2.86%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78.0	79.0	73.5	68.0	46.0	30.0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.34%	2.36%	2.31%	2.29%	2.17%	2.03%
Curve Adjustment (bp)	0	0.3	1.8	0.9	0.0	2.6
Spread to GoC Curve (bp)	**171.0**	**163.0**	**153.0**	**146.0**	**116.0**	**101.0**
Re-Offered Yield	4.05%	3.99%	3.86%	3.76%	3.33%	3.07%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.07%**	**4.02%**	**3.90%**	**3.80%**	**3.40%**	**3.16%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	78.0	79.0	73.5	68.0	46.0	30.0

From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai
Cc:	Scace, Patrick; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian; Laing, Mark
Subject:	Weekly Canadian Indicative New Issue Pricing | Ontario Power Generation (03.26.18)
Date:	Monday, March 26, 2018 2:23:54 PM
Attachments:	OPG 03.26.18.pdf OPG 03.26.18.xlsx

Please find attached updated new issue indications.

Theresa Mosley | Associate | Debt Capital Markets | **TD Securities Inc.**

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Bank Name	TD
Date	3/26/2018

Indicative OPG New Issue Spreads	Current						
	30-year	10-year	5-year	2-year			
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20			
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%			
Benchmark Yield	2.35%	2.22%	2.08%	1.89%			
Curve Adjustment (bp)	0	1.9	0.3	1.1			
Spread to GoC Curve (bp)	156	115	82	49			
Re-Offered Yield	3.91%	3.39%	2.91%	2.39%			
Commission (bp)	2.3	4.5	7.4	10.3			
All-in Yield	**3.93%**	**3.44%**	**2.98%**	**2.49%**			

Primary Comparable (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Hydro One (A/A)	135.0	92.0	70.0	48.0			

Other Comparables (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Nova Scotia Power (BBB+ / A(low))	145.0	95.0	78.0	51.0			
EPCOR Utilities (BBB+ / A(low))	133.0	88.0	68.0	48.5			

Bank Name	TD
Date	3/26/2018

Indicative OPG New Issue Spreads	Current				Week over Week							
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year				
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%
Benchmark Yield	2.34%	2.22%	2.08%	1.89%	0.04%	0.06%	0.08%	0.09%	2.30%	2.17%	2.00%	1.79%
Curve Adjustment (bp)	0	1.9	0.3	1.1	0.0	0.1	0.1	0.3	0	1.8	0.1	0.8
Spread to GoC Curve (bp)	156	115	82	49	1	-5	5	5	155	120	77	44
Re-Offered Yield	3.90%	3.39%	2.91%	2.39%	0.05%	0.01%	0.13%	0.15%	3.85%	3.38%	2.78%	2.24%
Commission (bp)	2.3	4.5	7.4	10.3	0.0	0.0	0.0	0.0	2.3	4.5	7.4	10.2
All-in Yield	**3.93%**	**3.43%**	**2.98%**	**2.49%**	**0.05%**	**0.01%**	**0.13%**	**0.15%**	**3.87%**	**3.43%**	**2.85%**	**2.34%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A)	135.0	92.0	70.0	48.0	1.0	2.0	5.0	5.0	134.0	90.0	65.0	43.0

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+ / A(low))	145.0	95.0	78.0	51.0	-	-	-	-	145.0	95.0	78.0	51.0
EPCOR Utilities (BBB+ / A(low))	133.0	88.0	68.0	48.5	2.0	-	-	-	131.0	88.0	68.0	48.5

Patrick Scace | Greg McDonald | Andrew Becker | Tennyson Cho | Emma Hyatt
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From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai; irma.mahmood@opg.com
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (03.19.18)
Date:	Monday, March 19, 2018 4:12:26 PM
Attachments:	FHP_TDB_20180319.xlsx FHP_TDB_20180319.pdf

Please find attached updated new issue indications.

Theresa Mosley | Associate | Debt Capital Markets | **TD Securities Inc.**

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Bank Name	TD Securities
Date	3/19/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.31%	2.29%	2.21%	2.17%	2.01%	1.90%	-0.075%	-0.080%	-0.038%	-0.042%	-0.028%	-0.005%
Curve Adjustment (bp)	0.0	0.6	4.8	1.8	0.0	0.5	-	-	-	-	-	-
Spread to GoC Curve (bp)	**118**	**108**	**98**	**93**	**63**	**48**	0	0	0	0	0	0
Re-Offered Yield	3.49%	3.38%	3.24%	3.12%	2.64%	2.38%	-0.08%	-0.07%	-0.05%	-0.03%	-0.03%	-0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.51%**	**3.41%**	**3.28%**	**3.16%**	**2.72%**	**2.47%**	**-0.08%**	**-0.08%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	73	68.5	64	41	27	(3.0)	(2.0)	(2.5)	(2.0)	(1.0)	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPB Finance Trust (AA+/-/AA(H))	113	103	98	89	62	45	-	-	0	-	-	0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	82	63	50	N/A	N/A	N/A	-	-	1
Hydro One Inc. (A/A3/AH)	134	124	98	90	65	52	1	1	3	3	1	1

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.31%	2.29%	2.21%	2.17%	2.01%	1.90%	-0.075%	-0.080%	-0.038%	-0.042%	-0.028%	-0.005%
Curve Adjustment (bp)	0.0	0.6	4.8	1.8	0.0	0.5	-	-	-	-	-	-
Spread to GoC Curve (bp)	**148**	**138**	**128**	**123**	**93**	**78**	0	0	0	0	0	0
Re-Offered Yield	3.79%	3.68%	3.54%	3.42%	2.94%	2.68%	-0.08%	-0.07%	-0.05%	-0.03%	-0.03%	-0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.81%**	**3.71%**	**3.58%**	**3.46%**	**3.02%**	**2.77%**	**-0.08%**	**-0.08%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	73	69	64	41	27	(3.0)	(2.0)	(2.5)	(2.0)	(1.0)	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Jun-23	01-Mar-21	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.31%	2.29%	2.21%	2.17%	2.01%	1.90%	-0.075%	-0.080%	-0.038%	-0.042%	-0.028%	-0.005%
Curve Adjustment (bp)	0.0	0.6	4.8	1.8	0.0	0.5	-	-	-	-	-	-
Spread to GoC Curve (bp)	**178**	**168**	**158**	**153**	**123**	**108**	0	0	0	0	0	0
Re-Offered Yield	4.09%	3.98%	3.84%	3.72%	3.24%	2.98%	-0.08%	-0.07%	-0.05%	-0.03%	-0.03%	-0.01%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**4.11%**	**4.01%**	**3.88%**	**3.76%**	**3.32%**	**3.07%**	**-0.08%**	**-0.08%**	**-0.04%**	**-0.04%**	**-0.02%**	**0.00%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	73	69	64	41	27	(3.0)	(2.0)	(2.5)	(2.0)	(1.0)	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Bank Name	TD
Date	3/19/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.29%	2.21%	2.17%	2.01%	1.90%
Curve Adjustment (bp)	0	0.6	4.8	1.8	0.0	0.5
Spread to GoC Curve (bp)	**118.0**	**108.0**	**98.0**	**93.0**	**63.0**	**48.0**
Re-Offered Yield	3.49%	3.38%	3.24%	3.12%	2.64%	2.38%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**3.51%**	**3.41%**	**3.28%**	**3.16%**	**2.72%**	**2.47%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73.0	73.0	68.5	64.0	41.0	27.0

Other Comparables (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
OPB Finance Trust (AA+/-/AA(H))	113.0	103.0	98.0	89.0	62.0	45.0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	82.0	63.0	50.0
Hydro One Inc. (A/A3/AH)	134.0	124.0	98.0	90.0	65.0	52.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.29%	2.21%	2.17%	2.01%	1.90%
Curve Adjustment (bp)	0	0.6	4.8	1.8	0.0	0.5
Spread to GoC Curve (bp)	**148.0**	**138.0**	**128.0**	**123.0**	**93.0**	**78.0**
Re-Offered Yield	3.79%	3.68%	3.54%	3.42%	2.94%	2.68%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**3.81%**	**3.71%**	**3.58%**	**3.46%**	**3.02%**	**2.77%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73.0	73.0	68.5	64.0	41.0	27.0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.31%	2.29%	2.21%	2.17%	2.01%	1.90%
Curve Adjustment (bp)	0	0.6	4.8	1.8	0.0	0.5
Spread to GoC Curve (bp)	**178.0**	**168.0**	**158.0**	**153.0**	**123.0**	**108.0**
Re-Offered Yield	4.09%	3.98%	3.84%	3.72%	3.24%	2.98%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**4.11%**	**4.01%**	**3.88%**	**3.76%**	**3.32%**	**3.07%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73.0	73.0	68.5	64.0	41.0	27.0

From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai
Cc:	Scace, Patrick; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian; Laing, Mark
Subject:	Weekly Canadian Indicative New Issue Pricing | Ontario Power Generation (03.19.18)
Date:	Monday, March 19, 2018 4:02:10 PM
Attachments:	OPG 03.19.18.pdf OPG 03.19.18.xlsx

Please find attached updated new issue indications.

Theresa Mosley | Associate | Debt Capital Markets | **TD Securities Inc.**

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Bank Name	TD
Date	3/19/2018

Indicative OPG New Issue Spreads	Current						
	30-year	10-year	5-year	2-year			
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20			
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%			
Benchmark Yield	2.30%	2.17%	2.00%	1.79%			
Curve Adjustment (bp)	0	1.8	0.1	0.8			
Spread to GoC Curve (bp)	155	120	77	44			
Re-Offered Yield	3.85%	3.38%	2.78%	2.24%			
Commission (bp)	2.3	4.5	7.4	10.2			
All-in Yield	**3.87%**	**3.43%**	**2.85%**	**2.34%**			

Primary Comparable (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Hydro One (A/A)	134.0	90.0	65.0	43.0			

Other Comparables (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Nova Scotia Power (BBB+ / A(low))	145.0	95.0	78.0	51.0			
EPCOR Utilities (BBB+ / A(low))	131.0	88.0	68.0	48.5			

Bank Name	TD
Date	3/19/2018

Indicative OPG New Issue Spreads	Current				Week over Week							
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year				
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%
Benchmark Yield	2.30%	2.17%	2.00%	1.79%	-0.13%	-0.09%	-0.08%	-0.05%	2.43%	2.25%	2.08%	1.84%
Curve Adjustment (bp)	0	1.8	0.1	0.8	0.0	-0.1	0.0	0.2	0	1.9	0.2	0.6
Spread to GoC Curve (bp)	155	120	77	44	1	3	1	1	154	117	76	43
Re-Offered Yield	3.85%	3.38%	2.78%	2.24%	-0.12%	-0.06%	-0.07%	-0.04%	3.97%	3.44%	2.84%	2.28%
Commission (bp)	2.3	4.5	7.4	10.2	0.0	0.0	0.0	0.0	2.4	4.5	7.4	10.2
All-in Yield	**3.87%**	**3.43%**	**2.85%**	**2.34%**	**-0.12%**	**-0.06%**	**-0.07%**	**-0.04%**	**3.99%**	**3.49%**	**2.92%**	**2.38%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A)	134.0	90.0	65.0	43.0	1.0	3.0	1.0	2.0	133.0	87.0	64.0	41.0

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+ / A(low))	145.0	95.0	78.0	51.0	-	-	-	-	145.0	95.0	78.0	51.0
EPCOR Utilities (BBB+ / A(low))	131.0	88.0	68.0	48.5	-	3.0	-	-	131.0	85.0	68.0	48.5

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From:	Mosley, Theresa
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai; irma.mahmood@opg.com
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (02.26.18)
Date:	Monday, February 26, 2018 3:22:21 PM
Attachments:	FHP_TDB_20180226.xlsx FHP_TDB_20180226.pdf

Please find attached updated new issue indications.

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Bank Name	TD Securities
Date	2/26/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.40%	2.40%	2.29%	2.25%	2.05%	1.85%	-0.060%	-0.064%	-0.076%	-0.076%	-0.072%	-0.043%
Curve Adjustment (bp)	0.0	0.3	5.6	1.7	0.0	5.3	-	-	-	-	-	-
Spread to GoC Curve (bp)	**114**	**104**	**94**	**89**	**59**	**44**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.54%	3.45%	3.29%	3.15%	2.64%	2.34%	-0.07%	-0.07%	-0.08%	-0.09%	-0.08%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.56%**	**3.48%**	**3.32%**	**3.20%**	**2.72%**	**2.43%**	**-0.07%**	**-0.07%**	**-0.08%**	**-0.09%**	**-0.08%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	72	68	64	40	26	0.0	(1.0)	(0.5)	0.0	0.0	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPB Finance Trust (AA+/-/AA(H))	111	101	96	87	57	42	-	-	0	-	-	0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	74	59	48	N/A	N/A	N/A	(1)	(2)	0
Hydro One Inc. (A/A3/AH)	128	118	93	85	63	50	1	1	-	-	-	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.40%	2.40%	2.29%	2.25%	2.05%	1.85%	-0.060%	-0.064%	-0.078%	-0.077%	-0.072%	-0.043%
Curve Adjustment (bp)	0.0	0.3	5.6	1.7	0.0	5.3	-	-	-	-	-	-
Spread to GoC Curve (bp)	**144**	**134**	**124**	**119**	**89**	**74**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	3.84%	3.75%	3.59%	3.45%	2.94%	2.64%	-0.07%	-0.07%	-0.08%	-0.09%	-0.08%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.86%**	**3.78%**	**3.62%**	**3.50%**	**3.02%**	**2.73%**	**-0.07%**	**-0.07%**	**-0.08%**	**-0.09%**	**-0.08%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	72	68	64	40	26	0.0	(1.0)	(0.5)	0.0	0.0	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Mar-23	01-Sep-20	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.40%	2.40%	2.29%	2.25%	2.05%	1.85%	-0.060%	-0.064%	-0.078%	-0.077%	-0.072%	-0.043%
Curve Adjustment (bp)	0.0	0.3	5.6	1.7	0.0	5.3	-	-	-	-	-	-
Spread to GoC Curve (bp)	**174**	**164**	**154**	**149**	**119**	**104**	-1	-1	-1	-1	-1	-1
Re-Offered Yield	4.14%	4.05%	3.89%	3.75%	3.24%	2.94%	-0.07%	-0.07%	-0.08%	-0.09%	-0.08%	-0.05%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**4.16%**	**4.08%**	**3.92%**	**3.80%**	**3.32%**	**3.03%**	**-0.07%**	**-0.07%**	**-0.08%**	**-0.09%**	**-0.08%**	**-0.05%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	73	72	68	64	40	26	0.0	(1.0)	(0.5)	0.0	0.0	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Bank Name	TD
Date	2/26/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Mar-23	1-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%
Benchmark Yield	2.40%	2.40%	2.29%	2.25%	2.05%	1.85%
Curve Adjustment (bp)	0	0.3	5.6	1.7	0.0	5.3
Spread to GoC Curve (bp)	**114.0**	**104.0**	**94.0**	**89.0**	**59.0**	**44.0**
Re-Offered Yield	3.54%	3.45%	3.29%	3.15%	2.64%	2.34%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.56%**	**3.48%**	**3.32%**	**3.20%**	**2.72%**	**2.43%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73.0	72.0	68.0	64.0	40.0	26.0

Other Comparables (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
OPB Finance Trust (AA+/-/AA(H))	111.0	101.0	96.0	87.0	57.0	42.0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	74.0	59.0	48.0
Hydro One Inc. (A/A3/AH)	128.0	118.0	93.0	85.0	63.0	50.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Mar-23	1-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%
Benchmark Yield	2.40%	2.40%	2.29%	2.25%	2.05%	1.85%
Curve Adjustment (bp)	0	0.3	5.6	1.7	0.0	5.3
Spread to GoC Curve (bp)	**144.0**	**134.0**	**124.0**	**119.0**	**89.0**	**74.0**
Re-Offered Yield	3.84%	3.75%	3.59%	3.45%	2.94%	2.64%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.86%**	**3.78%**	**3.62%**	**3.50%**	**3.02%**	**2.73%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73.0	72.0	68.0	64.0	40.0	26.0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Mar-23	1-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.75%	0.75%
Benchmark Yield	2.40%	2.40%	2.29%	2.25%	2.05%	1.85%
Curve Adjustment (bp)	0	0.3	5.6	1.7	0.0	5.3
Spread to GoC Curve (bp)	**174.0**	**164.0**	**154.0**	**149.0**	**119.0**	**104.0**
Re-Offered Yield	4.14%	4.05%	3.89%	3.75%	3.24%	2.94%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.16%**	**4.08%**	**3.92%**	**3.80%**	**3.32%**	**3.03%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	73.0	72.0	68.0	64.0	40.0	26.0

From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai; irma.mahmood@opg.com
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (02.05.18)
Date:	Monday, February 05, 2018 2:19:42 PM
Attachments:	FHP_TDB_20180205.pdf FHP_TDB_20180205.xlsx

Please find attached updated new issue indications.

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Bank Name	TD
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Sep-22	1-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.47%	2.48%	2.40%	2.36%	2.12%	1.91%
Curve Adjustment (bp)	0	0.2	4.3	1.1	3.3	6.3
Spread to GoC Curve (bp)	**110**	**100**	**90**	**85**	**55**	**40**
Re-Offered Yield	3.57%	3.48%	3.34%	3.22%	2.70%	2.37%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.59%**	**3.51%**	**3.37%**	**3.27%**	**2.78%**	**2.46%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70.0	70.0	65.5	61.0	42.0	33.0

Other Comparables (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
OPB Finance Trust (AA+/-/AA(H))	109.0	99.0	94.0	85.0	55.0	41.0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	70.0	55.0	44.0
Hydro One Inc. (A/A3/AH)	124.0	114.0	93.0	85.0	63.0	48.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Sep-22	1-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.47%	2.48%	2.40%	2.36%	2.12%	1.91%
Curve Adjustment (bp)	0	0.2	4.3	1.1	3.3	6.3
Spread to GoC Curve (bp)	**130**	**120**	**110**	**105**	**75**	**60**
Re-Offered Yield	3.77%	3.68%	3.54%	3.42%	2.90%	2.57%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.79%**	**3.71%**	**3.57%**	**3.47%**	**2.98%**	**2.66%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70.0	70.0	65.5	61.0	42.0	33.0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Sep-22	1-Sep-20
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%
Benchmark Yield	2.47%	2.48%	2.40%	2.36%	2.12%	1.91%
Curve Adjustment (bp)	0	0.2	4.3	1.1	3.3	6.3
Spread to GoC Curve (bp)	**150**	**140**	**130**	**125**	**95**	**80**
Re-Offered Yield	3.97%	3.88%	3.74%	3.62%	3.10%	2.77%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.99%**	**3.91%**	**3.77%**	**3.67%**	**3.18%**	**2.86%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	70.0	70.0	65.5	61.0	42.0	33.0

Bank Name	TD Securities
Date	2/5/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.47%	2.48%	2.40%	2.36%	2.12%	1.91%	0.090%	0.100%	0.070%	0.070%	0.040%	0.020%
Curve Adjustment (bp)	0.0	0.2	4.3	1.1	3.3	6.3	-	-	-	-	-	-
Spread to GoC Curve (bp)	**110**	**100**	**90**	**85**	**55**	**40**	0	0	0	0	0	0
Re-Offered Yield	3.57%	3.48%	3.34%	3.22%	2.70%	2.37%	0.09%	0.10%	0.09%	0.07%	0.02%	0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.59%**	**3.51%**	**3.37%**	**3.27%**	**2.78%**	**2.46%**	**0.09%**	**0.10%**	**0.09%**	**0.07%**	**0.02%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70	65.5	61	42	33	-	-	-	-	-	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPB Finance Trust (AA+/-/AA(H))	109	99	94	85	55	41	(3)	(3)	-3	(3)	(2)	-
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	70	55	44	N/A	N/A	N/A	-	3	2
Hydro One Inc. (A/A3/AH)	124	114	93	85	63	48	5	5	3	3	3	3

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	01-Jun-37	01-Jun-29	01-Jun-27	01-Sep-22	01-Sep-20	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.47%	2.48%	2.40%	2.36%	2.12%	1.91%	0.090%	0.100%	0.070%	0.070%	0.040%	0.020%
Curve Adjustment (bp)	0.0	0.2	4.3	1.1	3.3	6.3	-	-	-	-	-	-
Spread to GoC Curve (bp)	**130**	**120**	**110**	**105**	**75**	**60**	0	0	0	0	0	0
Re-Offered Yield	3.77%	3.68%	3.54%	3.42%	2.90%	2.57%	0.09%	0.10%	0.09%	0.07%	0.02%	0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.79%**	**3.71%**	**3.57%**	**3.47%**	**2.98%**	**2.66%**	**0.09%**	**0.10%**	**0.09%**	**0.07%**	**0.02%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70	66	61	42	33	-	-	-	-	-	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	01-Sep-22	01-Sep-20	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.00%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.47%	2.48%	2.40%	2.36%	2.12%	1.91%	0.090%	0.100%	0.070%	0.070%	0.040%	0.020%
Curve Adjustment (bp)	0.0	0.2	4.3	1.1	3.3	6.3	-	-	-	-	-	-
Spread to GoC Curve (bp)	**150**	**140**	**130**	**125**	**95**	**80**	0	0	0	0	0	0
Re-Offered Yield	3.97%	3.88%	3.74%	3.62%	3.10%	2.77%	0.09%	0.10%	0.09%	0.07%	0.02%	0.02%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.99%**	**3.91%**	**3.77%**	**3.67%**	**3.18%**	**2.86%**	**0.09%**	**0.10%**	**0.09%**	**0.07%**	**0.02%**	**0.02%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	70	70	66	61	42	33	-	-	-	-	-	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai
Cc:	Scace, Patrick; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian; Laing, Mark
Subject:	Weekly Canadian Indicative New Issue Pricing | Ontario Power Generation (02.05.18)
Date:	Monday, February 05, 2018 1:11:55 PM
Attachments:	OPG 02.05.18.pdf OPG 02.05.18.xlsx

Please find attached updated new issue indications.

Theresa Mosley | Associate | Debt Capital Markets | **TD Securities Inc.**

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Bank Name	TD
Date	2/5/2018

Indicative OPG New Issue Spreads	Current						
	30-year	10-year	5-year	2-year			
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Sep-22	1-Nov-19			
Benchmark Canada Bond Coupon	2.75%	1.00%	1.00%	1.25%			
Benchmark Yield	2.47%	2.37%	2.12%	1.81%			
Curve Adjustment (bp)	0	1.1	3.3	3.1			
Spread to GoC Curve (bp)	145	108	75	40			
Re-Offered Yield	3.92%	3.46%	2.91%	2.24%			
Commission (bp)	2.4	4.5	7.4	10.2			
All-in Yield	**3.94%**	**3.51%**	**2.98%**	**2.34%**			

Primary Comparable (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	**30-year**	**10-year**	**5-year**	**2-year**			
Hydro One (A/A)	124.0	85.0	63.0	37.0			

Other Comparables (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	**30-year**	**10-year**	**5-year**	**2-year**			
Nova Scotia Power (BBB+ / A(low))	133.0	95.0	78.0	51.0			
EPCOR Utilities (BBB+ / A(low))	123.0	85.0	68.0	48.5			

Bank Name	TD
Date	2/5/2018

Indicative OPG New Issue Spreads	**Current**				**Week over Week**							
	30-year	**10-year**	**5-year**	**2-year**	**30-year**	**10-year**	**5-year**	**2-year**				
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Jun-22	1-Jun-19	1-Dec-48	1-Jun-27	1-Jun-22	1-Jun-19	1-Dec-48	1-Jun-27	1-Jun-22	1-Jun-19
Benchmark Canada Bond Coupon	2.75%	1.00%	2.75%	3.75%	2.75%	1.00%	2.75%	3.75%	2.75%	1.00%	2.75%	3.75%
Benchmark Yield	2.47%	2.37%	2.12%	1.81%	0.11%	0.09%	0.04%	0.01%	2.35%	2.28%	2.08%	1.80%
Curve Adjustment (bp)	0	1.1	3.3	3.1	0.0	0.1	-1.6	0.6	0	1.0	4.9	2.5
Spread to GoC Curve (bp)	145	108	75	40	3	3	3	3	142	105	72	37
Re-Offered Yield	3.92%	3.46%	2.90%	2.24%	0.14%	0.12%	0.06%	0.05%	3.77%	3.34%	2.85%	2.19%
Commission (bp)	2.4	4.5	7.4	10.2	0.0	0.0	0.0	0.0	2.3	4.5	7.4	10.2
All-in Yield	**3.94%**	**3.51%**	**2.98%**	**2.34%**	**0.14%**	**0.12%**	**0.06%**	**0.05%**	**3.80%**	**3.39%**	**2.92%**	**2.29%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**				**Week over Week**				**Current**			
Spread to GoC Curve (bp)	**30-year**	**10-year**	**5-year**	**2-year**	**30-year**	**10-year**	**5-year**	**2-year**	**30-year**	**10-year**	**5-year**	**2-year**
Hydro One (A/A)	124.0	85.0	63.0	37.0	5.0	3.0	3.0	2.0	119.0	82.0	60.0	35.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**				**Week over Week**				**Current**			
Spread to GoC Curve (bp)	**30-year**	**10-year**	**5-year**	**2-year**	**30-year**	**10-year**	**5-year**	**2-year**	**30-year**	**10-year**	**5-year**	**2-year**
Nova Scotia Power (BBB+ / A(low))	133.0	95.0	78.0	51.0	4.0	-	-	-	129.0	95.0	78.0	51.0
EPCOR Utilities (BBB+ / A(low))	123.0	85.0	68.0	48.5	5.0	-	-	-	118.0	85.0	68.0	48.5

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From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai
Cc:	Scace, Patrick; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian; Laing, Mark
Subject:	Weekly Canadian Indicative New Issue Pricing | Ontario Power Generation (05.28.18)
Date:	Monday, May 28, 2018 3:45:27 PM
Attachments:	OPG 05.28.18.pdf OPG 05.28.18.xlsx

Please find attached updated new issue indications.

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Bank Name	TD
Date	5/28/2018

Indicative OPG New Issue Spreads	**Current**						
	30-year	**10-year**	**5-year**	**2-year**			
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20			
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%			
Benchmark Yield	2.34%	2.29%	2.15%	1.91%			
Curve Adjustment (bp)	0	0.9	1.8	3.2			
Spread to GoC Curve (bp)	155	115	84	54			
Re-Offered Yield	3.89%	3.45%	3.01%	2.49%			
Commission (bp)	2.3	4.5	7.4	10.3			
All-in Yield	**3.92%**	**3.50%**	**3.08%**	**2.59%**			

Primary Comparable (S&P/Moody's/ DBRS)	**Current**						
Spread to GoC Curve (bp)	**30-year**	**10-year**	**5-year**	**2-year**			
Hydro One (A/A)	135.0	95.0	72.0	53.0			

Other Comparables (S&P/Moody's/ DBRS)	**Current**						
Spread to GoC Curve (bp)	**30-year**	**10-year**	**5-year**	**2-year**			
Nova Scotia Power (BBB+ / A(low))	145.0	95.0	78.0	51.0			
EPCOR Utilities (BBB+ / A(low))	135.0	89.0	70.0	53.5			

Bank Name	TD
Date	5/28/2018

Indicative OPG New Issue Spreads	Current				Week over Week							
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year				
Benchmark Canada Bond Maturity	30-Nov-44	31-May-23	28-Feb-19	29-Feb-16	30-Nov-44	31-May-23	28-Feb-19	29-Feb-16	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%
Benchmark Yield	2.34%	2.29%	2.15%	1.91%	-0.16%	-0.20%	-0.16%	-0.11%	2.50%	2.49%	2.31%	2.03%
Curve Adjustment (bp)	0	0.9	1.8	3.2	0.0	0.7	-0.3	0.0	0	0.2	2.0	3.1
Spread to GoC Curve (bp)	155	115	84	54	3	3	2	2	152	112	82	52
Re-Offered Yield	3.89%	3.45%	3.01%	2.49%	-0.13%	-0.16%	-0.14%	-0.09%	4.02%	3.61%	3.15%	2.58%
Commission (bp)	2.3	4.5	7.4	10.3	-0.1	0.0	0.0	0.0	2.4	4.6	7.5	10.3
All-in Yield	**3.92%**	**3.50%**	**3.08%**	**2.59%**	**-0.13%**	**-0.16%**	**-0.14%**	**-0.09%**	**4.04%**	**3.66%**	**3.22%**	**2.68%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A)	135.0	95.0	72.0	53.0	2.0	2.0	2.0	5.0	133.0	93.0	70.0	48.0

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+ / A(low))	145.0	95.0	78.0	51.0	-	-	-	-	145.0	95.0	78.0	51.0
EPCOR Utilities (BBB+ / A(low))	135.0	89.0	70.0	53.5	-	-	-	-	135.0	89.0	70.0	53.5

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To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai; irma.mahmood@opg.com
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (05.22.18)
Date:	Tuesday, May 22, 2018 3:21:55 PM
Attachments:	FHP_TDB_20180522.xlsx FHP_TDB_20180522.pdf

Please find attached updated new issue indications.

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Bank Name	TD Securities
Date	5/22/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%	0.050%	0.064%	0.076%	0.082%	0.061%	0.060%
Curve Adjustment (bp)	0.0	0.1	1.3	0.2	0.0	2.4	-	-	-	-	-	-
Spread to GoC Curve (bp)	**109**	**101**	**91**	**84**	**54**	**39**	-2	-2	-2	-2	-2	-2
Re-Offered Yield	3.59%	3.54%	3.43%	3.33%	2.87%	2.57%	0.03%	0.04%	0.05%	0.05%	0.04%	0.04%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	-	-	-	-	-	-
All-in Yield	**3.62%**	**3.58%**	**3.46%**	**3.38%**	**2.95%**	**2.65%**	**0.03%**	**0.04%**	**0.05%**	**0.05%**	**0.04%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	76	69.5	63	43	28	(1.0)	0.0	(0.5)	(1.0)	(1.0)	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPB Finance Trust (AA+/-/AA(H))	110	100	95	85	63	45	2	2	2	1	2	2
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	86	66	54	N/A	N/A	N/A	4	(1)	0
Hydro One Inc. (A/A3/AH)	133	123	101	93	70	60	(3)	(3)	(2)	(2)	(3)	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%	0.050%	0.064%	0.076%	0.082%	0.061%	0.060%
Curve Adjustment (bp)	0.0	0.1	1.3	0.2	0.0	2.4	-	-	-	-	-	-
Spread to GoC Curve (bp)	**139**	**131**	**121**	**114**	**84**	**69**	-2	-2	-2	-2	-2	-2
Re-Offered Yield	3.89%	3.84%	3.73%	3.63%	3.17%	2.87%	0.03%	0.04%	0.05%	0.05%	0.04%	0.04%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	-	-	-	-	-	-
All-in Yield	**3.92%**	**3.88%**	**3.76%**	**3.68%**	**3.25%**	**2.95%**	**0.03%**	**0.04%**	**0.05%**	**0.05%**	**0.04%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	76	70	63	43	28	(1.0)	0.0	(0.5)	(1.0)	(1.0)	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%	0.050%	0.064%	0.076%	0.082%	0.061%	0.060%
Curve Adjustment (bp)	0.0	0.1	1.3	0.2	0.0	2.4	-	-	-	-	-	-
Spread to GoC Curve (bp)	**169**	**161**	**151**	**144**	**114**	**99**	-2	-2	-2	-2	-2	-2
Re-Offered Yield	4.19%	4.14%	4.03%	3.93%	3.47%	3.17%	0.03%	0.04%	0.05%	0.05%	0.04%	0.04%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7	-	-	-	-	-	-
All-in Yield	**4.22%**	**4.18%**	**4.06%**	**3.98%**	**3.55%**	**3.25%**	**0.03%**	**0.04%**	**0.05%**	**0.05%**	**0.04%**	**0.04%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	75	76	70	63	43	28	(1.0)	0.0	(0.5)	(1.0)	(1.0)	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Bank Name	TD
Date	5/22/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%
Curve Adjustment (bp)	0	0.1	1.3	0.2	0.0	2.4
Spread to GoC Curve (bp)	**109.0**	**101.0**	**91.0**	**84.0**	**54.0**	**39.0**
Re-Offered Yield	3.59%	3.54%	3.43%	3.33%	2.87%	2.57%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7
All-in Yield	**3.62%**	**3.58%**	**3.46%**	**3.38%**	**2.95%**	**2.65%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75.0	76.0	69.5	63.0	43.0	28.0

Other Comparables (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
OPB Finance Trust (AA+/-/AA(H))	110.0	100.0	95.0	85.0	63.0	45.0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	86.0	66.0	54.0
Hydro One Inc. (A/A3/AH)	133.0	123.0	101.0	93.0	70.0	60.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%
Curve Adjustment (bp)	0	0.1	1.3	0.2	0.0	2.4
Spread to GoC Curve (bp)	**139.0**	**131.0**	**121.0**	**114.0**	**84.0**	**69.0**
Re-Offered Yield	3.89%	3.84%	3.73%	3.63%	3.17%	2.87%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7
All-in Yield	**3.92%**	**3.88%**	**3.76%**	**3.68%**	**3.25%**	**2.95%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75.0	76.0	69.5	63.0	43.0	28.0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.50%	2.53%	2.51%	2.49%	2.33%	2.15%
Curve Adjustment (bp)	0	0.1	1.3	0.2	0.0	2.4
Spread to GoC Curve (bp)	**169.0**	**161.0**	**151.0**	**144.0**	**114.0**	**99.0**
Re-Offered Yield	4.19%	4.14%	4.03%	3.93%	3.47%	3.17%
Commission (bp)	2.4	3.2	3.6	4.6	7.5	8.7
All-in Yield	**4.22%**	**4.18%**	**4.06%**	**3.98%**	**3.55%**	**3.25%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	75.0	76.0	69.5	63.0	43.0	28.0

From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai
Cc:	Scace, Patrick; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian; Laing, Mark
Subject:	Weekly Canadian Indicative New Issue Pricing | Ontario Power Generation (05.22.18)
Date:	Tuesday, May 22, 2018 2:31:17 PM
Attachments:	OPG 05.22.18.pdf OPG 05.22.18.xlsx

Please find attached updated new issue indications.

Theresa Mosley | Associate | Debt Capital Markets | **TD Securities Inc.**

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Bank Name	TD
Date	5/22/2018

Indicative OPG New Issue Spreads	Current						
	30-year	10-year	5-year	2-year			
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20			
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%			
Benchmark Yield	2.50%	2.49%	2.31%	2.03%			
Curve Adjustment (bp)	0	0.2	2.0	3.1			
Spread to GoC Curve (bp)	152	112	82	52			
Re-Offered Yield	4.02%	3.61%	3.15%	2.58%			
Commission (bp)	2.4	4.6	7.5	10.3			
All-in Yield	**4.04%**	**3.66%**	**3.22%**	**2.68%**			

Primary Comparable (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Hydro One (A/A)	133.0	93.0	70.0	48.0			

Other Comparables (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Nova Scotia Power (BBB+ / A(low))	145.0	95.0	78.0	51.0			
EPCOR Utilities (BBB+ / A(low))	135.0	89.0	70.0	53.5			

Bank Name	TD
Date	5/22/2018

Indicative OPG New Issue Spreads	Current				Week over Week							
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year				
Benchmark Canada Bond Maturity	30-Nov-44	31-May-23	28-Feb-19	29-Feb-16	30-Nov-44	31-May-23	28-Feb-19	29-Feb-16	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%
Benchmark Yield	2.50%	2.49%	2.31%	2.03%	0.05%	0.08%	0.07%	0.05%	2.45%	2.41%	2.24%	1.98%
Curve Adjustment (bp)	0	0.2	2.0	3.1	0.0	-0.8	-0.2	1.0	0	1.0	2.3	2.1
Spread to GoC Curve (bp)	152	112	82	52	-1	-2	-3	0	153	114	85	52
Re-Offered Yield	4.02%	3.61%	3.15%	2.58%	0.04%	0.05%	0.03%	0.06%	3.98%	3.56%	3.11%	2.52%
Commission (bp)	2.4	4.6	7.5	10.3	0.0	0.0	0.0	0.0	2.4	4.5	7.5	10.3
All-in Yield	**4.04%**	**3.66%**	**3.22%**	**2.68%**	**0.04%**	**0.05%**	**0.03%**	**0.06%**	**4.01%**	**3.61%**	**3.19%**	**2.62%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A)	133.0	93.0	70.0	48.0	(3.0)	(2.0)	(3.0)	(2.0)	136.0	95.0	73.0	50.0

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+ / A(low))	145.0	95.0	78.0	51.0	1.0	-	-	-	144.0	95.0	78.0	51.0
EPCOR Utilities (BBB+ / A(low))	135.0	89.0	70.0	53.5	-	-	-	-	135.0	89.0	70.0	53.5

`

Patrick Scace | Greg McDonald | Andrew Becker | Tennyson Cho | Emma Hyatt
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From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai; irma.mahmood@opg.com
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (05.14.18)
Date:	Monday, May 14, 2018 3:56:48 PM
Attachments:	FHP_TDB_20180514.xlsx FHP_TDB_20180514.pdf

Please find attached updated new issue indications.

Theresa Mosley | Associate | Debt Capital Markets | **TD Securities Inc.**

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Bank Name	TD Securities
Date	5/14/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.45%	2.47%	2.43%	2.41%	2.27%	2.09%	0.043%	0.068%	0.089%	0.089%	0.102%	0.073%
Curve Adjustment (bp)	0.0	0.2	1.9	1.0	0.0	2.3	-	-	-	-	-	-
Spread to GoC Curve (bp)	**111**	**103**	**93**	**86**	**56**	**41**	-2	-2	-2	-2	-2	-2
Re-Offered Yield	3.56%	3.50%	3.38%	3.28%	2.83%	2.53%	0.02%	0.04%	0.06%	0.07%	0.08%	0.06%
Commission (bp)	2.4	3.2	3.6	4.5	7.5	8.7	-	-	-	-	-	-
All-in Yield	**3.59%**	**3.53%**	**3.41%**	**3.32%**	**2.91%**	**2.61%**	**0.03%**	**0.04%**	**0.05%**	**0.07%**	**0.08%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	70	64	44	28	(3.0)	(3.0)	(4.0)	(4.0)	(2.0)	(3.0)

Other Comparables (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPB Finance Trust (AA+/-/AA(H))	108	98	93	84	61	43	(5)	(5)	-5	(4)	(4)	-3
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	82	67	54	N/A	N/A	N/A	(1)	(1)	-1
Hydro One Inc. (A/A3/AH)	136	126	103	95	73	60	-	-	1	1	-	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.45%	2.47%	2.43%	2.41%	2.27%	2.09%	0.043%	0.068%	0.089%	0.089%	0.102%	0.073%
Curve Adjustment (bp)	0.0	0.2	1.9	1.0	0.0	2.3	-	-	-	-	-	-
Spread to GoC Curve (bp)	**141**	**133**	**123**	**116**	**86**	**71**	-2	-2	-2	-2	-2	-2
Re-Offered Yield	3.86%	3.80%	3.68%	3.58%	3.13%	2.83%	0.02%	0.04%	0.06%	0.07%	0.08%	0.06%
Commission (bp)	2.4	3.2	3.6	4.5	7.5	8.7	-	-	-	-	-	-
All-in Yield	**3.89%**	**3.83%**	**3.71%**	**3.62%**	**3.21%**	**2.91%**	**0.03%**	**0.04%**	**0.05%**	**0.07%**	**0.08%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	70	64	44	28	(3.0)	(3.0)	(4.0)	(4.0)	(2.0)	(3.0)

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.45%	2.47%	2.43%	2.41%	2.27%	2.09%	0.043%	0.068%	0.089%	0.089%	0.102%	0.073%
Curve Adjustment (bp)	0.0	0.2	1.9	1.0	0.0	2.3	-	-	-	-	-	-
Spread to GoC Curve (bp)	**171**	**163**	**153**	**146**	**116**	**101**	-2	-2	-2	-2	-2	-2
Re-Offered Yield	4.16%	4.10%	3.98%	3.88%	3.43%	3.13%	0.02%	0.04%	0.06%	0.07%	0.08%	0.06%
Commission (bp)	2.4	3.2	3.6	4.5	7.5	8.7	-	-	-	-	-	-
All-in Yield	**4.19%**	**4.13%**	**4.01%**	**3.92%**	**3.51%**	**3.21%**	**0.03%**	**0.04%**	**0.05%**	**0.07%**	**0.08%**	**0.06%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	76	76	70	64	44	28	(3.0)	(3.0)	(4.0)	(4.0)	(2.0)	(3.0)

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Bank Name	TD
Date	5/14/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.45%	2.47%	2.43%	2.41%	2.27%	2.09%
Curve Adjustment (bp)	0	0.2	1.9	1.0	0.0	2.3
Spread to GoC Curve (bp)	**111.0**	**103.0**	**93.0**	**86.0**	**56.0**	**41.0**
Re-Offered Yield	3.56%	3.50%	3.38%	3.28%	2.83%	2.53%
Commission (bp)	2.4	3.2	3.6	4.5	7.5	8.7
All-in Yield	**3.59%**	**3.53%**	**3.41%**	**3.32%**	**2.91%**	**2.61%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76.0	76.0	70.0	64.0	44.0	28.0

Other Comparables (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
OPB Finance Trust (AA+/-/AA(H))	108.0	98.0	93.0	84.0	61.0	43.0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	82.0	67.0	54.0
Hydro One Inc. (A/A3/AH)	136.0	126.0	103.0	95.0	73.0	60.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.45%	2.47%	2.43%	2.41%	2.27%	2.09%
Curve Adjustment (bp)	0	0.2	1.9	1.0	0.0	2.3
Spread to GoC Curve (bp)	**141.0**	**133.0**	**123.0**	**116.0**	**86.0**	**71.0**
Re-Offered Yield	3.86%	3.80%	3.68%	3.58%	3.13%	2.83%
Commission (bp)	2.4	3.2	3.6	4.5	7.5	8.7
All-in Yield	**3.89%**	**3.83%**	**3.71%**	**3.62%**	**3.21%**	**2.91%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76.0	76.0	70.0	64.0	44.0	28.0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.45%	2.47%	2.43%	2.41%	2.27%	2.09%
Curve Adjustment (bp)	0	0.2	1.9	1.0	0.0	2.3
Spread to GoC Curve (bp)	**171.0**	**163.0**	**153.0**	**146.0**	**116.0**	**101.0**
Re-Offered Yield	4.16%	4.10%	3.98%	3.88%	3.43%	3.13%
Commission (bp)	2.4	3.2	3.6	4.5	7.5	8.7
All-in Yield	**4.19%**	**4.13%**	**4.01%**	**3.92%**	**3.51%**	**3.21%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	76.0	76.0	70.0	64.0	44.0	28.0

From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai
Cc:	Scace, Patrick; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian; Laing, Mark
Subject:	Weekly Canadian Indicative New Issue Pricing | Ontario Power Generation (05.14.18)
Date:	Monday, May 14, 2018 3:06:38 PM
Attachments:	OPG 05.14.18.pdf OPG 05.14.18.xlsx

Please find attached updated new issue indications.

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Bank Name	TD
Date	5/14/2018

Indicative OPG New Issue Spreads	Current						
	30-year	10-year	5-year	2-year			
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20			
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%			
Benchmark Yield	2.45%	2.41%	2.24%	1.98%			
Curve Adjustment (bp)	0	1.0	2.3	2.1			
Spread to GoC Curve (bp)	153	114	85	52			
Re-Offered Yield	3.98%	3.56%	3.11%	2.52%			
Commission (bp)	2.4	4.5	7.5	10.3			
All-in Yield	**4.01%**	**3.61%**	**3.19%**	**2.62%**			

Primary Comparable (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Hydro One (A/A)	136.0	95.0	73.0	50.0			

Other Comparables (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Nova Scotia Power (BBB+ / A(low))	144.0	95.0	78.0	51.0			
EPCOR Utilities (BBB+ / A(low))	135.0	89.0	70.0	53.5			

Bank Name	TD
Date	5/14/2018

Indicative OPG New Issue Spreads	Current				Week over Week							
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year				
Benchmark Canada Bond Maturity	30-Nov-44	31-May-23	28-Feb-19	29-Feb-16	30-Nov-44	31-May-23	28-Feb-19	29-Feb-16	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%
Benchmark Yield	2.45%	2.41%	2.24%	1.98%	0.04%	0.08%	0.08%	0.06%	2.42%	2.33%	2.16%	1.91%
Curve Adjustment (bp)	0	1.0	2.3	2.1	0.0	-0.2	0.4	-0.1	0	1.1	1.9	2.2
Spread to GoC Curve (bp)	153	114	85	52	0	1	0	0	153	113	85	52
Re-Offered Yield	3.98%	3.56%	3.11%	2.52%	0.04%	0.09%	0.09%	0.06%	3.95%	3.47%	3.03%	2.45%
Commission (bp)	2.4	4.5	7.5	10.3	0.0	0.0	0.0	0.0	2.4	4.5	7.4	10.3
All-in Yield	**4.01%**	**3.61%**	**3.19%**	**2.62%**	**0.04%**	**0.09%**	**0.09%**	**0.06%**	**3.97%**	**3.51%**	**3.10%**	**2.56%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A)	136.0	95.0	73.0	50.0	-	1.0	-	2.0	136.0	94.0	73.0	48.0

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+ / A(low))	144.0	95.0	78.0	51.0	-	-	-	-	144.0	95.0	78.0	51.0
EPCOR Utilities (BBB+ / A(low))	135.0	89.0	70.0	53.5	-	-	-	-	135.0	89.0	70.0	53.5

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From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai; irma.mahmood@opg.com
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (05.07.18)
Date:	Monday, May 07, 2018 3:12:25 PM
Attachments:	FHP_TDB_20180507.xlsx FHP_TDB_20180507.pdf

Please find attached updated new issue indications.

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Bank Name	TD Securities
Date	5/7/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.41%	2.40%	2.34%	2.32%	2.17%	2.02%	0.010%	0.015%	0.016%	0.026%	0.031%	0.027%
Curve Adjustment (bp)	0.0	0.4	3.1	1.1	0.0	2.0	-	-	-	-	-	-
Spread to GoC Curve (bp)	**113**	**105**	**95**	**88**	**58**	**43**	-2	-2	-2	-2	-2	-2
Re-Offered Yield	3.54%	3.46%	3.32%	3.21%	2.75%	2.47%	-0.01%	-0.01%	0.00%	0.00%	0.01%	0.01%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.56%**	**3.49%**	**3.36%**	**3.25%**	**2.83%**	**2.55%**	**-0.01%**	**-0.01%**	**0.00%**	**0.00%**	**0.01%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79	73.5	68	46	31	0.0	0.0	0.0	0.0	(1.0)	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPB Finance Trust (AA+/-/AA(H))	113	103	98	88	65	46	-	-	0	-	-	0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	83	68	55	N/A	N/A	N/A	-	2	5
Hydro One Inc. (A/A3/AH)	136	126	102	94	73	60	2	2	-	-	-	0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.41%	2.40%	2.34%	2.32%	2.17%	2.02%	0.010%	0.015%	0.017%	0.026%	0.030%	0.027%
Curve Adjustment (bp)	0.0	0.4	3.0	1.2	0.0	2.0	-	-	-	-	-	-
Spread to GoC Curve (bp)	**143**	**135**	**125**	**118**	**88**	**73**	-2	-2	-2	-2	-2	-2
Re-Offered Yield	3.84%	3.76%	3.62%	3.51%	3.05%	2.77%	-0.01%	-0.01%	0.00%	0.00%	0.01%	0.01%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.86%**	**3.79%**	**3.66%**	**3.55%**	**3.13%**	**2.85%**	**-0.01%**	**-0.01%**	**0.00%**	**0.00%**	**0.01%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79	74	68	46	31	0.0	0.0	0.0	0.0	(1.0)	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	30-Nov-44	31-May-33	31-May-25	31-May-23	31-May-19	28-Feb-17	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.41%	2.40%	2.34%	2.32%	2.17%	2.02%	0.010%	0.015%	0.017%	0.026%	0.029%	0.026%
Curve Adjustment (bp)	0.0	0.4	3.0	1.2	0.0	2.1	-	-	-	-	-	-
Spread to GoC Curve (bp)	**173**	**165**	**155**	**148**	**118**	**103**	-2	-2	-2	-2	-2	-2
Re-Offered Yield	4.14%	4.06%	3.92%	3.81%	3.35%	3.07%	-0.01%	-0.01%	0.00%	0.00%	0.01%	0.01%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**4.16%**	**4.09%**	**3.96%**	**3.85%**	**3.43%**	**3.15%**	**-0.01%**	**-0.01%**	**0.00%**	**0.00%**	**0.01%**	**0.01%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	79	79	74	68	46	31	0.0	0.0	0.0	0.0	(1.0)	0.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Bank Name	TD
Date	5/7/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.41%	2.41%	2.34%	2.32%	2.18%	2.02%
Curve Adjustment (bp)	0	0.4	3.2	1.1	0.0	2.0
Spread to GoC Curve (bp)	**113.0**	**105.0**	**95.0**	**88.0**	**58.0**	**43.0**
Re-Offered Yield	3.54%	3.46%	3.32%	3.21%	2.76%	2.47%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.56%**	**3.49%**	**3.36%**	**3.25%**	**2.83%**	**2.55%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79.0	79.0	73.5	68.0	46.0	31.0

Other Comparables (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
OPB Finance Trust (AA+/-/AA(H))	113.0	103.0	98.0	88.0	65.0	46.0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	83.0	68.0	55.0
Hydro One Inc. (A/A3/AH)	136.0	126.0	102.0	94.0	73.0	60.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.41%	2.41%	2.34%	2.32%	2.18%	2.02%
Curve Adjustment (bp)	0	0.4	3.2	1.1	0.0	2.0
Spread to GoC Curve (bp)	**143.0**	**135.0**	**125.0**	**118.0**	**88.0**	**73.0**
Re-Offered Yield	3.84%	3.76%	3.62%	3.51%	3.06%	2.77%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**3.86%**	**3.79%**	**3.66%**	**3.55%**	**3.13%**	**2.85%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79.0	79.0	73.5	68.0	46.0	31.0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-29	1-Jun-27	1-Jun-23	1-Mar-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%
Benchmark Yield	2.41%	2.41%	2.34%	2.32%	2.18%	2.02%
Curve Adjustment (bp)	0	0.4	3.2	1.1	0.0	2.0
Spread to GoC Curve (bp)	**173.0**	**165.0**	**155.0**	**148.0**	**118.0**	**103.0**
Re-Offered Yield	4.14%	4.06%	3.92%	3.81%	3.36%	3.07%
Commission (bp)	2.4	3.2	3.6	4.5	7.4	8.6
All-in Yield	**4.16%**	**4.09%**	**3.96%**	**3.85%**	**3.43%**	**3.15%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	79.0	79.0	73.5	68.0	46.0	31.0

From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai
Cc:	Scace, Patrick; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian; Laing, Mark
Subject:	Weekly Canadian Indicative New Issue Pricing | Ontario Power Generation (05.07.18)
Date:	Monday, May 07, 2018 2:01:16 PM
Attachments:	OPG 05.07.18.pdf OPG 05.07.18.xlsx

Please find attached updated new issue indications.

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Bank Name	TD
Date	5/7/2018

Indicative OPG New Issue Spreads	Current							
	30-year	10-year	5-year	2-year				
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20				
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%				
Benchmark Yield	2.42%	2.33%	2.16%	1.91%				
Curve Adjustment (bp)	0	1.1	1.9	2.1				
Spread to GoC Curve (bp)	153	113	85	52				
Re-Offered Yield	3.95%	3.47%	3.03%	2.45%				
Commission (bp)	2.4	4.5	7.4	10.3				
All-in Yield	**3.97%**	**3.51%**	**3.10%**	**2.56%**				

Primary Comparable (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Hydro One (A/A)	136.0	94.0	73.0	48.0			

Other Comparables (S&P/Moody's/ DBRS)	Current						
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year			
Nova Scotia Power (BBB+ / A(low))	144.0	95.0	78.0	51.0			
EPCOR Utilities (BBB+ / A(low))	135.0	89.0	70.0	53.5			

Bank Name	TD
Date	5/7/2018

Indicative OPG New Issue Spreads	Current				Week over Week							
	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year				
Benchmark Canada Bond Maturity	30-Nov-44	31-May-23	28-Feb-19	29-Feb-16	30-Nov-44	31-May-23	28-Feb-19	29-Feb-16	1-Dec-48	1-Jun-27	1-Mar-23	1-Mar-20
Benchmark Canada Bond Coupon	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%	2.75%	1.00%	1.75%	1.50%
Benchmark Yield	2.42%	2.33%	2.16%	1.91%	0.03%	0.04%	0.04%	0.04%	2.39%	2.28%	2.12%	1.87%
Curve Adjustment (bp)	0	1.1	1.9	2.2	0.0	-0.4	0.0	-0.1	0	1.6	1.9	2.3
Spread to GoC Curve (bp)	153	113	85	52	2	-1	0	0	151	114	85	52
Re-Offered Yield	3.95%	3.47%	3.03%	2.45%	0.05%	0.03%	0.04%	0.04%	3.90%	3.44%	2.98%	2.41%
Commission (bp)	2.4	4.5	7.4	10.3	0.0	0.0	0.0	0.0	2.4	4.5	7.4	10.3
All-in Yield	**3.97%**	**3.51%**	**3.10%**	**2.56%**	**0.05%**	**0.03%**	**0.04%**	**0.04%**	**3.92%**	**3.48%**	**3.06%**	**2.52%**

Primary Comparable (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Hydro One (A/A)	136.0	94.0	73.0	48.0	2.0	-	-	(5.0)	134.0	94.0	73.0	53.0

Other Comparables (S&P/Moody's/ DBRS)	Current				Week over Week				Current			
Spread to GoC Curve (bp)	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year	30-year	10-year	5-year	2-year
Nova Scotia Power (BBB+ / A(low))	144.0	95.0	78.0	51.0	4.0	-	-	-	140.0	95.0	78.0	51.0
EPCOR Utilities (BBB+ / A(low))	135.0	89.0	70.0	53.5	3.0	-	-	3.0	132.0	89.0	70.0	50.5

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From:	TD DCM
To:	Brett Kichiy; "John Lee"; Linda Smith; Mike Manning; "Sheen Liu"; "Ken Ryfa"; "Janet Hahnparker"; ken.ryfa@opg.com; Kevin Shvarts; Ricky Lai; irma.mahmood@opg.com
Cc:	Scace, Patrick; Laing, Mark; McDonald, Greg; Wolff, Michael; Begg, Graeme; Holloway, Harold; Becker, Andrew; Brennan, Emma; Hynes, Gordon; Pong, Brian
Subject:	Weekly Canadian Indicative New Issue Pricing | Fair Hydro Plan (06.04.18)
Date:	Monday, June 04, 2018 4:34:06 PM
Attachments:	FHP_TDB_20180604.xlsx FHP_TDB_20180604.pdf

Please find attached updated new issue indications.

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Bank Name	TD Securities
Date	6/4/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-24	01-Jun-21	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.31%	2.36%	2.31%	2.28%	2.19%	2.04%	-0.03%	0.00%	-0.01%	-0.02%	0.04%	0.07%
Curve Adjustment (bp)	0.0	0.3	0.0	0.0	0.0	0.1	-	-	-	-	-	-
Spread to GoC Curve (bp)	**110**	**102**	**92**	**85**	**55**	**40**	1	1	1	1	1	1
Re-Offered Yield	3.41%	3.39%	3.23%	3.13%	2.74%	2.44%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Commission (bp)	2.3	3.2	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.44%**	**3.42%**	**3.26%**	**3.17%**	**2.82%**	**2.53%**	**-0.01%**	**0.02%**	**-0.01%**	**-0.02%**	**0.06%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	72	67	44	29	2.0	1.0	2.5	4.0	1.0	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
OPB Finance Trust (AA+/-/AA(H))	112	102	97	89	66	46	2	2	2	4	3	1
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	93	71	59	N/A	N/A	N/A	7	5	5
Hydro One Inc. (A/A3/AH)	138	128	106	98	74	64	5	5	5	5	4	4

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-24	01-Jun-21	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.31%	2.32%	2.31%	2.28%	2.19%	2.04%	-0.03%	-0.04%	-0.01%	-0.02%	0.04%	0.07%
Curve Adjustment (bp)	0.0	0.3	0.0	0.0	0.0	0.1	-	-	-	-	-	-
Spread to GoC Curve (bp)	**140**	**132**	**122**	**115**	**85**	**70**	1	1	1	1	1	1
Re-Offered Yield	3.71%	3.64%	3.53%	3.43%	3.04%	2.74%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**3.74%**	**3.67%**	**3.56%**	**3.47%**	**3.12%**	**2.83%**	**-0.01%**	**-0.03%**	**-0.01%**	**-0.02%**	**0.06%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	72	67	44	29	2.0	1.0	2.5	4.0	1.0	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	**Current**						**Week over Week**					
	30-year	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Benchmark Canada Bond Maturity	01-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	01-Jun-24	01-Jun-21	-	-	-	-	-	-
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	1.00%	1.50%	0.75%	-	-	-	-	-	-
Benchmark Yield	2.31%	2.32%	2.31%	2.28%	2.19%	2.04%	-0.03%	-0.04%	-0.01%	-0.02%	0.04%	0.07%
Curve Adjustment (bp)	0.0	0.3	0.0	0.0	0.0	0.1	-	-	-	-	-	-
Spread to GoC Curve (bp)	**170**	**162**	**152**	**145**	**115**	**100**	1	1	1	1	1	1
Re-Offered Yield	4.01%	3.94%	3.83%	3.73%	3.34%	3.04%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6	-	-	-	-	-	-
All-in Yield	**4.04%**	**3.97%**	**3.86%**	**3.77%**	**3.42%**	**3.13%**	**-0.01%**	**-0.03%**	**-0.01%**	**-0.02%**	**0.06%**	**0.08%**

Primary Comparable (S&P/Moody's/ DBRS)	**Current**											
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
Province of Ontario (AA- / Aa2 / AA(L))	77	77	72	67	44	29	2.0	1.0	2.5	4.0	1.0	1.0

Other Comparables (S&P/Moody's/ DBRS)	**Current**						**Week over Week**					
Spread to GoC Curve (bp)	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**	**30-year**	**20-year**	**15-year**	**10-year**	**5-year**	**3-year**
MBS												
ABS												

Bank Name	TD
Date	6/4/2018

Indicative New Issue Spreads - Senior Notes (AAA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	1-Jun-24	1-Jun-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.50%	3.25%
Benchmark Yield	2.31%	2.32%	2.31%	2.28%	2.19%	2.04%
Curve Adjustment (bp)	0	0.3	0.0	0.0	0.0	0.1
Spread to GoC Curve (bp)	**110.0**	**102.0**	**92.0**	**85.0**	**55.0**	**40.0**
Re-Offered Yield	3.41%	3.34%	3.23%	3.13%	2.74%	2.44%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**3.44%**	**3.37%**	**3.26%**	**3.17%**	**2.82%**	**2.53%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77.0	77.0	72.0	67.0	44.0	29.0

Other Comparables (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
OPB Finance Trust (AA+/-/AA(H))	112.0	102.0	97.0	89.0	66.0	46.0
Covered Bond - Bank (AAA/Aaa/AAA)	N/A	N/A	N/A	93.0	71.0	59.0
Hydro One Inc. (A/A3/AH)	138.0	128.0	106.0	98.0	74.0	64.0

Indicative New Issue Spreads - Sub Notes (AA/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	1-Jun-24	1-Jun-21
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Benchmark Yield	2.31%	2.32%	2.31%	2.28%	2.19%	2.04%
Curve Adjustment (bp)	0	0.3	0.0	0.0	0.0	0.1
Spread to GoC Curve (bp)	**140.0**	**132.0**	**122.0**	**115.0**	**85.0**	**70.0**
Re-Offered Yield	3.71%	3.64%	3.53%	3.43%	3.04%	2.74%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**3.74%**	**3.67%**	**3.56%**	**3.47%**	**3.12%**	**2.83%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77.0	77.0	72.0	67.0	44.0	29.0

Indicative New Issue Spreads - Jr. Sub Notes (A/Aa2)	Current					
	30-year	20-year	15-year	10-year	5-year	3-year
Benchmark Canada Bond Maturity	1-Dec-48	1-Jun-37	1-Jun-33	1-Jun-28	1-Jun-24	1-Jun-21
Benchmark Canada Bond Coupon	2.75%	5.00%	5.75%	2.00%	2.50%	3.25%
Benchmark Yield	2.31%	2.32%	2.31%	2.28%	2.19%	2.04%
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Re-Offered Yield	4.01%	3.94%	3.83%	3.73%	3.34%	3.04%
Commission (bp)	2.3	3.1	3.6	4.5	7.4	8.6
All-in Yield	**4.04%**	**3.97%**	**3.86%**	**3.77%**	**3.42%**	**3.13%**

Primary Comparable (S&P/Moody's/ DBRS)	Current					
Spread to GoC Curve (bp)	30-year	20-year	15-year	10-year	5-year	3-year
Province of Ontario (AA- / Aa2 / AA(L))	77.0	77.0	72.0	67.0	44.0	29.0

From: Burrows, Scott - Debt Capital Markets
To: Burrows, Scott - Debt Capital Markets
Subject: **ANNOUNCED** FAIR HYDRO TRUST
Date: Wednesday, April 18, 2018 2:13:01 PM

CIBC World Markets, Goldman Sachs, and RBC Capital Markets are pleased to announce the 2018-2 debt offering for **Fair Hydro Trust ("FHT" or the "Issuer")**. The proposed senior notes will be offered by way of private placement in Canada.

CIBC is a Joint Lead and Joint Bookrunner on this transaction.

****INDICATIVE DEAL TERMS****

Offering Type: CAD Private
Offered Certificates: Senior Notes
Rating Agencies: DBRS/Moody's (presale reports will be available via Rating Agency websites)

Class Note	Balance	Term*	Subordination	DBRS/Moody's**	Benchmark
Senior Notes	C$●	20	49.00%	AAA(sf)/Aa2(sf)	GOC+
Subordinated Notes	C$●	20	10.00%	AA(sf)/Aa2(sf)	Placed with OPG
Junior Subordinated Notes	C$●	20	0.00%	A(sf)/Aa2(sf)	Placed with OPG

* Years
** Expected Credit Ratings
Expected Pricing: Week of April 16, 2018
Expected Settlement: Week of April 23, 2018

Business of the Issuer: Fair Hydro Trust (the "Issuer"), a special purpose trust established under the laws of the Province of Ontario, and caused to be established by Ontario Power Generation Inc. ("OPG"), as Financial Services Manager, has created a program providing for the offering and issuance of senior notes. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017*; the Province of Ontario announced its Fair Hydro Plan on March 2, 2017, which proposed to lower the average electricity bill for eligible customers by 25%.

Previous Issue: FHT last accessed the Canadian Debt Capital Markets in February 2018 with a 15.25 year $500 million 3.357% Senior Notes offering due May 15, 2033.

Regards,
Scott

Scott Burrows | Managing Director | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.
161 Bay Street, 5th Floor, Toronto, ON, M5J 2S8| Tel: 416 956-3049| Cell: 416 786-4369 | Fax: 416 594-7760 | scott.burrows@cibc.com



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From: Burrows, Scott - Debt Capital Markets
To: Burrows, Scott - Debt Capital Markets
Subject: **BOOKS OPEN** FAIR HYDRO TRUST
Date: Tuesday, February 06, 2018 10:46:54 AM

Following a successful investor roadshow, books are now open for the previously announced **Fair Hydro Trust** debt offering. The offering consists of a minimum $300 million of senior notes that will have room to grow, with an expected term to maturity of 15.25 years. Spread guidance has been set at +95 bps (+/-3 bps) vs. the GoC curve.
Pricing is expected later today. CIBC is Joint Lead and Joint Bookrunner on this transaction.
Details of today's launch are as follows:

****BOOKS OPEN** FAIR HYDRO TRUST**

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due May 15, 2033, Series 2018-1 (the "Series 2018-1 Senior Notes").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	Minimum $300,000,000
Initial % of Aggregate Notes:	51%
Launch Date:	February 6, 2018
Pricing Date:	February 6, 2018
Settlement Date:	February 9, 2018 (T+3)
Term:	15.25 years
Expected Maturity Date:	May 15, 2033
Principal Payment Default Date:	May 15, 2035
Par Call Date:	November 15, 2032
Interest Rate:	●% per annum
Issue Spread:	+95 bps (+/-3 bps) versus Government of Canada curve interpolated between CAN 5.75% due June 1, 2029 and CAN 5.75% due June 1, 2033 +● bps (including a ● bps curve adjustment and +● bps delay adjustment), versus the CAN 5.75% due June 1, 2033 (priced at $● to yield ●%)
Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-1 Senior Notes.
Interest Payment Dates:	May 15 and November 15 or next business day
Use of Proceeds:	The proceeds from the Series 2018-1 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.

Business of the Issuer: Fair Hydro Trust (the "Issuer"), a special purpose trust established under the laws of the Province of Ontario, and caused to be established by Ontario Power Generation Inc. ("OPG"), as Financial Services Manager, has created a program providing for the offering and issuance of senior notes. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017*; the Province of Ontario announced its Fair Hydro Plan on March 2, 2017, which proposed to lower the average electricity bill for eligible customers by 25%.

Regards,
Scott

Scott Burrows | Managing Director | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.
161 Bay Street, 5th Floor, Toronto, ON, M5J 2S8| Tel: 416 956-3049| Cell: 416 786-4369 | Fax: 416 594-7760 | scott.burrows@cibc.com



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From: Burrows, Scott - Debt Capital Markets
To: Burrows, Scott - Debt Capital Markets
Subject: **BOOKS OPEN** FAIR HYDRO TRUST
Date: Thursday, April 19, 2018 9:24:51 AM

Books are now open for the previously announced 2018-2 **Fair Hydro Trust** debt offering. The offering consists of a minimum $300 million of senior notes that will have room to grow, with an expected term to maturity of 20 years. Spread guidance has been set at +110 bps (+/-3 bps) vs. the GoC curve.
Pricing is expected later today. CIBC is Joint Lead, Joint Bookrunner and Structuring Lead on this transaction.
Details of today's launch are as follows:

****BOOKS OPEN** FAIR HYDRO TRUST**

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due May 15, 2038, Series 2018-2 (the "Series 2018-2 Senior Notes").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	Minimum $300,000,000
Initial % of Aggregate Notes:	51%
Launch Date:	April 19, 2018
Pricing Date:	April 19, 2018
Settlement Date:	April 24, 2018 (T+3)
Term:	20 years
Expected Maturity Date:	May 15, 2038
Principal Payment Default Date:	May 15, 2040
Par Call Date:	November 15, 2037
Interest Rate:	●% per annum
Issue Spread:	+110 bps (+/-3 bps) versus Government of Canada curve interpolated between CAN 5% due June 1, 2037 and CAN 4% due June 1, 2041 +● bps (including a ● bps curve adjustment and +● bps delay adjustment), versus the CAN 5% due June 1, 2037 (priced at $● to yield ●%)
Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-2 Senior Notes.
Interest Payment Dates:	May 15 and November 15 or next business day
Use of Proceeds:	The proceeds from the Series 2018-2 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-2 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.

Regards,
Scott

Scott Burrows | Managing Director | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.
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From: Burrows, Scott - Debt Capital Markets
Sent: Wednesday, April 18, 2018 2:13 PM
To: Burrows, Scott - Debt Capital Markets
Subject: **ANNOUNCED** FAIR HYDRO TRUST

CIBC World Markets, Goldman Sachs, and RBC Capital Markets are pleased to announce the 2018-2 debt offering for **Fair Hydro Trust ("FHT" or the "Issuer")**. The proposed senior notes will

be offered by way of private placement in Canada.
CIBC is a Joint Lead and Joint Bookrunner on this transaction.

****INDICATIVE DEAL TERMS****

Offering Type: CAD Private
Offered Certificates: Senior Notes
Rating Agencies: DBRS/Moody's (presale reports will be available via Rating Agency websites)

Class Note	Balance	Term*	Subordination	DBRS/Moody's**	Benchmark
Senior Notes	C$●	20	49.00%	AAA(sf)/Aa2(sf)	GOC+
Subordinated Notes	C$●	20	10.00%	AA(sf)/Aa2(sf)	Placed with OPG
Junior Subordinated Notes	C$●	20	0.00%	A(sf)/Aa2(sf)	Placed with OPG

* Years
** Expected Credit Ratings
Expected Pricing: Week of April 16, 2018
Expected Settlement: Week of April 23, 2018

Business of the Issuer: Fair Hydro Trust (the "Issuer"), a special purpose trust established under the laws of the Province of Ontario, and caused to be established by Ontario Power Generation Inc. ("OPG"), as Financial Services Manager, has created a program providing for the offering and issuance of senior notes. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017*; the Province of Ontario announced its Fair Hydro Plan on March 2, 2017, which proposed to lower the average electricity bill for eligible customers by 25%.

Previous Issue: FHT last accessed the Canadian Debt Capital Markets in February 2018 with a 15.25 year $500 million 3.357% Senior Notes offering due May 15, 2033.

Regards,
Scott

Scott Burrows | Managing Director | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.

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From: Burrows, Scott - Debt Capital Markets
To: Burrows, Scott - Debt Capital Markets
Subject: **NEW ISSUE** FAIR HYDRO TRUST
Date: Tuesday, February 06, 2018 2:04:18 PM

The **Fair Hydro Trust** offering has now priced. The deal was met with strong demand and was upsized to $500 million. The $500 million of senior notes priced at +92 bps vs. the GoC curve, the tight end of spread guidance, for a coupon of 3.357%. The offering was distributed to 36 buyers with average fills in the 10% area.

****NEW ISSUE** FAIR HYDRO TRUST**

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	3.357% Senior Notes due May 15, 2033, Series 2018-1 (the "Series 2018-1 Senior Notes").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	$500,000,000
Initial % of Aggregate Notes:	51%
Launch Date:	February 6, 2018
Pricing Date:	February 6, 2018
Settlement Date:	February 9, 2018 (T+3)
Term:	15.25 years
Expected Maturity Date:	May 15, 2033
Principal Payment Default Date:	May 15, 2035
Par Call Date:	November 15, 2032
Interest Rate:	3.357% per annum
Issue Spread:	+92 bps versus Government of Canada curve interpolated between CAN 5.75% due June 1, 2029 and CAN 5.75% due June 1, 2033 +91.9 bps (including a -0.1 bps curve adjustment), versus the CAN 5.75% due June 1, 2033 (priced at $142.10 to yield 2.438%)
Issue Yield:	3.357%
Issue Price:	$100.003
Interest Payment Dates:	May 15 and November 15 or next business day
Use of Proceeds:	The proceeds from the Series 2018-1 Senior Notes Offering will be used to refinance $500,000,000 of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.

Regards,
Scott

Scott Burrows | Managing Director | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.
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From: Burrows, Scott - Debt Capital Markets
Sent: Tuesday, February 06, 2018 10:47 AM
To: Burrows, Scott - Debt Capital Markets
Subject: **BOOKS OPEN** FAIR HYDRO TRUST

Following a successful investor roadshow, books are now open for the previously announced **Fair Hydro Trust** debt offering. The offering consists of a minimum $300 million of senior notes that will have room to grow, with an expected term to maturity of 15.25 years. Spread guidance has been set at +95 bps (+/-3 bps) vs. the GoC curve.
Pricing is expected later today. CIBC is Joint Lead and Joint Bookrunner on this transaction.
Details of today's launch are as follows:

****BOOKS OPEN** FAIR HYDRO TRUST**

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due May 15, 2033, Series 2018-1 (the "Series 2018-1 Senior Notes").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	Minimum $300,000,000
Initial % of Aggregate Notes:	51%
Launch Date:	February 6, 2018
Pricing Date:	February 6, 2018
Settlement Date:	February 9, 2018 (T+3)
Term:	15.25 years
Expected Maturity Date:	May 15, 2033
Principal Payment Default Date:	May 15, 2035
Par Call Date:	November 15, 2032
Interest Rate:	●% per annum
Issue Spread:	+95 bps (+/-3 bps) versus Government of Canada curve interpolated between CAN 5.75% due June 1, 2029 and CAN 5.75% due June 1, 2033 +● bps (including a ● bps curve adjustment and +● bps delay adjustment), versus the CAN 5.75% due June 1, 2033 (priced at $● to yield ●%)
Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-1 Senior Notes.
Interest Payment Dates:	May 15 and November 15 or next business day
Use of Proceeds:	The proceeds from the Series 2018-1 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-1 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.

Business of the Issuer: Fair Hydro Trust (the "Issuer"), a special purpose trust established under the laws of the Province of Ontario, and caused to be established by Ontario Power Generation Inc.

("OPG"), as Financial Services Manager, has created a program providing for the offering and issuance of senior notes. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017*; the Province of Ontario announced its Fair Hydro Plan on March 2, 2017, which proposed to lower the average electricity bill for eligible customers by 25%.

Regards,

Scott

Scott Burrows | Managing Director | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.

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From: Burrows, Scott - Debt Capital Markets
To: Burrows, Scott - Debt Capital Markets
Subject: **NEW ISSUE** FAIR HYDRO TRUST
Date: Thursday, April 19, 2018 11:49:32 AM

The **Fair Hydro Trust** offering has now been priced. The deal was met with strong demand and was upsized to $400 million. The $400 million of senior notes priced at +107 bps vs. the GoC curve, the tight end of spread guidance, for a coupon of 3.52%. The offering was distributed to 36 buyers with average fills in the 5-10% range.

****NEW ISSUE** FAIR HYDRO TRUST**

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	3.52% Senior Notes due May 15, 2038, Series 2018-2 (the "Series 2018-2 Senior Notes").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	$400,000,000
Initial % of Aggregate Notes:	51%
Launch Date:	April 19, 2018
Pricing Date:	April 19, 2018
Settlement Date:	April 24, 2018 (T+3)
Term:	20 years
Expected Maturity Date:	May 15, 2038
Principal Payment Default Date:	May 15, 2040
Par Call Date:	November 15, 2037
Interest Rate:	3.52% per annum
Issue Spread:	**+**107 bps versus Government of Canada curve interpolated between CAN 5% due June 1, 2037 and CAN 4% due June 1, 2041 +107.6 bps (including a 0.6 bps curve adjustment and +0.0 bps delay adjustment), versus the CAN 5% due June 1, 2037 (priced at $138.83 to yield 2.444%)
Issue Yield:	3.52%
Issue Price:	$100.002
Interest Payment Dates:	May 15 and November 15 or next business day
Use of Proceeds:	The proceeds from the Series 2018-2 Senior Notes Offering will be used to refinance $400,000,000 of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-2 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.

Regards,
Scott

Scott Burrows | Managing Director | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.
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From: Burrows, Scott - Debt Capital Markets
Sent: Thursday, April 19, 2018 9:24 AM
To: Burrows, Scott - Debt Capital Markets
Subject: **BOOKS OPEN** FAIR HYDRO TRUST

Books are now open for the previously announced 2018-2 **Fair Hydro Trust** debt offering. The offering consists of a minimum $300 million of senior notes that will have room to grow, with an expected term to maturity of 20 years. Spread guidance has been set at +110 bps (+/-3 bps) vs. the GoC curve.

Pricing is expected later today. CIBC is Joint Lead, Joint Bookrunner and Structuring Lead on this transaction.

Details of today's launch are as follows:

****BOOKS OPEN** FAIR HYDRO TRUST**

Issuer:	Fair Hydro Trust, a special purpose trust established under the laws of the Province of Ontario.
Issue:	●% Senior Notes due May 15, 2038, Series 2018-2 (the "Series 2018-2 Senior Notes").
Expected Credit Ratings:	DBRS: AAA(sf) Moody's: Aa2(sf)
Principal Amount:	Minimum $300,000,000
Initial % of Aggregate Notes:	51%
Launch Date:	April 19, 2018
Pricing Date:	April 19, 2018
Settlement Date:	April 24, 2018 (T+3)
Term:	20 years
Expected Maturity Date:	May 15, 2038
Principal Payment Default Date:	May 15, 2040
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Interest Rate:	●% per annum
Issue Spread:	+110 bps (+/-3 bps) versus Government of Canada curve interpolated between CAN 5% due June 1, 2037 and CAN 4% due June 1, 2041 +● bps (including a ● bps curve adjustment and +● bps delay adjustment), versus the CAN 5% due June 1, 2037 (priced at $● to yield ●%)
Issue Yield:	●%
Issue Price:	$● per $1,000 principal amount of Series 2018-2 Senior Notes.
Interest Payment Dates:	May 15 and November 15 or next business day
Use of Proceeds:	The proceeds from the Series 2018-2 Senior Notes Offering will be used to refinance $● of indebtedness of the Issuer previously incurred to purchase an Investment Interest from the IESO pursuant to the Master Transfer and Servicing Agreement.
Ranking:	Subject to the applicable payment waterfalls in the Master Trust Indenture, the Series 2018-2 Senior Notes will be direct, secured and unsubordinated obligations of the Issuer, and will at all times rank equally and proportionately with each other and all other Senior Funding Obligations issued by the Issuer from time to time pursuant to the Indenture, without discrimination or preference.

Regards,
Scott

Scott Burrows | Managing Director | Debt Capital Markets | CIBC Capital Markets | CIBC World Markets Inc.

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From: Burrows, Scott - Debt Capital Markets
Sent: Wednesday, April 18, 2018 2:13 PM
To: Burrows, Scott - Debt Capital Markets
Subject: **ANNOUNCED** FAIR HYDRO TRUST

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CIBC is a Joint Lead and Joint Bookrunner on this transaction.

****INDICATIVE DEAL TERMS****

Offering Type: CAD Private
Offered Certificates: Senior Notes
Rating Agencies: DBRS/Moody's (presale reports will be available via Rating Agency websites)

Class Note	Balance	Term*	Subordination	DBRS/Moody's**	Benchmark
Senior Notes	C$●	20	49.00%	AAA(sf)/Aa2(sf)	GOC+
Subordinated Notes	C$●	20	10.00%	AA(sf)/Aa2(sf)	Placed with OPG

Junior Subordinated Notes	C$●	20	0.00%	A(sf)/Aa2(sf)	Placed with OPG

* Years
** Expected Credit Ratings
Expected Pricing: Week of April 16, 2018
Expected Settlement: Week of April 23, 2018

Business of the Issuer: Fair Hydro Trust (the "Issuer"), a special purpose trust established under the laws of the Province of Ontario, and caused to be established by Ontario Power Generation Inc. ("OPG"), as Financial Services Manager, has created a program providing for the offering and issuance of senior notes. The Issuer was established in connection with the *Ontario Fair Hydro Plan Act, 2017*; the Province of Ontario announced its Fair Hydro Plan on March 2, 2017, which proposed to lower the average electricity bill for eligible customers by 25%.

Previous Issue: FHT last accessed the Canadian Debt Capital Markets in February 2018 with a 15.25 year $500 million 3.357% Senior Notes offering due May 15, 2033.

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